

PDS/SE/2020-21/29

06<sup>th</sup> October, 2020

To,

<b>The General Manager,</b> Corporate Service Department BSE Limited P. J Tower, Dalal Street, Fort, Mumbai-400001	<b>The General Manager,</b> Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051.
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Scrip Code/ID: BSE: 538730;

NSE: PDSMFL

**SUB: SUBMISSION OF ANNUAL REPORT UNDER REGULATION 34(1)(A) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

In continuation to our letter dated 01<sup>st</sup> October, 2020, wherein the Company had informed that the 09<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on Wednesday, 28<sup>th</sup> October, 2020 at 11:00 A.M through Video Conference / Other Audio Visual Means, in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

In terms of Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year 2019-20, along with Notice of the AGM. These documents are also being circulated through electronic mode to the eligible Members whose email ID's are registered with the Company/ Depository Participants. The above said Annual Report is also available on the Company's website at [www.pdsmultinational.com](http://www.pdsmultinational.com)

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.

9<sup>TH</sup>  
ANNUAL  
REPORT  
2019 – 2020



PDS



PDS  
MULTINATIONAL  
FASHIONS  
LIMITED



# OUR VALUES

## TRUST, INTEGRITY & ETHICS

We will always conduct ourselves, internally and externally with the highest degree of trust, integrity, and ethics.

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## PEOPLE FIRST

We will foster an engaging environment where our people are valued, treated with respect, empathy and compassion, and where diversity is a priority.

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## ENTREPREURIAL SPIRIT

We will promote an environment where our people are always encouraged to be: innovative, creative, self-driven, and agents of change.

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## TRANSPARENCY, COLLABORATION & TEAMWORK

We will always work in a collaborative manner fostering a “win/win” environment, internally and externally. We will foster open, honest communications where all team members are encouraged to openly share their opinions and views.

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## SOCIAL RESPONSIBILITY

We will always conduct our business in a socially responsible manner working to protect the environment, improve working conditions, and support community involvement.

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## CUSTOMER CENTRICITY

We will continuously engage with our customers to ensure highest quality service is delivered. To deliver right value to our customer we understand our customer needs, learn from their experiences, align our business processes, engage with their leadership teams / buyers and transform PDS culture rightfully to win their loyalty. We will continuously engage with our customers to ensure highest quality service is delivered. To deliver right value to our customers we understand their needs, learn from their experiences, align our business processes, engage with their leadership teams / buyers and transform PDS culture rightfully to win their loyalty.

# Corporate Information

## Board of Directors

Mr. Deepak Seth	-	Chairman
Mr. Pallak Seth	-	Vice-Chairman
Mrs. Payel Seth	-	Director
Dr. Ashutosh Prabhudas Bhupatkar	-	Independent Director
Mr. Ashok Kumar Chhabra	-	Independent Director
Mr. Ashok Kumar Sanghi	-	Independent Director
Ms. Saraswathy Venkateswaran	-	Independent Director (Appointed as Independent director with effect from 14 <sup>th</sup> February, 2020)

## 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 Walker Chandio & Co LLP  
Chartered Accountants  
5th Floor, No. 65/2, Block "A", Bagmane Tridib,  
Bagmane Tech Park, C V Raman Nagar,  
Bengaluru - 560 093, Karnataka, India

## Registered Office:

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

## Bankers

Axis Bank  
HSBC Bank

# Contents

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## Statutory Report & Financial Statement

Notice .....	01
Board's Report .....	08
Corporate Governance .....	33
Business Responsibility Report .....	45
Management Discussion and Analysis .....	50

## Standalone Financials

Independent Auditors' Report .....	54
Balance Sheet .....	59
Statement of Profit & Loss .....	60
Cash Flow Statement .....	62
Notes .....	64

## Consolidated Financials

Independent Auditors' Report .....	94
Consolidated Balance Sheet .....	103
Consolidated Statement of Profit & Loss .....	104
Consolidated Cash Flow Statement .....	107
Notes .....	109

## PDS MULTINATIONAL FASHIONS LIMITED

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

**Tel:** 080-67653000, **Website:** [www.pdsmultinational.com](http://www.pdsmultinational.com); **E-mail:** [investors@pdsmultinational.com](mailto:investors@pdsmultinational.com)

**CIN:** L18101KA2011PLC094125

### NOTICE TO MEMBERS

Notice is hereby given that the 09<sup>th</sup> Annual General Meeting of the Members of PDS Multinational Fashions Limited, will be held on Wednesday 28<sup>th</sup> day of October, 2020 at 11:00 AM through Video Conferencing ("VC") / Other Audio Visual Mean ("OAVM") to transact the following business:

#### 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<sup>st</sup> March, 2020 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<sup>st</sup> March, 2020, the Report of the Board of Directors and the Report of the Auditors thereon for the financial year ended 31<sup>st</sup> March, 2020, placed before the 9<sup>th</sup> 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 31<sup>st</sup> March, 2020 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<sup>st</sup> March, 2020, the Report of the Auditors thereon for the financial year ended 31<sup>st</sup> March, 2020, placed before the 9<sup>th</sup> Annual General Meeting be and are hereby received and adopted."

3. To appoint a director in place of Mrs. Payel Seth (DIN: 00003035), who retires by rotation and being eligible, offers herself for re-appointment and in this connection to consider and if deemed fit, to pass the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mrs. Payel Seth (DIN: 00003035), 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."

#### SPECIAL BUSINESS:

4. Appointment of Ms. Saraswathy Venkateswaran as an Independent Director

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) (including any statutory modification or re-enactment thereof for the time being in force), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other

applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time, Ms. Saraswathy Venkateswaran (DIN: 01778608), who had been appointed by the Board of Directors as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company, approvals and recommendations of the nomination and remuneration committee, and who meets the criteria for being appointed as an Independent Director of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Woman Director, of the Company to hold office for five consecutive years commencing from 14<sup>th</sup> February, 2020 to 13<sup>th</sup> February, 2025, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution".

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

Place: Bengaluru  
Date: 14<sup>th</sup> September, 2020

**B. Chandra Sekhara Reddy**  
(Company Secretary)

#### Notes:

1. The Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts relating to the Special Business to be transacted at the Meeting is annexed hereto as **Annexure I**.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular 20/2020 dated May 5, 2020 read with circulars 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circular through VC



/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. In compliance with the aforesaid Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at [www.pdsmultinational.com](http://www.pdsmultinational.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the website of Linkintime India Private Limited at [www.linkintime.co.in](http://www.linkintime.co.in) respectively. An advertisement in newspaper is being published by the Company containing the details about the AGM i.e. the conduct of the AGM through VC/OAVM, date and time of the AGM, availability of the notice of AGM at the Company's website, manner of registering the email ID's of those shareholders who have not registered their email addresses with the Company / RTA and other matters as may be required.
5. In terms of the provisions of Section 113 of the Act read with the aforesaid MCA Circulars, Institutional / Corporate Shareholders (i.e. other than individuals, HUF, NRI etc.) are entitled to appoint their authorized representatives to attend the AGM through VC/ OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately in this notice). Such Corporate Members are requested to refer 'General Guidelines for Shareholders' provided in the notice, for more information.
6. The Registrar of Companies, Karnataka, vide its Order dated 04<sup>th</sup> September, 2020 has granted extension of Two (2) month for holding Annual General Meeting of the Company for the financial year ended 31<sup>st</sup> March, 2020.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 17<sup>th</sup> day of October, 2020 to 28<sup>th</sup> day of October, 2020 (both days inclusive).
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified carefully.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participant (s). Members holding shares in physical form are requested to submit their PAN details to the Company's share transfer agent Link Intime India Pvt Ltd.
10. The attendance of the Members at the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. The members, seeking any information with regard to the accounts or any matter to be placed at the AGM or having any questions in connection with the matter placed at AGM, are requested to send email to the Company on or before October 23, 2020, on [Investors@pdsmultinational.com](mailto:Investors@pdsmultinational.com). The same will be replied suitably.
12. Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings, brief profile and other details of Directors seeking appointment/re-appointment are provided in this Notice.
13. Those Shareholders whose email IDs are not registered can get their Email ID registered by following procedure as mentioned in this notice.
14. 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.
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form at the earliest.
16. The Company has engaged the services of Link Intime India Pvt Ltd, as authorized agency for conducting the AGM through VC/ OAVM and for providing e-voting facility.
17. Members who wish to inspect statutory registers required to be made available/kept open for inspection at AGM and Relevant documents referred to in this Notice of AGM can send an email to [Investors@pdsmultinational.com](mailto:Investors@pdsmultinational.com).
18. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars etc. from the Company in electronic mode.
19. Since the AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
20. Members holding shares in physical form are requested to forward all applications for shares related correspondence (including intimation for change in address) to the Company's Share Transfer Agent Link Intime India Pvt Ltd. Members holding shares in electronic form are requested to notify change in their address to their Depository Participant.
21. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again at the AGM. The detailed instructions for availing e-voting facility and to participate in the AGM through VC / OAVM are provided in **Annexure II**.
22. **NO GIFT(S) SHALL BE PROVIDED FOR THE ENSUING 9<sup>TH</sup> ANNUAL GENERAL MEETING OF YOUR COMPANY.**
23. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies

(Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company has provided members the facility to exercise their right to vote on resolutions proposed to be considered at the ensuing Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Link Intime India Private Limited (LIPL).

24. The voting period begins on Sunday, 25<sup>th</sup> October, 2020 at 09:00 AM (IST) and ends on Tuesday, 27<sup>th</sup> October, 2020 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 21<sup>st</sup> day of October, 2020, may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter.
25. 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.
26. 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](http://www.pdsmultinational.com) and on the website of LIPL <https://instavote.linkintime.co.in> 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.

## ANNEXURE I TO THE NOTICE

### EXPLANATORY STATEMENT IN RESPECT OF ITEM NUMBER 4 PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

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:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Ms. Saraswathy Venkateswaran (DIN: 01778608), as an Additional Director of the Company and also as an Independent Woman Director, not being liable to retire by rotation, for a term of 5 years i.e. from 14<sup>th</sup> February, 2020 to 13<sup>th</sup> February, 2025, subject to approval of the Members. Pursuant to the provisions of Section

161(1) of the Act, Ms. Saraswathy Venkateswaran, holds office only upto the date of this Annual General Meeting (AGM) and is eligible to be appointed as a Director.

The Company has received declaration from Ms. Saraswathy Venkateswaran, to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act, read with the Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In the opinion of the Board of Directors, Ms. Saraswathy Venkateswaran is independent of management.

#### Brief Profile of Ms. Saraswathy Venkateswaran

When businesses need leadership, it is imperative to spot one both internally and laterally. To find executive level talents who strategize engines of growth and business models for an era, it is paramount to spot the right fit to lead from the front. Ms. Saraswathy Venkateswaran took the audacious task of filling "The Chair", in any business stream with competent visionaries at Executive Boards and Pioneered the same.

Ms. Saraswathy has a Masters in English Literature from the Gujarat University, Ahmedabad. Ms. Saraswathy's formative years (early 20s) were shaped by Management Guru Mr.C.K.Prahalad and the then RBI Governor Dr. Rangarajan at the Indian Institute of Management, Ahmedabad. Her experience of working under scholars of such stature helped her envision a roadmap for her future work, which marked a paradigm shift in Executive Hiring process. 1989 earmarked the beginning of "The Head Hunters", an Executive Search Firm which Ms. Saraswathy floated in Partnership, to define and redefine CEO and Executive Board level placements in the years to follow. After successfully building a green-shoot idea as the afore-mentioned one, into a viable business model, Ms. Saraswathy ended her 17-year tenure to move ahead in forming her own venture "CEO Search India Pvt Ltd". The mission and vision remained unchanged, yet challenged.

It is not by design her new office has women-only occupants. She quickly identified that ability to break the glass ceiling has a process, and began mentoring women to think like leaders and to channel the subliminal leader in every deserving talent. She has placed 720 CEOs in the globalized world across different verticals. Blurring the boundary between an Organization's requirement and an Individual's mettle, is a hallmark of her success story.

Today after being a part of the India Success Story by unearthing business leaders, cutting across various spheres of the society, she also engages with the cultural roots of the country. Her social work with an Indian Corporate funded NGO called Prerana and Veda Paatashaala "Namma Sampradayam", has helped her identify grass-root level talents who can transform to being the leaders of "India of Tomorrow".

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

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

Name of the Director	Mrs. Payel Seth (DIN: 00003035)	Ms. Saraswathy Venkateswaran (DIN : 01778608)*
Age	: 62	67
Qualifications	: Graduated from the Pearl Academy of Fashion in July 1996	Masters in English Literature from the Gujarat University



Name of the Director	Mrs. Payel Seth (DIN: 00003035)	Ms. Saraswathy Venkateswaran (DIN : 01778608)*
Experience (including expertise in specific functional area)/Brief resume	Mrs. Payel Seth is associated with the group as a Promoter Director since incorporation and having rich experience in designing and retailing in Indian and Western Garments, Jewellery and Accessories. She is Entrepreneurial by nature and has utilized her skills in field of Designing, General Management, Sales and Marketing/Business Development and Change Management for development of the organization. Her retail initiative includes the establishment of retail stores in India. She has also been actively involved in the education and Corporate Social Responsibility (CSR) initiatives of the Group.	Ms. Saraswathy's formative years (early 20s) were shaped by Management Guru Mr. C. K. Prahalad and the then RBI Governor Dr. Rangarajan at the Indian Institute of Management, Ahmedabad. Her experience of working under scholars of such stature helped her envision a roadmap for her future work, which marked a paradigm shift in Executive Hiring process. 1989 earmarked the beginning of "The Head Hunters", an Executive Search Firm which Ms. Saraswathy floated in Partnership, to define and redefine CEO and Executive Board level placements in the years to follow. After successfully building a green-shoot idea as the afore-mentioned one, into a viable business model, Ms. Saraswathy moved ahead in forming her own venture "CEO Search India Pvt Ltd". Apart from this, her social work with an Indian Corporate funded NGO called Prerana and Veda Paatashaala "Namma Sampradayam", has helped her identify grass-root level talents who can transform to being the leaders of "India of Tomorrow".
Date of first appointment on the Board	06/04/2011	14/02/2020
Shareholding in the Company as on 31 <sup>st</sup> March, 2020	1,38,75,242	Nil
Inter-se relationships between Directors Key Managerial Personnel	Mr. Deepak Seth (Husband) Mr. Pallak Seth (Son)	None
Directorships held in other Indian Listed entities	None	None
Membership of Committees in other Indian Listed entities, if any	None	None
No. of Board Meetings attended during the Financial year 2019-20	4	Nil

\* Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14<sup>th</sup> February, 2020.

Mrs. Payel Seth (DIN: 00003035), the retiring Director, being eligible, offers herself for re-appointment. The Board of Directors of your Company propose to re-appoint Mrs. Payel Seth as a Director, liable to retire by rotation and therefore the Resolution No. 3 in the notice is recommended for approval of the Shareholders of the Company.

None of the Directors & Key Managerial Personnel, except Mrs. Payel Seth, herself, Mr. Deepak Seth and Mr. Pallak Seth, being relatives, are interested, whether directly or indirectly, in the Resolution No.3.

The Board of Directors of your Company propose to appoint Ms. Saraswathy Venkateswaran (DIN: 01778608), as an Independent Woman Director, not liable to retire by rotation and therefore the Resolution No. 4 in the notice is recommended for approval of the Shareholders of the Company.

None of the Directors & Key Managerial Personnel, except Ms. Saraswathy Venkateswaran, herself, are interested, whether directly or indirectly, in the Resolution No.4.

## **ANNEXURE II TO THE NOTICE**

### **A. Voting through electronic means**

- Remote e-Voting Instructions for shareholders are as under:

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

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:

**User ID:** Enter your User ID

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company

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

**III. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**IV. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in CDSL demat account shall provide either 'C' or 'D', above
- Shareholders/ members holding shares in NSDL demat account shall provide 'D', above
- Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$&\*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

1. Click on 'Login' under 'SHARE HOLDER' tab.
2. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
3. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
4. E-voting page will appear.
5. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
6. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
7. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian

/ Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?' Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.

- In case shareholders/ members are having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$&\*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in> under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

#### V. Other Instructions:

1. Voting at AGM: Only those members, who will be present at the AGM through VC/ OAVM facility and who would not have cast their vote by remote e-voting prior to the AGM and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
2. Mr. R. Hariprasad Reddy, Practicing Company Secretary (Membership No. FCS 8477), has been appointed as a Scrutinizer to scrutinize the remote e-voting process and e-voting at AGM in a fair and transparent manner. The Scrutinizer shall submit his consolidated report to the Chairman within 48 hours from the conclusion of the AGM.
3. The members who have cast their vote by remote e-voting may also attend the AGM through VC/ OAVM but shall not be entitled to cast their vote again.
4. The results declared along with the Scrutinizer's Report shall be communicated to the BSE Limited and National Stock Exchange of India Limited, [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively where the shares of the

company are listed and shall be placed on the Company's website [www.pdsmultinational.com](http://www.pdsmultinational.com) and on the website of LIPL <https://instavote.linkintime.co.in> immediately after the result is declared by the Chairman or any other person authorised by the Chairman.

5. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
6. A person who is not a shareholder as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution(s) is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
7. The voting rights of shareholder shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. October 21, 2020.
8. In case a person has become a shareholder of the Company after sending of AGM Notice but on or before the cut-off date for E-voting i.e., on October 21, 2020, he/ she may obtain the User ID through writing an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.
9. In case the email address is not registered with the Company / Depository Participant, please follow the process of registering the same as mentioned below:

Physical Holding	Send a request to Registrar and Transfer Agents of the Company, Linkintime India Private Limited at <a href="mailto:delhi@linkintime.co.in">delhi@linkintime.co.in</a> giving details of Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN( Self attested scanned copy of PAN Card), AADHAR ( Self attested scanned copy of Aadhar Card) for registering email address. Please send your bank detail with original cancelled cheque to our RTA (i.e. Linkintime India Private Limited, Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 alongwith letter mentioning folio no. if not registered already.)
Demat Holding	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP. Please also update your bank detail with your DP for dividend payment if declared by Company.

## B. Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> Select the "Company" and 'Event Date' and register with your following details: -
  - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID

- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID

- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

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

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

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

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

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

## Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the email id [Investors@pdsmultinational.com](mailto:Investors@pdsmultinational.com)
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

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

## Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on the cutoff date under 'Favour/ Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently

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

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022- 49186175.

#### **Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>  
or
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.

1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

The members can join the AGM in the VC/ OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice in points given below. The facility of participation at the AGM through VC/ OAVM will be made available for 1,000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.

## BOARD'S REPORT

### To the Members,

We have pleasure in presenting Ninth Annual Report of PDS Multinational Fashions Limited (the "Company") together with the audited standalone and consolidated financial statements for the financial year ended March 31, 2020.

### Financial Summary and State of Affairs (₹ in Crore)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Income from operations	6,648.04	6,485.85	41.12	39.21
Other income	26.52	16.12	0.75	0.95
<b>Total income</b>	<b>6,674.56</b>	<b>6,501.98</b>	<b>41.88</b>	<b>40.16</b>
<b>Total expenses</b>	<b>6,563.55</b>	<b>6,432.91</b>	<b>37.70</b>	<b>39.50</b>
<b>Profit before share of loss in associates and joint ventures and exceptional items</b>	<b>111.01</b>	<b>69.07</b>	<b>4.17</b>	<b>0.66</b>
Share of loss from associates/joint ventures	6.90	0.06	-	-
<b>Profit before exceptional items and tax</b>	<b>104.11</b>	<b>69.01</b>	<b>-</b>	<b>-</b>
Exceptional items – refer note 1	13.57	-	-	-
<b>Profit before tax</b>	<b>90.54</b>	<b>69.01</b>	<b>4.17</b>	<b>0.66</b>
Provision for tax	9.46	0.13	1.50	(0.43)
<b>Net Profit for the year</b>	<b>81.08</b>	<b>68.88</b>	<b>2.67</b>	<b>1.09</b>
Other Comprehensive Income/ (loss)	52.65	22.60	(0.05)	-
<b>Total Comprehensive Income</b>	<b>133.72</b>	<b>91.48</b>	<b>2.62</b>	<b>1.09</b>

The above financial summary have been prepared in accordance with the principal and procedures of Indian Accounting Standards ("Ind AS") as specified in Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules 2015 and relevant amendments thereafter.

### Notes:

- During the current year, management has performed the impairment assessment and goodwill pertaining to two subsidiaries amounting to ₹ 13.57 crore have been fully impaired, due to the current situation and business plan or strategy for operations and such impairment has been considered as an exceptional item for the current year.

### Consolidated

On Consolidated basis, the total revenue for Financial Year 2019-20 was at ₹ 6,674.56 Crore as against ₹ 6,501.98 Crore in Financial Year 2018-19 with a Growth of 3% over previous year.

The Profit after Tax in Financial Year 2019-20 was at ₹ 81.08 Crore as compared to ₹ 68.88 Crore in Financial Year 2018-19 with a Growth of 18% over previous year.

### Standalone

On Standalone basis, the total Income for Financial Year 2019-20 was at ₹ 41.88 Crore as against ₹ 40.16 Crore in Financial Year 2018-19 with a Growth of 4% over previous year.

The Profit after Tax in Financial Year 2019-20 was at ₹ 2.67 Crore as compared to ₹ 1.09 Crore in Financial Year 2018-19 with a Growth of 145% 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 31<sup>st</sup> March 2020, 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 31<sup>st</sup> March, 2020 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 2019-20 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 2019-20.

### 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 6 (Six) 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 2019-20 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.

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](http://www.pdsmultinational.com).

Some of the salient features of which are as follows:

1. To regulate the appointment and removal of Director, KMP and Senior Management
2. To fix the Remuneration for the Whole-time Director, KMP and Senior Management Personnel
3. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

During the financial year Company has amended the said policy in its Board meeting held on 14<sup>th</sup> February, 2020, in line with the provisions of the Companies Act, 2013.

**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, 2019-20

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**

During the financial year your Company has appointed Ms. Saraswathy Venkateswaran (DIN: 01778608), as an Additional Director designated as Independent Woman Director for a period of five consecutive years with effect from 14<sup>th</sup> February, 2020 to 13<sup>th</sup> February, 2025 subject to the approval of the shareholders. Hence, there is change in the composition and the Board comprises of Seven (7) Directors including Four (4) Independent Directors and three (3) Non-Executive Directors. During the Financial Year 2019-20, your Board met Six (6) 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.

In the opinion of the Board, the Independent Directors are persons with integrity, expertise and experience in the relevant functional areas. Requirements of online proficiency self-assessment test in terms of Rule 6(4) of The Companies (Appointment and Qualifications of Directors) Rules, 2014 will be complied within the prescribed timeline, if the same is applicable to each of them.

Mrs. Payel Seth (DIN: 00003035), Non-executive Director is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, has offered herself for re-appointment. Your Board recommends her appointment.

During the year, the key managerial personnel of the Company as at 31<sup>st</sup> March, 2020 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**

At the 8<sup>th</sup> Annual general Meeting held on 13<sup>th</sup> November, 2019, the Shareholders have approved the appointment of M/s Walker Chandio & Co LLP, Chartered Accountants (Regn. No. 001076N/ N500013), as Statutory Auditors of the Company until the conclusion of 13<sup>th</sup> Annual General Meeting to be held in the year 2024-25.

Pursuant to recent amendment to Section 139 of the Companies Act, 2013 effective from 7<sup>th</sup> May, 2018, ratification by Shareholders every year for the appointment of Statutory Auditors is no longer required and accordingly the Notice of the 9<sup>th</sup> Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment. Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed there under, the Statutory Auditors have confirmed they are not disqualified from continuing as Auditors of the Company. The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.

## PDS Multinational Fashions Limited

The Auditors' Report for Financial Year 2019-20 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 2019-20, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. During the financial year there was one observation reported in the Secretarial Audit Report about delayed filing of Investor Complaint Statement with NSE for the quarter ending 30<sup>th</sup> September, 2019. The Secretarial Audit Report for the financial year 2019-20 is annexed as 'Annexure-I' 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-II** 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 for Directors and Senior Management Personnel, Policy on materiality of related party transactions and on dealing with related party transactions, 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, Policy on Business Responsibility 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](http://www.pdsmultinational.com) under investor relations. In line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has put in place Insider Trading Code and the Policy on Fair Disclosure of Unpublished Price Sensitive Information.

During the financial year Company has amended the Code of Conduct for Directors and Senior Management Personnel and Policy on materiality of related party transactions and on dealing with related party transactions and adopted the Policy on Business Responsibility in its Board meeting held on 14<sup>th</sup> February, 2020, in line with the provisions of the Companies Act, 2013 and Listing Regulations.

### 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 2019-20.

### 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 2019-20, 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 2019-20.

##### Subsidiaries:

Clover Collections FZCO  
LillyandSid Ltd

##### Associates:

Techno Sourcing BD Limited (earlier known as 'KIK Service Unit Limited)

**Companies which ceased to be subsidiaries/Associate on closure during the financial year 2019-20.**

Parc Designs Private Limited

SACB Holding Limited\*

\*The Company's investee namely SACB has ceased to carry on business as at 31<sup>st</sup> March 2020 and has also proposed to be wound up. As such, the assets and liabilities of SACB has been transferred to Multinational Textile Group Limited.

A statement containing the salient features of the financial statement of our subsidiaries, associates and joint venture companies as per the Companies Act, 2013 in the prescribed Form **AOC-1** is annexed as 'Annexure-III' 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](http://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-IV' to this Report and copy of such annual return is placed at [www.pdsmultinational.com](http://www.pdsmultinational.com).

**EXTENSION OF AGM**

The Registrar of Companies, Karnataka, vide his Order dated 04<sup>th</sup> September, 2020 has granted extension of Two (2) month for holding Annual General Meeting of the Company for the financial year ended 31<sup>st</sup> March, 2020.

**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-V' to this Report.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The statement containing particulars of employees employed throughout the year and in receipt of remuneration of Rs. 1.02 crore or more per annum, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided below:

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
Sunvinder Singh	President	Completed Honors in Systems Management from NIIT, Delhi	47	26	03-Oct-18	1,56,00,000	Permanent	Monsoon Accessorize Pvt Ltd (Urban Craft P Ltd, India Sourcing office)	0	NO

Note: There are No employees employed for part of the year and in receipt of remuneration of ₹ 8.5 lakh or more per month.

**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 2019-20:

Name of Person	Category of Director	Ratio to Median remuneration of employees
Dr. A P Bhupatkar	Independent Director	0.85 : 1
Mr. Ashok Kumar Sanghi	Independent Director	0.85 : 1
Mr. Ashok Kumar. Chhabra	Independent Director	0.85 : 1

**Note:** Except sitting fees paid to the Independent Directors, none of the other directors are drawing remuneration from the Company.

(ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the Financial Year 2019-20 are as under:

(₹ in Lacs)

Sl. No.	Name of Director/KMP and Designation	Remuneration for FY 2019-20	% Increase in remuneration in 2019-20
1.	Mr. Omprakash Makam S. Setty – Chief Executive Officer	81.91	0.00
2.	Mr. Ajai Singh – Chief Financial Officer	203.42	0.00
3.	Mr. B. Chandra Sekhara Reddy – Company Secretary	53.47	6.30%

**(iii) The percentage increase in the median remuneration of employees of the Company for the Financial Year 2019-20**

The median remuneration of the employees in the Financial Year 2019-20 was increased by 13.04% as compared to the financial year 2018-19.

**(iv) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2020.**

There were 149 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2020.

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

The average percentile increase in the Salaries of employees excluding the managerial personnel for Financial Year 2019-20 was 12.30%

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

**(vi) Affirmation that the remuneration is as per the remuneration policy of the Company.**

Remuneration paid during the year ended 31<sup>st</sup> March, 2020 is as per the Remuneration policy of the Company.

**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-VI' to this report.

**BUSINESS RESPONSIBILITY REPORT**

The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, mandates inclusion of the Business Responsibility Report (BRR) as part of the Annual Report for top 1000 listed entities based on market capitalization. In compliance with the Regulations, BRR is presented in a separate section, forming part of the Annual Report. The BRR contains a detailed report on Business Responsibilities vis-à-vis the nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business framed by the Union Ministry of Corporate Affairs.

**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 has continued its initiative with the aim of going green and minimizing our impact on the environment.

Electronic copies of the Annual Report for Financial year 2019-20 along with Notice of the 09<sup>th</sup> Annual General Meeting are sent to all members whose email addresses are registered with the Company/RTA/Depository Participant(s) and also uploaded on the website of the Company i.e., [www.pdsmultinational.com](http://www.pdsmultinational.com). Further, as per General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 issued by Ministry of Corporate Affairs, in view of the prevailing situation of Covid-19, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall be sent only by email to the members and to all other persons so entitled.

**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: Bengaluru  
Date: 10<sup>th</sup> July, 2020



## Annexure-I to the Board's Report

**FORM NO-MR 3**  
**SECRETARIAL AUDIT REPORT**

**For the financial year ended 31<sup>st</sup> March, 2020**

*[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, 2<sup>nd</sup> Floor, 19<sup>th</sup> 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 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020, 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 (Listing Obligation and Disclosure Requirements) Regulations, 2015
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to the extent applicable.
  - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company During the Audit Period)**
  - (g) 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)**
  - (h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company During the Audit Period)**
  - (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company During the Audit Period) and**
  - (j) 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, except one instance of delayed compliance as mentioned below:

Pursuant to Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company had filed the



## PDS Multinational Fashions Limited

Investor Complaint Statement with the BSE Limited for the quarter ending 30<sup>th</sup> September, 2019 within due date. However, inadvertently missed to comply the same with National Stock Exchange of India Ltd (NSE). Subsequently, upon receipt of Notice for Non-Compliance from NSE, Company regularized the above non-compliance by filing the above said statement. Also, as directed by NSE Company has remitted the penalty amount with NSE on the above matter.

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 Four (4) 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.Saraswathy Venkateswaran (DIN: 01778608) was appointed as an Independent Director of the Company effective from February 14, 2020

During the period under review, the members in the Annual General Meeting held on November 13, 2019, have re-appointed Mr. Pallak Seth (DIN:00003040), as director of the Company liable to retire by rotation.

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.

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: Bengaluru**  
**Date: 10<sup>th</sup> July, 2020**

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.

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### **'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: Bengaluru**  
**Date: 10<sup>th</sup> July, 2020**

## Annexure-II to the Board's Report

### INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of PDS Multinational Fashions Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 19<sup>th</sup> June, 2020.
2. We have examined the compliance of conditions of corporate governance by PDS Multinational Fashions Limited ('the Company') for the year ended on 31 March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

#### Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes 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 the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2020.

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.

#### Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No. 001076N/N500013

**Aasheesh Arjun Singh**  
Partner  
Membership No.: 210122  
UDIN: 20210122AAAAABN9747

Bengaluru  
14<sup>th</sup> September, 2020

## Annexure-III to the Board's 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

Sl. No.	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 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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
1	Multinational Textile Group Limited	13.05.2014	NA	USD	16,546.80	7,968.57	30,905.42	6,390.05	198.67	4,201.32	1,973.51	75.95	1,897.56	-	100.00%
2	Technocian Fashions Private Limited	20.03.2019	NA	INR	5.00	87.44	600.94	508.51	-	1,101.78	111.40	28.32	83.07	-	100.00%
3	Norwest Industries Limited	13.05.2014	NA	HKD	3,027.98	44,414.02	102,615.56	55,173.56	5,723.72	48,287.69	10,846.11	83.76	10,762.35	-	100.00%
4	Multinational OSG Services Bangladesh Limited	13.05.2014	NA	BDT	8.90	(129.72)	923.89	1,044.71	-	16.30	(87.54)	4.12	(91.66)	-	97.00%
5	Funky Brands Company Limited (Old Name: Fullhouse Manufacturing Limited)	13.05.2014	NA	HKD	194.60	5.38	377.24	177.26	-	-	(1.41)	-	(1.41)	-	100.00%
6	Techno Design GmbH	14.02.2014	NA	EUR	83.16	(67.47)	3,341.11	3,325.42	-	14,147.88	299.24	36.53	262.71	-	55.00%
7	Blueprint Design Limited	30.06.2016	NA	HKD	7.57	(3,190.54)	756.86	3,939.83	-	5,494.77	(1,174.86)	-	(1,174.86)	-	100.00%
8	PDS Global Investments Limited	21.12.2016	NA	USD	37.70	(4.20)	34.47	0.97	-	-	(0.46)	-	(0.46)	-	100.00%
9	PDS Ventures Limited	03.07.2018	NA	GBP	46.82	(200.18)	592.96	746.33	-	151.48	(71.72)	-	(71.72)	-	100.00%
10	Twins Asia FZCO	17.01.2019	NA	AED	20.52	(38.17)	99.34	116.99	-	201.79	(35.90)	-	(35.90)	840.75	75.00%
11	Design Arc FZCO	17.01.2019	NA	AED	20.52	(195.97)	94.69	270.14	-	-	(184.32)	-	(184.32)	-	75.00%
12	Kleider Sourcing FZCO	17.01.2019	NA	AED	20.52	1,130.98	4,441.63	3,290.13	-	29,985.51	2,734.38	-	2,734.38	264.72	41.00%
13	Spring Near East FZCO	17.01.2019	NA	AED	20.52	(311.92)	270.79	562.19	-	-	(293.38)	-	(293.38)	-	55.00%
14	Techno Sourcing BD Limited	22.10.2019	NA	BDT	85.90	99.43	389.48	204.15	-	374.50	140.19	-	140.19	-	49.00%
15	Clover Collections FZCO	20.02.2020	NA	USD	-	-	-	-	-	-	-	-	-	-	100.00%
16	FX Import Hong Kong Ltd	13.05.2014	NA	HKD	0.97	(121.50)	523.71	644.24	-	2,421.93	(425.51)	-	(425.51)	-	100.00%
17	Techno Design HK Limited	13.05.2014	NA	HKD	75.70	330.05	13,565.60	13,159.85	-	18,458.83	547.09	-	547.09	-	55.00%
18	PG Group Limited	13.05.2014	NA	USD	753.90	989.40	5,860.43	4,117.13	-	13,054.63	573.84	-	573.84	628.83	51.00%
19	Grupo Sourcing Limited	15.03.2016	NA	HKD	75.70	219.15	687.70	402.85	-	2,350.37	113.32	-	113.32	-	99.98%
20	Zamira Fashion Limited	13.05.2014	NA	HKD	189.25	1,291.62	8,539.72	7,058.85	-	35,085.94	208.47	38.67	169.80	-	67.00%
21	Poetigem International Limited	13.05.2014	NA	HKD	32.80	196.66	20,085.51	19,856.05	-	57,178.71	580.29	-	580.29	-	100.00%
22	Simple Approach Limited	13.05.2014	NA	HKD	2,604.06	2,984.41	16,245.85	10,657.38	-	84,144.50	1,310.28	213.96	1,096.31	-	75.00%
23	PDS Asia Star Corporation Limited	13.05.2014	NA	HKD	227.10	2,428.61	12,153.32	9,497.61	-	44,503.25	1,740.86	-	1,740.86	-	60.00%
24	Casa Forma Limited	13.05.2014	NA	GBP	866.08	(835.52)	65.86	35.31	-	116.25	(35.29)	-	(35.29)	-	100.00%
25	Global Textiles Group Limited	13.05.2014	NA	USD	3,006.00	29.26	3,382.68	347.41	-	5,086.73	78.31	-	78.31	-	100.00%
26	Green Apparel Industries Limited	15.03.2016	NA	HKD	151.40	(7,512.75)	20,582.18	27,943.53	-	10,068.86	(1,130.75)	-	(1,130.75)	-	75.00%
27	Progress Manufacturing Group Limited	17.07.2015	NA	HKD	7.57	(3,999.55)	23,119.43	27,111.41	-	16,205.47	(1,282.35)	-	(1,282.35)	-	100.00%
28	Multitech Venture Limited	25.11.2015	NA	USD	753.90	(514.78)	671.16	432.04	-	-	(442.22)	-	(442.22)	-	100.00%
29	360 Notch Limited	31.07.2015	NA	HKD	75.70	(2,385.04)	471.57	2,780.91	-	-	(140.40)	-	(140.40)	-	100.00%
30	Fareast Vogue Limited	13.05.2014	NA	HKD	7.57	(306.11)	423.51	722.05	-	3,973.18	146.59	-	146.59	-	60.00%
31	Sourcing East West Limited	19.01.2018	NA	HKD	75.70	(4.84)	72.41	1.56	-	-	(2.79)	-	(2.79)	-	100.00%

Sl. No.	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 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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
32	Nor Lanka Manufacturing Limited	13.05.2014	NA	HKD	0.97	7,538.61	19,781.19	12,241.61	-	69,184.39	3,392.90	-	3,392.90	-	100.00%
33	Kravens Sourcing Limited	16.12.2014	NA	HKD	7.57	1,695.67	7,613.61	5,910.36	-	17,847.48	1,032.88	-	1,032.88	-	75.00%
34	Design A/c Europe Limited	13.05.2015	NA	HKD	75.70	(1,849.80)	590.87	2,364.97	-	1,388.26	(52.49)	-	(52.49)	-	70.00%
35	Kleider Sourcing Hong Kong Limited	01.10.2018	NA	HKD	7.57	675.34	1,474.03	791.12	-	3,634.29	124.19	15.89	108.30	-	51.00%
36	PDS Far-east Limited	23.08.2016	NA	HKD	0.76	(420.27)	42.91	462.42	-	-	(5.59)	-	(5.59)	-	100.00%
37	Kindred Brands Limited	23.10.2018	NA	HKD	0.76	(11.27)	6.46	16.98	-	-	(1.95)	-	(1.95)	-	60.00%
38	Styleberry Limited	13.09.2016	NA	HKD	7.57	(252.19)	202.34	446.96	-	907.95	(343.02)	-	(343.02)	-	85.00%
39	PDS Far East USA, Inc.	11.07.2017	NA	HKD	37.85	(15.33)	1,460.68	1,438.16	-	5,031.92	16.99	-	16.99	-	100.00%
40	Smart Notch Industrial Limited	28.12.2017	NA	HKD	7.57	(408.64)	1,139.00	1,540.07	-	-	(250.42)	-	(250.42)	-	100.00%
41	Fabric & Trims Limited	28.12.2017	NA	HKD	7.57	(6.07)	2.67	1.17	-	-	(1.80)	-	(1.80)	-	100.00%
42	Jcraft Array Limited	12.04.2018	NA	HKD	37.85	(8.42)	126.76	97.33	-	166.68	(6.56)	-	(6.56)	-	85.00%
43	Rising Asia Star Hong Kong Co., Limited	13.05.2014	NA	HKD	7.57	(1,475.56)	61.25	1,529.24	-	-	1.92	-	1.92	-	100.00%
44	Nor India Manufacturing Company Limited	13.05.2014	NA	HKD	7.57	(8.63)	34.10	35.16	-	-	(33.52)	-	(33.52)	-	100.00%
45	Spring Near East Manufacturing Company Limited	13.05.2014	NA	GBP	126.37	3,103.16	8,105.77	4,876.24	-	48,015.53	762.21	-	762.21	-	65.00%
46	Clover Collections Limited	13.05.2014	NA	HKD	151.40	(1,023.79)	2,008.34	2,880.73	-	15,787.90	1,102.40	-	1,102.40	-	100.00%
47	JJ Star Industrial Limited	01.10.2018	NA	HKD	37.85	1,004.72	5,187.48	4,144.91	-	19,712.46	(319.46)	-	(319.46)	-	57.50%
48	Twins Asia Limited	27.07.2015	NA	HKD	75.70	3,814.40	11,356.83	7,466.73	-	35,143.29	1,620.98	-	1,620.98	-	85.00%
49	Design A/c Asia Limited	27.06.2016	NA	HKD	75.70	2,710.28	13,031.75	10,245.77	-	44,108.57	1,039.20	-	1,039.20	-	85.00%
50	Razantaz Ltd.	13.05.2014	NA	GBP	0.00	3,913.14	4,418.61	505.48	-	-	(23.48)	-	(23.48)	-	100.00%
51	Smart Notch (Shanghai) Limited	20.04.2018	NA	CNY	54.06	(21.15)	80.62	47.71	-	-	(69.10)	0.90	(69.99)	-	100.00%
52	LillyandSid Ltd	10.03.2020	NA	GBP	0.09	588.28	691.41	103.04	-	38.59	(2.50)	(0.88)	(1.62)	-	55.00%
53	Nor Lanka Manufacturing Colombo Limited	13.05.2014	NA	HKD	396.32	(110.46)	4,713.57	4,427.71	-	7,671.76	296.17	40.58	255.59	-	100.00%
54	Nor Europe Manufacturing SL	13.05.2014	NA	EUR	2.49	(89.59)	71.34	158.44	-	-	(61.85)	3.46	(65.30)	-	100.00%
55	Kleider Sourcing Limited, Bangladesh	01.10.2018	NA	BDT	889.11	(200.61)	1,087.74	399.24	-	-	(138.72)	22.74	(161.46)	-	99.97%
56	PG Home Group Limited	13.05.2014	NA	USD	188.48	1,838.56	3,200.81	1,173.78	-	6,498.98	582.93	-	582.93	-	90.00%
57	PG Shanghai Manufacturer Co. Ltd	13.05.2014	NA	CNY	136.26	(73.54)	340.29	277.57	-	-	22.74	-	22.74	-	100.00%
58	Grupo Sourcing Limited, Bangladesh	15.03.2016	NA	BDT	122.53	(179.88)	675.09	732.43	-	4,127.81	(78.64)	30.76	(109.40)	-	99.98%
59	Zamira Denim Lab Limited	24.10.2014	NA	HKD	7.57	(3.37)	18.61	14.41	-	14.25	0.28	-	0.28	-	100.00%
60	Zamira Fashion Limited Zhongshan	26.06.2015	NA	CNY	317.86	(160.44)	198.55	41.14	-	-	(72.35)	-	(72.35)	-	100.00%
61	Kindred Fashion Limited	23.08.2016	NA	USD	0.01	(6.11)	16.89	22.99	-	-	5.74	-	5.74	-	100.00%
62	Simple Approach (Canada) Limited	02.05.2013	NA	CAD	0.06	185.15	403.00	217.80	-	151.92	9.44	(2.91)	12.35	-	100.00%

Sl. No.	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 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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
63	PDS Trading (Shanghai) Company Limited	13.05.2014	NA	CNY	646.76	(319.28)	472.16	142.69	-	-	181.30	1.46	179.84	-	100.00%
64	Poetic Brands Limited	15.01.2015	NA	GBP	46.82	235.12	3,235.68	2,953.74	-	9,233.47	194.02	16.28	177.74	-	60.00%
65	Poetigem Limited	13.05.2014	NA	GBP	46.82	10,438.97	14,238.30	3,752.51	139.75	9,325.14	268.79	132.24	136.55	-	100.00%
66	Design Arc UK Limited	21.10.2016	NA	GBP	46.82	17.21	601.00	536.97	-	2,238.22	120.03	24.78	95.25	-	85.00%
67	FX Import Company Ltd	13.05.2014	NA	GBP	23.59	(525.14)	350.36	851.91	-	115.61	(57.04)	-	(57.04)	-	100.00%
68	Poetic Knitwear Ltd	13.05.2014	NA	GBP	0.09	(660.73)	3.53	664.17	-	-	(1.79)	-	(1.79)	-	100.00%
69	Pacific Logistics Ltd	13.05.2014	NA	GBP	9.36	(374.96)	3.90	369.50	-	-	(5.00)	-	(5.00)	-	100.00%
70	Recovered Clothing Limited	24.07.2018	NA	GBP	46.82	(178.62)	199.09	330.89	-	100.75	(127.51)	-	(127.51)	-	100.00%
71	Green Smart Shirts Limited	04.05.2016	NA	BDT	7,975.62	(3,313.29)	18,708.13	14,045.80	-	11,126.46	(957.11)	63.89	(1,021.00)	-	99.98%
72	Progress Apparels (Bangladesh) Limited	12.07.2015	NA	BDT	1,103.70	(7,509.57)	24,126.07	30,531.94	-	18,419.05	(1,846.34)	43.69	(1,890.03)	-	100.00%
73	PG Home Group SPA	13.05.2014	NA	CLP	3.08	(530.97)	208.13	736.03	-	-	(3.66)	0.99	(2.67)	-	100.00%

\*Investments except investment in Group entities (Subsidiaries / Joint ventures / Associates).

**Notes:**

- Names of subsidiaries which are yet to commence operations  
Clover Collections FZCO
- Investment in Parc Designs Private Limited has been sold during the year as a result of which the holding percentage has reduced to 19% from 51%.
- Details of reporting currency and the rate used in the preparation of consolidated financial statements

Currency	For Conversion Average Rate (in ₹)	Closing Rate (in ₹)
HKD	9.07	9.73
USD	70.88	75.39
GBP	90.11	93.63
AED	19.30	20.52
BDT	0.84	0.89
EUR	78.77	83.16
CNY	9.99	10.81
CAD	50.40	56.67
CLP	0.08	0.10

- Winding up process has been initiated for Norlanka Progress Private Ltd and SACB Holdings Limited.



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

Sl. No.	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
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>			<b>(5)</b>	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>	
	<b>Joint ventures</b>										
1	Redwood Internet Ventures Limited	31.03.2020	09.12.2015	5,000	USD 5000	50.00%	50% joint venture	NA	35.26	(15.31)	-
2	Digital Internet Technologies Limited	31.03.2020	25.02.2016	10,000	USD 10000	100.00%	50% joint venture	NA	513.57	(375.61)	-
3	Digital Ecom Techno Private Limited	31.03.2020	17.06.2016	6,317,990	INR 63,179,900	100.00%	50% joint venture	NA	105.04	(5.82)	-
4	Sourcing Solutions Limited*	31.03.2020	12.03.2015	38,900	HKD 38,900	50.00%	50% joint venture	NA	914.44	(30.55)	-
	<b>Associates</b>										
1	Atterley.com Holdings Limited	31.03.2020	26.09.2018	460,605	GBP 169,128	27.23%	Group holds investment which by share ownership is deemed to be an associate company	NA	1,126.29	(250.77)	-
2	GWD Enterprises Limited	31.03.2020	21.10.2010	100 A shares and 25 B shares	USD 800,070	25.00%		NA	85.00	(12.09)	-

\* Includes Sourcing Solutions BVBA Europe

## Annexure-IV to the Board's Report

### FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March, 2020

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	06 <sup>th</sup> 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, 2 <sup>nd</sup> Floor, 19 <sup>th</sup> Main, Sector-2, HSR Layout, Bangalore-560102 Tel: +91-80-67653000, E-mail: investors@pdsinternational.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, 1 <sup>st</sup> 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	48.40
2	Business support service activities	829	46.00

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of sharehold	Applicable Section
1	Multinational Textile 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 Holding Limited, Mauritius*	NA	Subsidiary	51	2(87)(ii)
12	Multinational OSG Services Bangladesh Private Ltd, Bangladesh	NA	Subsidiary	97	2(87)(ii)
13	Funky Brands Company Limited (Old Name: Fullhouse 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) Company Limited, 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	Subsidiary	45.9	2(87)(i)

\*The Company's investee namely SACB has ceased to carry on business as at 31<sup>st</sup> March, 2020 and has also proposed to be wound up. As such, the assets and liabilities of SACB has been transferred to Multinational Textile Group Limited.

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of sharesheld	Applicable Section
21	PG Shanghai Manufacturer Co. Limited, China	NA	Subsidiary	51	2(87)(ii)
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	Krayons Sourcing Limited, Hong Kong	NA	Subsidiary	75	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 Company Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
33	Spring Near East Manufacturing Company Ltd., Hong Kong	NA	Subsidiary	65	2(87)(ii)
34	Clover Collections Limited, Hong Kong	NA	Subsidiary	100	2(87)(ii)
35	FX Import Company Ltd., 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	Subsidiary	45.9	2(87)(i)
39	Nor Lanka Manufacturing Colombo Limited, Srilanka	NA	Subsidiary	100	2(87)(ii)
40	Nor Europe Manufacturing S.L., 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, 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 (Private) 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	NA	Subsidiary	50.99	2(87)(ii)
55	Fareast Vogue Limited, Hong Kong	NA	Subsidiary	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	Subsidiary	100	2(87)(ii)

## PDS Multinational Fashions Limited

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of sharesheld	Applicable Section
66	Smart Notch (Shanghai) Limited, 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 Fashion 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	51	2(87)(ii)
75	Twins Asia FZCO, Dubai	NA	Subsidiary	75	2(87)(ii)
76	Clover Collections FZCO, Dubai	NA	Subsidiary	100	2(87)(ii)
77	LillyandSid Ltd, UK	NA	Subsidiary	55	2(87)(ii)
78	Techno Sourcing BD Limited, Bangladesh (earlier known as 'KIK Service Unit Limited)	NA	Subsidiary	49	2(87)(i)
79	Digital Ecom Techno Private Limited, India	U52609KA 2016PTC0 94215	Associate	50	2(6)
80	Technocian Fashions Private Limited, India	U18100KA 2019PTC 122540	Subsidiary	55	2(87)(ii)
81	Atterley.com Holdings Limited, UK	NA	Associate	27.03	2(6)
82	GWD Enterprises Limited, UK	NA	Associate	25	2(6)

### 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
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
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%
<b>Sub Total (A) (1)</b>	13,925,314	-	13,925,314	53.46%	13,925,314	-	13,925,314	53.46%	0.00%
<b>(2) Foreign</b>									
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%
<b>Sub Total (A) (2)</b>	3,434,572	-	3,434,572	13.19%	3,434,572	-	3,434,572	13.19%	0.00%
<b>TOTAL (A)</b>	17,359,886	-	17,359,886	66.65%	17,359,886	-	17,359,886	66.65%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	228,464	79	228,543	0.88%	8888	79	8967	0.03%	-0.84%

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	
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FII's	1,006,445	-	1,006,445	3.86%	1065760	0	1065760	4.09%	0.23%
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%
<b>Sub-total (B)(1):-</b>	<b>1,379,909</b>	<b>79</b>	<b>1,379,988</b>	<b>5.30%</b>	<b>1,219,648</b>	<b>79</b>	<b>1,219,727</b>	<b>4.68%</b>	<b>-0.62%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	1,131,154	634	1,131,788	4.35%	1340891	634	1,341,525	5.15%	0.81%
ii) Overseas	-	-	-	0.00%	-	-	-	-	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	-	0.00%
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,466,729	146,504	1,613,233	6.19%	1332312	141093	1473405	5.66%	-0.54%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,526,363	0	3,526,363	13.54%	3828844	0	3828844	14.70%	1.16%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians (Non Repat)	127,644	-	127,644	0.49%	128637	0	128,637	0.49%	0.00%
Non Resident Indians (Repat)	328,993	26387	355,380	1.36%	136281	26387	162,668	0.62%	-0.74%
Clearing Members	61,402	0	61,402	0.24%	1673	0	1,673	0.01%	-0.23%
Trusts	192	-	192	0.00%	192	0	192	0.00%	0.00%
Hindu Undivided Family	490,728	0	490,728	1.88%	530167	0	530,167	2.04%	0.15%
NBFCs registered with RBI	120	-	120	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>7,133,325</b>	<b>173,525</b>	<b>7,306,850</b>	<b>28.05%</b>	<b>7,298,997</b>	<b>168,114</b>	<b>7,467,111</b>	<b>28.67%</b>	<b>0.62%</b>
<b>Total Public (B)</b>	<b>8,513,234</b>	<b>173,604</b>	<b>8,686,838</b>	<b>33.35%</b>	<b>8,518,645</b>	<b>168,193</b>	<b>8,686,838</b>	<b>33.35%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>25,873,120</b>	<b>173,604</b>	<b>26,046,724</b>	<b>100.00%</b>	<b>25,878,531</b>	<b>168,193</b>	<b>26,046,724</b>	<b>100.00%</b>	<b>0.00%</b>

(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%
	<b>Total</b>	<b>17,359,886</b>	<b>66.65%</b>	<b>0.00%</b>	<b>17,359,886</b>	<b>66.65%</b>	<b>0.00%</b>	<b>0.00%</b>

\* 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						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>1,004,715</b>	<b>3.86%</b>	<b>1,004,715</b>	<b>3.86%</b>
	Changes during the year	12-04-2019	Transfer	2670	0.01%	1,007,385	3.87%
		14-06-2019	Transfer	5472	0.02%	1,012,857	3.89%
		21-06-2019	Transfer	24974	0.10%	1,037,831	3.98%
		05-07-2019	Transfer	250000	0.96%	1,287,831	4.94%
		16-08-2019	Transfer	900	0.00%	1,288,731	4.95%
		23-08-2019	Transfer	14	0.00%	1,288,745	4.95%
		30-08-2019	Transfer	1152	0.00%	1,289,897	4.95%
		06-09-2019	Transfer	1096	0.00%	1,290,993	4.96%
		13-09-2019	Transfer	991	0.00%	1,291,984	4.96%
		20-09-2019	Transfer	1334	0.01%	1,293,318	4.97%
		27-09-2019	Transfer	(8975)	-0.03%	1,284,343	4.93%
		30-09-2019	Transfer	262	0.00%	1,284,605	4.93%
		04-10-2019	Transfer	6	0.00%	1,284,611	4.93%
		01-11-2019	Transfer	842	0.00%	1,285,453	4.94%
		22-11-2019	Transfer	14389	0.06%	1,299,842	4.99%
		29-11-2019	Transfer	15	0.00%	1,299,857	4.99%
		06-12-2019	Transfer	2295	0.01%	1,302,152	5.00%
		13-12-2019	Transfer	3447	0.01%	1,305,599	5.01%
		20-12-2019	Transfer	3529	0.01%	1,309,128	5.03%
		27-12-2019	Transfer	1883	0.01%	1,311,011	5.03%

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
		31-12-2019	Transfer	2068	0.01%	1,313,079	5.04%
		03-01-2020	Transfer	4698	0.02%	1,317,777	5.06%
		10-01-2020	Transfer	4686	0.02%	1,322,463	5.08%
		17-01-2020	Transfer	4850	0.02%	1,327,313	5.10%
		24-01-2020	Transfer	11054	0.04%	1,338,367	5.14%
		31-01-2020	Transfer	6855	0.03%	1,345,222	5.16%
		07-02-2020	Transfer	7008	0.03%	1,352,230	5.19%
		21-02-2020	Transfer	1393	0.01%	1,353,623	5.20%
		28-02-2020	Transfer	15146	0.06%	1,368,769	5.26%
		06-03-2020	Transfer	2267	0.01%	1,371,036	5.26%
		13-03-2020	Transfer	1161	0.00%	1,372,197	5.27%
		20-03-2020	Transfer	21900	0.08%	1,394,097	5.35%
		27-03-2020	Transfer	7600	0.03%	1,401,697	5.38%
		31-03-2020	Transfer	117	0.00%	1,401,814	5.38%
	<b>At the end of the year</b>	<b>31.03.2020</b>		-	<b>0.00%</b>	<b>1,401,814</b>	<b>5.38%</b>
2	Mukul Mahavir Agrawal						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>425000</b>	<b>1.63%</b>	<b>425000</b>	<b>1.63%</b>
	Changes during the year	07-01-2019	Transfer	175,000	0.67%	600,000	2.30%
	<b>At the end of the year</b>	<b>31.03.2020</b>		-	<b>0.00%</b>	<b>600,000</b>	<b>2.30%</b>
3	Premier Investment Fund Limited						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>401547</b>	<b>1.54%</b>	<b>401547</b>	<b>1.54%</b>
	Changes during the year	05-07-2019	Transfer	2000	0.01%	403,547	1.55%
		27-09-2019	Transfer	29098	0.11%	432,645	1.66%
		25-10-2019	Transfer	9585	0.04%	442,230	1.70%
		01-11-2019	Transfer	12126	0.05%	454,356	1.74%
		21-02-2020	Transfer	29424	0.11%	483,780	1.86%
		20-03-2020	Transfer	(151)	0.00%	483,629	1.86%
	<b>At the end of the year</b>	<b>31.03.2020</b>		-	<b>0.00%</b>	<b>483,629</b>	<b>1.86%</b>
4	Chetan Dhireshbhai Shah						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>701858</b>	<b>2.69%</b>	<b>701858</b>	<b>2.69%</b>
	Changes during the year	05-04-2019	Transfer	906	0.00%	702,764	2.70%
		12-04-2019	Transfer	1306	0.01%	704,070	2.70%
		19-04-2019	Transfer	40	0.00%	704,110	2.70%
		26-04-2019	Transfer	12	0.00%	704,122	2.70%
		05-07-2019	Transfer	(250000)	-0.96%	454,122	1.74%
		27-09-2019	Transfer	(44970)	-0.17%	409,152	1.57%
		01-11-2019	Transfer	(207)	0.00%	408,945	1.57%
		13-12-2019	Transfer	(16000)	-0.06%	392,945	1.51%
		13-03-2020	Transfer	(30000)	-0.12%	362,945	1.39%
	<b>At the end of the year</b>	<b>31.03.2020</b>		-	<b>0.00%</b>	<b>362,945</b>	<b>1.39%</b>
5	Lts Investment Fund Ltd						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>321,621</b>	<b>1.23%</b>	<b>321,621</b>	<b>1.23%</b>
	Changes during the year				0.00%		0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>		-	<b>0.00%</b>	<b>321,621</b>	<b>1.23%</b>

## PDS Multinational Fashions Limited

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
6	Abir Investments Private Limited						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>268,063</b>	<b>1.03%</b>	<b>268,063</b>	<b>1.03%</b>
	Changes during the year				0.00%		0.00%
	<b>At the end of the year</b>	<b>31.03.2019</b>		<b>-</b>	<b>0.00%</b>	<b>268,063</b>	<b>1.03%</b>
7	Sanblue Corporation Limited						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>224059</b>	<b>0.86%</b>	<b>224059</b>	<b>0.86%</b>
	Changes during the year	05-04-2019	Transfer	1018	0.00%	225,077	0.86%
		12-04-2019	Transfer	1490	0.01%	226,567	0.87%
		19-04-2019	Transfer	483	0.00%	227,050	0.87%
		26-04-2019	Transfer	3381	0.01%	230,431	0.88%
		03-05-2019	Transfer	569	0.00%	231,000	0.89%
		10-05-2019	Transfer	5820	0.02%	236,820	0.91%
		17-05-2019	Transfer	2063	0.01%	238,883	0.92%
		24-05-2019	Transfer	5282	0.02%	244,165	0.94%
		31-05-2019	Transfer	5	0.00%	244,170	0.94%
		19-07-2019	Transfer	(10000)	-0.04%	234,170	0.90%
	<b>At the end of the year</b>	<b>31.03.2020</b>		<b>-</b>	<b>0.00%</b>	<b>234,170</b>	<b>0.90%</b>
8	Abhijit Nimish Vasa						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>212449</b>	<b>0.82%</b>	<b>212449</b>	<b>0.82%</b>
	Changes during the year				0.00%		0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>		<b>-</b>	<b>0.00%</b>	<b>212449</b>	<b>0.82%</b>
9	C Mackertich Private Limited						
	<b>At the beginning of the year</b>	<b>01-04-2019</b>		<b>75,000</b>	<b>0.29%</b>	<b>75,000</b>	<b>0.29%</b>
	Changes during the year	26-04-2019	Transfer	75000	0.29%	150,000	0.58%
		10-05-2019	Transfer	89000	0.34%	239,000	0.92%
		14-06-2019	Transfer	50000	0.19%	289,000	1.11%
		01-11-2019	Transfer	27000	0.10%	316,000	1.21%
		08-11-2019	Transfer	(27000)	-0.10%	289,000	1.11%
		15-11-2019	Transfer	17000	0.07%	306,000	1.17%
		31-01-2020	Transfer	3040	0.01%	309,040	1.19%
		14-02-2020	Transfer	2000	0.01%	311,040	1.19%
		06-03-2020	Transfer	4284	0.02%	315,324	1.21%
		13-03-2020	Transfer	(7500)	-0.03%	307,824	1.18%
		20-03-2020	Transfer	(51157)	-0.20%	256,667	0.99%
		27-03-2020	Transfer	(51165)	-0.20%	205,502	0.79%
	<b>At the end of the year</b>	<b>31-03-2020</b>		<b>-</b>	<b>0.00%</b>	<b>205,502</b>	<b>0.79%</b>
10	Hirzel Capital Master Fund, L.P.						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>205000</b>	<b>0.79%</b>	<b>205000</b>	<b>0.79%</b>
	Changes during the year				0.00%		0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>		<b>-</b>	<b>0.00%</b>	<b>205000</b>	<b>0.79%</b>

Note: 1. The details of holding has been clubbed based on PAN.  
2. Top 10 shareholders as on 31<sup>st</sup> March, 2020 is considered

(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)						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>3,155,734</b>	<b>12.12%</b>	<b>3,155,734</b>	<b>12.12%</b>
	Changes during the year			-	0.00%	-	0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>				<b>3,155,734</b>	<b>12.12%</b>
2	Mr. Pallak Seth (Vice-Chairman)						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>278,838</b>	<b>1.07%</b>	<b>278,838</b>	<b>1.07%</b>
	Changes during the year			-	0.00%	-	0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>				<b>278,838</b>	<b>1.07%</b>
3	Mrs. Payel Seth (Director)						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		<b>13,875,242</b>	<b>53.27%</b>	<b>13,875,242</b>	<b>53.27%</b>
	Changes during the year			-	0.00%	-	0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>				<b>13,875,242</b>	<b>53.27%</b>
4	Dr. A.P. Bhupatkar(Director)						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>		-	0.00%	-	0.00%
5	Mr. Ashok Kr. Sanghi (Director)						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>		-	0.00%	-	0.00%
6	Mr. Ashok Kr. Chhabra(Director)						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>		-	0.00%	-	0.00%
7	Ms. Saraswathy Venkateswaran (Director)*						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>			0.00%		0.00%
	Changes during the year			-	0.00%	-	0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>			0.00%		0.00%
8	Mr. Omprakash Makam S. Setty (Chief Executive Officer)						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>		-	0.00%	-	0.00%
9	Mr. Ajai Singh (Chief Financial Officer)						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>		-	0.00%	-	0.00%
10	Mr. B. Chandra Sekhara Reddy (Company Secretary)						
	<b>At the beginning of the year</b>	<b>01.04.2019</b>		1	0.00%	1	0.00%
	Changes during the year			-	0.00%	-	0.00%
	<b>At the end of the year</b>	<b>31.03.2020</b>		1	0.00%	1	0.00%

\*Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14<sup>th</sup> February, 2020.

## V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	25.87	1,754.09	-	1,779.95
ii) Interest due but not paid	-	37.55	-	37.55
iii) Interest accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	<b>25.87</b>	<b>1,791.64</b>	<b>-</b>	<b>1,817.50</b>
<b>Change in indebtedness during the financial year</b>				
Addition	-	38.49	-	38.49
Reduction	4.60	323.25	-	327.84
<b>Net change</b>	<b>(4.60)</b>	<b>(284.76)</b>	<b>-</b>	<b>(289.36)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	21.27	1,489.71	-	1,510.98
ii) Interest due but not paid	-	17.17	-	17.17
iii) Interest accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	<b>21.27</b>	<b>1,506.88</b>	<b>-</b>	<b>1,528.15</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

**B. Remuneration to other Directors**

S. No.	Particulars of Remuneration	Name of Directors				Total Amount (Amount in ₹)
1	<b>Independent Directors</b>	<b>Dr. A P Bhupatkar</b>	<b>Mr. Ashok Kumar Sanghi</b>	<b>Mr. Ashok Kumar Chhabra</b>	<b>Ms. Saraswathy Venkateswaran*</b>	
	Fee for attending board meetings	600,000.00	600,000.00	600,000.00	-	1,800,000.00
	Commission	-	-	-	-	
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>600,000.00</b>	<b>600,000.00</b>	<b>600,000.00</b>	<b>-</b>	<b>1,800,000.00</b>
2	<b>Other Non-Executive Directors</b>	<b>Mr. Deepak Seth</b>	<b>Mr. Pallak Seth</b>	<b>Mrs. Payel Seth</b>	<b>-</b>	
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>600,000.00</b>	<b>600,000.00</b>	<b>600,000.00</b>	<b>-</b>	<b>1,800,000.00</b>
	Total Managerial Remuneration	1,800,000.00				
	Overall Ceiling as per the Act	Sitting Fees paid is within the limits specified under the Companies Act, 2013				

\*Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14th February, 2020.

**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	(₹)
	Designation	Chief Executive Officer	Chief Financial Officer	Company Secretary	
1	Gross salary	8,191,000	20,342,000	5,347,000	33,880,000
	(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
	<b>Total</b>	<b>8,191,000</b>	<b>20,342,000</b>	<b>5,347,000</b>	<b>33,880,000</b>



**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)
<b>A. COMPANY</b>					
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>B. DIRECTORS</b>					
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>C. OTHER OFFICERS IN DEFAULT</b>					
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-V to the Board's 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)

1. Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of Related Party	Relationship	Nature of Transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Amount (₹ In Lakhs)	Amount paid as advance, if any
Multinational Textiles Group Limited	Subsidiary Company	Sale of Services	Effective from 01-04-2018	Providing various corporate services to MGTL and its subsidiaries	1,990.28	667.81
Design Arc Asia Limited	Step down Subsidiary Company	Sourcing support Services	Effective from 01-04-2019	Providing sourcing support services of Apparel and accessories from India to the overseas group company	1224.88	315.50

**Note:**

In this annexure transactions which are 10% or more of the turnover or ₹ 50 crore gets reported, during the current year on November 18, 2019, the word ₹ 50 crore is omitted, hence only transactions that are 10% or more of turnover alone are getting reported.

## Annexure-VI to the Board's 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 31<sup>st</sup> March, 2020 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	2019-20	2018-19
a)	-	-
b)	-	-
c) Total	Nil	Nil

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

##### Foreign Exchange Earnings

(Amount in ₹/Lakh)

Particulars	2019-20	2018-19
Export of Services - FOB basis	3,884.18	3,844.74
<b>Total</b>	<b>3,884.18</b>	<b>3,844.74</b>

##### Foreign Exchange Outgo

(Amount in ₹/Lakh)

Particulars	2019-20	2018-19
Foreign Travelling	27.26	52.85
<b>Total</b>	<b>27.26</b>	<b>52.85</b>

## 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** Your Company's Board of Directors comprises of an optimum combination of professionals with expertise, diversity and independence. The Board of Directors of your Company comprised as on 31<sup>st</sup> March, 2020 of 7 (Seven) Directors including 2 (Two) Women Non-Executive Directors out of which one is Independent Director, 2 (Two) Non-Executive Directors and 3 (Three) Independent Directors. The composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations as well as the Companies Act, 2013.

**2.2** Your Board had cautiously considered and identified an optimised mix of the Skills, Expertise, Competencies essentially required by the Company in the context of its sector. This was so done to ensure functioning of the business effectively and it has been confirmed that the Board has the required skills defined in the matrix provided below.

These attributes primarily and broadly are:

- Trading
- Manufacturing of all type of garments
- Finance
- Legal
- International Business
- Human Resource

Director	Area of expertise / skills /competence					
	Trading	Manufacturing of all type of garments	Finance	Legal	International Business	Human Resource
Mr. Deepak Seth (DIN: 00003021)	✓	✓	✓	✓	✓	✓
Mr. Pallak Seth (DIN: 00003040)	✓	✓	✓	-	✓	✓
Mrs. Payel Seth (DIN: 00003035)	✓	✓	-	-	✓	-
Dr. A.P. Bhupatkar (DIN: 00479727)	✓	✓	-	-	-	✓
Mr. Ashok Kumar Sanghi (DIN: 00011207)	✓	✓	✓	-	-	-
Mr. Ashok Kumar Chhabra (DIN: 06869497)	-	-	✓	✓	-	-
Ms. Saraswathy Venkateswaran (DIN : 01778608) #	-	-	✓	-	-	✓

# Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14<sup>th</sup> February, 2020.

**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 31<sup>st</sup> March, 2020 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 2019-20 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 31<sup>st</sup> March, 2020 are as under:

**A)** During the Financial Year 2019-20, Six (6) Board Meetings were held on 12<sup>th</sup> April, 2019, 29<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 15<sup>th</sup> October, 2019, 13<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. Attendance of Directors in the Board Meeting and Annual General Meetings are given hereunder:

S. No.	Name of Directors	Attendance		
		Total no. of Meetings held	No. of Meetings attended	Annual General Meeting
1	Mr. Deepak Seth (DIN: 00003021)	6	5	Yes
2	Mr. Pallak Seth (DIN: 00003040)	6	2	No
3	Mrs. Payel Seth (DIN: 00003035)	6	4	No
4	Dr. A.P.Bhupatkar (DIN: 00479727)	6	6	Yes
5	Mr. Ashok Kumar Sanghi (DIN: 00011207)	6	6	Yes
6	Mr. Ashok Kumar Chhabra (DIN: 06869497)	6	6	Yes
7	Ms. Saraswathy Venkateswaran (DIN : 01778608) *	0	0	No

\* Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14<sup>th</sup> February, 2020.

- 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, 2020 including the listed companies are given as under:

Name of Directors	Category	No. of Directorships held in other Indian Companies*	Directorship in other Listed Company & Category of Directorship	No. of Committee Memberships/ Chairmanship held in other Indian Public companies **	
				Member	Chairperson
Mr. Deepak Seth (DIN: 00003021)	Promoter, Non-Executive Director	3	Pearl Global Industries Limited (Category Non-Executive - Non Independent Director)	-	-
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	-	-	-	-
Mr. Ashok Kumar Sanghi (DIN: 00011207)	Non-Executive Independent Director	-	-	-	-
Mr. Ashok Kumar Chhabra (DIN: 06869497)	Non-Executive Independent Director	-	-	-	-
Ms, Saraswathy Venkateswaran (DIN : 01778608)*	Non-Executive Independent Director	-	-	-	-

\*Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14<sup>th</sup> February, 2020.

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

\*\*Includes only Committee Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee

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 31,55,734 equity shares

(12.12%), Mr. Pallak Seth, Vice Chairman holds 2,78,838 equity shares (1.07%) and Mrs. Payel Seth, Director holds 1,38,75,242 equity shares (53.27%) of the Company. No other Director holds any equity share in the Company.

#### **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 Listing Regulations 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 the 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 14<sup>th</sup> February, 2020 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](http://www.pdsmultinational.com).

### **3. COMMITTEES OF THE BOARD**

In compliance with the Listing Regulations 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 the Listing Regulations.

The terms of reference of the Audit Committee includes:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by Management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., Chief Financial Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Committee.

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 31<sup>st</sup> March, 2020, 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 2019-20, Six (6) meetings of the Audit Committee were held on 12<sup>th</sup> April, 2019, 29<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 15<sup>th</sup> October, 2019, 13<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020. The intervening gap between two Meetings did not exceed 120 days.

During the year 2019-20, the members of the Audit Committee and their attendance are as under:

<b>Composition</b>	<b>Total no. of Meetings held</b>	<b>No. of Meetings attended</b>
Dr. A. P. Bhupatkar - Chairman	6	6
Mr. Deepak Seth - Member Director	6	5
Mr. Ashok Kumar Sanghi - Member Director	6	6
Mr. Ashok Kumar Chhabra - Member Director	6	6

### **3.2 NOMINATION AND REMUNERATION COMMITTEE**

The Company has formulated Remuneration Policy for Directors, Key Managerial Personnel and other employees and same is available on Company's website [www.pdsmultinational.com](http://www.pdsmultinational.com). 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:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall carry out evaluation of every directors performance;
- recommend to the Board, all remuneration, in whatever form, payable to senior management. ("senior management" shall comprise all members of management one level below the chief executive officer/ managing director/whole time director/manager and shall specifically include company secretary and chief financial officer.)
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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 31<sup>st</sup> March, 2020, 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 29<sup>th</sup> May, 2019, 13<sup>th</sup> November, 2019 and 14<sup>th</sup> February, 2020 during the Financial Year 2019-20. 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	3	3
Dr. A. P. Bhupatkar - Member Director	3	3
Mr. Ashok Kumar Chhabra - Member Director	3	3

#### REMUNERATION OF DIRECTORS

Details of remuneration paid to all the Directors for the Financial Year 2019-20 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	Ms. Saraswathy Venkateswaran*
Designation	Chairman	Director	Director	Director	Director	Director	Director
Salary	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
Notice Period, Severance fees	Nil	-	Nil	Nil	Nil	Nil	Nil
Stock Options details (if any): Whether issued at discount. Period over which it is accrued and is exercisable	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	-	-	-	6,00,000	6,00,000	6,00,000	-
<b>Total</b>	-	-	-	<b>6,00,000</b>	<b>6,00,000</b>	<b>6,00,000</b>	-

\*Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14<sup>th</sup> February, 2020.

A sitting fee of ₹ 1,00,000/- 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 31<sup>st</sup> March, 2020, 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 <sup>st</sup> April 2019	Complaints received during the year. 1 <sup>st</sup> April 2019 – 31 <sup>st</sup> March 2020	Complaints settled during the year. 1 <sup>st</sup> April 2019 – 31 <sup>st</sup> March 2020	Complaints pending at the ending of the year. 31 <sup>st</sup> March 2020
Nil	Nil	Nil	Nil

## 4. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location
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.
2018-19	13.11.2019	12:30 P.M.	Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru, Karnataka.

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

Financial Year	Particulars of Special Resolution	Date
2018-19	Nil	13 <sup>th</sup> November, 2019
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 <sup>st</sup> September, 2018
2016-17	Nil	27 <sup>th</sup> September, 2017

No Resolution was passed through Postal Ballot during the FY 2019-20.

No Extra Ordinary General Meetings of the members were held during FY 2019-20

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](http://www.pdsmultinational.com).
- 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

- 9<sup>th</sup> Annual General Meeting is scheduled as under :-**  
Date: 28<sup>th</sup> October, 2020 Time: 11:00 A.M.
- Financial year:**  
The financial year covers the period 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020.
- Financial Calendar, 2020-21 (Tentative)**  
First Quarter Results: Second week of September, 2020  
Second Quarter & Half Yearly Results: Second week of November, 2020  
Third Quarter Results: Second week of February, 2021  
Fourth Quarter & Annual Results: Last week of May, 2021
- Date of Book Closure:** , 17<sup>th</sup> October, 2020 to 28<sup>th</sup> October, 2020 (both days inclusive)
- Listing on Stock Exchanges and their Stock Code**  
Name of the Stock Exchanges, wherein shares of the Company are listed and their Stock Code:

Stock Exchange	Stock Code
<b>BSE LIMITED</b> PHIROZE JEEJEEBHOY TOWERS, DALAL STREET, MUMBAI 400 001	538730
<b>NATIONAL STOCK EXCHANGE OF INDIA LTD.</b> "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 2019-20 has been paid to the Stock Exchanges within stipulated time.

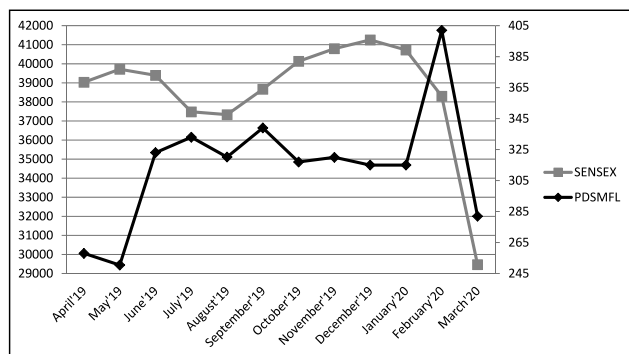
(vi) Market Price Data: High, Low during each month in financial year 2019-20

MONTH(S)	BOMBAY STOCK EXCHANGE Stock Code: 538730		NATIONAL STOCK EXCHANGE Stock Code: PDSMFL	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April'2019	280	248	288	245
May'2019	259	233	260	231
June'2019	329	248.5	348	247
July'2019	395	318	430	316.75
August'2019	345	319	359.9	318.2
September'2019	361.3	318	363.15	303.95
October'2019	342	314	344	310.05
November'2019	333	300	343.25	289.5
December'2019	333	314	340	292.95
January'2020	325	310	332.85	309
February'2020	409	314	416.8	314
March'2020	416	240	416	218.95

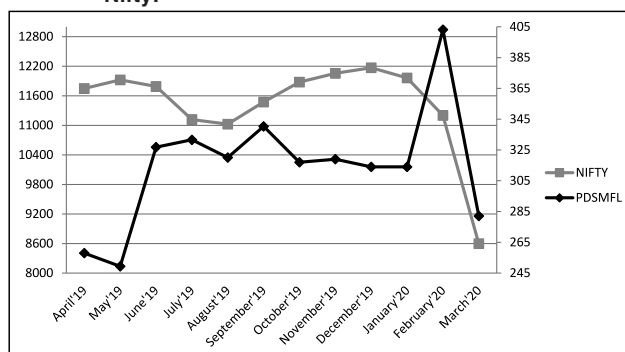
(vii) Share price performance in comparison to BSE Sensex and NSE Nifty at the end of last trading day of each month during the financial year 2019-20:

MONTH(S)	SHARE PRICE COMPARISON			
	PDSMFL (₹)	BSE (Sensex)	PDSMFL (₹)	NSE (Nifty)
April'2019	258	39031.55	258	11748.15
May'2019	250.45	39714.2	249.4	11922.8
June'2019	323.05	39394.64	326.8	11788.85
July'2019	333	37481.12	331.6	11118
August'2019	320.2	37332.79	320.05	11023.25
September'2019	339	38667.33	340.3	11474.45
October'2019	317	40129.05	317	11877.45
November'2019	320	40793.81	319	12056.05
December'2019	315	41253.74	314	12168.45
January'2020	315	40723.49	314	11962.1
February'2020	401.95	38297.29	403.15	11201.75
March'2020	282	29468.49	282.1	8597.75

(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, 1<sup>st</sup> 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@linkintime.co.in](mailto:delhi@linkintime.co.in)

(ix) Share Transfer System

The Company's shares being in compulsory demat form are transferable through the depository system. The Shares in physical form are processed by the Registrar and 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 1<sup>st</sup> 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 31<sup>st</sup> March 2020.

No. of Equity Shares* held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
1 - 500	13202	96.1474	951035	3.6513
501 - 1000	207	1.5075	148481	0.5701
1001 - 2000	140	1.0196	200855	0.7711
2001 - 3000	41	0.2986	102562	0.3938
3001 - 4000	19	0.1384	64856	0.2490
4001 - 5000	15	0.1092	69534	0.2670
5001 - 10000	34	0.2476	247324	0.9495
10001 and above	73	0.5316	24262077	93.1483
<b>Total</b>	<b>13731</b>	<b>100</b>	<b>26046724</b>	<b>100</b>



**(b) Categories of Shareholders as on 31<sup>st</sup> March 2020**

	No. of Folio's	No. of Shares Held*	% to total Shares
<b>PROMOTERS &amp; PROMOTER GROUP</b>			
Indian	4	13875279	53.27
Body Corporate	2	50035	0.19
Foreign	4	3434572	13.19
<b>TOTAL (A)</b>	<b>10</b>	<b>17359886</b>	<b>66.65</b>
<b>PUBLIC</b>			
Alternate Investment Funds	1	145000	0.56
Foreign Portfolio Investors	12	1065760	4.09
Financial Institutions/Banks	4	8967	0.03
NRI's	167	291305	1.12
Bodies Corporate	109	1341525	5.15
Individual	12522	5302249	20.36
Hindu Undivided Family	504	530167	2.04
Trusts	1	192	0.00
Clearing Members	16	1673	0.01
<b>TOTAL (B)</b>	<b>13336</b>	<b>8686838</b>	<b>33.35</b>
<b>TOTAL (A)+(B)</b>	<b>13346</b>	<b>26046724</b>	<b>100</b>

- Equity Share of the face value of Rs.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 31<sup>st</sup> March, 2020, 99.35% of our shares were held in dematerialized form and the rest in physical form.

Shares held in demat and physical modes as on 31<sup>st</sup> March, 2020 are as follows:

Category	Shareholders	Shares	% of total equity
Demat Mode			
NSDL	8153	2,29,23,237	88.00
CDSL	3952	29,55,294	11.35
<b>Total</b>	<b>12,105</b>	<b>2,58,78,531</b>	<b>99.35</b>
Physical Mode	1626	1,68,193	0.65
<b>Grand total</b>	<b>13,731</b>	<b>2,60,46,724</b>	<b>100</b>

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, 2<sup>nd</sup> Floor, 19<sup>th</sup> 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, 2<sup>nd</sup> Floor, 19<sup>th</sup> Main, Sector-2, HSR Layout, Bengaluru-560102, Karnataka.  
Tel. No. : 91 - 080-67653000  
Email : [investors@pds multinational.com](mailto:investors@pds multinational.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 Listing Regulations 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, 2019.	20	504
Number of shareholders who approached to the Issuer / Registrar for transfer of shares from suspense account during the Financial Year 2019-20.	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2019-20	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 31 <sup>st</sup> March, 2020.	20	504

The voting rights on the shares in the suspense account as on 31<sup>st</sup> March, 2020 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](http://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](http://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 2019-20 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. During the financial year 2019-20 there was one instance of delayed-compliance. As required under Regulation 13(3) of the Listing Regulations Company had filed the Investor Complaint Statement with the BSE Limited for the quarter ending 30<sup>th</sup> September, 2019 within due date. However, inadvertently missed to comply the same with National Stock Exchange of India Ltd (NSE). Subsequently, upon receipt of Notice for Non-Compliance from NSE Company regularized the above non-compliance by filing the above said statement. Also, as directed by NSE Company has remitted the penalty amount with NSE on the above matter. Apart from this there are no other non-compliance, penalties, strictures imposed on Company by stock exchange(s) or the board

or any 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 the Listing Regulations.
- e. The Company has also ensured the implementation of non-mandatory items such as:
- Separate post of Chairman and CEO.
  - Unmodified audit opinion/reporting
- f. Policy for determining 'material' subsidiaries is disclosed at Company's website at [www.pdsmultinational.com](http://www.pdsmultinational.com).
- g. Policy on dealing with related party transactions is disclosed at Company's website at [www.pdsmultinational.com](http://www.pdsmultinational.com).
- h. Disclosure of Commodity Price Risk and Commodity Hedging Activities
- Not applicable since no commodity hedging is done.

- i. Details of Utilisation of Fund:

During the year your Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) the Listing Regulations.

- j. As required under the provisions of the Listing Regulations 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 as **Annexure A**.
- k. Where the Board had not accepted any recommendations of any committee of the board which is mandatorily required, in the relevant financial year: None
- l. During the Financial Year 2019-20, till the date of Annual General Meeting (AGM) i.e., 13<sup>th</sup> November, 2019, M/s S.R. Dinodia & Co. LLP, Chartered Accountants were the Statutory Auditors of the Company and Company had paid an aggregate remuneration of Rs. 7.00 Lakhs. In the AGM, M/s Walker Chandiok & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company and Company had paid an aggregate remuneration of Rs. 51.32 Lakhs (including Statutory Audit Fees of Rs. 39.00 Lakhs). Apart from the Company, the Statutory Auditor provided Audit and other services to Technocian Fashions Private Limited, a Subsidiary Company, and the aggregate remunerations paid was Rs. 1.00 Lakhs (including Statutory Audit fees of Rs. 0.75 Lakh).
- m. 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 2019-20, the Company has not received any complaints of alleged sexual harassment.

### 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](http://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. In support of this a separate certificate is annexed to this Report as **Annexure B**.

### CEO/CFO CERTIFICATION

The Chief Executive Officer 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 the Listing Regulations the CEO and CFO certification is annexed to this Report as **Annexure C**.

### NON-COMPLIANCE OF ANY REQUIREMENT OF THE CORPORATE GOVERNANCE REPORT OF SUB- PARAS (2) TO (10) OF PART C OF SCHEDULE V OF LISTING REGULATIONS, WITH REASONS SHALL BE DISCLOSED

The Company has complied with all the requirements of the Corporate Governance report of sub- paras (2) to (10) of part C of Schedule V of the Listing Regulations.

### 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](mailto:info@nsdl.co.in) Website : [www.nsdl.co.in](http://www.nsdl.co.in)

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

Phiroze Jeejeebhoy Towers

28<sup>th</sup> Floor, Dalal Street, Mumbai-400023 Telephone : 022-22723333/3224 Facsimile: 022-22723199

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PDS Multinational Fashions Limited having CIN: L18101KA2011PLC094125 and having registered office at No. 758 & 759, 2nd Floor, 19th Main, HSR Layout, Sector-2, Bangalore-560102, Karnataka (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	DEEPAK SETH	00003021	06/04/2011
2	PAYEL SETH	00003035	06/04/2011
3	PALLAK SETH	00003040	06/04/2011
4	ASHOK KUMAR SANGHI	00011207	26/05/2014
5	ASHUTOSH PRABHUDAS BHUPATKAR	00479727	26/05/2014
6	ASHOK KUMAR CHHABRA	06869497	26/05/2014
7	SARASWATHY VENKATESWARAN	01778608	14/02/2020

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

For RHR & ASSOCIATES

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

Place: Bengaluru  
Date: 24<sup>th</sup> June, 2020

Annexure - B

**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 31<sup>st</sup> March, 2020.

For PDS Multinational Fashions Limited

Place: Bengaluru  
Date: 10<sup>th</sup> July, 2020

Omprakash Makam S. Setty)  
Chief Executive Officer

**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 31<sup>st</sup> March, 2020, 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 that, there were;
- (1) No significant changes in internal control over financial reporting during the period;
  - (2) No significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) No 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.

Place: Bengaluru  
Date: 10<sup>th</sup> July, 2020

(Omprakash Makam S. Setty)  
Chief Executive Officer

(Ajai Singh)  
Chief Financial Officer

**BUSINESS RESPONSIBILITY REPORT****Section A: General Information about the Company**

1. **Corporate Identity Number (CIN) of the Company** : L18101KA2011PLC094125
2. **Name of the Company** : PDS Multinational Fashions Limited
3. **Registered address** : No. 758 & 759, 2<sup>nd</sup> Floor, 19<sup>th</sup> Main, Sector-2, HSR Layout, Bangalore-560102
4. **Website**: www.pdsmultinational.com.
5. **E-mail id**: investors@psdmultinational.com
6. **Financial Year reported** : 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020
7. **Sector(s) that the Company is engaged in (industrial activity code-wise) :**

Industrial activity code	Description
<b>NIC Code : 692</b>	Accounting, book keeping and auditing activities; tax consultancy
<b>NIC Code : 829</b>	Business support service activities
<b>NIC Code : 46</b>	Wholesale trade, except of motor vehicles and motorcycles

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

- Accounting;
- Book keeping and auditing activities;
- Business support service activities;
- Wholesale trade, except of motor vehicles and motorcycles

9. **Total number of locations where business activity is undertaken by the Company**

- i. **Number of International Locations (Provide details of major 5):** Nil
- ii. **Number of National Locations:** Four (4)

10. **Markets served by the Company - Local/State/National/International**

India, Mauritius and Hong Kong

**Section B: Financial Details of the Company**

PDS Multinational Fashions Limited		
	FY 2019-20 Standalone (Rs. in Crore)	FY 2019-20 Consolidated (Rs. in Crore)
<b>1 Paid up capital</b>	26.05	26.05
<b>2 Total Turnover</b>	41.88	6,674.56
(a) Revenue from operations (net of excise duty)	41.12	6648.04
(b) Other income (net)	0.75	26.52
<b>3 Profit for the year (after taxes)</b>	2.67	81.08

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**:

Not Applicable

5. **List of activities in which expenditure in 4 above has been incurred:-** Not Applicable

Sr. No.	Particulars	Amount spent in Rs Crores
	Not Applicable	
	<b>Total</b>	

**Section C: Other Details**

1. **Does the Company have any Subsidiary Company/ Companies?**

Yes.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)?**

No.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?**

No.

## Section D: BR Information

### 1. Details of Director/Directors responsible for BR

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

- DIN Number : 00003021
- Name : Mr. Deepak Seth
- Designation : Chairman & Director

#### b) Details of the BR head

S. No.	Particulars	Details
1.	DIN Number (if applicable)	Not applicable
2.	Name	Mr. Omprakash Makam S. Setty
3.	Designation	Chief Executive Officer
4.	Telephone number	+91-80-67653000
5.	e-mail id	oms@pds multinational.com

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

- P-1 Business should conduct and govern themselves with ethics, transparency and Accountability
- P-2 Business should provide goods and services that are safe and contribute to sustainability through their life cycle
- P-3 Business should promote the wellbeing of all employees
- P-4 Businesses should respect the interest of, and be responsive towards all stakeholders, specially those who are disadvantaged, vulnerable and marginalized
- P-5 Business should respect and promote human rights
- P-6 Business should respect, protect and make efforts to restore the environment
- P-7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P-8 Business should support inclusive growth and equitable development
- P-9 Business should engage with and provide value to their customers and consumers in a responsible manner.

#### (a) Details of Compliance (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y. It has been signed by appropriate Director and placed before the Board.								
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	www.pds multinational.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been communicated to key internal stakeholders. The communication is an ongoing process to cover all the internal and external stakeholders								
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y. Audit Committee of the Board of Directors is responsible for addressing stakeholder concerns related to policies.								
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The policy is evaluated internally. The Internal Auditors of the Company from time to time monitor the implementation of these policies.								



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

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	Not Applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify									

### 3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR performance would be assessed yearly. However there is no fixed term. The Board may review the BR initiatives and other related policies on regular intervals.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report would be published in the Annual Report, which can be viewed on the Company's website [www.pdsmultinational.com](http://www.pdsmultinational.com)

### Section E: Principle-wise performance

#### Principle 1

- Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The company's governance structure guides the organization keeping in mind its core values of Trust, Integrity & Ethics, People First, Entrepreneurial Spirit, Transparency, Collaboration & Teamwork, Social Responsibility and Customer Centricity Commitment.

The Company policies and the Code of Conduct cover the company and its associate companies and are applicable to all its employees.

- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No stakeholder complaints were received during the year on the conduct of the business involving ethics, transparency and accountability

#### Principle 2

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is committed to sustainable development and looks at ways to preserve the environment and manage resources responsibly. The Company understands its obligations relating to social and environmental concerns and risks and opportunities. Accordingly, the company has devised the processes and systems factoring social and environmental concerns.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Not Applicable

- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

- Does the Company have procedures in place for sustainable sourcing (including transportation)?

Not Applicable

- Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Not Applicable.

- Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not Applicable

**Principle 3**

- Total number of employees-** 149 as on 31<sup>st</sup> March, 2020
- Total number of employees hired on temporary/contractual/casual basis-** Nil as on 31<sup>st</sup> March, 2020
- Number of permanent women employees** - 29 as on 31<sup>st</sup> March, 2020
- Number of permanent employees with disabilities** - Nil as on 31<sup>st</sup> March, 2020
- Do you have an employee association that is recognized by management?** - No
- What percentage of your permanent employees is members of this recognized employee association?** NA
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Particulars	Safety training	Skill up-gradation training
Permanent Employees	100%	100%
Permanent Women Employees	100%	100%
Casual/Temporary/Contractual Employees	NA	NA
Employees with Disabilities	NA	NA

**Principle 4**

- Has the Company mapped its internal and external stakeholders? Yes/No**

Yes. The Company has identified its internal as well as external stakeholders

Stakeholders	Medium of Engagements
Government and regulatory authorities	Industry bodies/ forums
Employees	Meetings, e-mail communications, employee survey and trainings
Customers	Customer meets and personal/ telephonic interactions
Investors and shareholders	annual general meeting and annual report
Suppliers	Visits and personal/ telephonic interactions

- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**  
No.
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**  
NA

**Principle 5**

- Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**  
Yes. The policy is applicable to PDS, its subsidiaries and other Joint Ventures.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**  
The Company has not received any complaint regarding violation of human rights.

**Principle 6**

- Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**  
The Company's Policy on Safety, Health and Environment extends to its associate companies.
- Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N.**  
The Company has regularly opted for technology up gradation with the latest technology that reduces energy consumption.

**3. Does the Company identify and assess potential environmental risks? Y/N**

NA

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

No.

**5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N.**

Yes. The Company has taken measure to ensure energy efficiency by replacing 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.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No show cause/ legal notices have been received from CPCB/ SPCB.

**Principle 7**

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is a member of Bangalore Chamber of Industry & Commerce.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No.

**Principle 8**

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

No.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

No

**3. Have you done any impact assessment of your initiative?**

No

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

Nil

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

No

**Principle 9**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

Nil.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

Not applicable.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

No.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

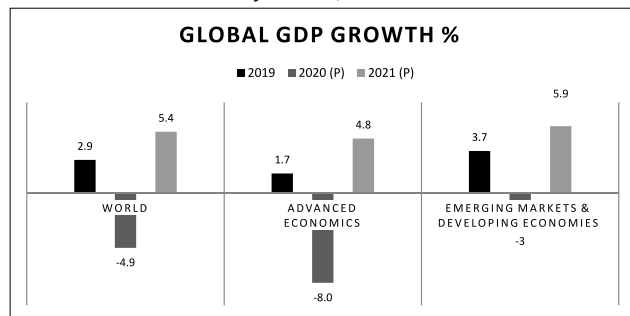
### Global Economy

The global economy witnessed moderate growth in the year 2019, as a result of a slowdown across most advanced economies, emerging markets and developing economies. Increasing trade barriers, rising geo-political tensions and lower industrial output cumulatively impacted growth during the year. Economic activities in the European region deteriorated significantly during the year, with several economies teetering on the brink of recession. IMF estimates that global GDP grew by 2.9% in 2019.

The outbreak of the Covid-19 pandemic had an adverse impact across the global markets, with lockdowns and border closures paralyzing economic activity and laying off millions of workers globally. The economic downturn has further amplified disruptions around the globe. Global trade contracted by a significant margin in the first half of the year, reflecting weak demand, the collapse in cross-border tourism, and supply dislocations related to shutdowns & border controls. IMF expects 2020 global growth to be at negative 4.9% and expects the economy to stabilize with a pick-up from 2021 onwards.

Governments, globally, are announcing package of fiscal, monetary, and structural reforms to support demand and in order to minimize the impact of the pandemic on the financial system. As economic activity normalizes, the efforts taken by countries to contain the pandemic, along with the economic and financial assistance in order of magnitude will remain critical for accelerating growth recovery and improving demand scenario. In 2021, Global growth is set to recover at 5.4%

### Global GDP Growth Projections, %



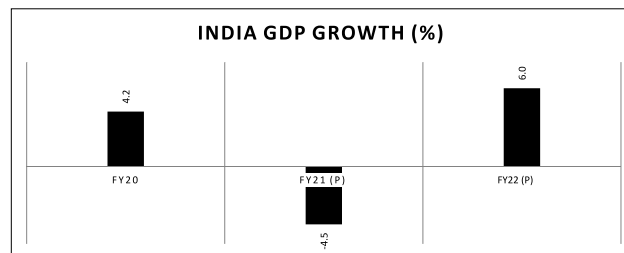
Source: IMF's World Economic Outlook Update, June 2020

### Indian Economy

Over the last few years, India has evolved as one of the world's fastest growing major economies across the globe. In FY19, India registered a GDP growth rate of 6.1%, maintaining the tag of the fastest-growing major economy. However, a slowdown in economic growth in FY20 owing to the deceleration in investment and private consumption due to increased unemployment rates, rural stress, NBFC liquidity issues and slowdown in real estate and auto sectors resulted in a GDP growth rate of 4.2%. The outbreak of the Covid-19 pandemic further impacted GDP performance during the last quarter of the fiscal year.

Amidst a challenging macro-environment, the Government of India undertook several proactive initiatives aimed towards supporting and improving the Indian economy in the face of the ongoing pandemic. In order to minimize the impact of the crisis, the Government of India unveiled a ₹ 20 lakh crore economic stimulus package to benefit the salaried class, MSMEs, farmers, urban poor,

and to provide a reprieve to various sectors of the economy. The total stimulus also includes the measures announced by the Reserve Bank of India and Pradhan Mantri Garib Kalyan Package and is targeted to provide fiscal support, monetary support, ease of doing business, as well as other fundamental reforms. These measures should aim towards cushioning the impact of Covid-19 pandemic on the economy and should enable a steady and sustainable recovery post the containment of the pandemic in India.



Source: IMF's World Economic Outlook Update, June 2020

### Company Performance

In January 2020, the Coronavirus pandemic emerged as a significant new uncertainty and threat to economies and industries, worldwide. Lockdown measures and restrictions on logistics in countries across the globe have severely disrupted movement of goods, supply chain systems and production processes. This, in combination with a freeze on discretionary spending and retail store closures has further impacted consumer demand and sales across the global retail landscape. As per an analysis by McKinsey, revenues for the global fashion industry, which includes the apparel and footwear sectors, is expected to contract by roughly 27 to 30% in 2020 on a year-on-year basis.

The fourth quarter of the year started amidst an extremely challenging operating environment for the Company, with its key markets, particularly the European markets, facing an unprecedented level of disruption due to the Covid-19 pandemic. Lockdown measures across European markets from mid-February onwards severely impacted the Company's business activities. In addition, growing concerns around the spread of Covid-19 followed by lockdowns across Americas and Asia from March onwards further derailed demand and supply chain operations. Despite these unprecedented industry-wide challenges, the Company has reported better-than-anticipated set of results in FY20.

On a consolidated basis, revenue from operations stood steady at ₹ 6,648 crore in FY20, higher by 3% YoY. Income (Gross Margin = Revenue Less COGS) during FY20 stood at ₹ 1,098 crore, recording a healthy growth of 16% YoY. On the profitability front, EBITDA stood at ₹ -192 crore and as a % to income stood at 17%. During the year Company has undertaken several measures to secure its business operations and rationalize operating expenses across its business model. This, along with improved resource utilization has resulted in a steady margin profile. Accordingly, EBITDA margins as a % of income grew by 510 bps during the year. Similarly, PAT stood at ₹ 81 crore, higher by 18% YoY as against ₹ 69 crore in FY19. Leveraging its financial strength, Company was also able to provide for longer payment terms to customers as long as they secured insurance, which helped enhance sales and market share amid a challenging market scenario.

On the operational front, the Company saw a severe impact on its business activities, manufacturing processes and logistics due to the Covid-19-led disruption. Adherence to social distancing norms

and the eventual lockdown in many of the Company's international geographies resulted in minimal sales in the month of February and March, thereby impacting performance in Q4 FY20. However, considering these impacts it is encouraging that the Company has not seen any major impact on existing customer contracts and wins during the period.

On the segmental front, Apparel business amounted to approximately 97% of the total sales and accessories and home furnishing business is at approximately 3%. In terms of geography, turnover of the UK & Europe business amounted to 86% for the year, America at 10% followed by Asia and Middle East at 3% and Australia at 1%, respectively.

The Company saw a strong contribution from repeat customers, thus highlighting upon the Company's well entrenched relations with its Retailers and clients. Despite growing pricing pressures and lower demand environment across key markets of Europe, UK and Asia, new customer additions during the fiscal stood strong at 18.

During the year Company increased its total employee strength and consequently employee cost of by ₹ 56.54 crore. The Company operates Design Hubs in the UK, Europe, Hong Kong, India, Sri Lanka which comprises of highly qualified designers, graphic specialists & product developers.

The Company's core commitment towards Compliance and Ethical Sourcing practices continues to be rock solid. PDS Groups network of factories is audited periodically, thereby ensuring that the highest level of transparency, ethics, and social compliance is followed across the supply chain system.

The Company's vast retail customer base is attended by dedicated teams across an array of operations of Sourcing, Manufacturing and Design & Development to deliver premium quality and confidentiality in services. Further, in order to mitigate the inventory risk associated with the business model, the Company ensures that certain checkpoints are met before commencing production, which essentially includes pre-selling all orders before processing production, securing credit payment terms and partnering with AAA rated customers.

On the balance sheet front, during the year Company streamlined debtors, renegotiated terms of payment with suppliers and maintained a healthy capital structure. The Company continued to enjoy comfortable cash position at ₹ 350 crore as on March 31, 2020. Total debt stood at ₹ 747 crore, with long-term debt at ₹ 5 crore and short-term debt at ₹ 742 crore. The receivables position during the fiscal stood at ₹ 832 crore. Consequently, Net worth increased from ₹ 499 crore in FY19 to ₹ 611 crore in FY20.

Despite the operating constraints, the Company's client base has broadly remained intact. The teams on ground are actively in discussion with all customers to continuously assess and be prepared for any change in the situation and are also undertaking necessary steps to ensure sustained supplies to clients. While the Company is currently witnessing muted demand across its key markets as a result of the ongoing macro-situation, from a longer-term perspective, there should be a gradual and steady bounce-back in the demand environment. These are uncharted times and while the Company does foresee some impact on revenues and profitability until the macro-circumstances normalize, it is undertaking all measures to secure its business operations and overall safeguard the interests of its customers to the best possible extent.

**As an organization, PDS Multinational remains solid, with stable business operations. In light of the Covid-19 Pandemic**

**and disruptions in operating environment, the Company has outlined the following focus areas to minimize the impact of the macro-environment on business operations,**

- **Health & Safety**
  - More than ever, the management's primary focus is towards undertaking all necessary measures to ensure safety and well-being of its employees, business partners, communities and to safeguard the interests of its customers and distributors to the best possible extent
  - In-line with this approach, the Company has implemented stringent safety measures & SOPs through manuals and training across its offices, plants and facilities.
- **Client Engagements**
  - Realigning efforts and resources to ensure solid client engagements
  - Teams are working closely with all business partners and distributors to ensure seamless deliveries and services to clients in these unprecedented times
- **Cost-optimization measures**
  - The Company is undertaking several steps to drive savings in Direct, Indirect and Administrative costs
  - A lean cost structure will further enable to improve margins and cash flows
  - The Company's focus on hiring & retaining top talent continues to ensure the Group hits the ground running as soon as macro-situation normalizes
- **Balance Sheet**
  - The Company is driving efforts towards cash conservation and ensuring accretive Cash Flows through margin improvement, cost reduction, capex rationalization and wastage elimination, thus enabling a Lean and Agile business model to meet 100% all banking commitments and debt obligations, statutory payments and supplier dues.
  - Liquidity and cash flow position of the Group continues to be strong.
- **Safeguarding business operations and ensuring Business Continuity**
  - **Operations:**
    - On the operational front, in compliance with government advisories, the Company temporarily suspended operations at its offices across India and implemented Work from Home from mid-march onwards
    - Similarly, on the international front as applicable in each country, PDS Group's offices in UK, Europe, Americas, Middle East, and Asia were temporarily shut and the Company implemented Work from Home option. In other cases, where employees were working on office premises, the Company deployed safety controls such as daily temperature checks, sanitization, social distancing, use of masks in offices, etc.
    - At PDS Group's manufacturing plants in Bangladesh, operations were temporarily suspended for roughly ~30 days from March 26<sup>th</sup> 2020 onwards. However, pursuant to requisite approvals from the concerned Government



Authorities, manufacturing operations were resumed partially in the month of May 2020, albeit at significantly lower capacities. The Company expects to ramp-up utilization across manufacturing facilities as demand picks up in the coming months

- PDS Group is also exploring new product lines in Personal Protection Equipment (PPE) to widen its existing product portfolio and grow business with new product categories, customer segment and markets
- The Company witnessed disruption across the supply chain due to port closures and restrictions in movement across markets. This, in turn, impacted its supplies during the months of March, April and May.
- However, from July 2020 onwards, there has been a slight recovery in supply chain systems and all our employees and partners are undertaking measures to ensure continuity in operations with minimal disruption

Despite these disorderly and challenging times, the Company remains strong and stable. Company is a reliable partner, in such times, to its customers and continues to work with them to ensure smooth deliveries and supplies. It has taken all requisite initiatives to counter the impact of Covid-19 and is optimistic that with a healthy balance sheet and liquidity position, it is well-placed to tide over these extraordinary circumstances.

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 Saliency**

PDS Multinational Fashions, a leading global strategic manufacturing partner to major brands and retailers has carved a niche for itself in the global market by offering quality products across price points. The Company operated on a global scale covering over 31 offices & 18 countries and has an employee base in excess of 1,800 apart from factory workers. With presence spanning across three decades, the Company has grown leaps and bounds achieving multiple milestones in its journey. Today, the PDS brand is resonated across global markets for its quality product offerings, higher transparency of service and reliability of operations.

#### **Improving contribution from manufacturing arm**

PDS multinational Fashions, transformed into an integrated player following setting up of two manufacturing factories in Bangladesh. In-house manufacturing adds incremental value at each step of the product development cycle and helps address specific requirements of the customer. 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 new markets. In FY20, the revenue contribution from manufacturing business stood at 4.9% as against 3.8% in FY19

#### **Aristocratic management, the driving force behind Company operations**

The Company has a strong and a balanced management team comprising promoter family and senior professionals with vast experience in areas ranging from design, manufacturing, sourcing

and distribution, finance, banking, risk management, IT, HR etc. 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.

#### **Strong sourcing and distribution business**

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 standing with some of the marquee retailers and brands. 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.

#### **Deep Expertise**

As one of the leading and widely chosen global supplier, PDS offers a host of benefits to its clients comprising of high-end retailers and brands. Backed by solid financials, the Company enjoys strong support from its bankers across the geographical areas it functions in. The Company continues to draw steady and unwavering support from its investors, partners, and bankers vindicating their support in Company's executing capabilities.

### **Weaknesses**

#### **Market Presence**

PDS accrues bulk of its business from developed regions of EU & UK. For FY20, 86% of the Company's overall revenues came from these markets. Given that more than 86% 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 has been gradually increasing its presence in untapped markets of US, Australia, Middle East by strengthening its presence and augmenting brand awareness. 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 avoid seasonality impact, company has built expertise to supply products for specific seasons, usage occasions and multiple category of products. Like with any industry player, it is always challenging to correctly estimate and prepare for demand at a specific time of the year and hence there is variation in the performance of the company in first half of the year compared to the second half of the year.

### **Opportunities**

#### **Dynamic consumption patterns**

Consumers taste, preference and pattern vary with time. The market keeps evolving and the Company needs to be in tune with the latest consumer trend. The Company has been successful in 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.



### **Underserved Emerging Markets**

The Emerging economies are expected to maintain its growth momentum if not better it aided to a large extent by improving global environment. While the developed economies may still be bigger in terms of absolute size and number, they are found wanting in terms of growth potential and growth rate. Sensing the next leg of growth phase will emanate from emerging markets, PDS has been proactively working towards augmenting its distribution spread in emerging nations like Brazil, India, Pakistan, Middle Eastern Countries and the LATAM region, which will also improve market share within existing and new customers.

### **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 business environment. At present, the business is functioning in an uncertain and volatile environment characterized by the disruptions caused by the Covid-19 pandemic, 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**

The retail landscape across the globe, even before Covid-19 hit, was facing a slowdown as a result of weakened consumer sentiment and sluggish demand. This situation was then further amplified due

to the disruptions brought in by the proliferation of the Covid-19 pandemic. Across the industry, although manufacturing operations and supply chain activities have partially resumed from June 2020 onwards, broader-level of demand and sales across markets are yet to see a notable revival.

In such times of extreme ambiguity, PDS has made itself agile as an organization to efficiently adapt to any change in the operating environment and consumption patterns. The management has deployed a set of focused agendas to make the Company's operations and value-chain more resilient in these times. Our business partners and employees have also done a remarkable job in efficiently navigating through several operating constraints during this unprecedented period and have thus been able to ensure continuity in business operations with minimal disruption.

Across markets, PDS' client engagements continue to remain solid. The teams are ensuring that there is constant engagement with customers through frequent virtual interactions, thereby maintaining deliveries to existing customers and marking progress against new leads, even in an otherwise tough operating environment. While currently there is a slight uptick coming in from European markets, the Company will continue to monitor these developments closely through the course of fiscal year 2021. From an operating perspective as well, PDS has undertaken many proactive steps to rationalize costs, ensure steady cash flow generation and maintain sufficient liquidity in the system.

Looking ahead, the Company is hopeful that the demand scenario across markets will stabilize in the longer term. There are positive signs emanating as initial levels of activity are returning across US, UK and Europe economies. Once the macro-situation stabilizes, there is a significant opportunity for the Company to grow and we will be taking several steps in reinforcing our competitive advantages, while simultaneously adding substantial value to our resilient business model. The fundamentals of our business remain rock solid and as the operating environment improves, the Company remains optimistic of recording a steady and gradual recovery in operations in the times ahead.

## **Independent Auditor's Report**

**To the Members of PDS Multinational Fashions Limited**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

1. We have audited the accompanying standalone financial statements of PDS Multinational Fashions Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 ('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') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing 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 financial statements under the provisions of the Act and the rules 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.

#### **Key Audit Matters**

4. 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined that there are no key audit matters to communicate in our report.

#### **Information other than the Financial Statements and Auditor's Report thereon**

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the 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.
9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. 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.
13. 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.

**Other Matter**

14. The standalone financial statements of the Company for the year ended 31 March 2019 were audited by the predecessor auditor, S.R. Dinodia & Co. LLP, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 29 May 2019.

**Report on Other Legal and Regulatory Requirements**

15. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure I, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
  - 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 standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 10 July 2020 as per Annexure II expressed unmodified opinion; and
  - 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:

- i. the Company, as detailed in note 41(b) to the standalone financial statements, has disclosed the impact of pending litigation on its financial position as at 31 March 2020;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Aasheesh Arjun Singh**  
Partner  
Membership No.: 210122  
UDIN: 20210122AAAAAR3771

Bengaluru  
10 July 2020

**Annexure I to the Independent Auditor's Report of even date to the members of PDS Multinational Fashions Limited, on the standalone financial statements for the year ended 31 March 2020**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties are held in the name of the Company.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to company covered in the register maintained under Section 189 of the Act and with respect to the same:
  - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
  - (b) the schedule of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular;
  - (c) there is no overdue amount in respect of loans granted to such Company.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments and loan. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 of the Act in respect of loans, guarantees and security and Section 186 of the Act in respect of guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's Services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to any financial institution or government and did not have any outstanding debentures during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments).
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Aasheesh Arjun Singh**  
Partner  
Membership No.: 210122  
UDIN: 20210122AAAAAR3771

Bengaluru  
10 July 2020

**Annexure II to the Independent Auditor's Report of even date to the members of PDS Multinational Fashions Limited on the standalone financial statements for the year ended 31 March 2020**

**Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of PDS Multinational Fashions Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls 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. 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 the Company's business, including adherence to the 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 Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. 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 Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.

5. 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

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

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. 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 controls 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**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls 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.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Aasheesh Arjun Singh**  
Partner  
Membership No.: 210122  
UDIN: 20210122AAAAAR3771

Bengaluru  
10 July 2020



**Balance Sheet as at March 31, 2020**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	4	1,030.31	1,181.10
(b) Investment property	5	2,401.02	2,410.87
(c) Other intangible assets	6	127.33	104.04
(d) Intangible assets under development	7	12.83	8.87
(e) Financial assets			
(i) Investments	8	10,110.00	10,203.25
(ii) Other financial assets	9	-	43.68
(f) Deferred tax assets (net)	22	-	69.24
(g) Non-current tax assets (net)	10	36.40	43.86
(h) Other non-current assets	11	2.12	9.28
<b>Total non-current assets</b>		<b>13,720.01</b>	<b>14,074.19</b>
<b>Current assets</b>			
(a) Financial assets			
(i) Trade receivables	12	79.92	100.51
(ii) Cash and cash equivalents	13	230.82	245.72
(iii) Bank balances other than (ii) above	14	1.15	1.15
(iv) Other financial assets	9	301.10	270.11
(b) Current tax assets (net)	10	22.07	-
(c) Other current assets	11	293.41	105.06
<b>Total current assets</b>		<b>928.47</b>	<b>722.55</b>
<b>Total assets</b>		<b>14,648.48</b>	<b>14,796.74</b>
<b>II. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	15	2,604.67	2,604.67
(b) Other equity	16	8,502.26	8,240.21
<b>Total equity</b>		<b>11,106.93</b>	<b>10,844.88</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	432.18	739.59
(ii) Other financial liabilities	18	80.30	55.13
(b) Provisions	19	143.52	127.66
(c) Deferred tax liabilities (net)	22	78.79	-
(d) Other non-current liabilities	21	12.19	8.57
<b>Total non-current liabilities</b>		<b>746.98</b>	<b>930.95</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	734.00	734.00
(ii) Trade payables	20		
- Total outstanding dues to micro enterprises and small enterprises		3.34	0.96
- Total outstanding dues of creditors other than micro enterprises and small enterprises		259.08	318.29
(iii) Other financial liabilities	18	556.75	343.92
(b) Other current liabilities	21	1,106.49	1,513.91
(c) Provisions	19	134.91	109.83
<b>Total current liabilities</b>		<b>2,794.57</b>	<b>3,020.91</b>
<b>Total equity and liabilities</b>		<b>14,648.48</b>	<b>14,796.74</b>
Summary of significant accounting policies and other explanatory information thereon	3		

The accompanying notes form an integral part of these standalone financial statements  
As per our Report of even date attached

**For Walker Chandio & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 001076N/N500013

**Aasheesh Arjun Singh**  
Partner  
Membership Number: 210122

**Omprakash Makam S. Setty**  
Chief Executive Officer

Bengaluru  
July 10, 2020

Bengaluru  
July 10, 2020

**For and 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 Profit and Loss for the Year Ended March 31, 2020**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	Year ended March 31, 2020	Year ended March 31, 2019
<b>I</b> Revenue from operations	23	4,112.43	3,920.83
<b>II</b> Other income	24	75.14	95.37
<b>III Total income (I+II)</b>		<b>4,187.57</b>	<b>4,016.20</b>
<b>IV Expenses</b>			
(a) Purchases of stock-in-trade	25	-	29.87
(b) Employee benefits expense	26	2,255.68	2,312.74
(c) Finance costs	27	174.44	197.05
(d) Depreciation and amortization expense	28	253.98	254.13
(e) Other expenses	29	1,086.12	1,156.63
<b>Total expenses</b>		<b>3,770.22</b>	<b>3,950.42</b>
<b>V Profit before tax (III-IV)</b>		<b>417.35</b>	<b>65.78</b>
<b>VI Tax expense:</b>	31		
(a) Current tax		-	12.68
(b) Deferred tax charge/(credit)		149.85	(55.98)
<b>Total tax expense</b>		<b>149.85</b>	<b>(43.30)</b>
<b>VII Profit for the year (V-VI)</b>		<b>267.50</b>	<b>109.08</b>
<b>VIII Other comprehensive income</b>			
<b>(A)</b> (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement (losses) on defined benefit plans		(7.28)	(0.36)
(ii) Income tax on items that will not be reclassified to profit or loss		1.83	0.09
<b>(B)</b> (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax on items that will be reclassified to profit or loss		-	-
<b>Other comprehensive (loss) for the year, net of tax</b>		<b>(5.45)</b>	<b>(0.27)</b>
<b>IX Total comprehensive income for the year(VII + VIII)</b>		<b>262.05</b>	<b>108.81</b>
<b>X Earnings per share: (face value of ₹ 10 per share)</b>	30		
1) Basic (amount in ₹)		1.03	0.42
2) Diluted (amount in ₹)		1.03	0.42
Summary of significant accounting policies and other explanatory information thereon	3		

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

**For Walker Chandio & Co. LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

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

**Aasheesh Arjun Singh**

Partner

Membership Number: 210122

**Payel Seth**

Director

DIN: 00003035

**Deepak Seth**

Director

DIN: 00003021

**Omprakash Makam S. Setty**

Chief Executive Officer

**Ajai Singh**

Chief Financial Officer

**B. Chandra Sekhara Reddy**

Company Secretary

M. No. A14609

Bengaluru  
July 10, 2020

Bengaluru  
July 10, 2020

## Statement of changes in equity for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital		Amount
Balance as at March 31, 2018		2,604.67
Changes during the year		-
Balance as at March 31, 2019		2,604.67
Changes during the year		-
Balance as at March 31, 2020		2,604.67

B. Other Equity			
	Reserve & Surplus		Total equity
	Capital Reserve	Retained Earnings	
Balance as at March 31, 2018	8,078.07	53.33	8,131.40
Profit for the year	-	109.08	109.08
Other comprehensive loss, net of income tax	-	(0.27)	(0.27)
Balance as at March 31, 2019	8,078.07	162.14	8,240.21
Profit for the year	-	267.50	267.50
Other comprehensive loss, net of income tax	-	(5.45)	(5.45)
Balance as at March 31, 2020	8,078.07	424.19	8,502.26

Summary of significant accounting policies

3

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

**For Walker Chandiok & Co. LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

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

**Aasheesh Arjun Singh**

Partner

Membership Number: 210122

**Payel Seth**

Director

DIN: 00003035

**Deepak Seth**

Director

DIN: 00003021

**Omprakash Makam S. Setty**

Chief Executive Officer

**Ajai Singh**

Chief Financial Officer

**B. Chandra Sekhara Reddy**

Company Secretary

M. No. A14609

Bengaluru  
July 10, 2020

Bengaluru  
July 10, 2020

## Statement of Cash Flow for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	417.35	65.78
<b>Adjustments for:</b>		
Depreciation and amortization expense	253.98	254.13
Finance costs	174.44	213.97
Loss on sale of property, plant and equipment	4.95	0.49
Unrealised foreign exchange fluctuation	-	0.86
Interest income	(24.67)	(35.94)
Bad debts written off	0.29	41.34
Sundry balances written back	(0.55)	(54.84)
<b>Operating profit before change in working capital</b>	<b>825.79</b>	<b>485.79</b>
<b>Movement in working capital:</b>		
Change in trade payables and other current liabilities	(460.62)	909.12
Change in other current financial liabilities	192.54	(45.01)
Change in other long term liabilities	-	5.45
Change in other non-current financial liabilities	25.17	46.80
Change in provisions	26.30	142.46
Change in trade receivables	20.85	(29.14)
Change in non-current financial assets	43.68	(4.96)
Change in other current assets	(188.35)	(4.70)
Change in other current financial assets	(30.89)	(285.98)
Change in other non-current assets	2.67	(57.58)
<b>Cash generated from operations</b>	<b>457.14</b>	<b>1,162.25</b>
Direct tax paid	(7.24)	(14.94)
<b>Net cash inflow from operating activities (A)</b>	<b>449.90</b>	<b>1,147.31</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, investment property and other intangible assets	(126.60)	(304.18)
Proceeds from sale of property, plant and equipment	7.77	1.65
Investment in subsidiary	(2.75)	(120.24)
Proceeds from sale of investment in subsidiary	96.00	-
Interest received	24.58	35.94
<b>Net cash outflow in investing activities (B)</b>	<b>(1.00)</b>	<b>(386.83)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term borrowings	(268.98)	(343.67)
Interest paid	(194.82)	(196.20)
<b>Net cash outflow from financing activities (C)</b>	<b>(463.80)</b>	<b>(539.87)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(14.90)</b>	<b>220.61</b>
Cash and cash equivalents at the beginning of the year (refer note 13)	245.72	25.11
<b>Cash and cash equivalent at the end of the year (refer note 13)</b>	<b>230.82</b>	<b>245.72</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.03	0.65
With banks - on current account and deposits with banks	230.79	245.07
<b>Cash and cash equivalent at the end of the year (refer note 13)</b>	<b>230.82</b>	<b>245.72</b>

**Non cash disclosure**

Particulars	Cash flow		Non-cash		As at March 31, 2019
	As at March 31, 2018	Interest	Repayment (net of proceeds)	Others (specify)	
<b>Borrowings</b>	2,123.63	-	343.67	-	1,779.96
<b>Interest accrued and due on borrowings</b>					
- From related parties	13.46	30.00	36.81	-	6.66
- From others	22.44	44.25	37.36	-	29.32
- From bank	1.20	122.18	121.81	-	1.57
- From MSME	0.57	0.62	0.22	-	0.96
	<b>2,161.30</b>	<b>197.05</b>	<b>539.87</b>	<b>-</b>	<b>1,818.47</b>

Particulars	Cash flow		Non-cash		As at March 31, 2020
	As at March 31, 2019	Interest expense	Repayment (net of proceeds)	Others (specify)	
<b>Borrowings</b>	1,779.96	-	268.98	-	1,510.98
<b>Interest accrued and due on borrowings</b>					
- From related parties	6.66	91.61	98.90	7.34	6.71
- From others	29.32	30.00	49.61	-	9.71
- From bank	1.57	45.49	46.32	-	0.74
	<b>1,817.51</b>	<b>167.10</b>	<b>463.81</b>	<b>7.34</b>	<b>1,528.14</b>

Summary of significant accounting policies

3

The accompanying notes form an integral part of these standalone financial statements

As per our Report of even date attached

**For Walker Chandiok & Co. LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

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

**Aasheesh Arjun Singh**

Partner

Membership Number: 210122

**Payel Seth**

Director

DIN: 00003035

**Deepak Seth**

Director

DIN: 00003021

**Omprakash Makam S. Setty**

Chief Executive Officer

**Ajai Singh**

Chief Financial Officer

**B. Chandra Sekhara Reddy**

Company Secretary

M. No. A14609

Bengaluru

July 10, 2020

Bengaluru

July 10, 2020

## Notes to standalone financial statements for the year ended March 31, 2020

### 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, Bengaluru - 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 the BSE Ltd. and the National Stock Exchange of India Ltd.

The standalone financial statements of the Company for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on July 10, 2020.

### Note 2: Statement of compliance

The Standalone 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 standalone financial statements.

#### Basis of preparation and presentation

The standalone 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 March 31, 2020 and the projected cash flows and financial performance of the Company for at least twelve months from the date of standalone 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

The Ministry of Corporate Affairs ("MCA") notifies new accounting standards or amendments to the existing accounting standards. There is no such notification which would have been applicable from 01 April, 2020 and impacts standalone financial statements.

### Note 3: Significant accounting policies

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

The preparation of standalone 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 standalone 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 standalone financial statements:

#### 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 on its assumptions and estimates on parameters available when the standalone 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 judgement 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 increase 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.

**v) Impairment of long lived assets**

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. The Company assesses impairment of long lived assets which are recorded at cost. At the time when there are any indications that such assets have suffered a loss, if any, is recognised in the Statement of Profit and Loss.

**b) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on a 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**

Property, plant and equipment, 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 and Loss. Leasehold improvements are amortised over the lease term or the remaining useful life of the assets whichever is lower.

**Investment property**

**(i) Recognition and measurement**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property comprises 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 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 (except freehold land) 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. Freehold land is not depreciated.

d) **Intangible assets**

**Recognition and measurement**

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

**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 presentation currency**

The Company's standalone 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**

Income from corporate and sourcing support services rendered to group companies are recognized as the services are rendered based on a cost plus mark-up in accordance with the terms of respective arrangements.

'Unbilled revenues' included in other financial assets represent revenue in excess of billings as of the Balance Sheet date.

'Unearned revenues' included in financial liabilities represent billing in excess of revenue recognized.

Revenue from sale of goods is recognised when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. Further, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity.

**Rental income**

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 from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- ii) Dividend income is recognized when the right to receive payment is established.
- iii) Any other income is recognized on an accrual basis.

**Export incentives**

The Company is eligible for export incentive under the Services Export from India Scheme ('SEIS') in the form of duty credit scrips, as per the Foreign Trade Policy 2015-20 notified by the Central Government. The Company realises income in the year of sale of these scrips, when it is certain about the amount of consideration that would be derived and its ultimate collection.

h) **Leases (applicable from April 01, 2019)**

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

*Company as a lessee*

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**(a) Right-of-use assets**

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets

are depreciated on a straight-line basis over the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

**(b) Lease liabilities**

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for termination of a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

**(c) Short term leases**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

**Company as a lessor**

When the Company acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Company allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added

to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit and loss so as to provide a constant periodic rate of charge over the lease terms.

**i) 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**

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 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.

#### **j) 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.

Provisions, 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.

#### **k) 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.

##### **(a) Financial Assets**

###### **(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 or 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**

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 (FVOCI)

- Financial asset at fair value through profit or 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**

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 or loss**

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 subsidiaries / joint ventures 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 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 or loss

#### **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

#### **i) Impairment of financial assets**

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

ECL are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cashflows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that

are within the scope of Ind AS 115 Revenue from contracts with customers, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

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

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

#### **n) 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 standalone 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 standalone 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.

**o) 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.

**p) 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.

**q) 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 earnings per share, the number of shares comprises of weighted average shares considered for deriving basic earnings 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.

**r) 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.



**Note 4 : Property, Plant and Equipment**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Furniture and Fixtures	Leasehold Improvement	Vehicles	Office Equipment	Electrical Installations and Equipment	Computers	Total
<b>Gross carrying value (Deemed cost)</b>							
Balance as at April 01, 2018	428.92	41.91	32.53	26.52	796.94	156.05	1,482.87
Add: Additions 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)
<b>Balance as at March 31, 2019</b>	<b>428.11</b>	<b>59.22</b>	<b>63.36</b>	<b>27.79</b>	<b>800.49</b>	<b>160.55</b>	<b>1,539.52</b>
Add: Additions during the year	3.17	-	-	13.15	1.47	16.84	34.63
Less: Disposals/adjustments during the year	(5.33)	-	(8.00)	(0.79)	(4.72)	(0.02)	(18.86)
<b>Balance as at March 31, 2020</b>	<b>425.96</b>	<b>59.22</b>	<b>55.36</b>	<b>40.15</b>	<b>797.24</b>	<b>177.37</b>	<b>1,555.29</b>
<b>Accumulated depreciation</b>							
Balance as at April 01, 2018	39.70	8.32	9.90	9.19	79.72	52.02	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)
<b>Balance as at March 31, 2019</b>	<b>80.46</b>	<b>28.92</b>	<b>16.28</b>	<b>11.34</b>	<b>155.72</b>	<b>65.72</b>	<b>358.42</b>
Add: Depreciation charge for the year	41.17	4.16	8.64	5.24	76.19	37.29	172.69
Less: Disposals/adjustments during the year	(1.48)	-	(2.82)	(0.45)	(1.36)	-	(6.12)
<b>Balance as at March 31, 2020</b>	<b>120.15</b>	<b>33.08</b>	<b>22.10</b>	<b>16.13</b>	<b>230.55</b>	<b>103.01</b>	<b>524.98</b>
<b>Net carrying amount</b>							
As at March 31, 2020	305.81	26.14	33.27	24.02	566.69	74.36	1,030.31
As at March 31, 2019	347.65	30.31	47.08	16.45	644.77	94.83	1,181.10

**Note 5 : Investment Property**

	Freehold Land	Building	Total
<b>A. Gross carrying amount</b>			
Balance as at April 01, 2018	68.81	2,422.05	2,490.86
Add: Additions during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
<b>Balance as at March 31, 2019</b>	<b>68.81</b>	<b>2,422.05</b>	<b>2,490.86</b>
Add: Additions during the year	-	30.81	30.81
Less: Disposals / adjustments during the year	-	-	-
<b>Balance as at March 31, 2020</b>	<b>68.81</b>	<b>2,452.86</b>	<b>2,521.67</b>
<b>B. Accumulated depreciation</b>			
Balance as at April 01, 2018	-	41.35	41.35
Add: Depreciation charge for the year	-	38.64	38.64
Less: Disposals/adjustments during the year	-	-	-
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>79.99</b>	<b>79.99</b>
Add: Depreciation charge for the year	-	40.95	40.95
Less: Disposals / adjustments during the year	-	(0.29)	(0.29)
<b>Balance as at March 31, 2020</b>	<b>-</b>	<b>120.65</b>	<b>120.65</b>
<b>C. Net carrying amount</b>			
As at March 31, 2020	68.81	2,332.21	2,401.02
As at March 31, 2019	68.81	2,342.06	2,410.87
<b>a) Fair value</b>			
As at March 31, 2020	3,140.00	2,130.00	5,270.00
As at March 31, 2019	2,887.50	2,070.09	4,957.59

(All amounts in ₹ lakhs, unless otherwise stated)

b) Information regarding income and expenditure of investment property

	Year ended March 31, 2020	Year ended March 31, 2019
Rental income derived from investment property	228.25	42.96
Direct operating expenses	259.92	385.52
<b>Profit/ (loss) arising from investment property before depreciation</b>	<b>(31.67)</b>	<b>(342.56)</b>
Less: Depreciation charge	153.57	38.64
<b>Profit/ (loss) arising from investment property</b>	<b>(185.24)</b>	<b>(381.20)</b>

c) **Minimum lease rent receivable:** In respect of property given on lease, the future minimum lease payments receivable for non-cancellable period is as under:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Not later than 1 year	310.72	60.93
Later than 1 year but not later than 5 years	329.45	266.57
Later than 5 years	-	276.77
<b>Total</b>	<b>640.16</b>	<b>604.27</b>

- d) The Company's investment property consist of property situated at Udyog Vihar, Gurugram, Haryana, 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, population, profile of surrounding developments, negotiations, connectivity and accessibility.
- f) The fair value is based on valuation performed by an accredited independent valuer. Fair valuation of investment property is based on the sales comparable method for land and depreciated replacement cost method for built up structure. The fair value measurement is categorised in Level 3 of fair value hierarchy.

**Note 6 : Other Intangible assets**

Particulars	Trade Marks	Computer Software	Total
<b>Gross carrying amount</b>			
<b>Balance as at April 01, 2018</b>	0.90	153.99	154.89
Add: Additions during the year	-	42.93	42.93
<b>Balance as at March 31, 2019</b>	<b>0.90</b>	<b>196.92</b>	<b>197.82</b>
Add: Additions during the year	-	63.63	63.63
<b>Balance as at March 31, 2020</b>	<b>0.90</b>	<b>260.55</b>	<b>261.45</b>
<b>Amortisation</b>			
<b>Balance as at April 01, 2018</b>	0.26	60.65	60.91
Add: Amortisation charge for the year	0.18	32.69	32.87
<b>Balance as at March 31, 2019</b>	<b>0.44</b>	<b>93.34</b>	<b>93.78</b>
Add: Amortisation charge for the year	0.18	40.16	40.34
<b>Balance as at March 31, 2020</b>	<b>0.62</b>	<b>133.50</b>	<b>134.12</b>
<b>Net carrying value</b>			
<b>Balance as at March 31, 2020</b>	<b>0.28</b>	<b>127.06</b>	<b>127.33</b>
<b>Balance as at March 31, 2019</b>	<b>0.46</b>	<b>103.58</b>	<b>104.04</b>

(All amounts in ₹ lakhs, unless otherwise stated)

<b>Note 7 : Intangible assets under development</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Intangible assets under development	12.83	8.87
<b>Total</b>	<b>12.83</b>	<b>8.87</b>

<b>Note 8 : Non-current Investments</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Investment in subsidiaries</b>		
<b>Unquoted (at cost)</b>		
21,948,270 (March 31, 2019 : 21,948,270) Equity shares of Multinational Textiles Group Limited, Mauritius of USD 1 each fully paid up	10,050.25	10,050.25
Nil (March 31, 2019 :1,530,000) Equity shares of Parc Designs Private Limited of ₹ 10 each fully paid up (refer note 'a' below)	-	153.00
27,500 (March 31, 2019 :Nil) Equity shares of Technocian Fashions Private Limited of ₹ 10 each fully paid up (refer note 'b' below)	2.75	-
<b>Total (A)</b>	<b>10,053.00</b>	<b>10,203.25</b>
<b>Investments at fair value through profit or loss</b>		
<b>Unquoted</b>		
570,000 (March 31, 2019 :Nil) Equity shares of Parc Designs Private Limited of ₹ 10 each fully paid up (refer note 'a' below)	57.00	-
<b>Total (B)</b>	<b>57.00</b>	<b>-</b>
<b>Total (A+B)</b>	<b>10,110.00</b>	<b>10,203.25</b>
Aggregate book value of unquoted investments	10,110.00	10,203.25

<b>Information about investments</b>	<b>Proportion (%) of equity interest</b>	
<b>Name of the Company, Country of Incorporation, Principal Activities</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Multinational Textile Group Limited, Mauritius, Holding of investments and provision of consulting services	100.00	100.00
Technocian Fashions Private Limited, India, Management services and sourcing support services (refer note 'b' below)	55.00	-
Parc Designs Private Limited, India, Manufacturing of Readymade Garments (refer note 'a' below)	19.00	51.00
(a) The investment in Parc Designs Private Limited ("Parc Design") has been sold during the year as a result of which the percentage holding has reduced to 19% from 51% in the previous year. The investment was sold on September 30, 2019, post which Parc Design ceased to be a subsidiary to the Company. Consequently, the transactions with Parc Design from the period April 01, 2020 till September 30, 2020 only has been disclosed as related party transactions.		
(b) Incorporated during the year ended March 31, 2020.		

<b>Note 9 : Other financial assets</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Non-current</b>		
Security deposits (unsecured, considered good) (refer note 'a' below)	-	42.38
Deposits with original maturity of more than 12 months (refer note 'b' below)	-	1.00
Interest accrued but not due on fixed deposits	-	0.30
<b>Total (A)</b>	<b>-</b>	<b>43.68</b>

(All amounts in ₹ lakhs, unless otherwise stated)

<b>Note 9 : Other financial assets (Contd.)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Current</b>		
Unbilled revenue (refer note 33)	34.05	-
Security deposits	35.72	-
Deposits with original maturity of more than 12 months (refer note 'b' below)	1.00	-
Interest accrued but not due on fixed deposits	0.41	-
Loans receivable from others (refer note 'c' below)	213.50	-
Loans receivable from related party (refer note 33 and refer note 'c' below)		
- Considered good - unsecured	-	253.49
Interest due on loan:		
To others	16.42	-
To related party (refer note 33)	-	16.62
<b>Total (B)</b>	<b>301.10</b>	<b>270.11</b>
<b>Total (A+B)</b>	<b>301.10</b>	<b>313.79</b>
<p>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.</p> <p>b) Fixed Deposits with a carrying amount of ₹ 1.00 (March 31, 2019: ₹ 1.00) are pledged with the Government authorities.</p> <p>c) Loan receivable from Parc Designs Private Limited carries interest rate of 10% p.a. (refer note '8 (a)' above)</p>		
<b>Note 10 : Tax assets</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Non-current</b>		
Advance income tax, net of provision for income tax	36.40	43.86
<b>Total (A)</b>	<b>36.40</b>	<b>43.86</b>
<b>Current</b>		
Advance income tax	22.07	-
<b>Total (B)</b>	<b>22.07</b>	<b>-</b>
<b>Total (A+B)</b>	<b>58.47</b>	<b>43.86</b>
<b>Note 11 : Other assets</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(Unsecured, considered good, unless otherwise stated)		
<b>Non-current</b>		
Capital advances	-	4.50
Balance with government authorities	-	0.50
Deferred payment asset	-	1.12
Prepaid expenses	2.12	3.16
<b>Total (A)</b>	<b>2.12</b>	<b>9.28</b>
<b>Current</b>		
Balance with government authorities	195.14	65.31
Other advances	-	3.91
Deferred payment asset	1.15	2.36
Prepaid expenses	91.01	33.48
Advances to employees	2.56	-
Advances to suppliers	3.55	-
<b>Total (B)</b>	<b>293.41</b>	<b>105.06</b>
<b>Total (A+B)</b>	<b>295.53</b>	<b>114.34</b>

(All amounts in ₹ lakhs, unless otherwise stated)

<b>Note 12 : Trade receivables</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(a) Trade receivable considered good - secured	-	-
(b) Trade receivable considered good - unsecured	79.92	100.51
(c) Trade receivable which have significant increase in credit risk	-	-
(d) Trade receivable - credit impaired	-	0.55
	<u>79.92</u>	<u>101.06</u>
Less: Allowance for expected credit loss	-	(0.55)
<b>Total</b>	<b><u>79.92</u></b>	<b><u>100.51</u></b>

- 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, 2020 amounts to ₹ 51.41 (March 31, 2019 : ₹ 42.21). (Refer note 33)  
d) Trade receivables are generally on terms of not more than 60 days.

<b>Note 13 : Cash and cash equivalents</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Balances with banks:		
- Current account	230.79	245.07
Cash on hand	0.03	0.65
<b>Total</b>	<b><u>230.82</u></b>	<b><u>245.72</u></b>

<b>Note 14 : Bank balance other than cash and cash equivalents</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Earmarked balances with bank	1.15	1.15
<b>Total</b>	<b><u>1.15</u></b>	<b><u>1.15</u></b>

<b>Note 15 : Share capital</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Authorised</b>		
27,000,000 (March 31, 2019: 27,000,000) equity shares of ₹ 10 each*	2,700.00	2,700.00
	<u>2,700.00</u>	<u>2,700.00</u>
<b>Issued, subscribed and paid up</b>		
26,046,724 (March 31, 2019: 26,046,724) equity shares of ₹ 10 each*	2,604.67	2,604.67
<b>Total</b>	<b><u>2,604.67</u></b>	<b><u>2,604.67</u></b>

**a) Reconciliation of issued and subscribed share capital:**

	<b>No. of shares*</b>	<b>Amount</b>
<b>Balance as at April 1, 2018</b>	26,046,724	2,604.67
Changes during the year	-	-
<b>Balance as at March 31, 2019</b>	<b><u>26,046,724</u></b>	<b><u>2,604.67</u></b>
Changes during the year	-	-
<b>Balance as at March 31, 2020</b>	<b><u>26,046,724</u></b>	<b><u>2,604.67</u></b>

- 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.

(All amounts in ₹ lakhs, unless otherwise stated)

**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, 2020		March 31, 2019	
	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
Mr. Sanjiv Dhiresbhai Shah	1,401,814	5.38	1,004,715	3.86

\* The Number of shares are given in absolute numbers.

	As at March 31, 2020	As at March 31, 2019
<b>Note 16 : Other equity</b>		
<b>Surplus in the Statement of Profit and Loss</b>	8,240.21	8,131.40
Add : Profit for the year	267.50	109.08
<b>Other items of Comprehensive Income</b>		
Remeasurement of defined benefit plan, net of income tax	(5.45)	(0.27)
<b>Balance as at the end of the year</b>	<b>8,502.26</b>	<b>8,240.21</b>

Note : For details, refer 'the Statement of Changes in Equity'

	As at March 31, 2020	As at March 31, 2019
<b>Note 17 : Borrowings</b>		
<b>Non-current</b>		
<b>Secured loan</b>		
- Vehicle loan from bank	21.27	25.87
<b>Term loan (unsecured)</b>		
- From banks	755.71	1,020.09
Less: Current maturities of long term borrowings	(344.80)	(306.37)
<b>Total (A)</b>	<b>432.18</b>	<b>739.59</b>
<b>Current</b>		
<b>Unsecured loans</b>		
- From related parties (refer note 33)	300.00	300.00
- From others	434.00	434.00
<b>Total (B)</b>	<b>734.00</b>	<b>734.00</b>
<b>Total (A+B)</b>	<b>1,166.18</b>	<b>1,473.59</b>

a) For interest rate and liquidity risk related disclosures, refer note 37.

**b) The nature of security for the loans are :**

(i) Vehicle loan

- Vehicle loan of ₹ 27 taken by the Company, from Axis Bank, during the year ended March 31, 2019 and was secured against hypothecation of the respective vehicle. The applicable rate of interest is 8.8% per annum. The loan is repayable in 60 monthly installments.

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

- (i) Term loan of ₹ 1500 taken by the Company during the year ended March 31, 2015 and March 31, 2016 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 24 equal quarterly installments over the said tenor.



(All amounts in ₹ lakhs, unless otherwise stated)

- (ii) Term Loan of ₹ 300 taken by the Company during the year ended March 31, 2017 is also guaranteed by 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 23 equal quarterly installments over the said tenor.
- (iii) Term Loan carries rate of interest ranging from 9.60% to 10.25% p.a.
- d) Unsecured loan from related party and others are repayable on demand and carries interest rate of 10% p.a

<b>Note 18 : Other financial liabilities</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Non-current</b>		
Security deposit (refer to note 'a' below) (refer note 33)	80.30	55.13
<b>Total (A)</b>	<b>80.30</b>	<b>55.13</b>
<b>Current</b>		
Current maturity of long term borrowings	344.80	306.37
Creditors for capital goods	2.25	-
Employee dues	146.46	-
Dues to related party (refer note 33)	46.08	-
Interest accrued and due on borrowings		
- From related parties (refer note 33)	6.71	6.66
- From others	9.71	29.32
- From bank	0.74	1.57
<b>Total (B)</b>	<b>556.75</b>	<b>343.92</b>
<b>Total (A+B)</b>	<b>637.05</b>	<b>399.05</b>

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

(All amounts in ₹ lakhs, unless otherwise stated)

<b>Note 19 : Provisions</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Non-current</b>		
- Gratuity (refer note 32)	143.52	127.66
<b>Total (A)</b>	<b>143.52</b>	<b>127.66</b>
<b>Current</b>		
- Compensated absences	122.10	99.32
- Gratuity (refer note 32)	12.81	3.15
Provision for income tax [net of advance tax of Nil (March 31, 2019: 5.31)]	-	7.36
<b>Total (B)</b>	<b>134.91</b>	<b>109.83</b>
<b>Total (A+B)</b>	<b>278.43</b>	<b>237.49</b>

<b>Note 20 : Trade payables</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
- Outstanding dues to Micro Enterprises and Small Enterprises (refer note 'b' & 'd' below)	3.34	0.96
- Others	259.08	318.29
	<b>262.42</b>	<b>319.25</b>

- 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 and as certified by the management, the amount due to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
- the principal amount (March 31, 2020: ₹ 3.34, March 31, 2019: ₹ 0.61) and the interest (March 31, 2020: Nil, March 31, 2019: ₹ 0.35) due thereon remaining unpaid to any supplier at the end of each accounting year;	3.34	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;	-	-
- 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.

<b>Note 21 : Other liabilities</b>	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Deferred income on security deposit received	11.04	7.42
Others	1.15	1.15
<b>Total (A)</b>	<b>12.19</b>	<b>8.57</b>
<b>Current</b>		
Deferred income on security deposit received	71.91	0.99
Statutory dues	51.28	19.99
Advance from customers (refer note 33)	983.30	1,492.93
<b>Total (B)</b>	<b>1,106.49</b>	<b>1,513.91</b>
<b>Total (A+B)</b>	<b>1,118.68</b>	<b>1,522.48</b>

<b>Note 22: Deferred tax</b>	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	127.52	141.90
MAT credit entitlement *	-	82.93
Deferred tax liabilities	206.31	155.59
<b>Total deferred tax asset/(liabilities) (net)</b>	<b>(78.79)</b>	<b>69.24</b>

(All amounts in ₹ lakhs, unless otherwise stated)

<b>Movement in deferred tax liabilities (net)</b>	<b>As at April 01, 2019</b>	<b>Recognised in Statement of Profit and Loss</b>	<b>Recognised in Statement of Other Comprehensive Income</b>	<b>As at March 31, 2020</b>
<b>Deferred tax assets relates to the following:</b>				
Provision for employee benefits	59.83	1.70	1.83	63.36
Deferred income on security deposit received	2.33	18.55	-	20.88
Bought forward losses and unabsorbed depreciation	76.57	(33.93)	-	42.64
Preliminary expenses	1.47	(1.47)	-	-
Others	1.69	(1.05)	-	0.64
	<b>141.89</b>	<b>(16.20)</b>	<b>1.83</b>	<b>127.52</b>
<b>Deferred tax liability relates to the following:</b>				
Property, plant and equipment	125.56	31.59	-	157.15
Others	30.03	19.13	-	49.16
	<b>155.59</b>	<b>50.72</b>	<b>-</b>	<b>206.31</b>
Minimum alternate tax credit*	82.94	82.94	-	-
<b>Total deferred tax assets/(liabilities) (net)</b>	<b>69.24</b>	<b>(149.86)</b>	<b>1.83</b>	<b>(78.79)</b>
	<b>As at April 01, 2018</b>	<b>Recognised in Statement of Profit and Loss</b>	<b>Recognised in Statement of Other Comprehensive Income</b>	<b>As at March 31, 2019</b>
<b>Deferred tax assets relates to the following:</b>				
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 income on security deposit received	2.71	(0.52)	-	2.19
Bought forward losses and unabsorbed depreciation	-	76.57	-	76.57
Preliminary expenses	1.56	(0.09)	-	1.47
Others	0.03	1.66	-	1.69
	<b>45.64</b>	<b>96.16</b>	<b>0.09</b>	<b>141.89</b>
<b>Deferred tax liability relates to the following:</b>				
Property, plant and equipment	98.55	27.01	-	125.56
Others	4.17	25.86	-	30.03
	<b>102.72</b>	<b>52.87</b>	<b>-</b>	<b>155.59</b>
Minimum alternate tax credit*	70.26	12.68	-	82.94
<b>Total deferred tax assets/(liabilities) (net)</b>	<b>13.18</b>	<b>55.97</b>	<b>0.09</b>	<b>69.24</b>

\* The Company has decided to exercise the option permitted under Sector 115BBA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act. 2019. Accordingly, the Company derecognised the MAT credit entitlement of ₹ 82.94 lakhs recorded on MAT paid earlier and re-measured its deferred tax liabilities (net) as at March 31, 2019 and full Impact of this was recognised the Statement of Profit and Loss during the year ended March 31, 2020. The Company has recognised provision for income tax and deferred tax for the year ended March 31, 2020, on the basis of the rate prescribed in the said section.

<b>Note 23 : Revenue from operations</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Sale of services		
- Corporate and sourcing support services (refer note 33)	3,884.18	3,844.74
Sale of products	-	33.13
Other operating income		
- Rental income (refer note 33)	228.25	42.96
<b>Total</b>	<b>4,112.43</b>	<b>3,920.83</b>

(All amounts in ₹ lakhs, unless otherwise stated)

<b>Note 24 : Other income</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Interest income		
- On fixed deposits	0.11	0.12
- On loan to related party (refer note 33)	24.57	18.90
Service tax refund	-	18.74
Unwinding of discount on deposits	2.55	2.44
Foreign exchange fluctuation (net)	2.22	-
Loss allowance for Advances and receivables written back	0.55	54.84
Profit on sale of asset	-	0.33
Export incentives	31.39	-
Miscellaneous income (refer note 33)	13.75	-
<b>Total</b>	<b>75.14</b>	<b>95.37</b>
<b>Note 25 : Purchase of stock in trade</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Purchase of stock-in-trade	-	29.87
<b>Total</b>	<b>-</b>	<b>29.87</b>
<b>Note 26 : Employee benefits expense</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Salaries, wages and bonus (refer note 33)	2,072.74	2,165.73
Compensated absences (refer note 33)	61.25	29.77
Contribution to provident and other fund *	48.08	42.03
Gratuity expense (refer note 32 and 33)	49.97	46.18
Staff welfare expenses	23.64	29.03
<b>Total</b>	<b>2,255.68</b>	<b>2,312.74</b>
* Refer note 32		
<b>Note 27 : Finance cost</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Interest expense		
- on term loans	91.61	121.09
- on unwinding of discount on security deposit received	7.34	-
- on loan from related party (refer note 33)	30.00	30.00
- on loan from others	43.42	44.25
- on MSME	-	0.62
- on vehicle loan	2.07	1.09
<b>Total</b>	<b>174.44</b>	<b>197.05</b>
<b>Note 28 : Depreciation and amortization expense</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Depreciation of property plant and equipment	172.69	182.62
Depreciation of investment property	40.95	38.64
Amortization of intangible assets	40.34	32.87
<b>Total</b>	<b>253.98</b>	<b>254.13</b>

(All amounts in ₹ lakhs, unless otherwise stated)

<b>Note 29 : Other expenses</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Electricity charges	39.16	55.44
Rent	73.16	71.82
Rates and taxes	15.09	16.10
Insurance	12.37	13.71
Repair and maintenance		
- Building	31.94	17.08
- Others	66.87	77.63
Recruitment expense	26.87	-
Security expenses	19.21	17.49
Sampling and designing	34.86	56.35
Advertisement and business promotion	4.62	10.32
Information technology expenses	62.88	60.67
Legal and professional	179.35	105.50
Postage and courier	61.99	58.33
Commission and brokerage	17.96	0.90
Travelling and conveyance	261.17	293.61
Communication costs	32.11	30.60
Printing and stationery	22.45	24.31
Auditor's remuneration (refer note 'a' below)	58.32	20.38
Bad debts written off	0.29	41.34
Foreign exchange fluctuation (net)	-	107.99
Loss on sale of property, plant and equipment	4.95	0.82
Miscellaneous expenses	60.50	76.24
<b>Total</b>	<b>1,086.12</b>	<b>1,156.63</b>

**a) Details of payment made to auditors is as follows:(excluding taxes)**

	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
<b>As auditor:</b>		
- Statutory audit fee	39.00	10.75
- Limited review Fee (including ₹ 7 paid to S.R. Dinodia & Co. LLP)	17.00	-
- Tax audit fee	1.00	2.25
- Reimbursement of expenses	1.32	7.38
<b>Total</b>	<b>58.32</b>	<b>20.38</b>

**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 earnings per share is computed using the weighted average number of equity shares outstanding during the year whereas diluted earnings 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.

<b>Particulars</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Profit attributable to the equity holders	267.50	109.08
Weighted average number of equity shares for basic and diluted EPS	26,046,724	26,046,724
<b>Basic and diluted earnings per share(in ₹) (face value ₹ 10 per share)</b>	<b>1.03</b>	<b>0.42</b>

(All amounts in ₹ lakhs, unless otherwise stated)

**Note 31: Income Tax**

**Income tax expense in the Statement of Profit and Loss**

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Statement of profit and loss:	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Tax expense:</b>		
a) Current tax	-	12.68
b) MAT credit reversal/ (entitlement)	82.94	(12.68)
c) Deferred tax charge/(credit)	66.91	(43.30)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>149.85</b>	<b>(43.30)</b>

**Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate for March 31, 2020 and March 31, 2019**

Particulars		
<b>Accounting profit before tax</b>	<b>417.35</b>	<b>65.78</b>
At Company's statutory income tax rate of 25.168% (March 31, 2019: 26.00%)	105.04	17.10
MAT credit reversed	82.94	-
Deferred tax impact due to change in tax rate	-	(53.66)
Tax impact on utilisation of bought forward business loss	(33.93)	-
Others	(4.20)	(6.74)
<b>At the effective income tax rate</b>	<b>149.85</b>	<b>(43.30)</b>

**Income tax recognised in other comprehensive income**

Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	1.83	(0.09)
<b>Net amount charged to OCI</b>	<b>1.83</b>	<b>(0.09)</b>

**Note 32 : Employee 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 amounts in the Statement of Profit and Loss under Company's contribution to defined contribution plans.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's contribution to provident fund/ pension fund	47.75	41.50
Employer's contribution to employee state insurance	0.33	0.53
<b>Total</b>	<b>48.08</b>	<b>42.03</b>

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

**b) Defined benefit plans**

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected unit credit method" was carried out, through which the Company is able to determine the present value of obligations. "Projected unit credit method" 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 liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

**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). These have been provided on accrual basis, based on year end actuarial valuation.**



(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Change in benefit obligation</b>		
1) Opening defined benefit obligation	130.81	47.27
2) Acquisition/(transfer) adjustment*	(26.23)	64.10
3) Add: Interest cost	10.06	8.57
4) Add: Current service cost	39.91	37.61
5) Add: Past Service cost	-	-
6) Less: Benefits paid	(5.50)	(27.10)
7) Add: Actuarial (gain) / loss	7.28	0.36
<b>Present value of obligation as at the end of the year</b>	<b>156.33</b>	<b>130.81</b>

\* During the year, the Company has transferred 38 employees to its Subsidiary Technocian Fashions Private Limited. Consequently, there is a transfer of respective Gratuity liability of the employees to the subsidiary which is shown as transfer adjustment above.

\* During the year 2018-19, the Company has acquired 82 employees from branch in India of its step down subsidiary Norwest Industries Limited. Consequently, there is a transfer of respective Gratuity liability of the employees from the step down subsidiary to the Company which is shown as acquisition adjustment above.

d) The Company expects to contribute ₹ 58.29 during the financial year 2020-2021.

e) The following tables summarise the net benefit expense recognised in the statement of profit and loss :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Service cost	39.91	37.61
Interest cost	10.06	8.57
<b>Components of defined benefit costs recognised in statement of profit and loss</b>	<b>49.97</b>	<b>46.18</b>
Actuarial losses on defined benefit plans*	7.28	0.36
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>7.28</b>	<b>0.36</b>
<b>Total</b>	<b>57.25</b>	<b>46.54</b>

\* Transferred to other comprehensive income

f) Bifurcation of actuarial loss on gratuity:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Remeasurement due to:</b>		
Effect of change in financial assumptions	12.20	0.11
Effect of change in demographic assumption	(0.08)	(3.23)
Effect of experience adjustment	(4.84)	3.48
<b>Total amount recognised in other comprehensive income</b>	<b>7.28</b>	<b>0.36</b>

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

Particulars		
<b>Economic assumptions</b>		
1) Discount rate	6.80%	7.69%
2) Future salary growth rate	5.50%	5.50%
<b>Demographic assumptions</b>		
1) Retirement age	58 years	58 years
2) Mortality rate	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2006-08) (modified) ultimate
3) Employee turnover / attrition rate		
Ages up to 30	3.00%	3.00%
Ages from 31-44	2.00%	2.00%
Above 44	1.00%	1.00%

(All amounts in ₹ lakhs, unless otherwise stated)

h) Net liabilities recognized in the balance sheet for benefit obligation

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of obligation	156.33	130.81
Less: Fair value of plan assets	-	-
<b>Net liability</b>	<b>156.33</b>	<b>130.81</b>

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Discount rate</b>		
0.5% increase in discount rate	(7.45)	(6.56)
0.5% decrease in discount rate	8.09	7.11
<b>B. Salary escalation rate</b>		
0.5% increase in salary escalation rate	7.79	6.86
0.5% decrease in salary escalation rate	(7.22)	(6.37)

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.

Sensitivities due to morality and withdrawals are not expected to be significant.

j) Description of Risk Exposures:

Salary Increase	Actual salary increase 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) The weighted average duration of the defined obligation as at March 31, 2020 on an average is 16.43 years.

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1 year	12.81	3.15
2 to 6 years	37.90	16.76
More than 6 years	105.61	110.90

m) The estimates of future salary increases considered in actuarial valuation take account of factors, such as supply and demand in the employment market.

**Note 33 : Related Party**

a) List of related parties

Name of related party	Nature of relationship
Multinational Textiles Group Limited	Wholly owned subsidiary Company
Poeticgem International 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
Technocian Fashions Private Limited	Subsidiary Company
Digital Ecom Techno Private Limited	Joint venture
Pearl Global Industries Limited	Enterprise over which KMP exercise control and significant influence.

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party	Nature of relationship
Mrs. Payal Seth (Director)**	Key Managerial Personnel
Mr. Deepak Seth (Director)	
Mr. Pallak Seth (Director)	
Mr. Ashok Kumar Sanghi (Independent Director)	
Mr. Ashutosh Prabhudas Bhupatkar (Independent Director)	
Ms. Saraswathy Venkateswaran (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	Year ended March 31, 2020	Year ended March 31, 2019
Multinational Textiles Group Limited	Wholly owned subsidiary company	Service income	1,990.28	1,688.11
Poeticgem International Limited	Step down subsidiary company	Service income	81.77	42.70
Techno Design GMBH	Step down subsidiary company	Service income	35.99	533.51
Blue Print Designs Limited	Step down subsidiary company	Service income	160.22	122.27
Design Arc Asia Limited	Step Down Subsidiary Company	Service income	1,224.88	1,182.99
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Interest expense	30.00	30.00
Parc Designs Private Limited *	Subsidiary Company	Investment in shares	-	120.24
		Disinvestment in shares	96.00	-
		Loan given	-	253.50
		Interest income	12.71	18.46
Technocian Fashions Private Limited	Subsidiary Company	Rental income/other charges	50.00	-
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	0.47	12.00
		Interest income	-	0.43
Mrs. Payal Seth**	Key managerial personnel	Salary	-	21.00
Ashok Kumar Sanghi	Key managerial personnel	Director sitting fees	6.00	2.64
Ashutosh Prabhudas Bhupatkar	Key managerial personnel	Director sitting fees	6.00	1.98
Ashok Kumar Chhabra	Key managerial personnel	Director sitting fees	6.00	2.64
Mr. Chandra Shekar Reddy	Key managerial personnel	Salary	53.47	50.30
	Key managerial personnel	Other employee benefits	10.39	7.32
Mr. Omprakash Makam Suryanarayan Setty	Key managerial personnel	Salary	81.91	81.91
	Key managerial personnel	Other employee benefits	22.52	19.45

\* The investment in Parc Design Investment Limited ("Parc Design") has been sold during the year as a result of which the percentage holding has reduced to 19% from 51% in the previous year. The investment was sold on September 30, 2019, post which Parc Design ceased to be a subsidiary of the Company. Consequently, the transactions with Parc Design from the period April 01, 2020 till September 30, 2020 only has been disclosed as related party transactions.

\*\*Mrs. Payal Seth was Managing Director till October 31, 2018 and became Non-Executive Director w.e.f. November 01, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

**c) Year end payable balances of related parties**

Name of Related Party	Relationship	Nature of Transaction	As at March 31, 2020	As at March 31, 2019
Multinational Textile Group Limited	Wholly owned subsidiary company	Advance from customer	667.81	991.45
Design Arc Asia Limited	Step down subsidiary company	Advance from customer	315.50	490.02
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Loan outstanding	300.00	300.00
		Interest accrued	6.71	6.66
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives	Security deposit received	-	12.57
Technocian Fashions Private Limited	Subsidiary company	Security deposit received	25.87	-
		Leave encashment and gratuity transfer	46.08	-
Techno Design GMBH	Step down subsidiary company	Advance from customer	-	11.46

**d) Year end receivable balances of related parties**

Name of Related Party	Relationship	Nature of Transaction	As at March 31, 2020	As at March 31, 2019
Techno Design GMBH	Step down subsidiary company	Accounts receivable	17.83	17.83
Blue Print Designs Limited	Step down subsidiary company	Accounts receivable	27.98	14.23
		Unbilled revenue	1.06	-
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives.	Accounts receivable	-	1.76
Poeticgem International Limited	Step down subsidiary company	Accounts receivable	5.60	8.39
		Unbilled revenue	0.17	-
Multinational Textile Group Limited	Wholly owned subsidiary company	Unbilled revenue	15.56	-
Design Arc Asia Limited	Step down subsidiary company	Unbilled revenue	17.26	-
Parc Designs Private Limited	Subsidiary Company	Loan outstanding and interest accrued	-	270.11

**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.

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings (refer note 17 and 18)	1,510.98	1,779.96
Less: Cash and Cash Equivalents (refer note 13)	(230.82)	(245.72)
Less: Bank balances other than cash and cash equivalents (refer note 14)	(1.15)	(1.15)
<b>Adjusted net debt (A)</b>	<b>1,279.01</b>	<b>1,533.09</b>
Equity share capital (refer note 15)	2,604.67	2,604.67
Other equity (refer note 16)	8,502.26	8,240.21
<b>Total capital (B)</b>	<b>11,106.93</b>	<b>10,844.88</b>
<b>Capital and net debt (A+B)</b>	<b>12,385.94</b>	<b>12,377.97</b>
<b>Gearing ratio (D = A/C)</b>	<b>10.33%</b>	<b>12.39%</b>

- a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.
- b) For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

**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, carrying value of financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, borrowings, other financial liabilities etc. represent the best estimate of fair value.

The management assessed that fair value of these financial assets and liabilities significantly approximate their carrying amount.

**a) Fair value of financial assets:**

Particulars	Carrying values		Fair values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Financial assets measured at amortised cost</b>				
Investment in subsidiary	10,053.00	10,203.25	10,053.00	10,203.25
Security deposits	35.72	42.38	35.72	42.38
Unbilled revenue	34.05	-	34.05	-
Loan receivable	213.50	253.49	213.50	253.49
Deposits with original maturity of more than 12 months	1.00	1.00	1.00	1.00
Interest accrued but not due on fixed deposit	0.41	0.30	0.41	0.30
Interest due on loans	16.42	16.62	16.42	16.62
Trade receivable	79.92	100.51	79.92	100.51
Cash and cash equivalents	230.82	245.72	230.82	245.72
Bank balance other than cash and cash equivalents	1.15	1.15	1.15	1.15
<b>Total (A)</b>	<b>10,665.99</b>	<b>10,864.42</b>	<b>10,665.99</b>	<b>10,864.42</b>
<b>Financial assets measured at FVTPL</b>				
Investments	57.00	-	57.00	-
<b>Total (B)</b>	<b>57.00</b>	<b>-</b>	<b>57.00</b>	<b>-</b>
<b>Total (A+B)</b>	<b>10,722.99</b>	<b>10,864.42</b>	<b>10,722.99</b>	<b>10,864.42</b>

(All amounts in ₹ lakhs, unless otherwise stated)

b) Fair value of financial liabilities:

Particulars	Carrying values		Fair values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Financial liabilities measured at amortised cost</b>				
Borrowings	1,166.18	1,473.59	1,166.18	1,473.59
Current maturity of long term borrowings	344.80	306.37	344.80	306.37
Trade payables	262.42	319.25	262.42	319.25
Security deposit received	80.30	55.13	80.30	55.13
Interest accrued and due on borrowings	16.42	35.98	16.42	35.98
Interest accrued but not due on borrowings from bank	0.74	1.57	0.74	1.57
Creditor for capital goods	2.25	-	2.25	-
Dues to related party	46.08	-	46.08	-
Employee payable	146.46	-	146.46	-
<b>Total</b>	<b>2,065.65</b>	<b>2,191.89</b>	<b>2,065.65</b>	<b>2,191.89</b>

**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 fair value hierarchy of financial assets and financial liabilities as at March 31, 2020 is as follows

	As at March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
<b>Financial assets measured at FVTPL</b>				
Investments	57.00	-	-	57.00
<b>Total</b>	<b>57.00</b>	<b>-</b>	<b>-</b>	<b>57.00</b>

i) Valuation technique used to determine fair value:

**Investment in Parc design investment limited:** The investment (19%) has been valued at fair value based on exit price as per Ind AS 113, Further, the value of investment is based on a firm commitment by a buyer, secured by an agreement.

ii) There have been no transfers between level 1, level 2 and level 3 category during the years ended on March 31, 2020 and March 31, 2019.

**Note 37: Financial risk management objectives and policies**

The Company's principal financial liabilities comprise trade and other payables, borrowings, current maturity of borrowings, security deposit received, interest accrued, employees payable, dues to related party 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, joint ventures, associates, security deposits, loan receivable, trade receivables, Cash and cash equivalents and other bank balances.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level personnel 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.



(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowings	755.71	1,020.09
Fixed rate borrowings	755.27	759.87
	<b>1,510.98</b>	<b>1,779.96</b>

Particulars	Increase or decrease in basis points	Effect on profit before tax
March 31, 2020		
INR	+50	(4.44)
	-50	4.44
March 31, 2019		
INR	+50	(5.85)
	-50	5.85

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 foreign exchange rate, with all other variables held constant.

Particulars	Change in FC exchange rate by	Impact on profit or loss and equity (in lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
USD sensitivity	5%	2.63	2.02	(2.63)	(2.02)

**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 is disclosed in note 35. The Company does not hold any collateral as security.

Particulars	Less than 30 days	30 to 90 days	More than 90 days	Total
Trade receivables as of March 31, 2020	62.09	-	17.83	<b>79.92</b>
Trade receivables as of March 31, 2019	100.42	0.09	-	<b>100.51</b>

\*The total impairment loss amounting to Nil (March 31, 2019: ₹ 0.55) on trade receivables.

**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.

(All amounts in ₹ lakhs, unless otherwise stated)

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

As at March 31, 2020	Less than 12 months	1 to 5 years	> 5 years	Total
Borrowings	1,078.80	432.18	-	1,510.98
Trade payables	262.42	-	-	262.42
Other financial liabilities	211.95		80.30	292.25
<b>Total</b>	<b>1,553.17</b>	<b>432.18</b>	<b>80.30</b>	<b>2,065.65</b>

As at March 31, 2019	Less than 12 months	1 to 5 years	> 5 years	Total
Borrowings	1,040.37	739.59	-	1,779.96
Trade payables	319.25	-	-	319.25
Other financial liabilities	37.55		55.13	92.68
<b>Total</b>	<b>1,397.17</b>	<b>739.59</b>	<b>55.13</b>	<b>2,191.89</b>

### Note 38 : Segment Reporting

In accordance with Accounting Standard Ind As 108 'Operating Segment', segment information has been disclosed in the consolidated financial statements of PDS Multinational Fashions Limited, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

#### a. Information about geographical areas

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	228.25	76.09
Outside India	3,884.18	3,844.74
<b>Total</b>	<b>4,112.43</b>	<b>3,920.83</b>

The Company is domiciled in India and all its non-current assets are located in/relates to India except following:

(i) Investment in foreign subsidiary of ₹ 10,050.25 as at March 31, 2020 (March 31, 2019 : ₹ 10,050.25)

There is 2 customers during year ended March 31, 2020 and 3 customers during year ended March 31, 2019 who has contributed 10% or more to the Company's revenue.

#### b. Revenue by nature of products / services

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services		
- Corporate and sourcing services (refer note 33)	3,884.18	3,844.74
Sale of products	-	33.13
Other operating income		
- Rental income (refer note 33)	228.25	42.96
	<b>4,112.43</b>	<b>3,920.83</b>

### Note 39: Revenue from contracts with customers

#### (i) Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

Particulars	Timing of revenue recognition	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services	Over time	3,884.18	3,844.74
Sale of products	At point in time	-	33.13
<b>Total</b>		<b>3,884.18</b>	<b>3,877.87</b>

(All amounts in ₹ lakhs, unless otherwise stated)

**(ii) Contract balances**

Assets and liabilities related to contracts with customers:

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables (refer note 12)	79.92	100.51
Contract asset - Unbilled revenue (refer note 9)	34.05	-
Contract liability - Advance from customers (refer note 21)	983.30	1,492.93

Trade receivables are non-interest bearing and are generally on terms of not more than 60 days. The Company has recognised Nil provision for expected credit loss on trade receivables during the year 2019-20 (2018-19: ₹ 0.55).

Contract assets primarily relate to the Company's right to consideration for work completed but not yet billed at reporting date for services rendered to customers. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Company's obligation to transfer goods or services to customer for which the Company has invoiced the customer or received advances from the customer for rendering of services. Contract liabilities are recognised as revenue as the Company performs under the contract.

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Contract assets at the beginning of the year</b>	-	-
Accrued revenue during the year	34.05	-
<b>Contract assets at the end of the year</b>	<b>34.05</b>	<b>-</b>
<b>Contract liabilities at the beginning of the year</b>	1,492.93	733.90
Advance received/(adjusted) from customers during the year, net	(509.63)	759.03
<b>Contract liabilities at the end of the year</b>	<b>983.30</b>	<b>1,492.93</b>
<b>Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contract	3,884.18	3,877.87
Adjustments	-	-
<b>Revenue from contract with customers</b>	<b>3,884.18</b>	<b>3,877.87</b>

**Note 40 : Leases****a) As a lessee**

The Company has adopted Ind AS 116, 'Leases' effective April 01, 2019, using modified retrospective approach. The Company has certain leases of office premises with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases as per Ind AS 116. The adoption of this standard did not have any material impact on these standalone financial statements for the year ended March 31, 2020.

Assets taken on lease

The Company has taken leases for office building. The lease rent paid for short term lease is recognised as an expense in Statement of Profit and Loss.

Short term lease payments:

The expense relating to short term lease payments is ₹ 73.16 (March 31, 2019: ₹ 71.82)

**b) As a lessor**

The Company has entered into operating leases on its Investment property located at Gurugram. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. refer note 5 for rental income and future minimum rentals receivable under non-cancellable operating leases as at March 31, 2020 and March 31, 2019.

**Note 41 : 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 standalone financial statements amounts to Nil (March 31, 2019: 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 standalone financial statements.

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against company not acknowledged as debt:		
- On account of stamp duty on demerger	148.20	148.20
Disputed liability under income tax (net of ₹ 0.51 paid under protest) (AY 2014 - 2015)	-	2.85
	<b>148.20</b>	<b>151.05</b>

- (i) Pending resolution of the respective proceedings, the Company is unable 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 standalone 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 Hon'ble Supreme Court of India has passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on February 28, 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Company has made provision for provident fund contribution from the date of order. The Company will evaluate its position and update provision, if required, after receiving further clarity in this regard.

**Note 42: Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a) Investments in subsidiaries and associates</b>		
- Investment in wholly owned subsidiary : Multinational Textile Group Limited	10,050.25	10,050.25
- Investment in Subsidiary : Technocian Fashions Private Limited	2.75	-
- Investment in Subsidiary : Parc Designs Private Limited (Upto 30 September 2019) *	-	153.00
<b>b) Loan to: Parc Designs Private Limited</b>		
Balance as at the year end (including interest outstanding) *	-	270.11

\* The investment in Parc Design Investment Limited ("Parc Design") has been sold during the year as a result of which the percentage holding has reduced to 19% from 51%. The investment was sold on September 30, 2019, post which Parc Design ceases to be a related party to the Company.

**Note 43:** 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 standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

**Note 44:** No material events have occurred between the balance sheet date to the date of issue of these standalone financial statements that could affect the values stated in the standalone financial statements as at March 31, 2020.

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

**Note 46:** The previous year's figure have been regrouped/rearranged wherever necessary, to make them comparable to those of the current year.

(All amounts in ₹ lakhs, unless otherwise stated)

**Note 47: Covid-19**

With the onset of Covid-19 since the beginning of the year 2020 which was declared to be a pandemic by World Health Organisation in March 2020, the Group's businesses across the globe was impacted with lockdown in most of the markets. Consequently, the Company's business was also impacted as the Company is engaged in providing corporate and support services to its group companies on a cost plus basis. The Company has assessed the impact of this pandemic on its standalone business operations and has considered relevant internal business projections and cash flows and external information available up to the date of approval of these standalone financial statements. The impact of this pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's standalone financial statements, which may differ from that considered as at the date of approval of these standalone financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business and believes that it has sufficient funds to operate for the next 12 months.

**Note 48 :** These standalone financial statements of the Company for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on July 10, 2020.

**For Walker Chandio & Co. LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

**Aasheesh Arjun Singh**

Partner

Membership Number: 210122

Bengaluru  
July 10, 2020**For and on behalf of Board of Directors of PDS Multinational Fashions Limited****Payel Seth**

Director

DIN: 00003035

**Deepak Seth**

Director

DIN: 00003021

**Omprakash Makam S. Setty**

Chief Executive Officer

Bengaluru  
July 10, 2020**Ajai Singh**

Chief Financial Officer

**B. Chandra Sekhara Reddy**

Company Secretary

M. No. A14609

## Independent Auditor's Report

To the Members of PDS Multinational Fashions Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. 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'), its associates and joint ventures, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('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') specified under Section 133 of the Act, of the consolidated state of affairs of the Group, its associates and joint ventures, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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 financial statements under the provisions of the Act and the rules 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matters

4. We draw attention to Note 48 to the accompanying consolidated financial statements regarding the restatement done by the management of the Holding Company, in accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors on account of the errors further described in the aforesaid note. Our opinion is not modified in respect of this matter.
5. We draw attention to Note 51 of the accompanying consolidated financial statements which describes the uncertainties and impact of the Covid-19 pandemic on the Group's operations and results as assessed by the management of the Holding Company. The impact of the pandemic on the Group's operations significantly depends on future events. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, were of most significance in our audit of the financial statements of the current period. 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.
7. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit procedures addressed the Key Audit Matter
<b>Initial audit engagement - Opening balances</b> We were appointed as the statutory auditors of the Company for the year ended 31 March 2020. As detailed in Standard on Auditing 510, Initial audit engagements - opening balances, in conducting an initial audit engagement, several considerations are involved which are generally not associated with recurring audits. The audit transition, including the audit of opening balances requires additional planning activities and considerations necessary to establish an appropriate audit plan and strategy. These include obtaining sufficient and appropriate audit evidence regarding such opening balances, review of previously audited consolidated financial statements of the Company, study of the	Our audit procedures for auditing the opening balances included, but were not limited to the following - <ul style="list-style-type: none"> <li>• Assessing the design and implementation of the Group's internal control system in respect of the Company's cycles in order to enhance our understanding of the company's financial reporting processes;</li> <li>• Read the previously audited consolidated financial statements of the Group, accounting policies, minutes of the meetings of the Board of Directors and other committees of the Board (as applicable), internal audit reports, previously issued valuation reports and confirmations of balances as applicable;</li> <li>• Obtained an understanding of and evaluated appropriateness and consistency of the accounting policies used in the</li> </ul>



<p>holding company's processes over financial reporting and the rectification of prior period errors identified by the management as disclosed in note 48 of consolidated financial statements.</p> <p>These activities involved significant auditor efforts and attention, and thereby audit of opening balances has been identified as a Key Audit Matter for the audit of the current year.</p>	<p>preparation of the consolidated financial statements of the Group for the financial year ended 31 March 2019;</p> <ul style="list-style-type: none"> <li>• Traced the account balances from the trial balance for the previous financial year to the audited financial statements and traced the balance sheet account balances to the opening trial balances of the current year; and</li> <li>• Tested the opening balances of financial line items, as considered necessary, on a test-check basis.</li> </ul>
<p><b>Consolidation of the Group</b></p> <p>Refer note 2 for basis of consolidation in the accompanying consolidated financial statements.</p> <p>The Group's consolidation process involves 83 components (including step-down subsidiaries) located across multiple geographies and audited by other auditors.</p> <p>These components comprise significant portions of the Group's assets, liabilities, income and expenses.</p> <p>The process of consolidation involves assessment of degree of control/ significant influence and the corresponding accounting treatment, alignment of generally accepted accounting principles, elimination of inter-company balances and transactions.</p> <p>Considering the significance of the components, materiality to the financial statements and complexities involved, the consolidation process has been identified as a Key Audit Matter for the audit of the current year.</p>	<p>Our audit procedures for auditing the consolidated financial statements and consolidation adjustments included, but were not limited to the following -</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process of preparation of consolidated financial statements comprising the Holding Company and its components;</li> <li>• Evaluated the design and implementation and tested operating effectiveness of key controls with respect to Group's process of consolidation;</li> <li>• Identified and determined the 'significant components' of the Group based on materiality, discussions with the Holding Company management and thereby developed an overall audit plan to perform work around the identified significant components in accordance with the Guidance Note on consolidated financial statements and SA 600 - Using the work of other auditor;</li> <li>• Communicated the group audit instructions to the respective component auditors of identified significant components including and not limited to the materiality, audit risks identified at the Group level and a questionnaire to understand the procedures performed by the component auditors to mitigate those audit risks and their response to the significant transactions and matters identified at the component level;</li> <li>• Assessed the work performed by such other component auditors including discussions with the component auditors to understand their response and findings to the extent applicable;</li> <li>• Obtained the audited financial statements of the components from the management of the Holding Company and traced the information to the consolidation workings provided by management;</li> <li>• Reviewed inter-company eliminations, consolidation adjustments, foreign currency translation adjustments, alignment of generally accepted accounting principles and the resultant tax adjustments; and</li> <li>• Assessed the adequacy and appropriateness of disclosures made in accordance with the applicable accounting standards in these consolidated financial statements.</li> </ul>
<p><b>Impairment of goodwill</b></p> <p>Refer Note 7 of consolidated financial statements.</p> <p>The carrying value of goodwill aggregates to INR 5,141.59 lakhs as on 31 March 2020. Such goodwill is tested for impairment annually by the management in accordance with Ind AS 36, Impairment of Assets using discounted cash flow method.</p> <p>In determining the recoverable amount of such goodwill, the management has applied significant judgements and assumptions to estimate the same. The determination of such recoverable amount involves use of several key assumptions, including projections of future sales, operating and finance costs, terminal</p>	<p>Our audit procedures for assessing the impairment of goodwill if any, but were not limited to the following -</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management's process for identification of impairment indicators for goodwill, identification of CGUs and impairment testing of such assets;</li> <li>• Obtained an understanding of the internal controls over impairment assessment process of goodwill;</li> <li>• Assessed reasonableness of the future cash flow projections prepared by the management and compared them with past trends;</li> <li>• Involved the auditor's expert to assist in examining the Group's</li> </ul>

<p>growth rates and the weighted average cost of capital (discount rate). These assumptions have been disclosed in note 7 of the consolidated financial statements. Changes in these assumptions could lead to an impairment to the carrying value of goodwill.</p> <p>Due to the significance of the carrying amounts of Goodwill and the inherent subjectivity involved in determining the impairment loss, if any, this matter was considered as a Key Audit Matter for current year audit.</p> <p>The auditor of one of the subsidiary has determined "impairment of investment in subsidiaries" as a key audit matter. These investments are eliminated on being consolidated in the consolidated financial statements of the Group.</p>	<p>valuation models where applicable, and analysed key assumptions, including long-term growth rates and discount rates used and compared the assumptions to corroborating information including industry benchmarks and data from historic performances;</p> <ul style="list-style-type: none"> <li>• Tested the mathematical accuracy of the management's computations;</li> <li>• Performed independent sensitivity analysis on the valuation, resulting from changes to key assumptions applied; and</li> <li>• Assessed the appropriateness and adequacy of presentation and disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</li> </ul>
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#### Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors / management of the companies included in the Group, and its associates and its joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint ventures.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the 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 Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures 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 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 and its associates and joint ventures to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 within the Group, and its associates and joint ventures, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. 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.
  15. 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.
  16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

17. We did not audit the financial statements / financial information of 57 subsidiaries, whose financial statements / financial information reflects total assets of ₹ 268,739.08 lakhs and net assets of ₹ 71,925.47 lakhs as at 31 March 2020, total revenues of ₹ 417,373.00 lakhs and net cash inflows amounting to ₹ 9,357.33 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹ 693.37 lakhs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of 2 associates and 4 joint ventures, whose financial statements / financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of the other auditors.

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

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

18. We did not audit the financial statements/ financial information of 4 subsidiaries, whose financial statements/ financial information reflects total assets of ₹ 34.47 lakhs and net assets of ₹ 33.42 lakhs as at 31 March 2020, total revenues of ₹ 638.88 lakhs and net cash outflows amounting to ₹ 16.64 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the management and our opinion

on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements /financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements/ financial information certified by the management.

19. The consolidated financial statements of the Company for the year ended 31 March 2019 were audited by the predecessor auditor, S.R. Dinodia & Co. LLP, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 29 May 2019.

#### **Report on Other Legal and Regulatory Requirements**

20. Based on our audit, we report that the Holding Company and its subsidiary company, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable in respect of the Holding Company and such subsidiary company. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to 1 joint venture company covered under the Act, since such company is not a public company as defined under Section 2(71) of the Act.
21. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, 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 purpose 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 the reports of the other auditors;
  - c) the consolidated financial statements 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 Ind AS specified under Section 133 of the Act;
  - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and joint venture company covered under the Act, none of the directors of the Group companies, and joint venture company covered under the Act, are disqualified as on 31 March 2020 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 Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'; and
  - 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 consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures:
    - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures as detailed in Note 43(b) to the consolidated financial statements;
    - ii. the Holding Company, and its subsidiary companies, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
    - 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 company and joint venture company covered under the Act, during the year ended 31 March 2020 and
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Aasheesh Arjun Singh**  
Partner  
Membership No.: 210122  
UDIN: 20210122AAAAAS6454

Bengaluru  
10 July 2020

**Annexure I to the Independent Auditor's Report of even date to the members of PDS Multinational Fashions Limited on the consolidated financial statements for the year ended 31 March 2020****List of entities included in the Statement****Subsidiaries**

<b>Sl. No.</b>	<b>Name of Entity</b>
1	Technocian Fashions Private Limited
2	Multinational Textile Group Limited
3	Casa Forma Limited
4	Global Textiles Group Limited
5	Techno Design HK Limited
6	SACB Holdings Limited [Refer note 47(b)(ii)] of the accompanying consolidated financial statements)
7	Multinational OSG Services Bangladesh Private Limited
8	PDS Smart Fabric Tech Limited (Formerly known as Funky Brands Company Limited and Fullhouse Manufacturing Limited)
9	Techno Design GmbH
10	Poetic Brands Limited
11	360 Notch Limited
12	Razamtaaz Limited
13	Krayons Sourcing Limited
14	Design Arc Asia Limited
15	Nor Lanka Manufacturing Limited
16	Design Arc Europe Limited
17	Kleider Sourcing Hong Kong Limited
18	Kleider Sourcing Limited, Bangladesh
19	Rising Asia Star Hong Kong Co., Limited
20	Nor India Manufacturing Company Limited
21	Spring Near East Manufacturing Company Limited
22	Clover Collections Limited
23	FX Import Company Limited
24	Poetic Knitwear Limited
25	Pacific Logistics Limited
26	Nor Lanka Manufacturing Colombo Limited
27	Nor Europe Manufacturing S.L
28	FX Import Hong Kong Limited
29	Multitech Venture Limited
30	Progress Manufacturing Group Limited
31	Progress Apparels (Bangladesh) Limited
32	Green Apparel Industries Limited
33	Grupo Sourcing Limited
34	JJ Star Industrial Limited
35	Twins Asia Limited
36	Norlanka Progress (Private) Limited
37	Blueprint Design Limited
38	Design Arc UK Limited
39	Grupo Sourcing Limited, Bangladesh
40	Fareast Vogue Limited
41	PDS Far-east Limited
42	Kindred Brands Limited
43	Styleberry Limited
44	PDS Global Investments Limited
45	Green Smart Shirts Limited
46	PDS Far East USA, Inc.
47	Smart Notch Industrial Limited

Sl. No.	Name of Entity
48	Fabric & Trims Limited
49	Sourcing East West Limited
50	Smart Notch (Shanghai) Limited.
51	Jcraft Array Limited
52	Kindred Fashions Limited
53	Recovered Clothing Limited
54	PDS Ventures Limited
55	Design Arc FZCO
56	Spring Near East FZCO
57	Kleider Sourcing FZCO
58	Twins Asia FZCO
59	Techno Sourcing BD Limited
60	PDS Asia Star Corporation Limited
61	Simple Approach Limited
62	Zamira Fashions Limited Zhongshan
63	PG Group Limited
64	Poeticgem International Limited
65	Poeticgem Limited
66	PDS Trading (Shanghai) Company Limited
67	Simple Approach (Canada) Limited
68	Zamira Denim Lab Limited
69	PG Home Group Limited
70	PG Shanghai Manufacturer Co. Ltd
71	PG Home Group SPA
72	Zamira Fashions Limited
73	Norwest Industries Limited
74	Clover Collections FZCO
75	LillyandSid Ltd
76	Parc Designs Private Limited [Refer note 47(b)(iii)] of the accompanying consolidated financial statements)

#### Associates

Sl. No.	Name of the Entity
1	Atterley.com Holdings Limited
2	GWD Enterprises Limited

#### Joint Ventures

Sl. No.	Name of the Entity
1	Digital Ecom Techno Private Limited
2	Sourcing Solutions Limited
3	Redwood Internet Ventures Limited
4	Digital Internet Technologies Limited
5	Sourcing Solutions Europe



**Annexure II to the Independent Auditor's Report of even date to the members of PDS Multinational Fashions Limited on the consolidated financial statements for the year ended 31 March 2020**

**Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the 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'), its associates and joint ventures, as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which is a company covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The respective Board of Directors of the Holding Company and its subsidiary company, which is a company covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls 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. 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 the Company's business, including adherence to the 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 Act.

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. 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 controls 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**

8. In our opinion, the Holding Company, and its subsidiary company, which is a company covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as

at 31 March 2020, based on the internal financial controls 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.

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

**Aasheesh Arjun Singh**  
Partner  
Membership No.: 210122  
UDIN: 20210122AAAAAS6454

Bengaluru  
10 July 2020

## Consolidated Balance Sheet as at March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2020	As at March 31, 2019 (Restated)
<b>Assets</b>			
<b>I. Non-current assets</b>			
(a) Property, plant and equipment	4	32,607.32	19,954.49
(b) Capital work in progress	5	2,059.25	1,447.40
(c) Investment property	6	9,568.77	9,805.07
(d) Goodwill	7	5,141.59	5,399.78
(e) Intangible assets	8	585.93	277.08
(f) Intangible assets under development		12.83	8.87
(g) Financial assets			
(i) Investments	9	6,532.47	6,206.17
(ii) Other financial assets	10	25.00	71.25
(h) Deferred tax assets (net)	24	52.50	141.30
(i) Non-current tax assets (net)		22.79	-
(j) Other non-current assets	11	524.29	1,041.94
<b>Total non-current assets</b>		<b>57,132.74</b>	<b>44,353.35</b>
<b>Current assets</b>			
(a) Inventories	12	18,302.18	13,596.06
(b) Financial assets			
(i) Investments	9	2,367.27	1,739.57
(ii) Trade receivables	13	83,244.15	102,871.41
(iii) Cash and cash equivalents	14	35,038.68	24,059.49
(iv) Bank balances other than (iii) above	15	15,208.74	12,964.10
(v) Other financial assets	10	6,255.68	771.57
(c) Other current assets	11	20,468.95	16,817.67
<b>Total current assets</b>		<b>180,885.65</b>	<b>172,819.87</b>
<b>Total assets</b>		<b>238,018.39</b>	<b>217,173.22</b>
<b>II. Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	16	2,604.67	2,604.67
(b) Other equity	17	53,264.18	44,215.16
<b>Equity attributable to the owners of the parent</b>		<b>55,868.85</b>	<b>46,819.83</b>
Non-controlling interest		5,246.03	3,088.60
		<b>61,114.88</b>	<b>49,908.43</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	503.71	962.43
(ii) Other financial liabilities	19	6,578.38	55.13
(b) Provisions	20	1,195.35	375.90
(c) Deferred tax liabilities (net)	24	73.35	-
(d) Other non-current liabilities	22	59.21	455.44
<b>Total non-current liabilities</b>		<b>8,410.00</b>	<b>1,848.90</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	74,214.13	69,045.82
(ii) Trade payables	21		
- Total outstanding dues to micro enterprises and small enterprises		3.09	0.96
- Total outstanding dues of creditors other than micro enterprises and small enterprises		57,927.61	74,762.11
(iii) Other financial liabilities	19	2,142.38	37.61
(b) Other current liabilities	22	32,126.79	19,390.96
(c) Provisions	20	1,204.31	1,223.13
(d) Current tax liabilities (net)	23	875.20	955.30
<b>Total current liabilities</b>		<b>168,493.51</b>	<b>165,415.89</b>
<b>Total equity and liabilities</b>		<b>238,018.39</b>	<b>217,173.22</b>

Summary of significant accounting policies and other explanatory information 3

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date

For Walker Chandlok &amp; Co. LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Aasheesh Arjun Singh

Partner

Membership Number: 210122

Omprakash Makam S. Setty  
Chief Executive Officer

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

Payel Seth

Director  
DIN: 00003035Ajai Singh  
Chief Financial Officer

Deepak Seth

Director  
DIN: 00003021B. Chandra Sekhara Reddy  
Company Secretary  
M. No. A14609Bengaluru  
July 10, 2020Bengaluru  
July 10, 2020

## Consolidated Statement of Profit and Loss for the Year Ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	For the year ended March 31, 2020	For the year ended March 31, 2019
			(Restated)
I Revenue from operations	25	664,803.92	648,585.78
II Other income	26	2,652.37	1,612.21
III <b>Total income (I+II)</b>		<b>667,456.29</b>	<b>650,197.99</b>
IV <b>Expenses</b>			
(a) Cost of material consumed	27	34,759.63	33,100.88
(b) Purchases of stock-in-trade	28	525,148.42	523,421.35
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	29	(4,977.58)	(2,697.01)
(d) Employee benefits expense	30	43,595.86	37,942.35
(e) Finance costs	31	4,927.46	3,233.81
(f) Depreciation and amortization expense	32	5,220.05	2,633.73
(g) Other expenses	33	47,681.79	45,655.83
V <b>Total expenses</b>		<b>656,355.63</b>	<b>643,290.94</b>
VI <b>Profit before share of loss in associates and joint ventures and exceptional items (III-V)</b>		<b>11,100.66</b>	<b>6,907.05</b>
VII Share of loss of associates and joint ventures		(690.14)	(6.06)
VIII <b>Profit before exceptional items and tax (VI-VII)</b>		<b>10,410.52</b>	<b>6,900.99</b>
IX <b>Exceptional items</b>	7	(1,357.02)	-
X <b>Profit before tax (VIII-IX)</b>		<b>9,053.50</b>	<b>6,900.99</b>
XI <b>Tax expense</b>	35		
(a) Current tax		809.63	92.62
(b) Deferred tax		136.23	(80.05)
<b>Total tax expense</b>		<b>945.86</b>	<b>12.57</b>
XII <b>Profit for the year (X-XI)</b>		<b>8,107.64</b>	<b>6,888.42</b>
XIII <b>Other Comprehensive Income</b>			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement losses on defined benefit plans		-	(0.28)
(ii) Income tax on items that will not be reclassified to profit or loss		-	0.09
(B) (i) Items that will be reclassified reclassifies to profit or loss			
(a) Net gain on cash flow hedges		742.22	90.97
(b) Gain arising on translating the financial statements of foreign operations		4,686.48	1,533.55
(c) Net (loss)/gain on instruments measured at fair value through other comprehensive income		(163.90)	635.61
(ii) Income tax on items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>5,264.80</b>	<b>2,259.93</b>
XIII <b>Total comprehensive income for the year, net of tax</b>		<b>13,372.44</b>	<b>9,148.35</b>
<b>Net profit for the period attributable to</b>			
- Owners of the Company		4,602.02	4,383.50
- Non controlling interest		3,505.62	2,504.92
		<b>8,107.64</b>	<b>6,888.42</b>
<b>Total comprehensive income for the year, net of tax</b>			
- Owners of the Company		9,792.78	5,926.43
- Non controlling interest		3,579.66	3,221.92
		<b>13,372.44</b>	<b>9,148.35</b>
XIV <b>Earnings per share: (Face value ₹ 10 per share)</b>	34		
1) Basic (amount in ₹)		17.67	16.83
2) Diluted (amount in ₹)		17.67	16.83

Summary of significant accounting policies and other explanatory information 3

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date

For Walker Chandio & Co. LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Aasheesh Arjun Singh

Partner

Membership Number: 210122

For and 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

Omprakash Makam S. Setty

Chief Executive Officer

Bengaluru  
July 10, 2020

Bengaluru  
July 10, 2020

## Consolidated Statement of changes in equity for the year ended March 31, 2020

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity share capital		Amount									
As at April 01, 2018		2,604.67									
Changes during the year		-									
As at March 31, 2019		2,604.67									
Changes during the year		-									
As at March 31, 2020		2,604.67									
B. Other Equity											
		Capital reserve	Restricted reserve	Retained earnings	Other reserves ^	Other Comprehensive Income			Total equity before Non-controlling interest	Non-controlling interest	Total equity
						Exchange differences on translating the financial statements of foreign operations	Equity instruments through OCI	Effective portion of cash flow hedges			
Balance as at April 01, 2018 (Restated)	refer note 49	26,185.92	664.52	8,362.50	(250.56)	7,742.38	(428.55)	(301.92)	41,974.29	7,075.01	49,049.30
Profit for the year		-	-	4,383.50	-	-	-	-	4,383.50	2,504.92	6,888.42
Net gain on instruments measured at FVTOCI		-	-	-	-	-	555.08	-	555.08	80.53	635.61
Gain/ (loss) arising on translating the financial statements of foreign operations		-	-	-	-	1,000.99	-	-	1,000.99	532.56	1,533.55
Net gain on cash flow hedges		-	-	-	-	-	-	90.97	90.97	-	90.97
Acquisition of NCI without a change in control refer note 47(b)(i)		-	-	-	(3,164.93)	-	-	-	(3,164.93)	(5,625.44)	(8,790.37)
Remeasurement of defined benefit plan		-	-	(0.19)	-	-	-	-	(0.19)	-	(0.19)
Others		-	-	(555.75)	-	(61.71)	(5.95)	(1.14)	(624.55)	(92.94)	(717.49)
Total comprehensive income		26,185.92	664.52	12,190.06	(3,415.49)	8,681.66	120.58	(212.09)	44,215.16	4,474.64	48,689.80
Dividend paid, net of tax		-	-	-	-	-	-	-	-	(1,386.04)	(1,386.04)
Balance as at March 31, 2019 (Restated)		26,185.92	664.52	12,190.06	(3,415.49)	8,681.66	120.58	(212.09)	44,215.16	3,088.60	47,303.76

	Capital reserve	Restricted reserve	Retained earnings	Other reserves ^	Other Comprehensive Income			Total equity before Non-controlling interest	Non-controlling interest	Total equity
					Exchange differences on translating the financial statements of foreign operations	Equity instruments through OCI	Effective Portion of Cash Flow Hedges			
Balance as at April 01, 2019 (Restated) refer note 49	26,185.92	664.52	12,190.06	(3,415.49)	8,681.66	120.58	(212.09)	44,215.16	3,088.60	47,303.76
Profit for the year	-	-	4,602.02	-	-	-	-	4,602.02	3,505.62	8,107.64
Net loss on instruments measured at FVTOCI	-	-	-	-	-	(163.90)	-	(163.90)	-	(163.90)
Gain/ (loss) arising on translating the financial statements of foreign operations	-	-	-	-	4,612.44	-	-	4,612.44	74.04	4,686.48
Net gain on cash flow hedges	-	-	-	-	-	-	742.22	742.22	-	742.22
Acquisition of a subsidiary [Refer note 47(a)(i)]	-	-	-	-	-	-	-	-	369.47	369.47
Sale of a subsidiary [Refer note 47(b)(iii)]	-	-	-	(54.10)	-	-	-	(54.10)	(15.62)	(69.72)
Others	-	-	-	-	(689.66)	-	-	(689.66)	-	(689.66)
Total comprehensive income	26,185.92	664.52	16,818.32	(3,495.81)	12,604.44	(43.32)	530.13	53,264.18	7,022.11	60,286.29
Dividend paid, net of tax	-	-	-	-	-	-	-	-	(1,776.08)	(1,776.08)
Balance as at March 31, 2020	26,185.92	664.52	16,792.08	(3,469.59)	12,604.44	(43.32)	530.13	53,264.18	5,246.03	58,510.21

^ Other reserves represents gain/loss on change in proportion held by NCI without a change in control  
Summary of significant accounting policies and other explanatory information (Note 3)

The accompanying notes form an integral part of these consolidated financial statements

As per our Report of even date

**For Walker Chandlok & Co. LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

**Aasheesh Arjun Singh**

Partner

Membership Number: 210122

**Omprakash Makam S. Setty**

Chief Executive Officer

Bengaluru

July 10, 2020

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

**Payel Seth**

Director

DIN: 00003035

**Ajai Singh**

Chief Financial Officer

**B. Chandra Sekhara Reddy**

Company Secretary

M. No. A14609

**Deepak Seth**

Director

DIN: 00003021



**Consolidated Statement of Cash Flow for the year ended March 31, 2020**

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019 (Restated)
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	9,053.50	6,900.99
<b>Adjustments for</b>		
Share of loss of associates and joint ventures	690.14	6.06
Depreciation and amortization expense	5,220.05	2,633.73
Impairment of goodwill	1,357.02	-
Impairment of investments	152.25	-
Finance costs	4,927.46	3,233.81
Loss on sale of property, plant and equipment	9.33	0.49
Provision for doubtful advances	46.70	185.27
Interest income	(305.90)	(270.41)
Dividend income	(225.19)	-
Unwinding of discount on security deposit	(2.83)	(2.93)
Bad debts written off	-	41.34
Provision for advances and receivables written back	-	(54.84)
Other operating activities	-	0.72
<b>Operating profit before working capital changes</b>	<b>20,922.53</b>	<b>12,674.23</b>
<b>Movement In working capital:</b>		
Change in trade payables and other financial liabilities	(22,748.72)	40,502.77
Change in other current liabilities	9,984.86	432.14
Change in provisions	471.34	1,413.13
Change in trade receivables	29,167.02	(24,787.83)
Change in inventories	(2,988.96)	(7,122.76)
Change in other current assets	(1,096.46)	(235.26)
Change in other current financial assets	(4,666.41)	(70.11)
<b>Cash generated from operations</b>	<b>29,045.20</b>	<b>22,806.31</b>
Direct tax paid (net of refunds)	(969.18)	(1,491.81)
<b>Net cash inflow from operating activities (A)</b>	<b>28,076.02</b>	<b>21,314.50</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, capital working in progress and investment property	(5,122.28)	(13,768.81)
Purchase of intangible assets	(450.89)	-
Proceed towards acquisition of interest in subsidiaries	(861.85)	-
Proceed from sale of interest in subsidiary	96.00	-
Net (increase)/decrease in investments	(976.63)	1,931.80
Proceeds from sale of property, plant and equipment	-	117.64
Investment In bank deposits	(841.93)	(1,578.89)
Dividend received	225.19	-
Payment towards loans and advances made	(248.50)	-
Repayment for acquisition of non-controlling interest	-	(6,488.25)
Interest Income	305.90	270.04
<b>Net cash used in investing activities (B)</b>	<b>(7,874.99)</b>	<b>(19,516.47)</b>
<b>Cash flows from financing activities</b>		
Repayment of long term borrowing	(268.98)	-
Net payment of bank borrowings	(3,092.32)	14,744.04
Interest paid, net	(4,927.46)	(3,234.33)
Payment of dividend	(1,776.08)	-
Payment of principal portion of lease liabilities	(2,053.88)	-
Interest paid on lease liabilities	(271.54)	-
Others	(413.62)	-
<b>Net cash (used in)/inflow from financing activities (C)</b>	<b>(12,803.88)</b>	<b>11,509.71</b>
<b>Net increase in cash and cash equivalents (a+b+c)</b>	<b>7,397.14</b>	<b>13,307.74</b>
Effect of exchange rate changes on cash and cash equivalents	2,336.33	(455.89)
Opening balance of cash and cash equivalents	24,007.70	11,155.85
<b>Cash and cash equivalents at the end of the year (net of bank overdraft)</b>	<b>33,741.17</b>	<b>24,007.70</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	84.30	1.26
Balance with banks	34,954.38	24,058.23
Bank overdraft	(1,297.51)	(51.79)
<b>Total cash and cash equivalents</b>	<b>33,741.17</b>	<b>24,007.70</b>

## Consolidated Statement of Cash Flow for the year ended March 31, 2020 (Contd.)

(All amounts in ₹ lakhs, unless otherwise stated)

### Non cash disclosure

Particulars	As at April 01, 2018 (Restated)	Cash flow		Non-cash			As at March 31, 2019 (Restated)
		Additions	Repayment	Amortisation of upfront fees/interest expense	Exchange difference	Others	
Borrowings	55,212.41	14,744.04	(3,234.33)	3,233.81	52.31	-	70,008.25
	<b>55,212.41</b>	<b>14,744.04</b>	<b>(3,234.33)</b>	<b>3,233.81</b>	<b>52.31</b>	<b>-</b>	<b>70,008.25</b>

Particulars	As at April 01, 2019 (Restated)	Cash flow		Non-cash			As at March 31, 2020
		Additions*	Repayment	Amortisation of upfront fees/interest expense	Exchange difference	Others	
Borrowings	70,008.25	1,245.72	(8,288.76)	4,655.92	7,096.71	-	74,717.84
	<b>70,008.25</b>	<b>1,245.72</b>	<b>(8,288.76)</b>	<b>4,655.92</b>	<b>7,096.71</b>	<b>-</b>	<b>74,717.84</b>

\* includes amount received as bank overdraft and considered as part of cash and cash equivalent in the cash flow statement.

Summary of significant accounting policies and other explanatory information (note 3)

The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

**For Walker Chandiok & Co. LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

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

**Aasheesh Arjun Singh**

Partner

Membership Number: 210122

**Payel Seth**

Director

DIN: 00003035

**Deepak Seth**

Director

DIN: 00003021

**Omprakash Makam S. Setty**

Chief Executive Officer

**Ajai Singh**

Chief Financial Officer

**B. Chandra Sekhara Reddy**

Company Secretary

M. No. A14609

Bengaluru  
July 10, 2020

Bengaluru  
July 10, 2020

## Summary of Significant accounting policies and other explanatory information

### 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, Bengaluru -560102, Karnataka. The Company along with its subsidiaries (collectively referred to as "the Group") and its associates and joint ventures, 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, owing, leasing or licensing real estate. The Company has its primary listings on the BSE Limited and the National Stock Exchange of India Limited.

### Note 2: Basis of preparation of consolidated financial statements

#### Statement of compliance

The consolidated financial statements are prepared on accrual basis under historical cost convention except for certain financial instruments which are measured at fair value. These consolidated 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 consolidated financial statements.

The financial statements of the Group for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on July 10, 2020.

**Going concern:** The Board of Directors have considered the financial position of the Company at March 31, 2020 and the projected cash flows and financial performance of the Group for at least twelve months from the date of these consolidated financial statements and believe that the plan for sustained profitability remains on course.

#### Basis of preparation and presentation

The consolidated 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 consolidated financial statements are presented in ' and all values are rounded to the nearest lakhs except otherwise stated.

#### Recent accounting pronouncement

The Ministry of Corporate Affairs ("MCA") notifies new accounting standards or amendments to the existing accounting standards. There is no such notification which would have been applicable from 01 April, 2020 and impacts consolidated financial statements.

#### 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 subsidiaries, its step down subsidiaries and its associates and joint venture companies used in the consolidation are drawn upto the same reporting date as that of the Group i.e. March 31, 2020.
- (ii) The financial statements of the Company and its subsidiaries

companies have been consolidated 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. The Group controls an entity when the parent has power over the entity, it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

- (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.

#### Non-controlling interest (NCI)

- (iv) Non-controlling interest (NCI) in the equity and results of the entities that are controlled by the Company is shown as a separate item in the Consolidated Financial Statements. The interest of non-controlling shareholders may be initially measured either at fair value or at the non controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the noncontrolling interest having a deficit balance.

#### Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### Changes in the proportion held by non-controlling interests without change in control

When the proportion of the equity held by non-controlling interests changes, the Group adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The Group recognise directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

#### Investments accounted for using the equity method

Investments accounted for using the equity method are entities in respect of which, the Company has significant influence, but not control, over the financial and operating policies. Generally, a Company has significant influence if it holds between 20 and 50 percent of the voting power of another entity. Investments in such entities are accounted for using the equity method and are initially recognized at cost. The carrying amount of investment is increased/decreased to recognize investors share of profit or loss of the investee after the acquisition date.

#### Business combinations

Business combinations are accounted for using the acquisition method. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial

statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the Consolidated Balance Sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquiree at the date of

acquisition. Any excess of identifiable net assets over acquisition cost is recognised in the other comprehensive income on the acquisition date and accumulated in equity as capital reserve. Acquisition related costs are accounted for as expenses in the period in which they are incurred and the services are received.

The Details of subsidiaries and its step down subsidiary companies, associates and joint ventures that have been considered in the preparation of the consolidated financial statements are as under:

Name of the entity	Date of acquisition	Country of incorporation	% of voting power held as at March 31, 2020	% of voting power held as at March 31, 2019
Technocian Fashions Private Limited	20.03.2019	India	55.00%	*
Parc Designs Fashions Limited [Refer note 47(b)(iii)]	16.08.2018	India	19.00%	51.00%
Multinational Textile Group Limited	13.05.2014	Mauritius	100.00%	100.00%
<b>(i) Multinational Textile Group Limited holds the following subsidiaries:</b>				
Global Textiles Group Limited	31.03.2006	Mauritius	100.00%	100.00%
Norwest Industries Limited	31.05.2006	Hong Kong	100.00%	100.00%
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 Holding Limited [Refer note 47(b)(ii)]	24.03.2011	Mauritius	-	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 Private 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 Venture 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%
Blueprint Design Limited	30.06.2016	Hong Kong	100.00%	100.00%
PDS Ventures Limited	03.07.2018	UK	100.00%	100.00%
PDS Global Investments Limited	01.04.2018	Hong Kong	100.00%	100.00%
Techno Sourcing BD Limited	22.10.2019	Bangladesh	49.00%	**
Twins Asia FZCO	17.01.2019	Dubai	75.00%	75.00%
Design Arc FZCO	17.01.2019	Dubai	75.00%	75.00%
Kleider Sourcing FZCO	17.01.2019	Dubai	41.00%	90.00%
Spring Near East FZCO	17.01.2019	Dubai	55.00%	55.00%
Clover Collections FZCO	20.02.2020	Dubai	100.00%	*
<b>(ii) Norwest Industries Limited, holds the following subsidiaries:</b>				
Nor Lanka Manufacturing Limited	22.10.2008	Hong Kong	100.00%	100.00%
Nor India Manufacturing Company 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 Hong Kong Co. Limited (Formerly Known as Techno. Manufacturing Co. Ltd.)	03.01.2012	Hong Kong	100.00%	100.00%
Spring Near East Manufacturing Company Limited	17.12.2010	Hong Kong	65.00%	65.00%

Name of the entity	Date of acquisition	Country of incorporation	% of voting power held as at March 31, 2020	% of voting power held as at March 31, 2019
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 Industrial Limited	28.04.2015	Hong Kong	57.50%	57.50%
Krayons 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 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%	85.00%
Sourcing East West Limited	19.01.2018	Hong Kong	50.00%	50.00%
<b>(iii) Design Arc Europe Limited holds the following subsidiary:</b>				
Nor Europe Manufacturing SL	17.11.2011	Spain	100.00%	100.00%
<b>(iv) Nor Lanka Manufacturing Company Ltd. holds the following subsidiary:</b>				
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%
LillyandSid Ltd.	10.03.2020	UK	55.00%	*
<b>(v) Global Textiles Group Limited holds the following subsidiaries:</b>				
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%
<b>(vi) Poeticgem Limited holds the following subsidiaries:</b>				
Pacific Logistics Limited	27.10.2003	UK	100.00%	100.00%
FX Import Company Limited	26.03.2008	UK	100.00%	100.00%
Poetic Knitwear Limited	31.03.2009	UK	100.00%	100.00%
<b>(vii) PG Group Limited holds the following subsidiaries:</b>				
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%
<b>(viii) PG Home Group Limited holds the following subsidiary:</b>				
PG Home Group SPA	31.07.2008	Chile	100.00%	100.00%
<b>(ix) FX Import Company Limited holds the following subsidiary:</b>				
FX Import Hong Kong Limited	04.05.2009	Hong Kong	100.00%	100.00%
<b>(x) PDS Asia Star Corporation Limited holds the following subsidiary:</b>				
PDS Trading (Shanghai) Company Limited	31.12.2012	China	100.00%	100.00%
<b>(xi) Simple Approach Limited holds the following subsidiary:</b>				
Simple Approach (Canada) Limited	02.05.2013	Canada	100.00%	100.00%
<b>(xii) Kleider Sourcing HongKong Limited holds the following subsidiary:</b>				
Kleider Sourcing Limited, Bangladesh	10.08.2014	Bangladesh	99.97%	99.97%
<b>(xiii) Zamira Fashions Limited holds the following subsidiaries:</b>				
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%

Name of the entity	Date of acquisition	Country of incorporation	% of voting power held as at March 31, 2020	% of voting power held as at March 31, 2019
<b>(xiv) Grupo Sourcing Limited holds the following subsidiary:</b>				
Grupo Sourcing Limited, Bangladesh	02.05.2016	Bangladesh	99.98%	99.98%
<b>(xv) Green Apparel Industries Limited holds the following subsidiary:</b>				
Green Smart Shirts Limited	04.05.2016	Bangladesh	99.98%	99.98%
<b>(xvi) Norwest Industries Limited holds the following joint venture:</b>				
Sourcing Solutions Limited	12.03.2015	Hong Kong	50.00%	50.00%
<b>(xvii) Sourcing Solution Limited holds the following subsidiary:</b>				
Sourcing Solutions Europe BVBA	01.04.2018	Belgium	100.00%	100.00%
<b>(xviii) Multitech Ventures Ltd holds the following joint venture:</b>				
Redwood Internet ventures Limited	09.12.2015	Hong Kong	50.00%	50.00%
<b>(xix) Redwood Internet Ventures Limited holds the following subsidiary:</b>				
Digital Internet Technologies Limited	25.02.2016	Hong Kong	100.00%	100.00%
<b>(xx) Digital Internet Technologies Limited holds the following subsidiary:</b>				
Digital Ecom Techno Private Limited	17.06.2016	India	100.00%	100.00%
<b>(xxi) Progress Manufacturing Group Ltd holds the following subsidiary:</b>				
Progress Apparels Bangladesh Limited	12.07.2015	Bangladesh	99.99%	99.99%
<b>(xxii) 360 Notch Limited holds the following subsidiary:</b>				
Smart Notch (Shanghai) Limited	20.04.2018	China	100.00%	100.00%
<b>(xxiii) Poetic Brands Limited holds the following subsidiary:</b>				
Recovered Clothing Limited	24.07.2018	UK	100.00%	100.00%
<b>(xxiv) Poeticgem International Limited holds the following subsidiary:</b>				
Kindred Fashion Limited	23.10.2018	Canada	100.00%	100.00%
<b>(xxv) 360 Notch Limited holds the following associate:</b>				
Atterley.com Holdings Limited ("Atterley")	23.09.2018	UK	27.23%	27.23%
<b>(xxvi) Multinational Textiles Group Limited holds the following associate:</b>				
GWD Enterprises Limited	21.10.2010	UK	25.00%	25.00%

\* Subsidiaries formed and reported as part of current year

\*\* Subsidiaries incorporated and reported as part of current year

### Use of estimates and judgements

The preparation of consolidated 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 consolidated 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 consolidated financial statements:

#### i Revenue recognition and presentation

The Group 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.

#### ii Useful lives of property, plant and equipment and intangible assets

The useful life and residual value of plant, property and equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period.

#### iii Current tax and deferred tax

Significant judgements on the future tax treatment of certain transactions are required in determining income tax provisions. The Group carefully evaluates tax implications of transactions and tax provisions are recorded accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation.



Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectations are different from the original estimates, such differences will impact on the recognition of deferred tax assets and deferred tax in the periods in which such estimates have been changed.

**iv Impairment of long lived assets**

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. The Group assesses impairment of long lived assets which are recorded at cost. At the time when there are any indications that such assets have suffered a loss, if any, is recognised in the Statement of Profit and Loss.

**v 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.

**vi Impairment of goodwill**

Goodwill recognized on business combination are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or the cash generating unit to which these pertain is less than the carrying value. The recoverable amount of the asset or the cash generating units is higher of value-in-use and fair value less cost of disposal. The calculation of value in use of an asset or a cash generating unit involves use of significant estimates and assumptions which include turnover, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

**vii 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.

**viii Provision for expected credit losses (ECL) on trade receivables**

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type and customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking

information. For instance, if forecast economic condition (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 42 to the consolidated financial statements.

**ix Defined benefit plan**

The determination of the Group's obligation and cost for defined benefits is performed by independent actuary engaged by the Group and dependent on the selection of certain assumptions used by them in calculating such amounts. Those assumptions include among others, discount rates and future annual salary increase. In accordance with the Group's accounting policy for pension obligations, actual results that differ from the Group's assumptions are recognised immediately in other comprehensive income as and they occur. While the Group believes that the actuary's assumptions are reasonable and appropriate, significant differences in the Group's actual experience or significant changes in the Group's assumptions may materially affects its pension and other retirement obligations.

**x Leases – estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

**xi 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 judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**xii Uncertainty relating to the global health pandemic on Covid-19**

In assessing the recoverability of receivables, goodwill, PPE, intangible assets, and certain investments, the Group has considered relevant internal business projections, cash flows, and external information available up to the date of approval

of these consolidated financial statements. The Group has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

The Group basis its assessment believes that the probability of the occurrence of forecasted transactions is not impacted by Covid-19. The Group has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness and continues to believe that there is no impact on effectiveness of its hedges.

The impact of Covid-19 remains uncertain and may be different from what the Group has estimated as of the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

#### Current versus non-current classification

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

#### Assets:

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

#### Liabilities:

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

**Operating cycle:** The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Based on the operation, the group has identified twelve months as its operating cycle.

### Note 3: Significant accounting policies

#### a) Property, plant and equipment (PPE)

Property, plant and equipment, 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 recognized is de-recognized 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 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 property, plant and equipment that are not ready for their intended use at the reporting date.

#### Depreciation: In case of entities in India

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 and Loss. Leasehold improvements are amortized over the lease term or the useful life of the assets, whichever is earlier.

#### In case of foreign subsidiaries

Depreciation is recognized on a straight line basis over the estimated useful life of each part of an item of property, plant and equipment. Leasehold improvements are amortized over the lease term or the useful life of the assets, whichever is earlier.

The estimated range of depreciation for the Group are as under:

Category	Rate of depreciation
Infrastructure	20%
Computer and equipment	10% - 33.33%
Fixtures, fittings and equipment's	10% - 33.33%
Motor vehicles	14% - 33.33%
Plant and Machinery	20% - 25%

Freehold land is not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes indicate the carrying value may not be recoverable. If any such indication exists and carrying values exceed recoverable amounts such assets are written down to their recoverable amounts.

#### b) Intangible assets

##### Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Goodwill is not amortised.

*Intangible assets (other than goodwill)*

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

**c) Investment property**

**(i) Recognition and measurement**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property comprises 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 their remaining useful lives.

**d) 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.

**e) Foreign currencies**

**Functional and presentational currency**

Items included in the financial statements of each of the

Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated financial statements are presented in Indian Rupees (₹) which is Group's presentation currency unless stated otherwise.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise and these are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that consolidated Balance Sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in Other Comprehensive Income. On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

**f) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

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

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Revenue in excess of invoicing are classified as contract asset while invoicing in excess of revenues are classified as contract

liabilities.

#### 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.

**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.

Any other income is recognized on an accrual basis.

#### g) Inventories

Inventories are measured at the lower of cost and net realisable value

The cost of inventories is based on the First-In, First-Out (FIFO) principle and include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work in progress cost include an appropriate share of production overhead 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.

#### h) Leases (applicable from April 01, 2019)

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

##### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### (a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the

exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### (b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date of the relevant component, where such lease exists, because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

#### (c) Short term leases

the Group applies the short-term lease recognition practical expedient to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

##### **Company as a lessor**

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.



Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

**i) Employee benefits**

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

**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.

**j) Provisions, contingent liabilities and contingent assets**

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.

Provisions, 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.

**k) Financial instruments**

**i) Recognition and initial measurement**

The Group initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

**ii) Classification and subsequent measurement**

**Financial assets**

*Financial assets 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 assets 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 assets at fair value through profit or loss (FVTPL)*

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

**Financial liabilities**

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the nature of these instruments.

Investment in equity shares / reference shares in joint venture and associates is carried at cost in the financial statements.

**iii) Derecognition**

**Financial assets**

A financial asset (or, where applicable, a part of a financial asset) is derecognised (i.e. removed from the Group'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 Group 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.

**Financial liabilities**

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 derecognition 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.

**iv) Offsetting**

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

**v) Impairment of financial assets**

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss

allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit or Loss.

**i) Derivative financial instruments and hedge accounting**

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship with which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument for cash flow hedges is recognised directly in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. Amounts recognised in other comprehensive income are transferred to the statement of profit or loss when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction occurs or the foreign currency firm commitment is met.

**m) 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.

**n) 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 consolidated 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 consolidated 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.

**o) Income taxes**

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

**Current income tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or

paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and 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 and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

**Minimum alternate tax**

Minimum Alternate Tax (MAT), for the Company and indian subsidiaries, paid in the year is charged to the Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group 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 the

Group 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 Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period. In accordance with Ind AS 12 Company is grouping MAT credit entitlement with deferred tax assets / liability (net).

**p) Cash and cash equivalents**

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

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

**q) Earnings per share (EPS)**

In determining earnings per share, the Group considers the

net profit after tax and includes the post tax effect of any 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.

**r) Segment reporting**

The Group 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)

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Leasehold improvement	Vehicles	Office and equipment	Electrical installations & equipment	Computers	Right to use assets	Total
<b>Gross Carrying Value</b>											
<b>Balance as at April 1, 2018 (Restated)</b>	743.89	3,246.72	4,718.31	3,563.98	1,276.35	856.96	4,266.11	799.21	1,016.88	-	20,488.41
Additions/ transfers during the year	57.07	5,279.65	1,383.52	1,152.36	472.49	241.14	1,646.88	93.82	535.11	-	10,862.04
Disposals	-	-	-	(98.29)	-	-	(13.16)	-	(31.10)	-	(142.55)
Effect of changes in exchange rates	39.61	(82.02)	192.28	112.84	71.34	44.01	239.93	(0.76)	41.59	-	658.82
<b>Balance as at March 31, 2019 (Restated)</b>	<b>840.57</b>	<b>8,444.35</b>	<b>6,294.11</b>	<b>4,730.89</b>	<b>1,820.18</b>	<b>1,142.11</b>	<b>6,139.76</b>	<b>892.27</b>	<b>1,562.48</b>	-	<b>31,866.72</b>
Additions/ transfers during the year	-	920.28	2,743.40	1,385.96	335.79	2.52	1,013.78	2.27	233.04	-	6,637.04
Impact on account of transition to IndAS 116 (refer note 4b)	-	-	-	-	-	-	-	-	-	9,609.48	9,609.48
Disposals during the year [Refer note 47(a)(i)]	-	-	(28.22)	(6.27)	-	(92.89)	(1.55)	(4.72)	(8.05)	-	(141.70)
Additions on acquisition of subsidiary	-	-	-	-	-	-	1.28	-	-	-	1.28
Effect of changes in exchange rates	71.76	169.09	517.03	337.93	237.50	65.22	322.53	-	7.25	382.85	2,111.16
<b>As at March 31, 2020 (A)</b>	<b>912.33</b>	<b>9,533.72</b>	<b>9,526.32</b>	<b>6,448.51</b>	<b>2,393.47</b>	<b>1,116.96</b>	<b>7,475.80</b>	<b>889.82</b>	<b>1,794.72</b>	<b>9,992.33</b>	<b>50,083.98</b>
<b>Accumulated depreciation</b>											
<b>Balance as at April 1, 2018 (Restated)</b>	-	827.54	1,073.69	2,349.78	975.26	709.86	3,449.14	81.99	250.95	-	9,718.21
Depreciation charge for the year	-	267.79	465.70	448.74	152.08	71.52	453.71	88.79	109.68	-	2,058.01
Disposals	-	-	-	(0.41)	-	-	(3.89)	-	(20.13)	-	(24.43)
Effect of changes in exchange rates	-	(156.77)	(117.10)	119.63	58.72	37.76	213.25	(0.12)	5.07	-	160.44
<b>Balance as at March 31, 2019 (Restated)</b>	-	<b>938.56</b>	<b>1,422.29</b>	<b>2,917.74</b>	<b>1,186.06</b>	<b>819.14</b>	<b>4,112.21</b>	<b>170.66</b>	<b>345.57</b>	-	<b>11,912.23</b>
Depreciation charge for the year	-	374.39	667.30	304.02	568.09	60.71	624.81	75.28	246.39	1,659.12	4,580.11
Disposals	-	-	(6.61)	(2.43)	-	(86.86)	(37.28)	(1.36)	(5.61)	-	(140.15)
Effect of changes in exchange rates	-	156.84	247.33	158.14	239.61	58.97	6.29	-	66.91	190.38	1,124.47
<b>As at March 31, 2020 (B)</b>	-	<b>1,469.79</b>	<b>2,330.31</b>	<b>3,377.47</b>	<b>1,993.76</b>	<b>851.96</b>	<b>4,706.03</b>	<b>244.58</b>	<b>653.26</b>	<b>1,849.50</b>	<b>17,476.66</b>
<b>Net book value</b>											
<b>As at March 31, 2020 (A-B)</b>	<b>912.33</b>	<b>8,063.93</b>	<b>7,196.01</b>	<b>3,071.04</b>	<b>399.71</b>	<b>265.00</b>	<b>2,769.77</b>	<b>645.24</b>	<b>1,141.46</b>	<b>8,142.83</b>	<b>32,607.32</b>
<b>As at March 31, 2019 (Restated)</b>	<b>840.57</b>	<b>7,505.79</b>	<b>4,871.82</b>	<b>1,813.15</b>	<b>634.12</b>	<b>322.97</b>	<b>2,027.55</b>	<b>721.61</b>	<b>1,216.91</b>	-	<b>19,954.49</b>

The buildings situated in Hong Kong of Norwest Industries Limited, a Subsidiary of the Company, are pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries of the Group.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 5 : Capital work in progress	As at March 31, 2020	As at March 31, 2019
Capital work in progress	2,059.25	1,447.40
	<u>2,059.25</u>	<u>1,447.40</u>

Note 6 : Investment property	Freehold land	Building	Total
<b>Gross carrying amount</b>			
Balance as at April 1, 2018 (Restated)	68.81	12,105.88	12,174.69
Additions during the year	-	5.87	5.87
Disposals/ adjustments during the year		1,563.13	1,563.13
Foreign exchange fluctuation	-	818.65	818.65
	<u>68.81</u>	<u>14,493.53</u>	<u>14,562.34</u>
Balance as at March 31, 2019 (Restated)	-	64.79	64.79
Additions during the year	-	(259.44)	(259.44)
Disposals/ adjustments during the year	-	428.83	428.83
Foreign exchange fluctuation			
	<u>68.81</u>	<u>14,727.71</u>	<u>14,796.52</u>
<b>Balance as at March 31, 2020</b>			
	<u>68.81</u>	<u>14,727.71</u>	<u>14,796.52</u>
<b>Accumulated depreciation</b>			
Balance as at April 1, 2018 (Restated)	-	2,240.42	2,240.42
Add: Depreciation charge for the year	-	485.60	485.60
Disposals/ adjustments during the year		1,563.14	1,563.14
Add: Foreign exchange fluctuation		468.11	468.11
	<u>-</u>	<u>4,757.27</u>	<u>4,757.27</u>
Balance as at March 31, 2019 (Restated)	-	420.21	420.21
Add: Depreciation charge for the year	-	(0.30)	(0.30)
Disposals/ adjustments during the year	-	50.57	50.57
Add: Foreign exchange fluctuation			
	<u>-</u>	<u>5,227.75</u>	<u>5,227.75</u>
<b>Balance as at March 31, 2020</b>			
	<u>-</u>	<u>5,227.75</u>	<u>5,227.75</u>
<b>Net book value</b>			
As at March 31, 2020	<u>68.81</u>	<u>9,499.96</u>	<u>9,568.77</u>
As at March 31, 2019 (Restated)	<u>68.81</u>	<u>9,736.26</u>	<u>9,805.07</u>
<b>a) Fair value</b>			
As at March 31, 2020	3,140.00	12,920.78	16,060.78
As at March 31, 2019 (Restated)	2,887.50	11,760.16	14,647.66
<b>b) Information regarding income and expenditure pertaining to investment properties of the Group is as under:</b>			
	As at March 31, 2020	As at March 31, 2019	
			(Restated)
Rental Income derived from Investment property	539.80		416.72
Less: Direct operating expenses	324.33		450.13
	<u>215.47</u>		<u>(33.41)</u>
<b>Profit/(loss) arising from investment property before depreciation</b>	<u>215.47</u>		<u>(33.41)</u>
Less: Depreciation	420.21		485.60
	<u>(204.74)</u>		<u>(519.01)</u>
<b>Loss arising from investment property</b>	<u>(204.74)</u>		<u>(519.01)</u>
<b>c) Minimum lease rent receivable: In respect of investment property of the Group given on lease, the future minimum lease payments receivable for non-cancellable period is as under:</b>			
<b>Particulars</b>	As at March 31, 2020	As at March 31, 2019	
			(Restated)
Not later than 1 year	446.60		60.93
Later than 1 year but not later than 5 years	933.39		266.57
Later than 5 years	-		276.77
<b>Total</b>	<u>1,379.99</u>		<u>604.27</u>

(All amounts in ₹ lakhs, unless otherwise stated)

- d) The above schedule of investment property includes :
- Property of 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. The fair value of such property is ₹ 5,270.00 (land - ₹ 3,140.00, Building ₹ 2,130.00) (2019 land - ₹ 2,887.50, Building ₹ 2,070.09)
  - One residential property is in the United Kingdom. The fair value of the residential property of GBP 8,500,000 (₹ 7,958.49) (2019: GBP 8,500,000 (₹ 7,661.07)) was determined by the Company's directors and no valuation has been performed by an independent professionally qualified valuer.
- As at March 31, 2020 and March 31, 2019, the investment property was pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries of the Group. In the opinion of the directors, the open market value of the property is not materially different from the stated amount.
- e) During the year ended March 31, 2019, a property held by Poeticgem Limited in the Group was transferred from property, plant and equipment having a fair value of GBP 3,025,000 (₹ 2,832.29) (2019: GBP 2,251,184 (₹ 2,029.00)) are currently being held for the purpose of rental income from a third party. The fair value is based on valuation performed by an accredited independent valuer.
- f) The fair valuation is based on current prices in the active market for similar properties other than when stated otherwise. The main input used are quantum, area, location, population, profile of surrounding developments, negotiations, connectivity and accessibility.

**Note 7 : Goodwill**

Particulars	Amount
<b>Gross carrying amount</b>	
<b>Balance as at April 1, 2018 (Restated)</b>	4,358.17
Acquisition of a subsidiary	760.46
Impairment on goodwill	(76.57)
Exchange difference	357.72
<b>Balance as at March 31, 2019 (Restated)</b>	<b>5,399.78</b>
Acquisition of a subsidiary (Refer note 47(a)(i))	615.26
Impairment on goodwill	(1,357.02)
Exchange difference	483.57
<b>Balance as at March 31, 2020</b>	<b>5,141.59</b>

**Impairment testing for Goodwill**

For impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Company's operating segment. Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of each CGU.

The recoverable amount of the CGU is determined on the basis of Fair Value Less Cost of Disposal (FVLCD). The FVLCD of the CGU is determined based on the discounted cash flow approach, using the discount rate and terminal income growth rate from unobservable market data. The discount rate applied to the cash flow projections is within the range of 16-18% and cash flows beyond the five-year period were extrapolated using a growth rate of 2-3%, which was the same as the long term average growth rate of the garment products industry in the respective geographies. The fair value measurement is categorised as a level 3 fair value based on the inputs in the valuation techniques used.

Goodwill acquired through business combinations have been allocated to the reporting units for impairment testing. Based on the above testing, the Group has impaired ₹ 1,357.02 (March 31, 2019: ₹ 76.57) goodwill pertains to certain entities as these entities do not have significant activities and operations.

**Note 8 : Intangible assets**

The following table presents the reconciliation of changes in the carrying value of other intangible assets in the Group:

Particulars	Computer Software	Trade marks	Design and Development	Total
<b>Gross carrying amount</b>				
<b>Balance as at April 1, 2018</b>	153.99	183.88	1.50	339.37
Add: Additions during the year	49.89	122.78	-	172.67
Disposals/ adjustments during the year	-	(35.37)	-	(35.37)
Exchange difference	-	10.55	0.10	10.65
<b>Balance as at March 31, 2019 (Restated)</b>	<b>203.88</b>	<b>281.84</b>	<b>1.60</b>	<b>487.32</b>
Add: Additions during the year	65.60	106.77	-	172.37
Disposals/ adjustments during the year	6.95	349.24	-	356.19
Exchange difference	-	35.46	0.14	35.60
<b>Balance as at March 31, 2020</b>	<b>276.43</b>	<b>773.31</b>	<b>1.74</b>	<b>1,051.48</b>

(All amounts in ₹ lakhs, unless otherwise stated)

Contd.

Particulars	Computer Software	Trade marks	Design and Development	Total
<b>Amortisation</b>				
<b>Balance as at April 1, 2018</b>	60.65	143.10	1.50	205.25
Add: Amortisation charge for the year	33.54	56.57	-	90.11
Disposals/ adjustments made during the year	-	(94.52)	-	(94.52)
Exchange difference	-	9.30	0.10	9.40
<b>Balance as at March 31, 2019 (Restated)</b>	<b>94.19</b>	<b>114.45</b>	<b>1.60</b>	<b>210.24</b>
Add: Amortisation charge for the year	40.74	178.99	-	219.73
Disposals/ adjustments made during the year	-	14.63	-	14.63
Exchange difference	-	20.81	0.14	20.95
<b>Balance as at March 31, 2020</b>	<b>134.93</b>	<b>328.88</b>	<b>1.74</b>	<b>465.55</b>
<b>Net carrying value</b>				
<b>Balance as at March 31, 2020</b>	<b>141.50</b>	<b>444.43</b>	<b>-</b>	<b>585.93</b>
<b>Balance as at March 31, 2019 (Restated)</b>	<b>109.69</b>	<b>167.39</b>	<b>-</b>	<b>277.08</b>

**Note 9 : Investments**

	As at March 31, 2020		As at March 31, 2019	
	Non-Current	Current	Non-Current	Current
			(Restated)	
<b>Fair value through profit or loss</b> (refer note 'a' below)				
Equity investments - refer note (iv) below	881.94	34.44	279.96	1,107.93
Debt investments - refer note (ii) below	-	2,332.83	219.60	631.64
Other investments - refer note (iii) below	2,531.51	-	2,213.25	-
<b>Total (A)</b>	<b>3,413.45</b>	<b>2,367.27</b>	<b>2,712.81</b>	<b>1,739.57</b>
<b>Fair value through other comprehensive income</b>				
Equity and debt investments (refer note 'b' below)	198.67	-	491.16	-
Investment in bonds	139.75	-	170.34	-
<b>Total (B)</b>	<b>338.42</b>	<b>-</b>	<b>661.50</b>	<b>-</b>
<b>Interest in joint ventures</b> (refer note 'd' below) <b>Total (C)</b>	1,568.31	-	1,444.62	-
<b>Interest in associates</b> (refer note 'e' below) <b>Total (D)</b>	1,212.29	-	1,387.24	-
<b>Total [E=(A+B+C+D)]</b>	<b>6,532.47</b>	<b>2,367.27</b>	<b>6,206.17</b>	<b>1,739.57</b>

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.
- As at March 31, 2020 and March 31, 2019, the investments consisted of equity and debt instruments which are held for trading. They are designated by the Group as financial assets at fair value through profit or loss and are stated at fair value. During the year ended March 31, 2020, the above listed debt investments which are investments in bonds are sold during the year.
- The Group entered into three life insurance policies with an insurance company to insure an executive director. Under these policies, the Group is the beneficiary and the policy holder. The Group paid upfront premiums for these policies and may surrender any time by filing a written request and receive cash based on the surrender value of the policy at the date of withdrawal, which is calculated by the insurer. In the opinion of the directors, the surrender values of the policies provided by the insurance company are the best approximation of their fair values, which are categorised within Level 2 of the fair value hierarchy.
- The below mentioned private equity investments as at 31 March 2020 were designated by the Group as financial assets at fair value through profit or loss and are stated at fair value.



(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Equity and debt investments, at fair value</b>		
Ethical Fashion Group (March 31, 2020: 180,139 shares at nominal value)	98.37	-
Made in Africa Brands (March 31, 2020: compulsorily convertible preference shares at nominal value)	75.67	-
Style Theory (March 31, 2020: compulsorily convertible preference shares at nominal value)	227.00	-
To the Market (March 31, 2020: Convertible promissory note)	227.00	-
Clinova (March 31, 2020: 308 ordinary shares @ GBP 1 each)	196.90	-
Parc Designs Private Limited	57.00	-
Other equity	-	279.96
<b>Total</b>	<b>881.94</b>	<b>279.96</b>

**b) Financial assets at fair value through other comprehensive income:**

	As at March 31, 2020	As at March 31, 2019
Juhu Exchange Limited (March 31, 2020: 200,000 Preference Shares of GBP 1 each and 2,518 Equity Shares of GBP 0.10 each) (March 31, 2019: 200,000 Preference Shares of GBP 1 each and 2,518 Equity Shares of GBP 0.10 each)	198.67	294.72
Flying Jamon Limited (March 31, 2020: Nil, March 31, 2019: 3,286 Preference Shares of GBP 1 each)	-	190.37
Labor Voices INC (March 31, 2020: Nil, March 31, 2019: 588,235 Equity shares of USD 0.17 each)	-	6.07
	<b>198.67</b>	<b>491.16</b>

**c) Dilution of investment in Subsidiary**

Investment in Parc Designs Private Limited ("Parc Design") has been sold during the year ended March 31, 2020 as a result of which the percentage holding has reduced to 19% from 51% during March 31, 2019. The investment was sold on September 30, 2019, post which Parc Design ceases to be a subsidiary to the Company. As on March 31, 2020, the Company holds 570,000 equity shares of ₹ 10 each.

**d) Investment in Joint ventures**

Name	Investment details	Percentage			Principal activities
		Place of registration	March 31, 2020	March 31, 2019	
Sourcing Solutions Limited	Registered capital of USD 10,000	Hong Kong	50	50	Trading of garments products
Sourcing Solutions Europe <sup>^</sup>	Registered capital of USD 100,000	Hong Kong	50	50	Yet to start operation
Redwood Internet Ventures Limited	Registered capital of USD 10,000	Hong Kong	50	50	E-commerce
Digital Internet Technologies Limited <sup>^^</sup>	Registered capital of USD 10,000	Hong Kong	50	50	E-commerce
Digital Ecom Techno Private Limited <sup>^^^</sup>	Authorised share capital of ₹ 100,00,000	India	50	50	E-commerce

Notes:

<sup>^</sup> 100% subsidiary of Sourcing Solutions Limited

<sup>^^</sup> 100% Subsidiary of Redwood Internet Ventures limited

<sup>^^^</sup> 100% Subsidiary of Digital Internet Technologies Limited

As these are not material joint ventures, only the carrying value of the investments are disclosed

(All amounts in ₹ lakhs, unless otherwise stated)

e) Investment in associates

Name	Amount of investment	Place of registration and business	Ownership interest	Voting power	Carrying value (₹ lakhs)	Principal activities
Atterley.com Holdings Limited	GBP 169,128	United Kingdom	27.23%	27.23%	1,126.29	Trading of garments
GWD Enterprises Limited	USD 800,070	United Kingdom	25.00%	25.00%	85.00	Trading of garments

- i) During the year ended 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 and is accounted for using the equity method.

Note 10 : Other financial assets	As at March 31, 2020	As at March 31, 2019
<b>Non-current</b>		
Security deposits (Unsecured, considered good) (Refer to note 'a' below)	25.00	69.58
Deposits with original maturity of more than 12 months (Refer to note 'b' below)	-	1.00
Interest accrued but not due on fixed deposits	-	0.67
<b>Total (A)</b>	<b>25.00</b>	<b>71.25</b>
<b>Current</b>		
Security deposits (unsecured, considered good)	5,308.98	763.17
Deposits with original maturity of more than 12 months (Refer to note 'b' below)	1.00	8.40
Interest accrued but not due	43.46	-
Derivative financial instruments	629.85	-
Loans receivable from others	213.48	-
Unbilled revenue	42.49	-
Interest due on loan to others	16.42	-
<b>Total (B)</b>	<b>6,255.68</b>	<b>771.57</b>

- 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, 2019: ₹ 1.00) are pledged with the government authorities.

Note 11 : Other assets	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good, unless otherwise stated)		
<b>Non-current</b>		
Capital advances		
- Considered good	120.87	4.50
	<b>120.87</b>	<b>4.50</b>
Prepaid expenses	2.12	7.60
Balance with government authorities	-	0.50
Advances recoverable in cash or in kind		
- From others	42.84	698.55
- From related parties	358.46	330.79
<b>Total (A)</b>	<b>524.29</b>	<b>1,041.94</b>
<b>Current</b>		
Balance with government authorities	205.00	104.38
Prepaid expenses	2,748.25	3,632.34
Advances to suppliers	9,586.88	4,600.06
Advances to employees	481.92	159.96
Advances recoverable in cash or in kind		
- From others	1,430.06	6,169.74
- From related parties	6,016.84	2,151.19
<b>Total (B)</b>	<b>20,468.95</b>	<b>16,817.67</b>
<b>Total (A+B)</b>	<b>20,993.24</b>	<b>17,859.61</b>

(All amounts in ₹ lakhs, unless otherwise stated)

<b>Note 12: Inventories</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Raw materials	8,505.88	8,777.34
Work in progress	3,974.99	2,069.16
Finished goods	5,680.31	1,795.30
Goods-in-transit	141.00	954.26
<b>Total</b>	<b><u>18,302.18</u></b>	<b><u>13,596.06</u></b>

<b>Note 13 : Trade receivables</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(a) Trade receivable considered good - secured	-	-
(b) Trade receivable considered good - unsecured	83,244.15	102,871.41
(c) Trade receivable which have significant increase in credit risk	-	-
(d) Trade receivable - credit impaired	256.72	266.92
	<u>83,500.87</u>	<u>103,138.33</u>
Less: Allowance for expected credit loss	256.72	266.92
<b>Total</b>	<b><u>83,244.15</u></b>	<b><u>102,871.41</u></b>

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.

<b>Note 14 : Cash and cash equivalents</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Balances with banks:		
- Current account	34,954.38	24,058.23
Cash on hand	84.30	1.26
<b>Total</b>	<b><u>35,038.68</u></b>	<b><u>24,059.49</u></b>

**Note:** At March 31, 2020, the cash and bank balances of the Group denominated in RMB amounted to USD 380,224 (₹ 286.64) (2019: USD 401,889 (₹ 277.99)). RMB is not freely convertible into another currencies, however, under mainland China'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 are deposited with creditworthy banks with no recent history of default.

<b>Note 15 : Bank balance other than cash and cash equivalents</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Earmarked balances for share fraction account	1.15	1.15
Deposits with original maturity of more than 3 months but less than 12 months	15,207.59	12,962.95
<b>Total</b>	<b><u>15,208.74</u></b>	<b><u>12,964.10</u></b>

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

b) Deposits are pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries. The pledged time deposits are deposited with creditworthy banks with no recent history of default.

<b>Note 16 : Share capital</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Authorised share capital</b>		
27,000,000 (March 31, 2019: 27,000,000) equity shares of ₹ 10 each*	2,700.00	2,700.00
	<u>2,700.00</u>	<u>2,700.00</u>
<b>Issued, subscribed and paid up</b>		
26,046,724 (March 31, 2019: 26,046,724) equity shares of ₹ 10 each*	2,604.67	2,604.67
	<u>2,604.67</u>	<u>2,604.67</u>

a) **Reconciliation of issued and subscribed share capital:**

	<b>No. of shares*</b>
<b>Balance as at April 1, 2018</b>	26,046,724
Changes during the year	-
<b>Balance as at March 31, 2019</b>	<u>26,046,724</u>
Changes during the year	-
<b>Balance as at March 31, 2020</b>	<u>26,046,724</u>

(All amounts in ₹ lakhs, unless otherwise stated)

- 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.

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

	March 31, 2020		March 31, 2019	
	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
Mr. Sanjiv Dhireshbhai Shah	1,401,814	5.38	1,004,715	3.86

\* The Number of Shares are given in absolute numbers.

<b>Note 17 : Other equity</b>	As at March 31, 2020	As at March 31, 2019
Capital reserve	26,185.92	26,185.92
Restricted reserve	664.52	664.52
Other reserve	(3,469.59)	(3,415.49)
Retained earnings	16,792.08	12,190.06
Foreign currency translation reserve	12,604.44	8,681.66
Hedging reserve	530.13	(212.09)
Financial instruments through OCI	(43.32)	120.58
	<b>53,264.18</b>	<b>44,215.16</b>

Restricted reserve was created on account of redemption of preference shares made in a subsidiary in FY 2015-16, retrospectively rectified by a reclassification adjustment. Such reserve is in the nature of 'Capital redemption reserve' and can be used for the issue of bonus shares.

<b>Note 18 : Borrowings</b>	As at March 31, 2020	As at March 31, 2019 (Restated)
<b>Non-current</b>		
<b>Secured loan</b>		
- From banks	-	-
- Vehicle loan from bank	21.56	21.67
<b>Unsecured loan</b>		
- From bank (term loan)	826.95	1,247.13
Less: Current maturities of long term borrowings	(344.80)	(306.37)
<b>Total (A)</b>	<b>503.71</b>	<b>962.43</b>
<b>Current</b>		
<b>Secured loan</b>		
- From banks	72,013.74	67,671.04
- Bank overdraft	980.18	-
<b>Unsecured loan</b>		
- From bank (term loan)	344.80	306.37
- From related parties	300.00	300.00
- From others	575.41	768.41
<b>Total (B)</b>	<b>74,214.13</b>	<b>69,045.82</b>
<b>Total (A+B)</b>	<b>74,717.84</b>	<b>70,008.25</b>

(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 Company are:
- Vehicle loan of ₹ 27 taken by the Company, from Axis Bank, during the FY 2018-19 and was secured against hypothecation of respective vehicle. The applicable rate of interest ranges between 8.8% per annum.
- c) In case of unsecured loans, the terms are as under:
- Term loan of ₹ 1500 taken by the Company during the FY 2014-15 and 2015-16 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 ₹ 300 taken by the Company during the FY 2016-17 is also guaranteed by 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 9.6% to 10.25% p.a.
  - With respect to the loans of FX Impot Hong Kong Limited, the trust receipt loans which were denominated in US\$, Interest-bearing at 3.72%-3.86% per annum and were repaid during the year ending March 31, 2019.
  - 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 ('Norwest') and its subsidiaries (Norwest Group), these loans are secured by way of Norwest Group's guarantees from the immediate holding company, fellow subsidiaries, directors of Norwest, a related party, Group's investment property, unlisted investments and certain of Norwest Group's insurance deposits. Also these loans contains repayable on demand clauses and hence the loans are shown as short term, though the repayment of these loans is spread more than an year.
  - In case of banking facilities of Green Apparel Limited and Progress Manufacturing HK, the banking facilities are secured by fellow subsidiaries' corporate guarantee, directors' personal guarantee, bank guarantee and fellow subsidiary's properties.
  - With respect to the loans of PG Group the interest-bearing bank borrowings are guaranteed by the immediate holding company and a director of the Company.
  - Kleider has obtained working capital facilities from bank. All the loans under this facility are payable within a period of 60 days and the applicable interest rate on the loan is 3-month LIBOR plus 1.08%.

<b>Note 19 : Other financial liabilities</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Non-current</b>		
Security deposit received (refer to note 'a' below)	210.86	55.13
Lease liabilities	6,367.52	-
<b>Total (A)</b>	<b>6,578.38</b>	<b>55.13</b>
<b>Current</b>		
Creditors for capital goods	2.25	-
Interest accrued and not due on borrowings		
- From related parties	6.71	30.00
- From others	9.71	6.66
- Interest accrued but not due on borrowings from bank	0.74	0.95
Derivative financial instruments	99.72	-
Lease liabilities	1,791.42	-
Dues to employees	185.75	-
Due to related party	46.08	-
<b>Total (B)</b>	<b>2,142.38</b>	<b>37.61</b>
<b>Total (A+B)</b>	<b>8,720.76</b>	<b>92.74</b>

- 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.

<b>Note 20 : Provisions</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019 (Restated)</b>
<b>Non-current</b>		
Provision for compensated absences	-	98.64
Gratuity and other defined benefit plans (refer note 36)	1,195.35	277.26
<b>Total (A)</b>	<b>1,195.35</b>	<b>375.90</b>

(All amounts in ₹ lakhs, unless otherwise stated)

<b>Note 20 : Provisions (Contd.)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Current</b>		
Provision for compensated absences	767.06	479.09
Gratuity and other defined benefit plans (refer note 36)	176.11	684.99
Long service pay	114.11	-
Others	147.03	59.05
<b>Total (B)</b>	<b>1,204.31</b>	<b>1,223.13</b>
<b>Total (A+B)</b>	<b>2,399.66</b>	<b>1,599.03</b>

<b>Note 21 : Trade payable</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
- Outstanding dues to Micro Enterprises and Small Enterprises-(refer note 'a' & 'c')	3.09	0.96
- Others	57,927.61	74,762.11
	<b>57,930.70</b>	<b>74,763.07</b>

- a) In respect of the Company, 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 and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
- the principal amount (March 31, 2020: ₹ 3.09, March 31, 2019: ₹ 0.61) and the interest (March 31, 2020: Nil, March 31, 2019: ₹ 0.35) due thereon remaining unpaid to any supplier at the end of each accounting year;	3.09	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;	-	-
- 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.

<b>Note 22 : Other liabilities</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Non-current</b>		
Deferred income on security deposit received	-	7.42
Other payables	59.21	448.02
<b>Total (A)</b>	<b>59.21</b>	<b>455.44</b>



(All amounts in ₹ lakhs, unless otherwise stated)

<b>Note 22 : Other liabilities (Contd.)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Current</b>		
Deferred income on security deposit received	82.97	0.99
Statutory dues	357.20	29.05
Advance from customers	3,166.37	-
Book overdraft	-	51.79
Other payables	28,520.25	19,309.13
<b>Total (B)</b>	<b>32,126.79</b>	<b>19,390.96</b>
<b>Total (A + B)</b>	<b>32,186.00</b>	<b>19,846.40</b>

<b>Note 23 : Liabilities for current tax (net)</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Provision for income tax, net of advance tax	875.20	955.30
	<b>875.20</b>	<b>955.30</b>

**Note 24 : Deferred tax, net**

<b>Particulars</b>	<b>March 31, 2020</b>		<b>March 31, 2019</b>	
	<b>Deferred tax asset</b>	<b>Deferred tax liability</b>	<b>Deferred tax asset</b>	<b>Deferred tax liability</b>
<b>Deferred tax asset relates to the following:</b>				
Provision for employee benefits	28.30	-	62.02	-
Provision for doubtful advances and debts	-	-	0.14	-
Brought forward losses and unabsorbed depreciation	17.07	-	139.30	-
Deferred assets	-	-	2.19	-
Depreciation	-	4.03	26.04	144.56
Preliminary expenses	-	-	1.50	-
Others	11.16	-	1.74	30.01
	<b>56.53</b>	<b>4.03</b>	<b>232.93</b>	<b>174.57</b>
MAT credit entitlement	-	-	82.94	-
<b>Deferred tax asset (net)</b>	<b>52.50</b>	<b>-</b>	<b>141.30</b>	<b>-</b>
<b>Deferred tax liability relates to the following:</b>				
Provision for employee benefits	63.37	-	-	-
Deferred assets	20.88	-	-	-
Brought forward losses and unabsorbed depreciation	42.64	-	-	-
Depreciation	-	157.15	-	-
Others	0.64	43.73	-	-
	<b>127.53</b>	<b>200.88</b>	<b>-</b>	<b>-</b>
<b>Deferred tax liability (net)</b>	<b>-</b>	<b>73.35</b>	<b>-</b>	<b>-</b>
Charge/ (credit) for the year		162.15		(80.05)
<b>Reconciliation to the consolidated Statement of Profit and Loss</b>				
a. Charge/ (credit) for the year		162.15		(48.19)
b. Exchange differences		(25.92)		(6.43)
c. Recognised in statement of OCI		-		(0.11)
d. Adjustments		-		(25.32)
<b>Charge/(credit) during the year</b>		<b>136.23</b>		<b>(80.05)</b>

The Company has decided to exercise the option permitted under Section 115BBA of the Indian Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, the Company de-recognised the MAT credit entitlement of ₹ 82.94 recorded on MAT paid earlier and re-measured its deferred tax liabilities (net) as at March 31, 2019 and full Impact of this was recognised the Statement of Profit and Loss during the year ended March 31, 2020. The Company has recognised provision for income tax and deferred tax during the year ended March 31, 2020, basis the rate prescribed in the said section.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 25 : Revenue from operations	For the year ended March 31, 2020	For the year ended March 31, 2019
		(Restated)
Sale of products	651,700.05	638,528.69
Other operating revenues		
- Others	13,103.87	10,057.09
<b>Revenue from operations</b>	<b>664,803.92</b>	<b>648,585.78</b>
Note 26 : Other income	For the year ended March 31, 2020	For the year ended March 31, 2019
Rental income	539.80	416.72
Interest income		
- On fixed deposits	174.80	176.33
- Others	131.10	94.08
Service tax refund	-	18.74
Foreign exchange fluctuation (net)	-	75.03
Unwinding of discount on deposits	2.83	3.11
Loss allowance for advances and receivables written back	-	54.84
Sundry balance written back	0.55	-
Dividend from non trade investments	225.19	-
Product development cost recovery	590.14	-
Miscellaneous income	987.96	773.36
	<b>2,652.37</b>	<b>1,612.21</b>
Note 27 : Cost of material consumed	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventory at the beginning of the year	8,777.34	4,351.59
Add: Purchases	34,488.17	37,526.63
Less: Inventory at the end of the year	8,505.88	8,777.34
	<b>34,759.63</b>	<b>33,100.88</b>
Note 28 : Purchase of stock in trade	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchases	525,148.42	523,421.35
	<b>525,148.42</b>	<b>523,421.35</b>
Note 29 : Changes in Inventories of finished Goods Work in Progress and Stock in trade	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the beginning of the year		
- Finished goods	2,749.56	1,724.10
- Work-in-progress	2,069.16	397.61
(A)	<b>4,818.72</b>	<b>2,121.71</b>
Inventories at the end of the year		
- Finished goods	5,821.31	2,749.56
- Work-in-progress	3,974.99	2,069.16
(B)	<b>9,796.30</b>	<b>4,818.72</b>
<b>(Increase) / decrease in inventory</b>	<b>(A-B)</b>	<b>(2,697.01)</b>

(All amounts in ₹ lakhs, unless otherwise stated)

<b>Note 30 : Employee benefits expense</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Salaries, wages and bonus	41,160.58	33,830.94
Contribution to provident and other fund	1,148.20	2,482.25
Staff welfare expenses	576.55	454.87
Compensated absences	308.22	376.67
Gratuity expense	402.31	797.62
	<b>43,595.86</b>	<b>37,942.35</b>
<b>Note 31 : Finance costs</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Interest Expense		
- on term loans	1,420.23	470.39
- on loan from related party	30.00	30.00
- On cash credit and working capital facilities	2,368.67	2,299.29
- Interest on lease obligation	271.54	-
- Interest expenses on loan from others	109.66	-
- On others	727.36	434.13
	<b>4,927.46</b>	<b>3,233.81</b>
<b>Note 32 : Depreciation and amortization expense</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Depreciation of property plant and equipment	2,921.00	2,058.01
Depreciation of investment Property	420.21	485.60
Amortization of Intangible Assets	219.73	90.12
Depreciation on right to use of assets	1,659.11	-
	<b>5,220.05</b>	<b>2,633.73</b>
<b>Note 33 : Other expenses</b>	<b>For the year ended March 31, 2020</b>	<b>For the year ended March 31, 2019</b>
Other manufacturing expenses	1,285.97	1,176.15
Electricity charges	413.79	180.63
Rent	1,006.67	2,156.22
Rates and taxes	729.66	390.65
Repairs and maintenance	688.46	775.55
Legal and professional charges	11,723.04	10,288.32
Travelling and conveyance	5,469.20	4,977.95
Selling and marketing	2,761.45	3,384.42
Postage and courier	2,508.99	1,989.80
Commission and brokerage	4,365.87	6,282.36
Provision for doubtful debts	46.70	185.27
Freight cost	3,309.23	4,752.96
Loss on sale of asset	9.33	0.61
Recruitment expenses	230.70	243.98
Investment written off	152.25	-
Foreign exchange fluctuation (net)	384.76	-
License fee	1,486.45	-
Advertisement and business promotion	86.78	65.73
Insurance	671.84	569.44
Security expenses	119.23	71.08
Printing and stationery	413.94	762.73
Communication costs	618.08	556.92
Office expenses	1,437.03	1,559.35
Bank charges	2,510.55	2,398.26
Business promotion expenses	712.08	560.46
Miscellaneous expenses	4,539.75	2,326.99
<b>Total</b>	<b>47,681.79</b>	<b>45,655.83</b>

(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, 2020	For the year ended March 31, 2019
Profit attributable to the equity holders of the Company	4,602.02	4,383.50
Number of equity shares for basic and diluted EPS	26,046,724	26,046,724
<b>Basic and diluted earnings per share(in ₹) (face value ₹ 10 per share)</b>	<b>17.67</b>	<b>16.83</b>

**Note 35: Income tax**

**Income tax expense in the Statement of Profit and Loss**

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Tax expense:</b>		
a) Current tax	809.63	92.62
b) MAT credit reversal/ (entitlement)	82.94	(12.68)
c) Deferred tax charge/(credit)	53.29	(67.37)
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>945.86</b>	<b>12.57</b>

**Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate for March 31, 2020 and March 31, 2019**

<b>Accounting profit before income tax</b>	<b>9,053.52</b>	<b>6,900.99</b>
Statutory rate	<b>25.168%</b>	<b>34.608%</b>
At statutory income tax rate (applicable rate)	2,278.58	2,388.29
Unused tax losses at statutory rate	1,290.76	1,467.26
Net effect of tax rates in foreign jurisdictions	(947.09)	(874.97)
Income exempt from tax	(2,406.66)	(1,989.48)
Non-deductible expenses	715.46	732.01
Permanent difference on account of impairment of goodwill	341.53	-
Group relief surrendered	(12.85)	(37.64)
Deemed tax credit	(304.35)	(212.78)
Tax losses utilised	(131.06)	(28.78)
Reversal of provision for tax	(9.82)	(787.57)
Deferred tax Impact due to change in tax rate	83.15	(51.24)
MAT credit written off	82.94	-
Bought forward losses utilized	(33.93)	-
Others	(0.80)	(592.53)
<b>At the effective income tax rate</b>	<b>945.86</b>	<b>12.57</b>

**Income tax recognised in other comprehensive income**

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

Net loss/(gain) on remeasurements of defined benefit plans	-	(0.09)
<b>Net amount charged to OCI</b>	<b>-</b>	<b>(0.09)</b>

- As at March 31, 2020, certain subsidiaries of PG Group Limited have unused tax losses arising in Mainland China of ₹ 29.82 (March 31, 2019: ₹ 3.38) 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 ₹ 496.37 (March 31, 2019: ₹ 553.44), that are available indefinitely for off setting against future taxable profits of that subsidiary.
- As at the end of the reporting period, deferred tax assets have not been recognised in respect of the unused tax losses of ₹ 8,348.65 (March 31, 2019: ₹ 6,374.30), 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.

(All amounts in ₹ lakhs, unless otherwise stated)

**Note 36: Defined benefit plans****a) Defined contribution plans:**

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

	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's contribution to provident fund/ pension fund	1,147.87	2,481.72
Employer's Contribution to employee state insurance	0.33	0.53
<b>Total</b>	<b>1,148.20</b>	<b>2,482.25</b>

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

**b) Defined benefit plans**

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, which enable to determine the present value of obligations arising out of the defined benefit plans. "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. Following are the benefit plans provided for -

- i) The Group operates an unfunded defined benefit gratuity plan for all its qualifying employees in India. 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 liability in the books of account on the basis of actuarial valuation as per projected unit credit method.
- ii) The Group operates an unfunded defined benefit plan for all its qualifying employees in Bangladesh. The Group has made provisions for estimated liabilities for employee benefits for meeting the minimum benefits required to be paid to the qualified employees as required under Bangladesh Labour Act. Under Bangladesh Labor Act, companies are required to pay a minimum benefit of fourteen days salary for every completed year of service. For unfunded scheme, the Group engages the services of actuaries to conduct valuation studies to determine the retirement obligations to ensure that these maturing obligations and expected benefit payments are covered and budgeted for. Benefits are determined by reference to employees' final salaries and length of service, and the schemes have undergone independent valuations on an annual basis.

- c) The following tables summarize the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and amounts recognised in the Balance Sheet for the defined benefit plans. These have been provided on accrual basis, based on year end actuarial valuations.

Change in benefit obligation	For the year ended March 31, 2020	For the year ended March 31, 2019
1) Opening defined benefit obligation	962.25	47.25
2) Acquisition adjustment	12.40	64.10
3) Add: Interest cost	88.86	8.58
4) Add: Current service cost	313.45	41.85
5) Add: Prior period adjustment	-	747.19
6) Add: Prior period cost adjusted in opening reserves	-	91.26
7) Less: Benefits paid	(5.50)	(27.10)
8) Add: Actuarial (gain) / loss	-	(10.88)
Present value of obligation as at the end of the year	<b>1,371.46</b>	<b>962.25</b>

- d) The following tables summarise the net benefit expense recognised in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cost for the year included under employee benefit		
Current service cost	313.45	41.85
Interest cost	88.86	8.58
Prior period adjustment	-	747.19
Net cost	<b>402.31</b>	<b>797.62</b>

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Economic assumptions</b>		
1) Discount rate	6.8-9.2%	6.8-9.2%
2) Rate of increase in compensation levels	5-7.5%	5-7.5%
<b>Demographic assumptions</b>		
1) Retirement age (years)	58-60 Years	58-60 Years
2) Mortality rate	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate
<b>Employee Turnover / Attrition Rate</b>		
1) Ages up to 30 Years	3-9.2%	3-9.2%
2) Ages from 30-44	2-9.2%	2-9.2%
3) Above 44 years	1-9.2%	1-9.2%

f) Net liabilities recognized in the balance sheet for benefit obligation

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of obligation	1,371.46	962.25
Less: Fair value of plan assets	-	-
<b>Net liability</b>	<b>1,371.46</b>	<b>962.25</b>

g) The weighted average duration of the defined benefit obligations are in the range of 9 - 13.24 years.

h) A quantitative sensitivity analysis for significant assumptions is as shown below:

Particulars	As at March 31, 2020 increase/(decrease) in liability
<b>A. Discount rate</b>	
0.5% increase in discount rate	(63.30)
0.5% decrease in discount rate	68.20
<b>B. Salary escalation rate</b>	
0.5% increase in salary escalation rate	69.29
0.5% decrease in salary escalation rate	(64.47)

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.

Sensitivities due to morality and withdrawals are not expected to be significant.

i) Description of risk exposures:

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.
Mortality 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.

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

Particulars	As at March 31, 2020
1 year	85.92
2 to 6 years	458.28
More than 6 years	827.26



(All amounts in ₹ lakhs, unless otherwise stated)

- k) 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 37 : Related parties****a) List of related parties**

Name of related party	Nature of relationship
Sourcing Solutions Limited	Joint ventures
Sourcing Solutions Europe	
Redwood Internet Ventures Limited	
Digital Internet Technologies Limited	
Digital Ecom Techno Private Limited	
Atterley.Com Holdings Limited	Associates
GWD Enterprises Limited	
Pearl Global Industries Limited	Enterprise over which Key Managerial Personnel exercise control and/ or significant influence
Pallas Holdings 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 October 31, 2018 and Non-Executive Director w.e.f. November 01, 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)	
Subsidiaries	Details are presented in note 2

**b) Transactions with related parties**

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2020	For the Year ended March 31, 2019
JJ Star Industries Limited	Enterprise over which Key Managerial Personnel exercise control and/ or significant influence	Advance given	1,099.51	594.73
Other Related Parties		Advance given	917.92	-
		Advance received	-	128.19
Grupo Extremo SUR S.A.		Advance given	225.52	730.20
Pearl Global HK Limited		SAP fees accrued	-	2.21
JSM Trading Limited		Consultancy fees accrued	2,231.27	632.18
JSM Trading Limited		Advance given	-	138.54
Pearl Global Industries Limited		Interest expenses	30.00	30.00

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Sourcing Solution Limited	Joint Ventures	Management fees accrued	49.12	51.66
		SAP fees accrued	2.84	2.80
		Advance given	1,494.24	457.20
		Advance recovered	-	333.58
Digital Internet Technologies Limited		Advance received	524.50	3.49
Digital Ecom Techno Private Limited		Loan given	-	37.00
		Loan received back	-	37.00
		Rental income	-	12.00
		Rental expense	0.47	-
		Interest Income	-	0.43
Redwood Internet Ventures Limited		Management fees received	-	16.21
Redwood Internet Ventures Limited		Management fees accrued	-	8.11
Atterley.Com Holdings Limited	Associates	Advance received	-	451.48
Atterley.Com Holdings Limited		Advance given	457.90	-
GWD Enterprises Limited		Advance received	275.81	-
Mrs. Payal Seth	Key Managerial Personnel	Salary	-	21.00
Mr. Deepak Seth		Payment for purchase of shares	2,693.40	1,259.10
Mr. Ashok Kumar Sanghi		Director sitting fees	6.00	2.64
Mr. Ashutosh Prabhudas Bhupatkar		Director sitting fees	6.00	1.98
Mr. Ashok Kumar Chhabra		Director sitting fees	6.00	2.64
Mr. Chandra Shekar Reddy		Salary	53.47	50.30
		Other Employee Benefits	10.39	7.32
Mr. Omprakash Makam Suryanarayan Setty		Salary	81.91	81.91
		Other Employee Benefits	22.52	19.45
Mr. Ajai Singh		Salary	203.42	206.00

**c) Year end Receivable balances of related parties**

Name of Related Party	Relationship	As At March 31, 2020	As At March 31, 2019
Frou Holding Limited	Enterprise over which Key Managerial Personnel exercise control and/ or significant influence	358.47	328.92
Other Related Parties		1.24	1,651.73
JJ Star Industries Limited		525.27	1,554.99
JSM Trading Limited		-	137.12
Redwood Internet Ventures Limited	Joint ventures	-	511.87
Sourcing Solutions Limited		1,140.02	62.66
Digital Ecom Techno Private Limited		-	1.76
Digital Internet Technologies Limited		4.52	-

(All amounts in ₹ lakhs, unless otherwise stated)

**d) Year end payable balances of related parties**

Name of Related Party	Relationship	As at March 31, 2020	As at March 31, 2019
Pearl Global (HK) Limited	Enterprise over which Key Managerial Personnel exercise control and/ or significant influence	-	4.52
JSM Trading Limited		149.26	-
Other related parties		344.82	234.29
Grupo Extremo SUR S.A.		239.86	-
Pearl Global Industries Limited		306.71	306.66
Sourcing Solution Limited	Joint ventures	323.10	474.86
Digital Ecom Techno Private Limited		-	12.57
Atterley.Com Holdings Limited	Associates	-	446.86
GWD Enterprises Limited		475.68	878.56
Mr. Deepak Seth	Key Managerial Personnel	5,357.63	7,544.47

**e) 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. 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, 2020	As at March 31, 2019
Borrowings (Refer note 18)	74,717.84	70,008.25
Less: Cash and cash equivalents (Refer note 14)	35,038.68	24,059.49
Less: Other bank balance (Refer note 15)	15,208.74	12,964.10
<b>Net debt (A)</b>	<b>24,470.42</b>	<b>32,984.66</b>
Equity share capital (Refer note 16)	2,604.67	2,604.67
Other equity (Refer to note 17)	53,264.18	44,215.16
<b>Total Capital (B)</b>	<b>55,868.85</b>	<b>46,819.83</b>
<b>Capital and net debt (A + B)</b>	<b>80,339.27</b>	<b>79,804.49</b>
<b>Gearing ratio [A/(A + B)]</b>	<b>30.46%</b>	<b>41.33%</b>

- No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.
- For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

**Note 39: Currency derivative**

Forward currency and option currency contracts are designated as hedging instruments in respect of forecast future sales and forecast purchases in foreign currencies to which the Group has firm commitments. The forward currency contract balances vary with the levels of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

(All amounts in ₹ lakhs, unless otherwise stated)

Particular	Assets	Liabilities	Assets	Liabilities
	2020	2020	2019	2019
	USD	USD	USD	USD
Forward Currency Contracts	835,677	132,279	103,470	53,101
	(Equivalent to ₹ 629.85)	(Equivalent to ₹ 99.72)	(Equivalent to ₹ 72.31)	(Equivalent to ₹ 37.11)
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

At 31 March 2020, the Group held 89 forward currency contracts (March 31, 2019: 33) and no option currency contracts (March 31, 2019: 4) 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 2020 and March 2021 were assessed to be highly effective and a net gain of ₹ 777.49 (March 31, 2019 : ₹ 110.20), was included in the hedging reserve for the year.

#### 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. Carrying value of financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, borrowings, other financial liabilities etc. represent the best estimate of fair value.

##### a) Fair value of financial assets:

	Carrying values		Fair values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Financial assets measured at FVTPL</b>				
Equity investments	916.38	1,387.89	916.38	1,387.89
Debt investments	2,332.83	851.24	2,332.83	851.24
Other investments	2,531.51	2,213.25	2,531.51	2,213.25
	<b>5,780.72</b>	<b>4,452.38</b>	<b>5,780.72</b>	<b>4,452.38</b>
<b>Financial assets measured at FVOCI</b>				
Equity and debt investments	198.67	491.16	198.67	491.16
Derivative financial instruments	629.85	-	629.85	-
Other investments	139.75	170.34	139.75	170.34
	<b>968.27</b>	<b>661.50</b>	<b>968.27</b>	<b>661.50</b>
<b>Financial assets measured at amortised cost</b>				
Security deposits	5,333.98	832.75	5,333.98	832.75
Investment in associates and joint ventures	2,780.60	2,831.86	2,780.60	2,831.86
Interest accrued on fixed deposits	16.42	0.67	16.42	0.67
Deposits with original maturity of more than 12 months	1.00	9.40	1.00	9.40
Interest accrued but not due	43.46	-	43.46	-
Loans receivable from others	213.48	-	213.48	-
Unbilled revenue	42.49	-	42.49	-
Others	-	-	-	-
Trade receivable	83,244.15	102,871.41	83,244.15	102,871.41
Cash and cash equivalents	35,038.68	24,059.49	35,038.68	24,059.49
Other bank balances	15,208.74	12,964.10	15,208.74	12,964.10
	<b>141,923.00</b>	<b>143,569.68</b>	<b>141,923.00</b>	<b>143,569.68</b>

(All amounts in ₹ lakhs, unless otherwise stated)

**b) Fair value of financial liabilities:**

	Carrying values		Fair values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Financial liabilities measured at fair value through other comprehensive income</b>				
Derivative financial instruments	99.72	-	99.72	-
	<b>99.72</b>	<b>-</b>	<b>99.72</b>	<b>-</b>
<b>Financial liabilities measured at amortised cost</b>				
Borrowings	74,717.84	70,008.25	74,717.84	70,008.25
Trade payables	57,930.70	74,763.07	57,930.70	74,763.07
Interest accrued but not due on borrowings	17.16	37.61	17.16	37.61
Lease liabilities	8,158.94	-	8,158.94	-
Dues to employees	185.75	-	185.75	-
Due to related party	46.08	-	46.08	-
Security deposit received	210.86	55.13	210.86	55.13
Creditors for capital expenditure	2.25	-	2.25	-
	<b>141,269.58</b>	<b>144,864.06</b>	<b>141,269.58</b>	<b>144,864.06</b>

**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 value for all other non-current financial assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.
- 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 Group's assets and liabilities

**a) Fair value measurement hierarchy of financial assets as at March 31, 2020:**

<b>Financial assets measured at FVTPL</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Listed and unlisted equity investments, at fair value	916.38	34.44	-	881.94
Listed and unlisted debt investments, at fair value	2,332.83	2,332.83	-	-
Investments in life insurance policies, at fair value	2,531.51	-	2,531.51	-
<b>Total (A)</b>	<b>5,780.72</b>	<b>2,367.27</b>	<b>2,531.51</b>	<b>881.94</b>
<b>Financial assets measured at FVOCI</b>				
Equity investments, at fair value	198.67	-	-	198.67
Derivative financial instruments	629.85	-	629.85	-
Investments in bonds, at fair value	139.75	139.75	-	-
<b>Total (B)</b>	<b>968.27</b>	<b>139.75</b>	<b>629.85</b>	<b>198.67</b>
<b>Total (A+B)</b>	<b>6,748.99</b>	<b>2,507.02</b>	<b>3,161.36</b>	<b>1,080.61</b>

(All amounts in ₹ lakhs, unless otherwise stated)

b) Fair value measurement hierarchy for financial liabilities as at March 31, 2020:

Financial liabilities measured at FVOCI	Total	Level 1	Level 2	Level 3
Derivative financial instruments	99.72	-	99.72	-
	<b>99.72</b>	<b>-</b>	<b>99.72</b>	<b>-</b>

c) Fair value measurement hierarchy of financial assets as at March 31, 2019:

Financial assets measured at FVTPL	Total	Level 1	Level 2	Level 3
Listed and unlisted equity investments, at fair value	1,387.88	1,107.92	-	279.96
Listed and unlisted 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	-
<b>Total A</b>	<b>4,452.37</b>	<b>1,739.56</b>	<b>2,213.25</b>	<b>499.56</b>
<b>Financial assets measured at FVOCI</b>				
Equity investments, at fair value	491.16	-	-	491.16
Investments in bonds, at fair value	170.34	170.34	-	-
<b>Total B</b>	<b>661.50</b>	<b>170.34</b>	<b>-</b>	<b>491.16</b>
<b>Total (A+B)</b>	<b>5,113.87</b>	<b>1,909.90</b>	<b>2,213.25</b>	<b>990.72</b>

The movements in fair value measurements within Level 3 during the year are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
At beginning of year	990.72	275.66
Addition	1,878.06	775.76
Total gains/(losses) recognised in profit or loss	(16.87)	16.64
Total gains/(losses) recognised in other comprehensive income	(163.90)	121.79
Disposals/ Reclass	(1,515.64)	(166.06)
Foreign exchange gain/(loss)	(91.76)	(33.07)
<b>At end of year</b>	<b>1,080.61</b>	<b>990.72</b>

**Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- Investment in listed equity and debt instruments and bonds: the fair value of listed investment in equity and debt instruments and bonds are determined using its quoted market price.
- Investment in unlisted equity and debt instruments: The fair value of investments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates."
- Derivative financial instruments: the fair value of foreign exchange forward contracts is determined using market observable inputs, including prevalent forward rates for the maturities of the respective contracts and interest rate curves as indicated by Banks and third parties.
- Investment in life insurance policies: The fair values of investments in life insurance policies are based on cash values net of any surrender charges given as on the reporting date by the Insurer.

**Valuation process**

The Corporate finance team has requisite knowledge and skills. The team headed by group CFO directly reports to the audit committee to arrive at the fair value of financial instruments.

**Note 42: Financial risk management objectives and policies**

The Group's principal financial liabilities comprises of trade and other payables, borrowings and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets includes investments, trade receivables, cash and cash equivalents, other bank balances and other financial assets. The Group is exposed to credit risk, liquidity risk and market risk. The Group's 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.



(All amounts in ₹ lakhs, unless otherwise stated)

**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's interest rate risk mainly arises from borrowings with variable rates.

	As at March 31, 2020	As at March 31, 2019
Variable rate borrowing	72,840.69	68,918.17
Fixed rate borrowing	1,877.15	1,090.08
	<b>74,717.84</b>	<b>70,008.25</b>

Particulars	Increase or decrease in basis points	Effect on profit before tax
March 31, 2020		
INR	+50	(354.40)
INR	-50	354.40
March 31, 2019		
INR	+50	(315.76)
INR	-50	315.76

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	Change in FC exchange rate by	Impact on profit or loss and equity (in lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
USD	5%	2.63	2.02	(2.63)	(2.02)
GBP	5%	265.28	90.04	(265.28)	(90.04)
EUR	5%	202.71	149.43	(202.71)	(149.43)
BDT	5%	17.24	15.00	(17.24)	(15.00)
CAD	5%	0.02	2.32	(0.02)	(2.32)
CHF	5%	(0.56)	(0.56)	0.56	0.56
RMB	5%	27.79	(5.75)	(27.79)	5.75

**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.

Customer credit risk is managed by each business unit subject to the Group'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.

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	Less than 30 days	30 to 90 days	More than 90 days	Total
Trade receivables as of March 31, 2020	66,668.56	10,493.39	6,082.20	83,244.15
Trade receivables as of March 31, 2019	98,024.94	4,266.11	580.37	102,871.41

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 40.

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default. This apply to most of the subsidiaries.

The total impairment loss amounting to ₹ 256.72 as at March 31, 2020 (March 31, 2019: ₹ 266.92) arise on trade receivables.

### 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, 2020	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	74,214.13	503.71	-	74,717.84
Trade payables	57,930.70	-	-	57,930.70
Lease liabilities	2,268.42	7,197.86	328.52	9,794.80
Other financial liabilities	350.96	130.56	80.30	561.82
<b>Total</b>	<b>134,764.21</b>	<b>7,832.13</b>	<b>408.82</b>	<b>143,005.16</b>

As at March 31, 2019	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	69,045.82	962.43	-	70,008.25
Trade payables	74,763.07	-	-	74,763.07
Other financial liabilities	37.61	-	55.13	92.74
<b>Total</b>	<b>143,846.50</b>	<b>962.43</b>	<b>55.13</b>	<b>144,864.06</b>

### 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, 2019 : ₹ Nil).

#### b) Contingent liabilities

	As at March 31, 2020	As at March 31, 2019
i) In case of the Company, claims against Company not acknowledged as debt		
- On account of stamp duty on Demerger	148.20	148.20
- Disputed liability under Income Tax (Net of amount paid under protest) (A.Y. 2014-15)	-	2.85
	<b>148.20</b>	<b>151.05</b>

- 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.

- ii) The Hon'ble Supreme Court of India has passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on February 28, 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Group has made provision for provident fund contribution from the date of order. The Group will evaluate its position and update provision, if required, after receiving further clarity in this regard.

(All amounts in ₹ lakhs, unless otherwise stated)

- iii) In case of Norwest Industries Limited, Guarantee given to banks in connection with facilities granted to subsidiaries and fellow subsidiaries ₹ 46,655.69 (March 31, 2019: ₹ 50,188.25). At March 31, 2020, the banking facilities guaranteed by Norwest Industries Limited to its fellow subsidiaries were utilised to the extent of approximately ₹ 42,627.68 (March 31, 2019 : ₹ 46,235.98).  
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.
- iv) In case of FX Import Company Limited, HSBC Bank PLC, has provided a guarantee to H M Revenue and Customs amounting to ₹ 140.44 (March 31, 2019 : ₹ 131.67). FX Import Company Limited has extended an unlimited multilateral guarantee to its Parent Company and fellow subsidiaries, Poeticgem Limited and Pacific Logistics Limited. The bank has a fixed charge over the assets of FX Import Company Limited which is supported by a debenture.
- v) Contingent liabilities related to irrevocable letters of credit as at March 31, 2020 of Group companies is ₹ 22,683.15 (March 31, 2019 : ₹ 18,935.75).

**Note 44 : Segment information****(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 reporting period to acquire property, plant and equipment, investment property 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Segment revenue	630,383.15	624,781.01	30,998.23	24,455.84	9,772.84	10,284.97	(6,350.30)	(10,936.04)	664,803.92	648,585.78
Other income	2,064.71	1,018.80	348.48	195.13	239.18	398.28	-	-	2,652.37	1,612.21
<b>Segment results before tax and interest</b>	<b>20,112.92</b>	<b>14,790.56</b>	<b>(4,656.67)</b>	<b>(4,713.71)</b>	<b>(656.34)</b>	<b>1,543.31</b>	<b>(128.81)</b>	<b>(1,479.30)</b>	<b>14,671.10</b>	<b>10,140.86</b>
Finance costs									(4,927.46)	(3,233.81)
Tax expense									(945.86)	(12.57)
Share of loss of associates and joint ventures									(690.14)	(6.06)
<b>Profit for the year</b>									<b>8,107.64</b>	<b>6,888.42</b>
<b>Segment assets</b>	<b>174,247.52</b>	<b>170,923.95</b>	<b>47,595.56</b>	<b>27,363.27</b>	<b>16,175.31</b>	<b>18,886.01</b>	-	-	<b>238,018.39</b>	<b>217,173.22</b>
Segment assets as a percentage of total assets	73.21	78.70	20.00	12.60	6.80	8.70	-	-	100.00	100.00
<b>Segment liabilities</b>	<b>140,121.84</b>	<b>139,723.35</b>	<b>30,404.13</b>	<b>16,613.48</b>	<b>6,377.54</b>	<b>10,927.97</b>	-	-	<b>176,903.51</b>	<b>167,264.80</b>
Segment liabilities as a percentage of total liabilities	79.21	83.53	17.19	9.93	3.61	6.53	-	-	100.00	100.00
<b>Segment capital employed</b>	<b>34,125.68</b>	<b>31,200.60</b>	<b>17,191.43</b>	<b>10,749.79</b>	<b>9,797.77</b>	<b>7,958.04</b>	-	-	<b>61,114.88</b>	<b>49,908.43</b>
Segment capital employed as a percentage of total capital employed	55.84	62.52	28.13	21.54	16.03	15.95	-	-	100.00	100.00
<b>Other material non-cash items included under Statement of Profit and loss) before tax</b>										
Depreciation and amortisation	3,221.73	1,437.41	1,703.81	932.65	294.51	263.67	-	-	5,220.05	2,633.73
Provision for doubtful debts	-	-	-	-	46.70	185.27	-	-	46.70	185.27
Provision for advances and receivables written back	-	-	-	-	(0.55)	(54.84)	-	-	(0.55)	(54.84)

(All amounts in ₹ lakhs, unless otherwise stated)

(c) Entity wide disclosures:

- (i) Revenue from external customers by nature of product

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	651,700.05	638,528.69
Others	13,103.87	10,057.09
	<b>664,803.92</b>	<b>648,585.78</b>

- (ii) The Group's non-current assets are majorly located as follows

Country	As at March 31, 2020
India	3,941.34
Hong Kong	20,847.65
Bangladesh	22,966.43
Others	4,160.44

- (c) Revenue from major customers: The Group mainly generates 10% of its external revenues from four customers (March 31, 2019: four customers).

**Note 45: Revenue from contracts with customers**

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to Statement of Profit and Loss:

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenues by category and nature</b>		
Sale of products	651,700.05	638,528.69
Others	13,103.87	10,057.09
	<b>664,803.92</b>	<b>648,585.78</b>
<b>Revenues from geographic areas based on the location of the customers are as follows:</b>		
Europe	555,736.53	548,547.08
Other than Europe	109,067.39	100,038.70
	<b>664,803.92</b>	<b>648,585.78</b>
<b>Revenues based on timing of recognition</b>		
Services transferred at a point in time	664,803.92	648,585.78
Services transferred over time	-	-
	<b>664,803.92</b>	<b>648,585.78</b>

**Significant changes in contract assets and contract liabilities during the period are as follows:**

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Assets and liabilities related to contracts with customers

	As at March 31, 2020	As at March 31, 2019
Trade receivables	83,244.15	102,871.41
Contract assets	42.49	-
Contract liabilities	3,166.37	-

Trade receivables are non-interest bearing and are generally on terms of 60-90 days. The Group has recognised Nil provision for expected credit loss on trade receivables during the year ended March 31, 2020 (March 31, 2019: Nil).

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for services rendered to customers. Contract assets are transferred to receivables when the rights become unconditional.

(All amounts in ₹ lakhs, unless otherwise stated)

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customer for which the Group has invoiced the customer or received advances from the customer for rendering of services. Contract liabilities are recognised as revenue as the Group performs under the contract.

	As at March 31, 2020	As at March 31, 2019
<b>Contract assets at the beginning of the year</b>	-	-
Unbilled revenue during the year	42.49	-
<b>Contract assets at the end of the year</b>	<b>42.49</b>	<b>-</b>
<b>Contract liabilities at the beginning of the year</b>	-	-
Advance received from customers during the year	3,166.37	-
<b>Contract liabilities at the end of the year</b>	<b>3,166.37</b>	<b>-</b>
<b>Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price</b>		
Revenue as per contract	663,502.13	648,585.78
Adjustments	1,301.79	-
Revenue from contract with customers	<b>664,803.92</b>	<b>648,585.78</b>

**Note 46: Lease disclosure****Where the Group is the lessee:****As lessee**

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 01, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). The Group has adopted this standard using the modified retrospective approach and accordingly, the comparative figures for the year ended 31 March 2019 has not been restated. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Particulars	Amount
Increase in property plant and equipment by	8,142.83
Increase in lease liability by	8,158.94
Increase in finance cost by	271.54
Increase in depreciation by	1,659.12
Decrease in operating expenses by	(1,828.05)

The Group's significant leasing arrangements are in respect of leases for office premises which are renewable on mutual consent at agreed terms.

**As lessee**

- Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Buildings	Total
<b>As at April 1, 2019</b>	-	-
Impact on account of transition to Ind AS 116	9,609.48	9,609.48
Depreciation expenses	(1,659.12)	(1,659.12)
Forex translation, net	192.47	192.47
<b>As at March 31, 2020</b>	<b>8,142.83</b>	<b>8,142.83</b>

(All amounts in ₹ lakhs, unless otherwise stated)

- ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	Total
<b>As at April 1, 2019</b>	-
Impact on account of transition to Ind AS 116	9,609.48
Accretion of interest	271.54
Payment	(2,325.42)
Forex translation	603.34
<b>As at March 31, 2020</b>	<b>8,158.94</b>
Current	1,791.42
Non-current	6,367.52
	<b>8,158.94</b>

- iii) Maturity analysis of lease liabilities

Particulars	Amount
<b>Lease payments</b>	
Not later than one year	2,268.42
Later than one year	7,197.86
Later than five years	328.52
<b>Total</b>	<b>9,794.80</b>

- v) Amount recognised in Consolidated Statement of Profit and Loss

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on right of use assets	1,659.12	-
Interest on lease liabilities	271.54	-
Expenses relating to short term leases	1,006.67	-
Operating lease expense	-	2,156.22

#### As a lessor

The Group has entered into operating leases on its Investment property. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. refer note 5 for rental income and future minimum rentals receivable under non-cancellable operating leases as at March 31, 2020 and March 31, 2019.

#### Note 47: Business combinations and others

##### (a) Business combinations

###### (i) Acquisition of Lillyandsid Ltd

In March 2020, the Group entered into a conditional sale and purchase agreement to acquire 55% of the issued share capital of Lillyandsid Ltd ("Lillyandsid") at a consideration of GBP 1,150,000 (equivalent to approximately ₹ 1,161.76). Lillyandsid is engaged in trading of garments online. The acquisition was made as part of the Group's strategy to expand its market share of garment business. The purchase consideration for the acquisition was in form of cash, with GBP 1,150,000 (equivalent to approximately ₹ 1,161.76) paid in March 2020.

The Group has elected to measure the non-controlling interest in Lillyandsid at the non-controlling interest's proportionate share of Lillyandsid's identifiable net assets.

The identifiable assets acquired and liabilities assumed of the Lillyandsid as at the date of acquisition were as follows:

	Year ended March 31, 2020
Property, Plant and equipment	1.28
Cash and cash equivalents	272.74
Inventory	301.86
Other receivables	7.63
Trade receivables	417.78
Trade payables	(72.52)
Other payables and accruals	(39.97)
<b>Total identifiable net assets at fair value</b>	<b>888.80</b>



(All amounts in ₹ lakhs, unless otherwise stated)

	Year ended March 31, 2020
Non-controlling interests	(369.47)
Goodwill on acquisition	615.26
Satisfied by cash	<b>1,134.59</b>
<b>An analysis of the cash flows in respect of the acquisition of Lillyandsid is as follow:</b>	
Cash consideration	1,134.59
Cash and bank balances acquired	(272.74)
<b>Net outflow of cash and cash equivalents included in cash flows from investing activities</b>	<b>861.85</b>

**(ii) Acquisition of Tristar Apparels (Pvt) limited**

In October 2018, the Group entered into a conditional sale and purchase agreement to acquire 100% of the issued share capital of Tristar Apparels (Pvt) Limited ("Tristar") at a consideration of US\$1,772,065 (INR 1,229.78). Tristar is engaged in the manufacturing and trading of garments. The acquisition was made as part of the Group's strategy to expand its market share of garment business. The purchase consideration for the acquisition was in form of cash, with US \$1,772,065 (equivalent to approximately HK\$13,786,668) paid in January 2018.

The identifiable assets acquired and liabilities assumed of the Tristar as at the date of acquisition were as follows:

	Year ended March 31, 2020
Property, plant and equipment and total identifiable net assets at fair value	469.31
Goodwill on acquisition	760.46
Satisfied by cash	<b>1,229.77</b>
An analysis of the cash flows in respect of the acquisition of Tristar is as follow	1,229.77
Decrease in deposit paid for the acquisition of Tristar	(55.51)
<b>Net outflow of cash and cash equivalents included in cash flows from investing activities</b>	<b>1,174.26</b>

**(b) Others****(i) Acquisition of NCI portion in Norwest Industries limited**

In October 2018, the Group entered into a purchase agreement to acquire an additional 15% of the issued share capital of Norwest Industries Ltd at a consideration of US\$ 12,706,940 (₹ 8,889.24). The net loss arising on the transaction has been adjusted directly in equity in accordance with Ind AS 110, consolidated financial statements attributable to change in equity interest without change in control.

Consideration paid	8,889.24
Value of Non controlling interest acquired	(5,625.44)
	<b>3,263.80</b>
Net loss on forex	(98.87)
<b>Net loss adjusted directly in other equity</b>	<b>3,164.93</b>

**(ii) Windup of SACB**

The Company's investee namely SACB has ceased to carry on business as at 31 March 2020 and has also proposed to be wound up. As such, the assets and liabilities of SACB has been transferred to Multinational Textile Group Limited.

**(iii) Sale of stake in Parc Designs Private limited**

The investment in Parc Designs Private Limited ("Parc Design") has been sold during the year as a result of which the percentage holding has reduced to 19% from 51% in the previous year. The investment was sold on September 30, 2019, post which Parc Design ceases to be a subsidiary to the Company. Consequently, the transactions with Parc Design for the period April 01, 2020 till September 30, 2020 only has been reported in these consolidated financial statements. A loss of ₹ 54.10 has been recorded on such sale.

**Note 48: Restatement on account of prior period errors**

The Group has identified the prior period errors in the consolidated financial statements that have been previously reported. In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', the Group has retrospectively restated the previous year consolidated financial statements.

(All amounts in ₹ lakhs, unless otherwise stated)

The following tables summarise the impacts on the Group's consolidated financial statements:

**a) Reconciliation of Consolidated Balance Sheet (extract) as at March 31, 2019**

Particulars	Notes to restatement	March 31, 2019 (Reported)	Re-classification	Re-measurement	March 31, 2019 (Restated)
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	(i)	17,501.66	2,452.83	-	19,954.49
Investment property	(i), (ii)	14,130.36	(2,452.83)	(1,872.46)	9,805.07
Goodwill	(ii)	8,815.27	-	(3,415.49)	5,399.78
Investments	(iii)	6,633.22	-	(427.05)	6,206.17
<b>Sub-total</b>		<b>47,080.51</b>	<b>-</b>	<b>(5,715.00)</b>	<b>41,365.51</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Other equity	(c)	50,164.71	-	(6,786.55)	43,378.16
Non-controlling interest		4,069.17	-	(143.57)	3,925.60
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Borrowings	(iv)	7,302.50	(6,340.07)	-	962.43
<b>Current liabilities</b>					
Borrowings	(iv)	62,705.75	6,340.07	-	69,045.82
Provisions	(v)	8.01	-	1,215.12	1,223.13
<b>Sub-total</b>		<b>124,250.14</b>	<b>-</b>	<b>(5,715.00)</b>	<b>118,535.14</b>

**b) Reconciliation of Consolidated Statement of Profit or Loss (extract) for the year ended March 31, 2019:**

Particulars	Notes to restatement	March 31, 2019 (Reported)	Increase/ (decrease)	March 31, 2019 (Restated)
<b>Expenses</b>				
Employee cost	(v)	36,818.49	1,123.86	37,942.35
Share of profit/(loss) of associates and joint ventures	(iii)	(99.38)	93.30	(6.08)
<b>Profit/ (loss) before tax (A)</b>		<b>7,918.98</b>	<b>(1,030.56)</b>	<b>6,888.42</b>
<b>Other Comprehensive Income</b>				
Foreign Currency Translation Differences for foreign operations	(vi)	(1,875.55)	3,409.10	1,533.55
<b>Other comprehensive income for the year, net of tax (B)</b>		<b>(1,149.17)</b>	<b>3,409.10</b>	<b>2,259.93</b>
<b>Total comprehensive income [(A)+(B)]</b>		<b>6,769.81</b>	<b>2,378.54</b>	<b>9,148.35</b>

**c) The impact on the group's other equity as at March 31, 2019 and April 1, 2018 is as follows:**

Particulars	Notes to restatement	March 31, 2019	April 01, 2018
<b>Total equity (including NCI) (As previously reported)</b>		<b>54,233.88</b>	<b>51,779.90</b>
Investment property recorded at fair value instead of cost has been reversed	(ii)	(1,872.46)	(1,868.41)
Goodwill was recognised to acquire portion of non-controlling interest without change in status during FY 16-17 and FY 18-19 on two transactions	(ii)	(3,415.49)	(250.56)
Investment in an associate measured at fair value through other comprehensive income accounted using equity method	(iii)	(427.05)	(520.37)
Provision for employee benefits not provided for earlier	(v)	(1,215.12)	(91.26)
<b>Adjustment to equity</b>		<b>(6,930.12)</b>	<b>(2,730.60)</b>
<b>Other equity (Restated)</b>		<b>47,303.76</b>	<b>49,049.30</b>

**Notes to restatement**

In accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', the Group has retrospectively restated the previous year financial statements on account of following matters:

(All amounts in ₹ lakhs, unless otherwise stated)

- (i) Classification of building with a carrying value ₹ 2,370.76 and ₹ 2,452.83 as at April 1, 2018 and March 31, 2019 respectively, as Investment property, given on lease by one subsidiary to other subsidiaries of the Group. The Group has reclassified the building under Property, Plant and Equipment in accordance with Ind AS 40 - Investment property.
- (ii) The value of investment property recorded at fair value and goodwill recorded on acquisition of non-controlling interest with a corresponding decrease in other equity by ₹ 2,118.97 and ₹ 5,287.95 as at April 1, 2018 and March 31, 2019 respectively, to account for the transactions in accordance with Ind AS 110 – Consolidated financial statements.
- (iii) Accounted for its share of losses in an associate amounting to ₹ 520.37 as at April 1, 2018 and its share of profit for the year ended 31 march 2019 ₹ 93.30 during the previous year, previously accounted as investment in equity shares measured at fair value through other comprehensive income.
- (iv) Reclassified borrowings of carrying value of ₹ 5,083.80 and ₹ 6,340.07 as at April 1, 2018 and March 31, 2019 respectively, which were repayable on demand and classified as non-current borrowings. The same has been reclassified to current borrowings.
- (v) Accounting for employment benefits relating to gratuity and leave encashment for its staff of branches / subsidiaries located in Bangladesh. The Group has retrospectively provided for the same amounting to ₹ 91.26 as at April 1, 2018 and ₹ 1,123.86 during the previous year, with a corresponding impact in other equity.
- (vi) Foreign currency exchange difference on translation of foreign operations has been reclassified from other equity to Other Comprehensive Income ('OCI') reserve. However, total other equity remains unchanged. OCI presented in the Statement has been adjusted by ₹ 3,409.10 for the year ended March 31, 2019
- (vii) Goodwill has been disclosed as a separate line item on the face of balance sheet in accordance with the requirement of Schedule III of the Companies Act, 2013, which was earlier classified under intangible assets.

**Note 49: Non-controlling interest**

Set out below is summarised financial information for a subsidiary that has material non-controlling interests in the Group. The amounts disclosed below are before inter-company eliminations:

Particulars	Green Apparels Ltd.	
	March 31, 2020	March 31, 2019
<b>I. Principal place of business</b>	<b>Hong Kong</b>	<b>Hong Kong</b>
Proportion of ownership interest	75%	75%
<b>II. Summarised Balance Sheet</b>		
Current assets	12,053.57	2,648.94
Current liabilities	27,795.22	14,466.41
<b>Net-current assets (A)</b>	<b>(15,741.65)</b>	<b>(11,817.47)</b>
Non-current assets	8,556.14	7,434.98
Non-current liabilities	185.69	129.21
<b>Net non-current assets (B)</b>	<b>8,370.45</b>	<b>7,305.77</b>
<b>Net assets (A + B)</b>	<b>(7,371.20)</b>	<b>(4,511.70)</b>
Share of interest held by NCI	25%	25%
Accumulated NCI	(1,842.80)	(1,127.92)
<b>III Summarised statement of profit and loss</b>		
Revenue	11,480.34	5,676.38
Net profit for the year	(2,149.87)	(2,213.06)
Other comprehensive income	(70.09)	(305.34)
Total comprehensive income	(2,219.96)	(2,518.40)
Share of interest held by NCI	25%	25%
Profit allocated to NCI	(554.99)	(629.60)
Dividends paid to NCI	-	-
<b>IV Summarised cash flows</b>		
Cash flows from operating activities	1,473.38	2,470.32
Cash used in investing activities	(1,040.29)	(2,787.41)
Cash from/ (used) in financing activities	(517.75)	801.68
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(84.65)</b>	<b>484.58</b>

(All amounts in ₹ lakhs, unless otherwise stated)

**Note 50: 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		Share in profit for the year		Share in other comprehensive income		Share in total comprehensive income	
	As % of total	Amount	As % of total	Amount	As % of total	Amount	As % of total	Amount
<b>Parent Company</b>								
PDS Multinational Fashions Limited	11.21%	11,106.92	2.29%	267.50	0.54%	(5.45)	2.46%	262.05
<b>Indian subsidiaries</b>								
Technocian Fashions Private Limited	0.09%	93.31	0.72%	84.10	(0.41%)	4.21	0.83%	88.31
Parc Designs Private Limited	0.00%	-	(1.29%)	(150.25)	0.00%	-	(1.41%)	(150.25)
<b>Foreign subsidiaries</b>								
Multinational Textile Group Limited	24.74%	24,514.04	16.24%	1,897.54	16.15%	(164.25)	16.25%	1,733.29
Casa Forma Limited	0.03%	30.55	(0.30%)	(35.29)	0.00%	-	(0.33%)	(35.29)
Global Textile Group Limited	3.06%	3,035.10	0.67%	78.31	0.00%	-	0.73%	78.31
PDS Asia Star Corporation Limited and its subsidiary	2.26%	2,243.27	16.47%	1,923.37	0.80%	(8.13)	17.96%	1,915.24
Simple Approach Ltd and its subsidiary	5.62%	5,571.66	9.49%	1,109.08	2.02%	(20.56)	10.21%	1,088.52
PG Group Ltd and its subsidiaries	2.70%	2,679.07	7.68%	897.24	(2.07%)	21.06	8.61%	918.30
Techno Design HK Limited	0.41%	405.56	4.68%	546.94	0.00%	-	5.13%	546.94
Norwest Industries Limited, its subsidiaries, associates and joint ventures	57.46%	56,942.95	84.97%	9,925.49	68.75%	(699.14)	86.52%	9,226.35
Poeticgem International Ltd and its subsidiary	0.23%	223.23	4.92%	574.42	0.00%	-	5.39%	574.42
SACB Holdings Limited	-	-	0.37%	43.12	0.00%	-	0.40%	43.12
Multinational OSG Services Bangladesh pvt. Ltd.	0.92%	912.53	(0.78%)	(91.42)	0.00%	-	(0.86%)	(91.42)
Full House Manufacturing Limited	0.20%	199.89	(0.01%)	(1.41)	0.00%	-	(0.01%)	(1.41)
Techno Design GmbH	0.02%	15.69	2.25%	262.71	0.00%	-	2.46%	262.71
Poetic Brands Limited	0.28%	276.85	1.52%	177.73	0.00%	-	1.67%	177.73
Poeticgem Limited	10.62%	10,528.99	1.53%	178.20	0.00%	-	1.67%	178.20
FX Import Company Limited	(0.51%)	(501.55)	(0.49%)	(57.04)	0.00%	-	(0.53%)	(57.04)
Poetic Knitwear Limited	(0.67%)	(660.64)	(0.02%)	(1.79)	0.00%	-	(0.02%)	(1.79)
Pacific Logistics Limited	(0.37%)	(365.60)	(0.04%)	(5.00)	0.00%	-	(0.05%)	(5.00)
FX Imports Hong Kong Limited	(0.12%)	(120.47)	(3.64%)	(425.39)	4.38%	(44.53)	(4.41%)	(469.93)
Multitech Venture Limited	0.24%	239.11	(3.79%)	(442.21)	0.00%	-	(4.15%)	(442.21)
Progress Manufacturing Group Ltd. and its subsidiary	(12.70%)	(12,582.89)	(28.85%)	(3,369.55)	(1.24%)	12.56	(31.48%)	(3,356.99)
Green Apparel Industries Limited and its subsidiary	(7.42%)	(7,357.97)	(18.39%)	(2,148.60)	6.89%	(70.05)	(20.80%)	(2,218.65)
Grupo Sourcing Ltd and its subsidiary	0.12%	117.84	0.04%	4.20	1.92%	(19.54)	(0.14%)	(15.34)
Blue Print Design Limited	(3.21%)	(3,181.51)	(10.06%)	(1,174.54)	0.00%	-	(11.01%)	(1,174.54)
Design Arc UK Limited	0.06%	64.03	0.82%	95.25	0.00%	-	0.89%	95.25
PDS Global Investments Limited	0.03%	33.42	(0.00%)	(0.46)	0.00%	-	(0.00%)	(0.46)
Zamira Fashions Limited and its subsidiaries	1.30%	1,292.02	0.82%	95.93	2.27%	(23.12)	0.68%	72.81
Recovered Clothing Limited	(0.13%)	(131.80)	(1.09%)	(127.50)	0.00%	-	(1.20%)	(127.50)
PDS Ventures Limited	(0.15%)	(153.36)	(0.61%)	(71.72)	0.00%	-	(0.67%)	(71.72)
Design Arc FZCO	(0.18%)	(175.49)	(1.45%)	(168.96)	0.00%	-	(1.58%)	(168.96)
Spring Near East FZCO	(0.30%)	(293.48)	(2.36%)	(276.19)	0.00%	-	(2.59%)	(276.19)
Kleider Sourcing FZCO	1.16%	1,151.76	22.92%	2,677.52	0.00%	-	25.11%	2,677.52
Twins Asia FZCO	(0.02%)	(17.65)	(0.20%)	(22.90)	0.00%	-	(0.21%)	(22.90)
Techno Sourcing BD Limited	0.19%	184.76	0.91%	106.12	0.00%	-	1.00%	106.12
Clover Collections FZCO	0.00%	-	0.00%	-	0.00%	-	0.00%	-

(All amounts in ₹ lakhs, unless otherwise stated)

Name of enterprises	Net assets i.e. total assets minus total liability		Share in profit for the year		Share in other comprehensive income		Share in total comprehensive income	
	As % of total	Amount	As % of total	Amount	As % of total	Amount	As % of total	Amount
<b>Foreign associates</b>								
Atterley.com Holdings Limited	1.14%	1,126.29	(2.15%)	(250.77)	0.00%	-	(2.35%)	(250.77)
GWD Enterprises Limited	0.09%	85.00	(0.10%)	(12.09)	0.00%	-	(0.11%)	(12.09)
<b>Foreign joint ventures</b>								
Sourcing Solutions Limited	0.92%	914.44	(0.26%)	(30.55)	0.00%	-	(0.29%)	(30.55)
Redwood Internet Ventures Limited	0.66%	653.87	(3.42%)	(399.96)	0.00%	-	(3.75%)	(399.96)
	<b>100.00%</b>	<b>99,099.74</b>	<b>100.00%</b>	<b>11,681.17</b>	<b>100.00%</b>	<b>(1,016.94)</b>	<b>100.00%</b>	<b>10,664.23</b>
Non-controlling interest in subsidiaries		(5,246.03)		(3,505.62)		(74.04)		(3,579.66)
Intercompany elimination and consolidation adjustments		(37,984.86)		(3,573.53)		6,281.74		2,708.21
<b>Grand-total</b>		<b>55,868.85</b>		<b>4,602.02</b>		<b>5,190.76</b>		<b>9,792.78</b>

**Note 52: Covid-19**

With the onset of Covid-19 since the beginning of the year 2020 which was declared as a pandemic by the World Health Organisation in March 2020, the Group's businesses across the globe was impacted with the lockdown in most of the geographies. The Group's business was affected significantly in the last 2-3 weeks of March 2020 with shipments coming to a halt and offices shutting down. In this challenging operating environment, the Group has taken appropriate measures to ensure safety and well-being of its employees, business partners, communities and safeguard the interests of its customers and suppliers. Group's strategic plan, during the first 4-5 weeks was to preserve cash, recover dues from customers, honour business commitments to banks, suppliers and statutory authorities. The Group has resumed its business activities by reopening its factories and offices in phased manner in line with the guideline issued by the government authorities of respective countries. During this period new business opportunities in (Personal Protective Equipment's) PPE was explored by the group and both short term and long-term opportunities have been created. The Group has assessed the impact of this pandemic on its consolidated business operations and has considered relevant internal business projections and cash flows and external information available up to the date of approval of these consolidated financial statements, in determination of the recoverability and carrying value of its assets comprising of property, plant and equipment, goodwill, other intangible assets and investments, based on the above the Group expects to recover the carrying value of these assets. The impact of this pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's consolidated financial statements, which may differ from that considered as at the date of approval of these consolidated financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business and believes that it has sufficient funds to operate for the next 12 months.

**Note 53: Others**

- (a) 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, 2020.
- (b) Figures have been rounded off to the nearest Lakh except otherwise stated.

**For Walker Chandio & Co. LLP**  
Chartered Accountants  
Firm's Registration Number: 001076N/N500013

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

**Aasheesh Arjun Singh**  
Partner  
Membership Number: 210122

**Payel Seth**  
Director  
DIN: 00003035

**Deepak Seth**  
Director  
DIN: 00003021

**Omprakash Makam S. Setty**  
Chief Executive Officer

**Ajai Singh**  
Chief Financial Officer

**B. Chandra Sekhara Reddy**  
Company Secretary  
M. No. A14609

Bengaluru  
July 10, 2020

Bengaluru  
July 10, 2020







PDS

Together we're building a better,  
more sustainable supply chain



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**PDS MULTINATIONAL FASHIONS LIMITED**

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