

PDS/SE/2021-22/19

July 8, 2021

Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai -400 051 Scrip Symbol: PDSMFL	Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 538730
--	---

Re: ISIN - INE111Q01013

Sub: Submission of Annual Report of the Company and Notice convening 10th Annual General Meeting ("AGM")

Dear Sir/ Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice convening the 10th Annual General Meeting ("AGM") and the Annual Report of the Company for the Financial Year 2020-21.

In compliance with relevant Circulars issued by Ministry of Corporate Affairs and the SEBI, the Notice convening the 10th AGM and the Annual Report of the Company for the Financial Year 2020-21 has been sent to all the Members of the Company whose email addresses are registered with the Company or Depository Participant(s).

The AGM of the Company will be held on Friday, July 30, 2021, at 11:00 A.M. IST through Video Conferencing/ Other Audio-Visual Means in accordance with the aforesaid Circulars.

The Notice of AGM along with the Annual Report for the Financial Year 2020-21 is also being made available on the website of the Company at www.pdsmultinationa.com.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,

for PDS Multinational Fashions Limited



Abhishek Kanoi
Head of Legal & Company Secretary
ICSI Membership No.: F-9530



Encl.: As Above

A Global Collaborative Platform

Entrepreneurial | Sustainable | Agile



Content

02 About us

- 02 Who we are
- 04 What we do
- 05 Geographical expanse
- 06 Milestones

08 Year in review

- 08 Chairman's statement
- 10 Vice Chairman's message
- 11 Group CEO's message
- 12 Key performance indicators
- 14 Business review

20 Our approach to value creation

- 20 Business model
- 22 Operating context
- 24 Risk management
- 26 Value creation strategy

30 Responsible business

- 30 Corporate social responsibility
- 32 People focus

34 Good Governance

- 34 Corporate Governance
- 36 Board of Directors

38 Statutory reports

- 38 Management Discussion and Analysis
- 46 Board's Report and Annexures

92 Financial statements

- 92 Standalone Financial Statements
- 142 Consolidated Financial Statements

210 Notice

FY 2020-21 Highlights

Consolidated Financials

₹6,213 crores
Revenue from Operations

₹230 crores
EBITDA
↑ 24%

₹148 crores
PAT
↑ 83%

22.1%
RoCE
↑ 658 bps

3.7%
EBITDA margin
↑ 90 bps

2.4%
PAT margin
↑ 117 bps

22.0%
RoE
↑ 874 bps

0.26x
Net Debt/EBITDA
From 1.32x

₹15.75
Per share proposed dividend

Note:

1. All comparisons on a Y-o-Y basis (vs FY 2019-20 numbers)
2. ROCE and ROE is calculated after adjusting for dividend; ROCE based on Net Capital Employed

A Global Collaborative Platform

Entrepreneurial | Sustainable | Agile

At PDS Multinational Fashions Limited (PDS), we provide a global plug-and-play platform for fashion industry entrepreneurs. These entrepreneurs join PDS as collaborators and become an integral part of our unique business, leveraging the PDS brand name to supply to some of the biggest fashion brands and retailers. We are working relentlessly with a vision for sustainable fashion.

Entrepreneurial

Entrepreneurial spirit is one of our core values at PDS. Our platform provides existing and new entrepreneurs with opportunities to enhance scale, make bigger impact and, associate with global brands. In short, with the support from the robust PDS platform, they are able to take their businesses to the next level. Our Joint P&L (JPL) initiative encourages these entrepreneurs to leverage inter-business synergies. For employees, our dynamic work culture, freedom of choice, ESOPs and other engagement initiatives provide fillip to the entrepreneurial ability of our platform.

Sustainable

Being a responsible corporate citizen, generating sustainable value for all our stakeholders is deeply woven into our DNA. We promote sustainable operations across all our business segments and processes –

be it sourcing from sustainability-compliant partners, manufacturing products within our own facilities, complying with all the sustainability practices set forth by our internal strategic teams. These sustainability benchmarks are also applied to our investment criteria for selection of potential ventures. We invest in ventures focused on sustainability practices.

Agile

At PDS, we deeply value our agility, which stems from our asset light collaborative model. It is with agility, that we are able to leverage our inherent strengths to make the most of new market opportunities. Foraying into the essentials category during the pandemic is a classic testimony of our agility. We will continue to collaborate more closely with all our partners to make our platform more entrepreneurial, sustainable and agile.



Who we are

Enabling sustainable fashion globally

PDS Multinational Fashions Limited (PDS) is a platform of design-led sourcing and manufacturing of consumer goods, catering to leading global fashion brands and retailers. We have a global presence in over 22 countries. We also explore opportunities in seed and early-stage ventures, which enable us to provide latest, sustainable products and technologies to our customers and vendors.

We are an ethical and entrepreneurial company with a strong sustainability focus. With our keen design sense, extensive industry experience and adoption of the latest techniques and technologies, we are enabling the fashion industry around the world cater to the fast evolving tastes and preferences of consumers.

PDS Multinational is a unique combination of

Three distinct segments



Sourcing



Manufacturing



PDS Venture Tech
Investments

Multi-product portfolio

Apparel | Accessories | Footwear | Home products





Our Values

We will strive to be an organisation where integrity, transparency, customer satisfaction and courage guide us to become the most preferred business partner and employer.



Trust, integrity & ethics

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



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.



Entrepreneurial spirit

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



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.



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.



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.

Key Building Blocks



End to end capabilities



Global scale



Investing in the future



Ethics & sustainability



Financial strength



Robust risk management



Leadership team



Digital solutions

Highlights

Design and innovation expertise

150+
Designers

Leading global brands

190+
Customers

Global presence

22
Countries

50+
Offices

Employee strength

3,000+
Employees and 5000+ associates and factory personnel

What we do

Catering to diverse needs

We are a well-diversified global company, with sustainable and agile businesses spread across three different segments, offering multiple fashion and related products in multiple markets.



Sourcing



Read more on **page 14**

We enable our esteemed customers to source multiple fashion-related products through our partners in key markets. We provide them our market know-how, in-house design-led capabilities while we are able to manage the entire supply chain execution for our customers.



Manufacturing



Read more on **page 16**

We have created our own manufacturing capacities spread across three countries – Bangladesh, Sri Lanka and India*, where we have as many as 130 production lines. Our customised services, quality-focussed approach and compliance has earned us customer trust and loyalty.



PDS Venture Tech Investments



Read more on **page 18**

We invest in ventures that focus on creating a sustainable value chain for the fashion industry, reduce wastage or sustainable usage of raw materials and using advanced analytical tools to improve revenues and profitability.

~1 million
Pieces of garments/day

~36 million
Annual in-house garment
production capacity

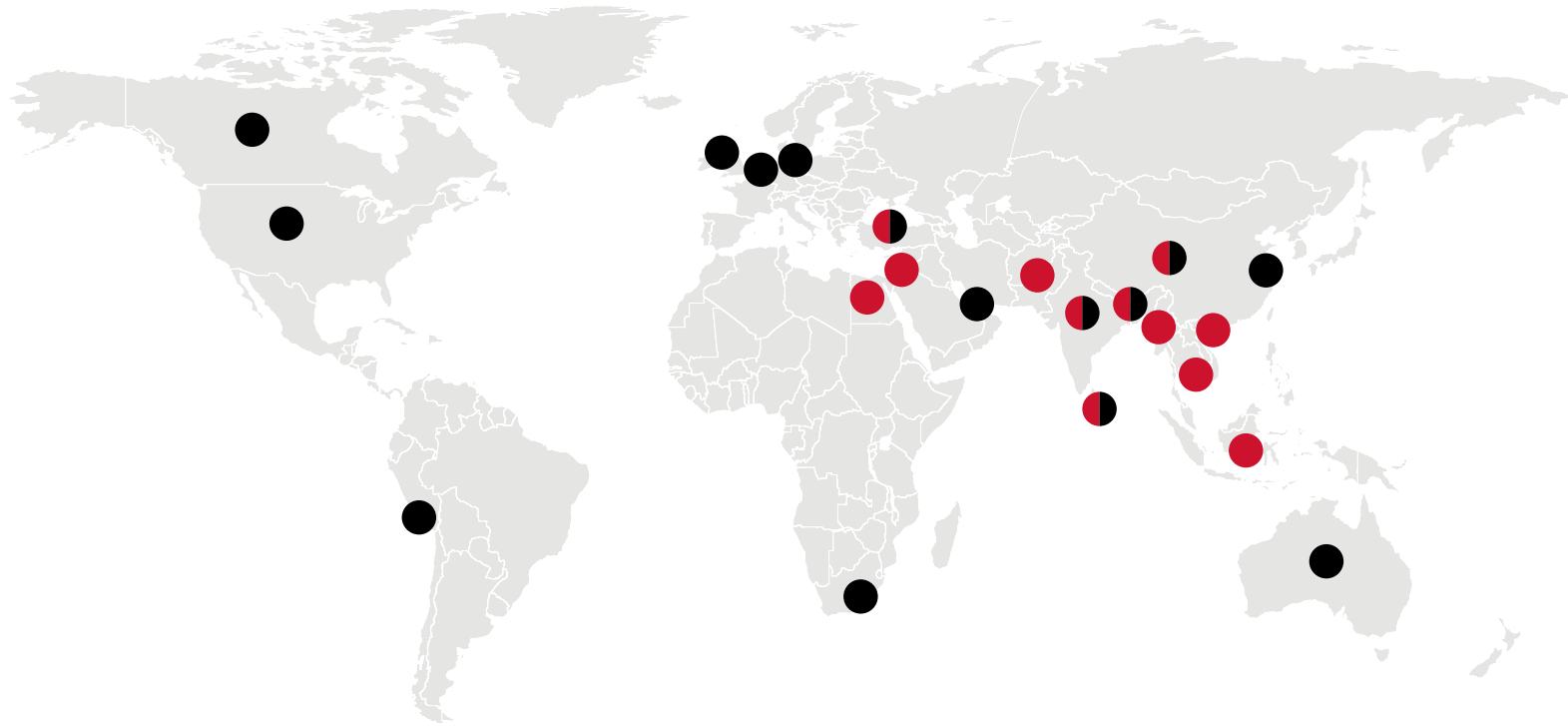
*Indian manufacturing facility is through a minority interest

24
Investments across
sustainability, technology
& consumer brands

Geographical expanse

Going places for fashion

We are a global organisation serving the world's top brands and retailers with operations spread across 22 countries.



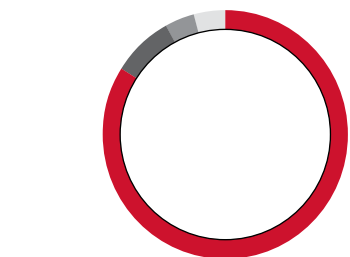
Sourcing & Manufacturing Operations

Bangladesh
Cambodia
China
Egypt
India
Jordan
Myanmar
Pakistan
Sri Lanka
Turkey
Vietnam

Sales & Design Operations

Australia
Bangladesh
Belgium
Canada
Chile
China
Dubai
Hong Kong
Germany
India
South Africa
Sri Lanka
Turkey
UK
USA

Revenue break-up (%)

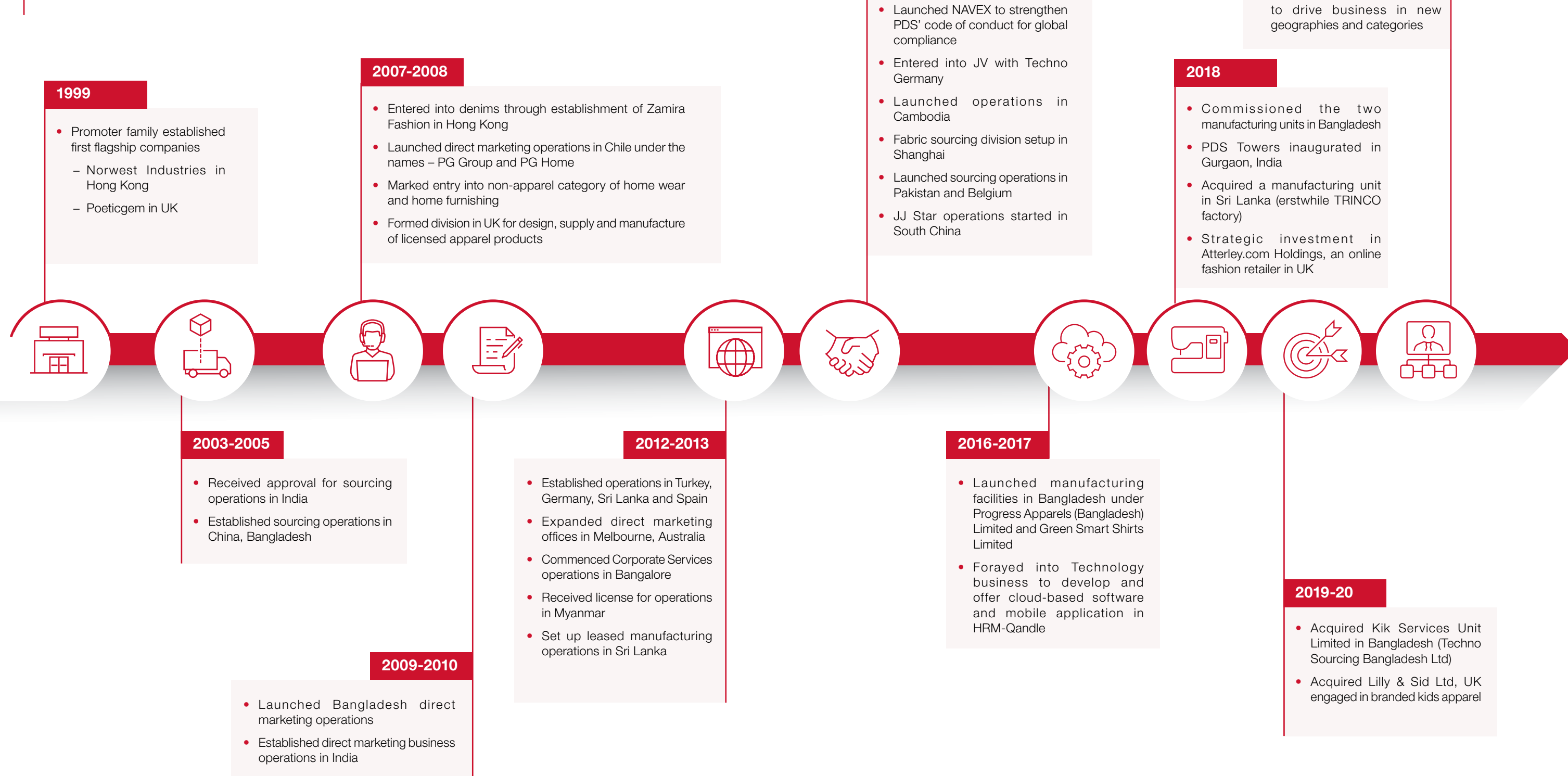


UK and Europe	84%
US	8%
Asia and Middle East	4%
Others	4%

Milestones

A journey of transformation

From a single entity to a federation of entrepreneurs to a collaboration platform, we have undergone significant transformation over the past two decades. Here's a snapshot of this exciting journey.



Chairman's statement

Committed to sustainability

Dear Shareholders,

I start this message with the hope that you and your families are safe and in good health.

FY 2020-21 was a truly dynamic year which witnessed the emergence, rise and plateauing of the COVID-19 pandemic, which can be easily categorised as one of the most disruptive events in modern times. The unprecedented impact of the pandemic has altered the way businesses and economies function. Operating a global value-chain, PDS too was impacted with the pandemic. However, more than the crisis, I would like to emphasise the way our team has adapted with resolve and emerged stronger at the face of challenge. Our strong resilience, even amid a global pandemic, is testimony to the fact that we are well placed to deliver on our strategic priorities now and in the future.

COVID-19 and Economic overview

As we have seen, globally governments, industries, organisations and individuals have worked collectively and in own capacity to tame the pandemic and support those in need. This includes large-scale medical support drives, economic packages and notable philanthropic initiatives. The fast-paced discovery of the vaccination and even faster inoculations are bringing things back to normalcy, even as some challenges persist.

As the uncertainties around COVID subside, this will lead to a renewal in the investment cycle, which has witnessed a temporary halt. The global economy is forecasted to grow by 6.0% in 2021, as per the April 2021 World Economic Outlook by IMF. Closer home, the Indian economy is forecasted to grow by 10.5%, as per the April 2021 Monetary Policy Report by RBI. These factors contribute to demand revival for our customers at PDS, auguring well for our continued growth.

Industry and Business Review

The fashion industry witnessed major headwinds during 2020, due to the pandemic-induced disruptions. However, there was an accelerated pace of digitalisation, as the market demand led the big brands and retailers, to transform their business models to be more digital first. The disruption presented an opportunity for consolidation within the industry, as many established players went belly up. This trend again reiterated preference for financially prudent, well-managed and well governed organisations. The



“

"I am extremely proud the way our team has combatted the challenging times and has come out stronger. As we move ahead, I strongly believe we are well placed to continue our journey of sustainable growth and profitability."

Mr. Deepak Seth
Chairman

"We are a sustainability-focused sourcing and manufacturing platform for global fashion brands and retailers."

annual fashion calendar and the concept of 'season' faded, paving way for seasonless fashion, with people buying need-based products, rather than giving into impulse purchases and quick trends.

In this dynamic backdrop, at PDS, we were able to generate our highest ever profit after tax of ₹148 crores, up by ~83%, owing to agile operations, better margins and cost optimisation measures. Our focus on sustainable business practices, complemented by our inherent strengths of design capabilities, diversified offerings and entrepreneurial environment empower us to stay ahead of the curve.

Developing Human Capital

People are one of our biggest success factors. They not only enable us to reach our corporate goals, but also act as our brand ambassadors. During the pandemic, it was heartening to witness how all our team members came together and made relentless efforts towards ensuring business continuity. We recognise all their efforts and reciprocate with numerous monetary and non-monetary rewards, including ample learning opportunities and periodic rewards and recognitions. We provide an entrepreneurial and challenging work environment to enable our people to perform to the best of their abilities. We also recognise that talent retention is the key to accelerated growth. During the year, we introduced a well-defined ESOP plan, enabling us to attract and retain quality talent.

Sustainable Business

We are a sustainability-focused sourcing and manufacturing platform for global fashion brands and retailers. PDS Venture Tech Investment also focuses on investments in sustainable technologies, circular economy, carbon neutrality, waste and water management. Our business practices remain environmentally conscious and socially responsible. We continue earning the trust of our discerning customers by delivering high-quality products with a minimal environmental footprint.

As I conclude, I would like to express my gratitude towards all our stakeholders who have stood with us through thick and thin. These include, but are not restricted to investors, customers, bankers, creditors, vendors, business partners, and governments, and my fellow Board members. I also thank all the leadership team members, ably supported by our people for executing the strategies set forth, with due course corrections to enable PDS reach newer heights.

Let us continue this exciting journey of sustainable value creation.

Thank you,

Deepak Seth
Chairman

Vice Chairman's message

Global collaboration for better future

Dear Shareholders,

I am delighted to write this message, post braving one of the most challenging times in my living memory. The COVID-19 induced disruption led to redefining of how economies, companies, and people function. Age-old businesses came to a screeching halt and agile businesses thrived on the back of their nimbleness. At PDS, we are proud to be part of the latter, as we continued to play on our strengths to leverage market opportunities.

Our inherent strengths which enable us to fulfil our long-term ambitions include:

- Asset light business model
- Strong financial and risk management capabilities
- Design-led sustainable and responsible sourcing
- Right products at the right time, from the right factory
- Compliant and transparent supply chain

Launchpad for Success

PDS is not just a Company, but a confluence of companies, all with their respective strong domain expertise. We provide a flexible, globally scaled platform for aspirational collaborators, which help them achieve their true worth. This platform provides simple plug and play interface, making it easy for the new collaborators to join our network. Our global and diversified vendor network, which works at the backend further strengthens this platform.

As a global player, we diversify our risks with multiple products, sourced and/or manufactured at multiple locations across the globe. The venture investment business further diversifies our business operations, by investing in technologically advanced sustainability-focused early-stage ventures. Financial support is provided to the business units with trade finance limits from a consortium of banks and financial discipline is maintained with prudent capital allocations. This enabled us to achieve our best ever Net Debt/EBITDA ratio of 0.26x and Net Debt/Equity ratio of 0.08x. Global auditors enhance our financial strength and provide stability to our business model.

“

"As a global player, we diversify our risks with multiple products, sourced and/or manufactured at multiple locations across the globe."

Strategic Priorities

As the macro-situation stabilises, we believe there are significant opportunities for us to grow. We will take required steps in reinforcing our competitive advantage, while simultaneously adding substantial value to our resilient business model. The fundamentals of our business are based on a robust and strong foundation and as the operating environment improves, we remain optimistic of recording a steady and strong growth in the times ahead. We are also pleased to have Mr. Sanjay Jain on board with us, who has joined the PDS family as Group CEO. He is vested with the responsibility of driving growth, transformation, operational excellence, and value creation initiatives across PDS and its subsidiaries.

Geographic and Category Expansion

Addition of newer product categories to our offerings bouquet, deepening our outreach in existing market and expanding in newer geographies form part of our core focus areas. With an aim to expand into new categories and make inroads in the new markets, such as US, Australia, South Africa, and Scandinavian countries, we have on-boarded new business leaders and teams.

Encouraging a Collaborative Approach

During FY 2020-21, we implemented a Joint P&L (JPL) initiative for empowering the individual businesses in the PDS ecosystem to leverage inter-collaborator

synergies, say one of the collaborators is a manufacturer, while the other is a client-facing sourcing unit. Both these collaborators work together to develop incremental businesses opportunities. Successful implementation of this initiative has enabled us to drive more business and meet our customer requirements by playing to the strengths of our platform.

Sustainable Future

We pursue sustainable business opportunities, which are extended with the products we source, manufacture or in the venture investments we make. We track the pulse of emerging trends and technologies with our investments in businesses focussed on circular economy, sustainable fashion, and creating sustainable themed brands. We are also witnessing our customers seek and adopt sustainable solutions and greener choices which further enables PDS to become their preferred partner. We also believe that sustainability extends to social responsibility, and have thus strengthened our commitment towards the society. We action our social priorities with initiatives focussed on quality education and nutrition meals to the disadvantaged sections of the society.

With our well-calibrated strategy, strong team and stronger resolve, I am confident that we can steer ahead towards achieving our growth vision. In doing so, I solicit your continued cooperation.

Pallak Seth
Vice Chairman



Group CEO's message

Ready to take off

Dear Shareholders,

I hope that you and your loved ones are safe during these crucial times. Having joined during FY 2020-21, I am really excited to be a part of this unique organisation and address you through this report.

Performance Highlights

During FY 2020-21, we generated our best-ever performance in terms of operational profitability, which grew by 24% to ₹230 crores in FY 2020-21, with margins improving 90 bps.

Our operating expenses reduced by 13% to ₹798 crores, on the back of cost optimisation measures. Although our revenues witnessed a slight dip of 7% to ₹6,213 crores, our profit after tax swelled by 83% to ₹148 crores. The net margins grew by 117 bps to 2.4% and EPS witnessed an 83% growth to ₹32.37 per share. We are pleased to announce our first dividend of ₹15.75 per share, a 49% payout based on FY 2020-21 EPS.

Financial Stability

Prudent management of resources and cost optimisation measures were actioned upon during FY 2020-21 utilising the power of the PDS platform. We achieved reduction in our working capital days from 10 days in FY 2019-20 to 5 days in FY 2019-20 and improved profitability enhanced our cash flows resulting in decrease in net debt by ₹186 crores to ₹59 crores. This translated in 48% reduction in finance costs.

This enabled us to achieve lower leverage ratios with Net Debt/EBITDA of 0.26x and Net Debt/Equity of 0.08x. This further translated into enhanced returns for stakeholders with 22.1% RoCE compared to 15.6% in FY 2019-20 and increasing RoE to 22.0% in FY 2020-21 from 13.3% in FY 2019-20.

Manufacturing Business Turnaround

We are focusing on achieving a turnaround of our manufacturing facilities through collaboration with our sourcing business. We are seeing good traction and target to double the production and increase



"We target to double our production and increase efficiencies which should lead to near break-even and a self-sustaining business."



efficiencies which should as a first step lead to near breakeven and a self-sustaining business.

Rigorous Risk Management

From a risk management perspective, as a global organisation, we have identified 6 focus areas ("6 Cs") Customer Dependency, Credit, Currency, Cost, Compliance and Compliant Capacity. We closely monitor and track each of these parameters and have put in place policies and guidelines such that we can be better prepared for unforeseen eventuality. A rigorous application of the 6C framework has led to successful management of financial position especially during these testing times.

Value creation

We created a positive economic value-added return of ~15%, which is basically the difference between our return on capital employed and weighted average cost of capital. Our value-creation journey straddles two key aspects. One, given our

global operations with teams based out of various geographies, we seek to unite the mindset of the employees and align them with the organisational goals. For achieving this, we are granting stock options to key employees based on pre-agreed KRAs. Through this programme, employees will participate and benefit from our value creation journey. Secondly, we are enabling our various stakeholders unlock value as we consistently demonstrate sustainable and profitable growth.

Today, PDS is ready to take off to newer growth avenues, generating higher sustainable returns for all our stakeholders. As we chart our way forward and continue on a journey of consistent value-creation, I hope to be guided by our illustrious Board, our able teams and the confidence of all stakeholders.

Stay safe,

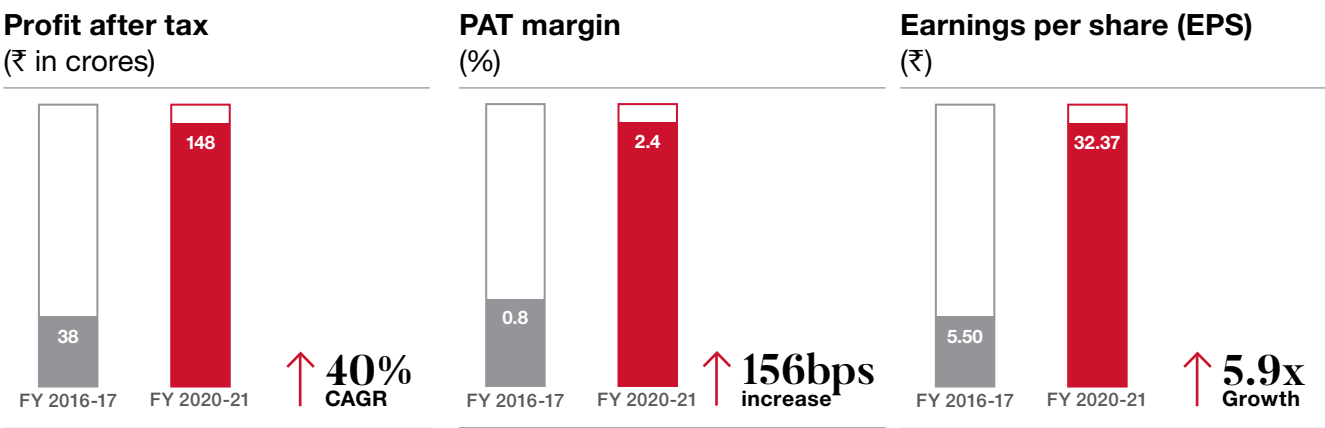
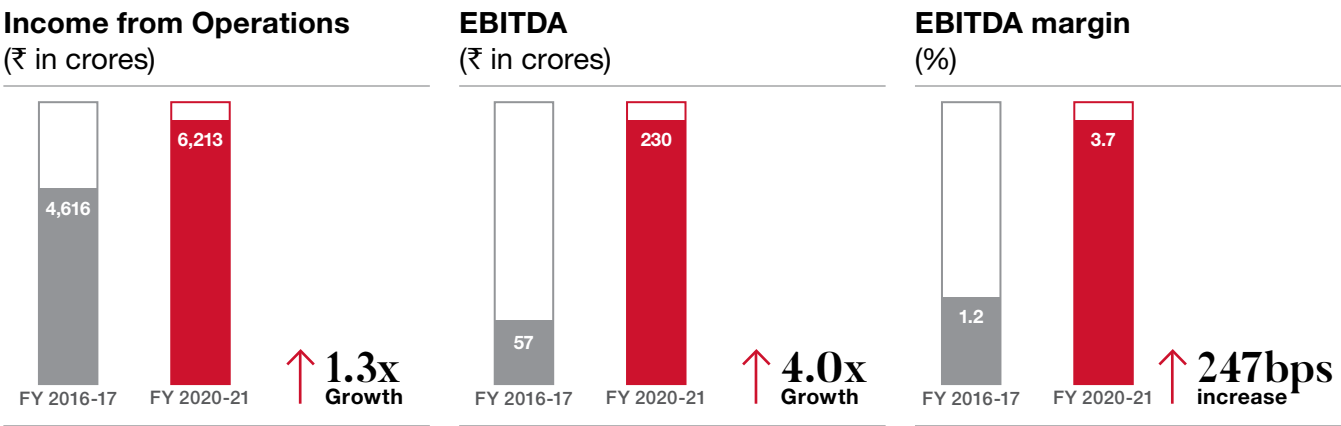
Sanjay Jain
Group Chief Executive Officer

Key performance indicators

Delivering robust growth

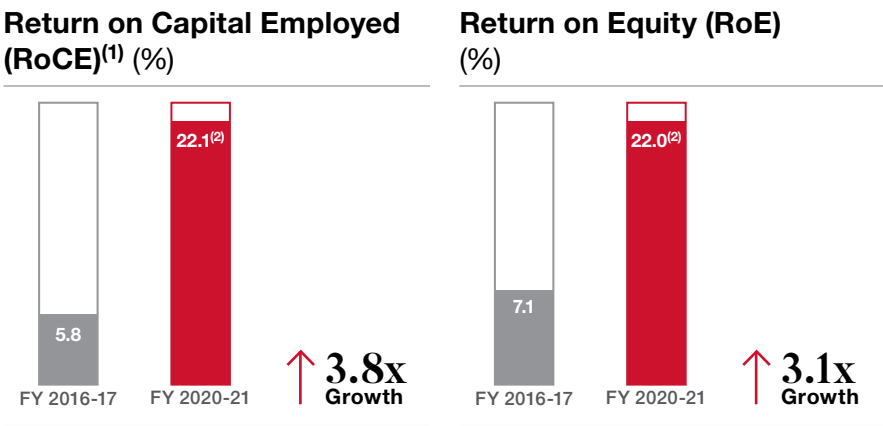
Over the past five years, we have delivered sustained growth in revenue while significantly improving our profitability. Our asset light model, along with strong focus on capital management, enables us to capitalise on margin-accretive opportunities.

Profit and loss parameters

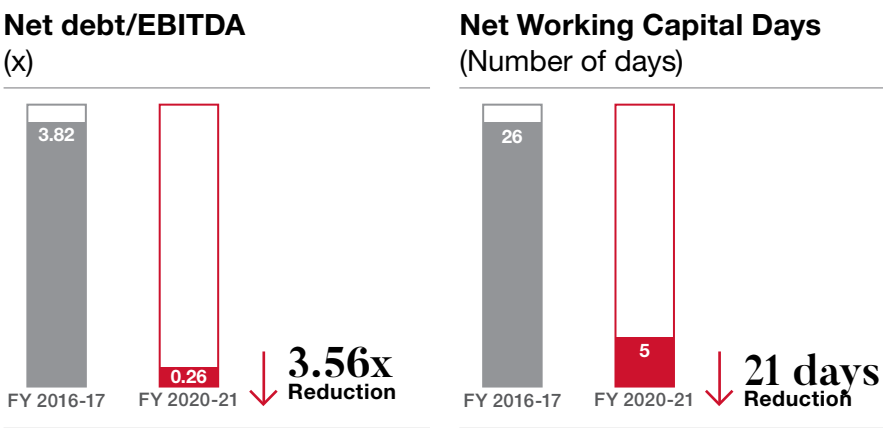


The revenues during the 5-year period have gone up, buoyed by our ability to deliver through product and process innovation. Our margin accretive performance was also the result of our consistent focus on risk management, compliance and high governance standards, leading to 4.0x expansion in EBITDA and 40% CAGR in profit after tax.

Key ratios



Consistent improvement in operational performance resulted in better profitability ratios. Sharp focus on credit management resulted in reduction in working capital days. A combination of these efficiencies have translated into enhanced returns for our stakeholders.



1. RoCE based on Net Capital Employed
2. Adjusted for dividend

Business review

A platform of choice

Our platform-based business model provides the flexibility to operate across categories and geographies. We are asset light, which enables us to serve our customers as per their requirements with a shorter lead time, by sourcing from our wide network of manufacturing partners and vendors globally.



Design Led Sourcing Capabilities

We offer our discerning customers, many of them world’s leading brands and retailers, a wide range of products, sourced from our partners sustainably. We offer them the expertise of our in-house design team, located in the fashion capitals of the world and aware as much of the latest design techniques and technologies as the latest fashion trends and preferences.

500+

Partner factories to source products

Business facts

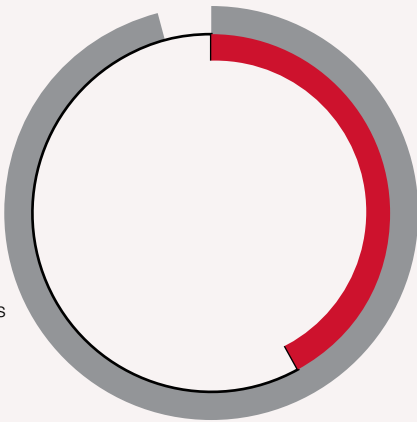
Revenue contribution
(%) of total¹

Sourcing revenue 96%

Capital employed
(%) of total

Sourcing capital employed² 42%

¹ - Sales is unadjusted for inter-company transactions
² - Based on gross capital employed



Strengths



Design excellence

150+ designers from London, Hong Kong, New York, Barcelona, Dusseldorf, New Delhi, Shanghai, Colombo, Santiago and Brussels provide insights into the latest trends in fashion industry



Market intelligence

The domain expertise of our sourcing partners enables us to gather up-to-date information, empowering us to stay ahead of the curve



Expertise in technical aspects, wash and sustainability

In-house product development, design, sampling, and technical teams that provide expertise and market know-how in managing a global trade



Expansive scale

~1 million garment pieces/day from 500+ partner factories



Management capabilities

Managing the entire supply chain execution of end-customers



Risk management

100% pre-sold orders, focus on achieving zero inventory risk, asset light model, foreign currency risk adequately hedged

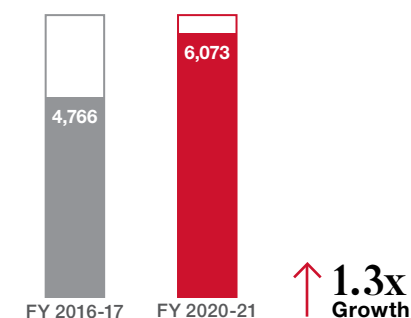
Key brands served

We have a well-diversified portfolio of marquee customers in both online and offline retailing formats

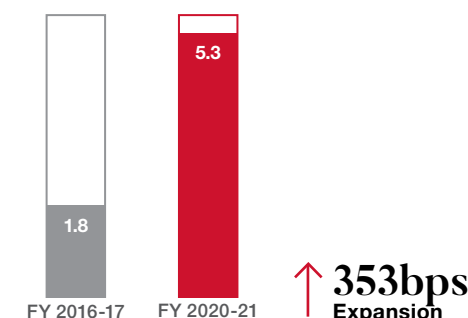


Sourcing business KPIs

Sales (₹ in crores)



EBITDA margin (%)



60%

Return on capital employed (RoCE)¹

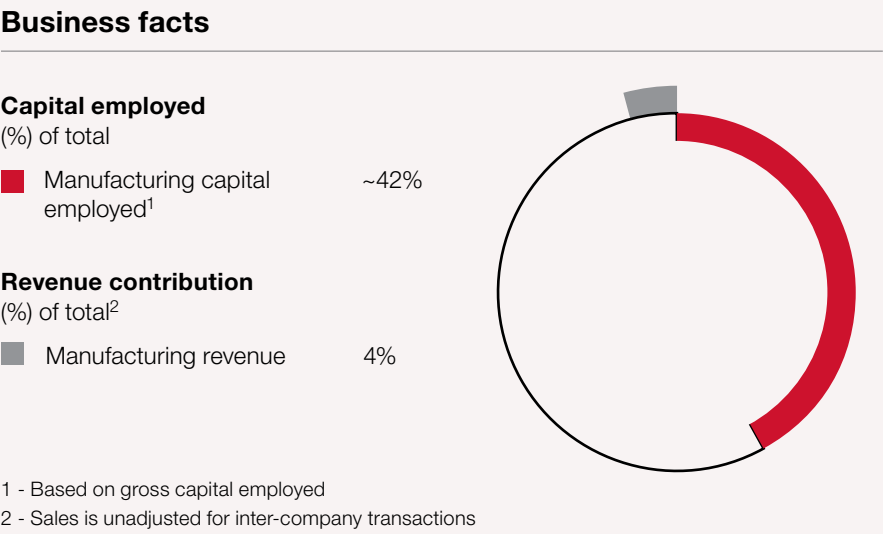
¹ Based on gross capital employed and adjusted for dividend

Business review



State-of-the-art manufacturing facilities

Our in-house manufacturing facilities are located across Bangladesh, Sri Lanka and India (via a minority stake) with ~130 well-defined production lines. We intend to put greater focus on turning around our manufacturing facilities in Bangladesh by increasing utilisation and enhancing efficiencies.



Strengths

 Strategic locations Presence in strategic locations enables low-cost manufacturing and help us maintain price advantage	 Expansive scale Annual in-house garment production capacity of ~36 million pieces through ~6,000 machines and ~130 production lines	 Compliance with regulations All our facilities are compliant with government and local administrative regulations
 Responsible operations Our facilities are recognised by Leadership in Energy and Environmental Design (LEED) with Platinum and Gold, which is a testimony to our sustainability commitment	 Speciality focused manufacturing Speciality-focused manufacturing, enables us to cater to niche categories and clients	 Risk management 100% pre-sold orders help in mitigating risk of unsold inventories

Manufacturing facilities

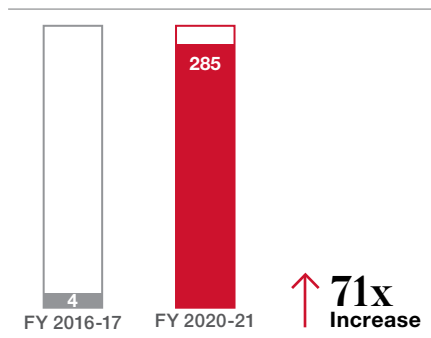
We have a manufacturing presence across 4 facilities in Bangladesh, Sri Lanka and India.

Particulars	Progress Apparel, Bangladesh	Green Smart Shirts, Bangladesh	Nor Lanka, Sri Lanka	Parc Designs, India
 Total capacity	2,500 machines	2,000 machines	320 machines	1,000 machines
 Compliance	Accord Compliance	All local guidelines	All local guidelines	All local guidelines
 Focused manufacturing/ Speciality	Primarily focused on bottom wear	Formal and casual shirts/blouses for ladies, men and kids	Specialises in knit, kids wear	Specialises in Ladies Softs and girls-wear
 Major customers	Next, C&A and Express	Next, Primark and Bestseller	ASDA George, Next, Primark	Bestseller and Matalan
 Ownership pattern	Subsidiary	Subsidiary	Based on job-work arrangement	Held through minority stake

Manufacturing business KPIs

Sales

(₹ in crores)



Business review



PDS Venture Tech Investments

With an aim to expanding our offerings, we are actively explore investments in synergistic and complementary businesses, and in early-stage start-ups focusing on three key themes:

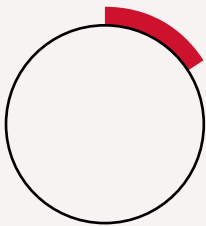
- Sustainability
- Technology
- Consumer Brands

We also collaborate with leading ESG-focused funds, which invest in ventures promoting the use of environment-friendly materials and building sustainable communities. These investments are focused on B2B and D2C customers utilising the fashion, consumer or other technologies.

Business facts

Capital employed
(%) of total¹

■ Investment and others ~16%



¹ Based on gross capital employed

Strengths



Collaborations

Advantage for PDS

True PDS Fund

This fund is in collaboration with the True Global. It is focused on sustainable, technologically advanced fashion retail and consumer-related investments

True portfolio companies can add new revenue sources for PDS Group. Opportunities to expand network with True's partners

Apex Black VC Fund

This is a sustainability and deep technology-focused fund, investing in Artificial Intelligence (AI)/Machine Learning (ML)-backed companies

Our customers get early access to new upcoming technological solutions. For example, sustainable ways of growing cotton or cost optimisation/supply chain efficiency, revenue enhancements through AI/ML tools

PDS Impact Fund

Set up in association with Yellow Octopus, this fund is focused on circular economy in fashion industry and its supply chain

Our customers get access to companies focusing on circular economy, which, in turn increases our engagement and retention levels, ultimately adding more business from the same customers

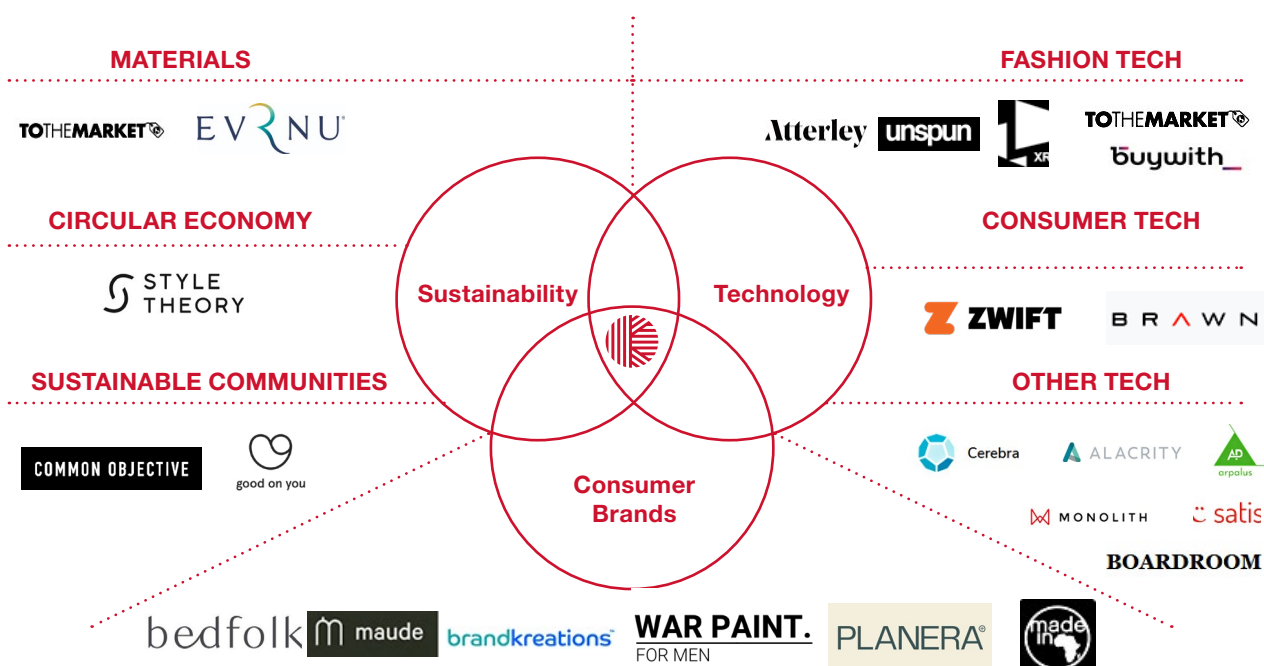
PDS Direct Investments

These direct investments are focused on fashion, technology and sustainability to align strategically with our other businesses

These investments get desired recognition for brand PDS as an ESG-focused, compliant and sustainability-focused business.

Investment broadsheet

We continually explore investment opportunities to partner with businesses aligning to our vision. All our investments are in early-stage companies with significant potential to create long-term value. These ventures focus on either of the three aspects of sustainability, technology and consumer brands.

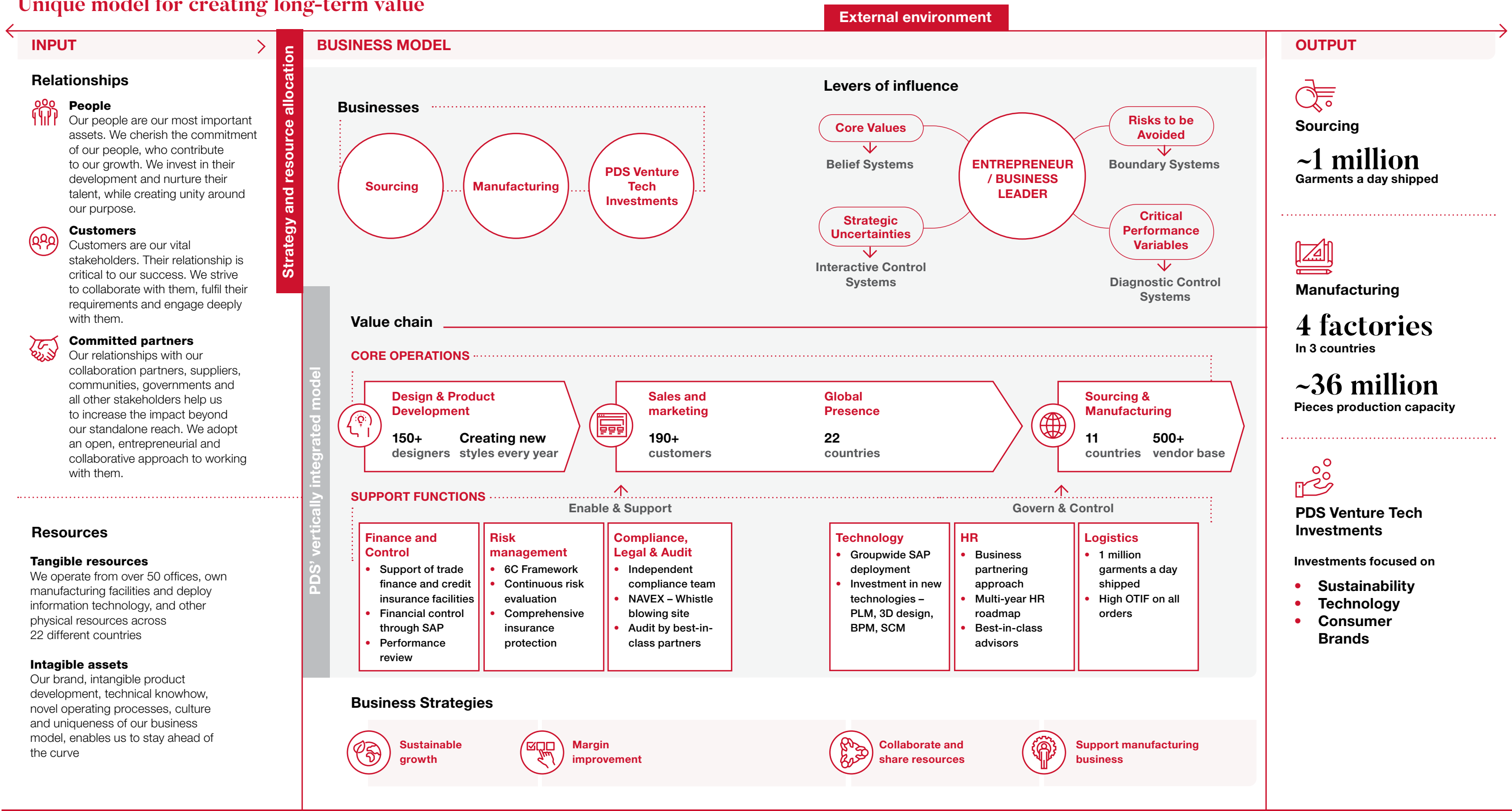


Business model

Designed to create long-term value

Our asset light business model is a unique interplay of relationships and resources designed to create long-term value for our stakeholders while embedding the highest standards of compliance, transparency and corporate governance.

Unique model for creating long-term value



Operating context

Sustainable fashion gains momentum

The global fashion industry landscape has been evolving rapidly, with increased focus on sustainability and digitalisation. This trend is likely to accelerate in the post-pandemic world, with greater integration of ESG considerations across the supply chain. At PDS, we are well positioned to capitalise on the emerging opportunities while contributing towards building a sustainable future.

Growing sustainability focus

The fashion industry is under environmental and social scrutiny as consumer consciousness on these issues has grown significantly. While social justice and human rights issues are forcing brands to look at their supply chain and make amends, environmental activism is forcing them to become more transparent about their business practices.

- Customers prefer brands that share aligned values more than the brand's actual products[#]
- Transformation of the value chain through greater focus on sustainability and concern for the environment is key to sustaining business growth in the industry

[#]Euclid research

*Source: Global Organic Textile Standard (GOTS) Annual Report 2020

34%*

Y-o-Y growth in Global Organic Textile Standard (GOTS)-certified factories

Rapid digital adoption

The pandemic has transformed the business dynamics across industries, including fashion. This is enabling innovation, efficiency and new ways of doing business. As fashion shopping moves online, companies are building smart operating models and personalised customer value propositions.

- Industry reports estimates enhanced digital growth of over 30% in US and Europe and over 20% in China for 2021, as compared to 2019. Digital traffic to the websites of the top 100 European brands surged by 45% in April 2020, compared to March 2020.
- US e-commerce fashion retail accounted for ~29.5% of fashion retail sales.*

\$100 billion*

US Apparel e-commerce market expected to reach by 2021

*Source: E-commerce fashion industry statistics from Shopify.in

Transformational fashion

The concept of 'season' for the fashion industry is diluting, as brands focus on optimum inventory levels to cope up with the challenging times. As travel, offices, retail and educational institutions are shut following the pandemic, demand for formals, adventure wear have slumped. Instead, new categories such as active wear, athleisure are witnessing a boom.

- Seasonless fashion would enable brands to cope up with the demand slump due to the pandemic disruption.

\$570 billion*

Athleisure market expected by 2023 from \$414 billion in 2019

*Source: businesswire.com

Better collaborations

Brands and retailers are moving away from the lowest cost suppliers to sourcing partners who understand the emerging trends, have multiple collaborations with production facilities across several locations or in-house capabilities that are compliant with all the applicable regulations.

- Phasing out of transactional relationships to make way for deeper partnerships and collaborations to comply with sustainability requirements
- Agile response and better turnaround times are enabled through these collaborations

How PDS is poised to benefit

We have made relentless efforts in our pursuit of growth through our focus on product quality, customer centricity, relationship-building with all stakeholders across the value chain.

End-to-end capabilities to address customer needs

Multi Country Sourcing	Multi Product Sourcing	Market Intelligence	Product Development	Global quality compliances	Sustainability	Speed to Market	Cost effectiveness
• Bangladesh • Cambodia • China • Egypt • India • Jordan • Myanmar • Pakistan • Sri Lanka • Turkey • Vietnam	• Apparel • Home • Accessories • Footwear	Creative inputs based on market intelligence	• Fabric innovations • Trend research • Mood board • Graphics • Sampling	• BSCI • WRAP • SEDEX • LEED	Support customers for enhancing sustainability footprint	Digitalisation of value chain improves turnaround times for better go to market	Margin improvement through • Strategic sourcing • Favorable credit terms for retailers and suppliers

Sustainability achieved through circular strategies of Reduce, Reuse, Recycle, Regenerate and Redesign

The PDS advantage



Reliable partner

Multi-product sourcing and manufacturing, multi-country operating network, together with the added advantage of in-house design units and access to new technologies and R&D with venture investments.



Sustainable operations

Special focus on sustainable practices across various functions such as responsible procurement, eco-friendly manufacturing, ESG-focused investments, not only from the standpoint of compliance, but also from the Company's commitment to make a positive difference to the entire ecosystem.



Strong in-house capabilities

Our design capabilities and manufacturing units enable customers to be more confident about our ability to deliver.



Culture

Our platform is focused on an entrepreneurial model that drives profit and knowledge sharing with value-driven performance rewards.



Scalability

Our partners benefit from our global presence offering them economies of scale due to our large sourcing operations and opportunities to collaborate across our businesses. This enables our business to have optimised cost structure through shared resources.



Governance

We have put in place stringent policies to monitor risk management and have implemented Zero Tolerance Policies which are tracked and reviewed by our compliance teams. Given our global footprint, we have empanelled leading global audit firms.



Compliance

PDS has a team of industry experts focused on maintaining maintain social, technical and ethical compliance standards across our ecosystem.

Risk management

Responding to a dynamic environment

As a global player susceptible to various pulls and pressures, we constantly monitor market trends and other issues that threaten business continuity and growth, and mitigate the risks through our efficient risk management function.

The core objective of risk management is to assure the PDS Board, shareholders and other stakeholders that any kind of market uncertainty does not derail the business from achieving its objectives – both financial and non-financial.

Business heads work closely with finance, commercial and legal teams to ensure that the best risk management practices are adopted.

Effective risk management at PDS involves



Identification of relevant risks



Assessment of its impact on business



Prioritisation of risks to manage



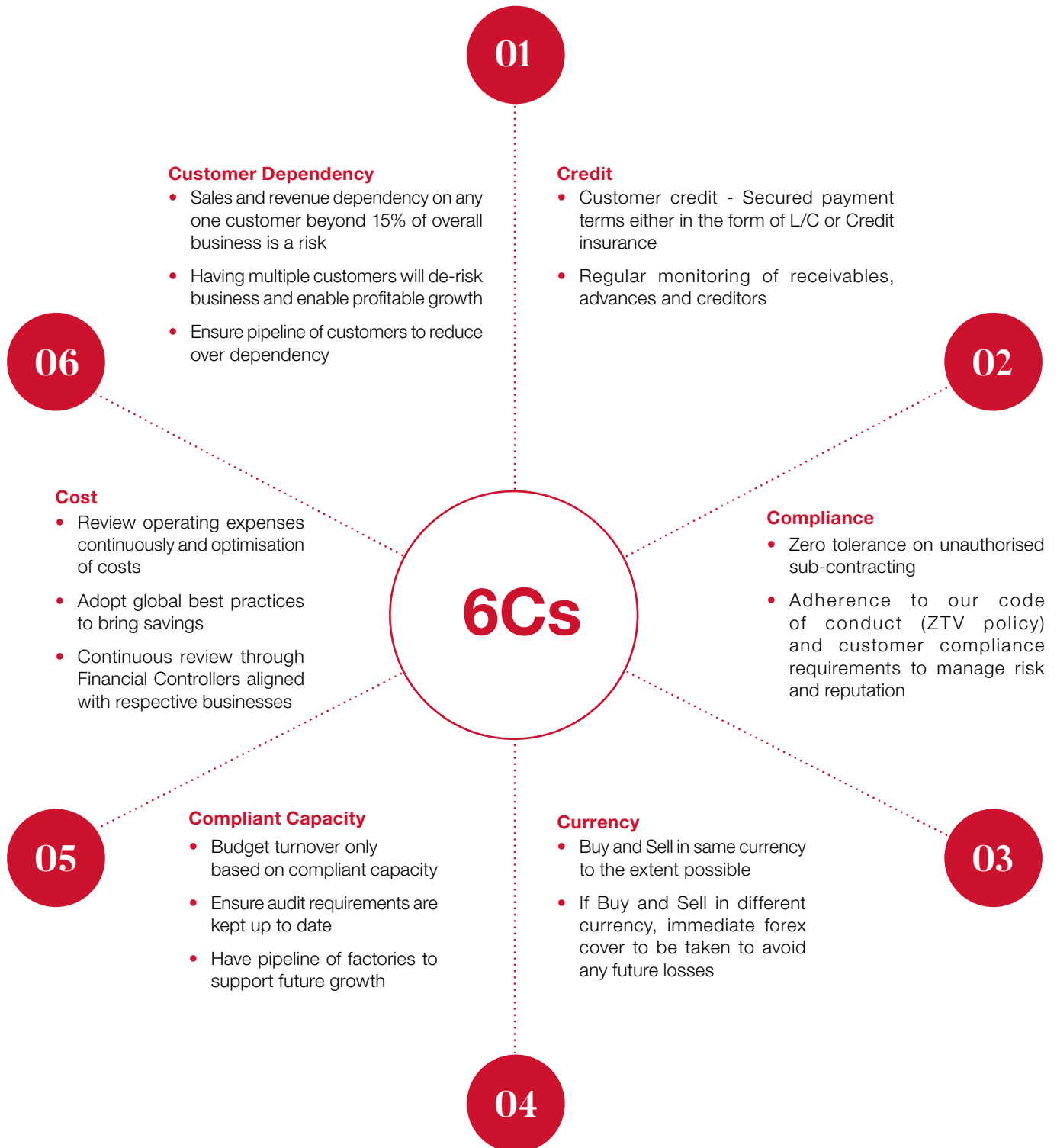
Implementation of risk mitigation measures (such as controls, SOPs, insurance, reporting and review, documentation, etc.)



Continuous monitoring and strengthening of risk management controls



Our 6C's of risk management



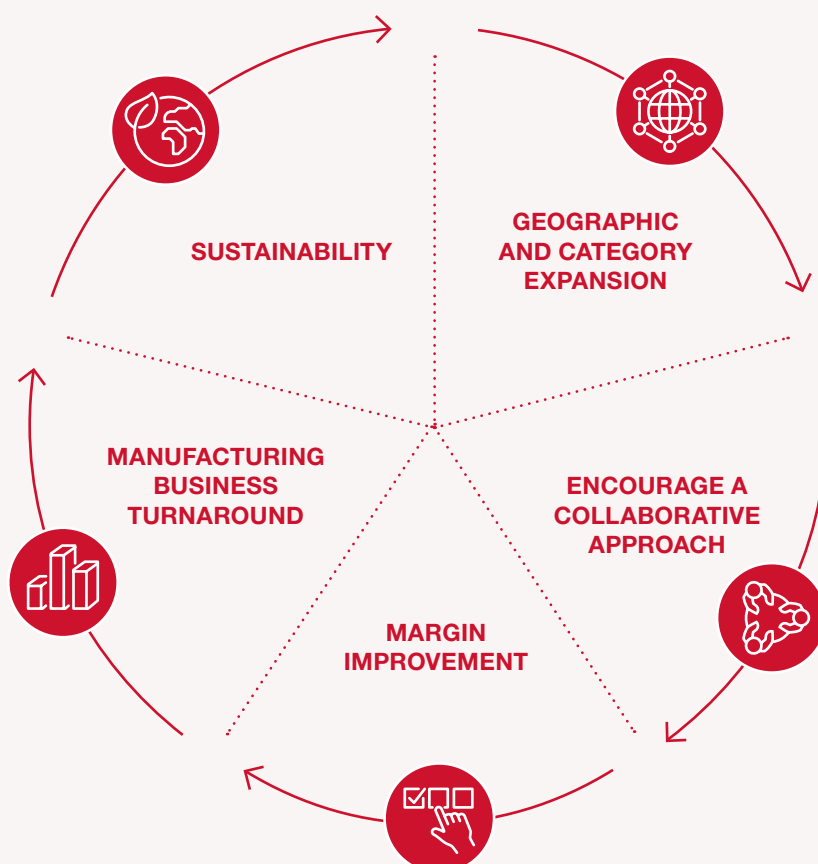
Value creation strategy

A clear roadmap for the future

Our business strategy focuses on delivering high quality and sustainable products to our customers, while creating value for our people and communities and achieving returns for our shareholders

We undertook a slew of strategic actions that will deepen our engagement with our team members and partners and accelerate the value creation process. Onboarding of Group Chief Executive Officer, complemented with a value creation team is one of the major strategic initiatives to augment value creation process.

Business strategy





Geographic and category expansion

We intend to expand into newer geographies and deepen our reach in existing markets. Also, category expansion is being looked at in the coming year

- Strong presence in apparels, now being expanded into other categories such as home fashion and active wear across existing markets
- Expanding into US market with onboarding of business leaders
- Building teams focused on Australia, New Zealand and Scandinavian countries aid in geographic expansion



Encourage a collaborative approach

We intend to strengthen our market position through enhanced collaboration.

- Collaborative selling to existing and new customers
- Collaborative selling in new regions
- Sharing of resources, especially within strategically important functions such as design, procurement, business development and so on
- Joint P&L (JPL) plan introduced to facilitate partnerships between individual business units, driving better collaboration across the businesses and providing higher serviceability to our customers



Margin improvement

- Procurement, especially of fabric and trims, at better pricing
- Collaborating with retailers for development of in-house brands which is margin accretive
- Costing transparency and measures to fine tune the Standard Minute Value (SMV) and consumption pattern of raw materials
- Wage structure designed to incentivise high performance
- Adopting global best practices across all processes
- Continuous monitoring and optimisation of operating costs



Manufacturing business turnaround

Our manufacturing business is at the cusp of a turnaround, with a special focus on our Bangladesh manufacturing facilities.

- Focus on doubling production at the facilities
- Focus on large order volumes vs small order volumes
- Enhance customer service to ensure repeat orders and referrals from existing customers



Sustainability

- We believe in sustainable growth and are committed to doing things the right way to build an enterprise we are proud of.
- At PDS, sustainability starts with design excellence and our teams focus on using digital design tools to support the Group's sustainability agenda by designing sustainability into the products and adopting the circular strategies of Reduce, Reuse, Recycle, Regenerate and Redesign

We are

- Committed to sustainable development, preserving the environment and managing resources responsibly
- Cognisant of our obligations towards social and environmental concerns and the associated risks and opportunities
- Committed to promoting the usage of sustainable materials as per industry best practices
- Committed to investing in sharing economy
- Focused investment around themes such as circular economy, carbon neutralisation, recycling of waste materials

Value creation strategy



Joint P&Ls for better collaboration

We have devised a Joint P&L (JPL) plan to drive better collaboration across the businesses and providing higher serviceability to our customers. This encourages individual businesses to find profitable ways to collaborate for customer needs across the PDS platform.

The JPL was initiated to facilitate partnerships directly between individual business units. For instance, a PDS subsidiary in UK might come across an opportunity to expand into a men's

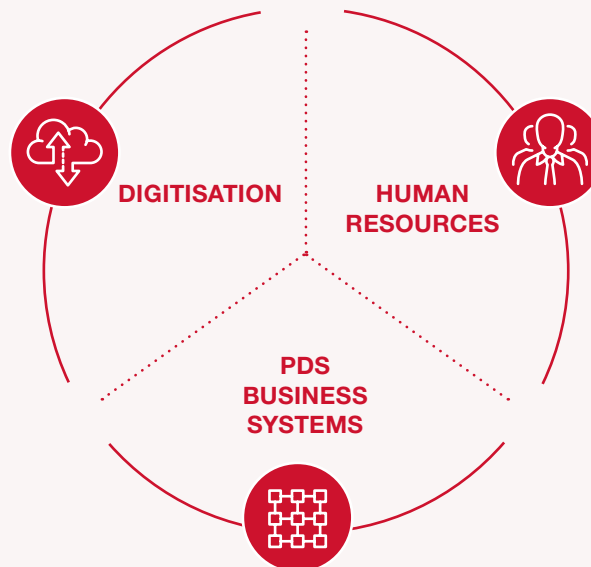
wear customer base in the UK leveraging manufacturing capability of Bangladesh subsidiary. Under JPL, the Bangladesh subsidiary's existing manufacturing strength will be combined with the UK subsidiary's design and sales network.

Win-win situation

- The Bangladesh subsidiary would break into a new market
- The UK subsidiary would get an opportunity to extend its design know-how and product capability to new customers
- The Group will gain new business on an overall basis, keeping both the subsidiaries duly motivated with profit-sharing, for more such opportunities
- On a consolidated basis, we generate positive delta due to incremental sales and margins over incremental costs.



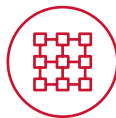
Enablers



Human Resources

Our HR function works in tandem with the business teams to enable them to achieve their growth targets.

- Effective selection process, as per requirements of the respective business teams
- Devising competitive compensation packages for attracting and retaining quality talent
- Setting up an objective performance management system to set Key Responsibility Areas (KRAs) of team members and measure performance against those KRAs
- Learning and development programmes to aid continuous learning of employees, leading to faster career development
- Align and prepare team members for the structural changes in the organisation



PDS Business Systems

We have put in place robust systems and processes to protect our assets and deliver strong financial results.

- A robust platform to enable focus on core business operations.
- Governance and control mechanism to enable and support business operations.
- Centralised support systems for facilitating risk management, compliance, logistics, finance, accounting, human resource creating a vertically integrated model



Digitalisation

Manual processes are automated through digitalisation. Avoidance of manual errors, duplication and faster turnaround times is an added advantage.

- Enabling digital transformation with design thinking and applied thought
- In-house team focussing on cutting-edge solutions including 3D Design sampling and fit, digital supply chain management and enhanced data analytics colour, 360 Showroom

Please refer to page 33 of People first approach for more details on the ESOP

Corporate social responsibility

Serving the society

As a responsible corporate citizen, we uphold our commitment to the community through our actions. We have identified education, livelihood support and essential donations as our focus areas for social intervention.

235,000

Disposable medical masks donated by PDS to Great Ormond Street Hospital in UK.



We have chosen to support 'Soham for Kids' – a charity that takes a holistic approach towards children's development by providing them food, clothing and healthcare along with education.

Mission

To bring smiles to children in the poorest areas by providing them access to quality education.

Vision

To use the power of quality education to eliminate extreme poverty.

The Soham School at Mallapur in Hyderabad, India provides quality education to underprivileged children. There are no barriers – religion, caste or other social differentiators – to a child's admission to the school.

Facilities at the Soham School

- Providing two nutritious meals to the kids
- Providing play items
- Educational Material for the children
- First Aid kit for the kids & half yearly health check-up by medical experts

All members of the teaching and support staff are committed to the provision of education of the highest quality and strive to ensure that this is a comprehensive, meaningful and systematic policy. We believe that education can reduce the poverty rate as well as rehabilitate the children, raising people's standards of living.



Enabling livelihood

To address the challenges of pupils' parents and guardians, by providing vocational classes for adults after school, so they can develop additional livelihood supporting skills and earn. This program teaches some of the underprivileged students' mothers how to sew and mend clothes. Soham also offers English classes to adults.



People focus

A (work)force that powers our journey

People are critical to our business success. We cherish our relationship with our employees, spread across the globe, and ensure a work environment that helps in their personal and professional development and enables them to fulfil their aspirations.

It is our core value to foster an engaging environment where our people are valued, treated with respect, empathy and compassion, and where diversity is a priority. As an organisation, we encourage people to demonstrate behaviour that reflects our core values of trust, integrity and ethics.



Recruitment



Employee Induction and Orientation



Performance Management



Rewards and Recognition

Competent human resources are extremely important to the success of any organisation. Our people philosophy enunciates acquiring the best talent to effectively manage business operations aligned with our core values and vision.



Ethics



Employee Code of Conduct



Training and Development



Career Progression

Employee engagement

At PDS, we encourage and motivate people to perform to the best of their abilities through several initiatives that foster a deeper employee engagement. Our rewards and recognition programmes are an integral part of our people strategy.

Business Awards

These awards are for business verticals that deliver excellent results on multiple business performance aspects.

Awards under this category include

- Best Performing Business of the Year
- Sales Awards
- Efficiency Awards
- Turnaround Business of the Year
- Best Performing New Initiative of the Year
- Consistent & Reliable Business and many others

Employee Excellence Awards

Managers' and team players' individual performances lead to the success of the business vertical.

In this category we recognise such individuals within respective teams and award them a certificate of recognition, which is jointly signed by the Group Board and CEO of that Company.

Every year, ~6% of our total workforce is rewarded under this category.

Special Recognition Awards

Special awards are bestowed that recognise individual team member contribution.

Such employees are nominated by our Group Chairman & Vice Chairman.

These awardees receive a certificate of recognition and a special trophy.

Employee retention

We provide various short-term and long-term incentives to retain high performers. The short-term incentives include variable pay linked to individual performance and rewards and recognition.

During the year, the Board approved an employee stock option plan (ESOP) to incentivise business heads and key employees.

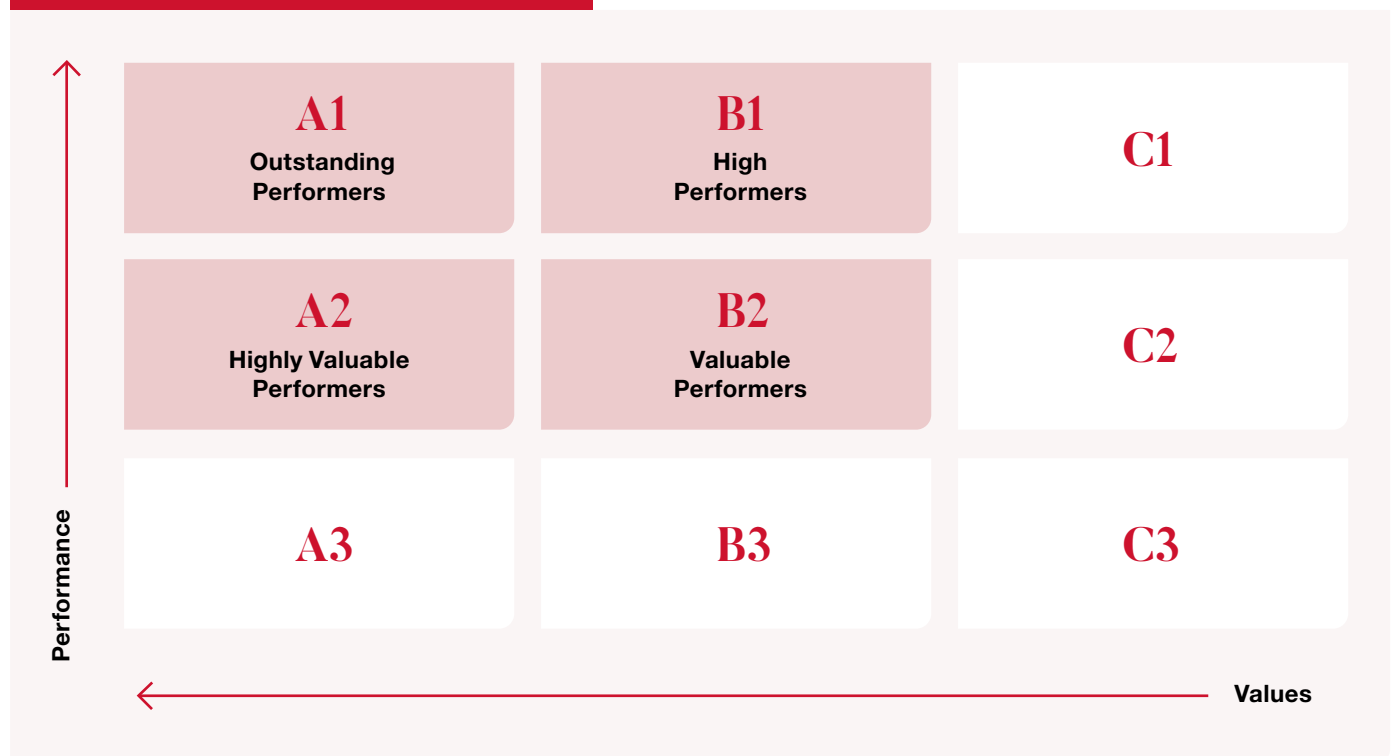
The grant of ESOPs would act as a valuable incentive and be a part of the Company's long-term retention strategy for high performers.

These ESOPs have a fixed vesting period, post which the employees are eligible to exercise their options. This would also complement our existing retention strategy of incentivising high performance through variable pay.

Thus, ESOPs serve dual purpose of employee retention and ensuring continued high performance from employees who now have a direct stake in the Company's performance.

Eligibility for these options depend upon various factors including employee conduct aligned to Group values, performance excellence, and other criteria considered for performance evaluation.

9-block grid: Performance evaluation



Learning and development

- We conducted numerous workshops discussing different case studies, which were undertaken by renowned professors from IVY league universities.
- Topics included leadership, management, strategy, etc.
- Our leadership team also enrolled on IVY Learning Portal for self development and learning.
- We also have webinars/sessions with doctors to raise people's awareness and ways to prevent COVID infection.

Corporate Governance

Setting the standards

As a global company in the fashion industry, it is imperative for us to uphold global best practices. Our Board plays a crucial role in embedding the culture of responsibility in the organisation.

Corporate Governance philosophy

We have an unwavering commitment to uphold strong corporate governance standards and conduct our business ethically and responsibly. Being a value driven organisation, PDS has always worked towards building trust among stakeholders through high standards of internal governance practices.

We lay enormous stress on ethical behaviour, individual accountability and transparent disclosures and this is enforced by our Board of Directors and senior management. We have strengthened our governance structure over the years and continue to improve our processes related to transparency, disclosures, internal controls and promotion of ethics at workplace.

Principles of Corporate Governance

Corporate Governance at PDS is based on the principles of



Integrity



Fairness



Equity



Transparency



Accountability



Commitment to Values

Our focus on ethics, compliance and sustainability



Ethics and Compliance

- Team of Industry Experts to maintain Social, Technical and Ethical Compliance standards across factories
- Team reports directly into PDS Board, independent of Businesses



Stringent policies for factories

- Supplier Code of Conduct
- Zero Tolerance Policy



Risk Management

Vendor evaluation conducted across factories to cover:

- Wages
- Payment delays
- Delivery performance
- Volume of air freights



Sustainability goals

Promoting sustainable materials, low impact manufacturing and investing in a sharing circular economy

- Respect water
- Build community
- Think circular
- Reduce emissions

Board diversity

Our Board of Directors reflect an optimum combination of professional expertise, diversity and independence.

Our Board of Directors

1

**Non-Executive
Non-Independent Woman Director**

3

Non-Executive Directors

4

**Independent Directors including
one Independent Woman Director**

Board skillset

We have considered and identified an optimised mix of the skills, expertise, competencies required by us to operate with confidence in our sector. The skill mix is reflected in the following matrix.

No. of Directors possessing the skill (Out of 8)



Trading



Manufacturing



Finance



Legal



International
Business



Human
Resource

Board of Directors

Steering towards success

1 2 3

Mr. Deepak Seth
Chairman (Non-Executive and Non Independent)

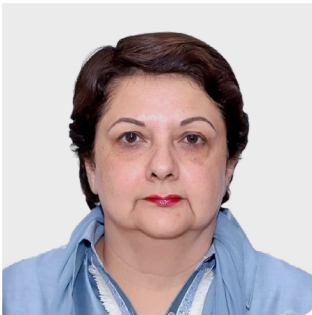


Mr. Deepak Seth is the Founder and Group Chairman of four well-known apparel manufacturing and sourcing and education groups with footprint across more than 20 countries – PDS Multinational Fashions Limited, Pearl Global Industries Limited, PDS Multinational Group Limited, Lerros Moden GmbH and Pearl Academy of Fashions. He has also set up many philanthropic organisations dedicated to community service. He is one of the pioneers of apparel manufacturing business in India. Being a visionary, he identified the potential of the Far East region as a major hub to the garment industry worldwide and set up business units to provide a ‘one stop’ manufacturing and sourcing solutions to leading retail brands across the globe.

He is an active member of the ‘Apparel Export Promotion Council’ (AEPC) of India and held the post of ‘Vice Chairman’ of the Eastern Region of AEPC for 2 years. He is also an executive member of the ‘Apparel Exporters and Manufacturers Association’ (AEMA) and was awarded ‘Udyog Ratna’ Award by the Haryana Government in 2006 for his entrepreneurial skills.

He is an Economics graduate from St. Stephens College, Delhi University and holds a MBA degree from Jamnalal Bajaj Institute of Management Studies, Mumbai, India.

Mrs. Payel Seth
Non-Executive and Non Independent Director



Mrs. Payel Seth is associated with the PDS group as a Promoter Director since incorporation. She has rich experience in designing and retailing of Indian and western garments, jewellery and accessories. She is entrepreneurial by nature and has utilised her skills in the field of designing, general management, sales and marketing with business development and change management for development of the organisation. Her retail initiatives include the establishment of retail stores in India. She has also been actively involved in the education and Corporate Social Responsibility initiatives of the Group.

Mrs. Payel Seth has graduated from the Pearl Academy of Fashion.

3 4

Mr. Pallak Seth
Vice Chairman (Non-Executive and Non Independent)



Mr. Pallak Seth is a leading entrepreneur. At the age of 21, he started his entrepreneurial journey by setting up an apparel sourcing business in Hong Kong. In 1999, he established Norwest Industries, which has today diversified as PDS Multinational Group Limited. He supports ambitious founders to solve market frictions, leveraging technology as an angel investor alongside trusted partner. He had co-invested alongside many investors such as Sequoia Capital, Social Capital, Sherpa Ventures, Storm Ventures, Sierra Ventures and helped entrepreneurs through customers, co-investors, and partner introductions.

He is also Executive Director on the Board of Lerros GmbH, Germany and External Advisor to Bain Advisor Network, Bain since 2019.

He has Bachelor of Arts Degree in Economics and International Business with Magna Cum Laude distinction from Northwestern University, USA. He is an alumni of Harvard Business School.

1 3 5

Mr. Ashutosh Bhupatkar
Independent Director



Mr. Ashutosh Bhupatkar worked in the textile and engineering industries for a decade and then spent the next quarter century in Management Education. After retiring as Director of Institute of Management Development and Research, Pune, he helped set up a Business School in North India. Currently, he serves on the Boards of PDS Multinational Fashions Limited, Twin Engineer Private Limited, GLO IND Logistics Private Limited and Poeticgem Limited, besides being the Chair of Management in Kamayani P & S Society, Pune which works for the persons with Intellectual Disability. He is a Trustee with Foundation for Human Learning and Growth, Aastha and Tathapi Trust.

He had designed Management Development programmes of a diverse kind for large, medium and small companies, primarily focusing on tapping the latent individual and group energy. His professional work has also been in the area of conceptualisation of individual and collective capabilities. He had designed and validated original instruments in this area.

He holds PHD in Management and MBA degree from Jamnalal Bajaj Institute of Management Studies, Mumbai, India.

● **Chairman**
● **Member**

1 Audit Committee
3 Risk Management Committee
5 Nomination & Remuneration Committee

2 Stakeholders' Relationship Committee
4 Corporate Social Responsibility Committee

1 2 5

Mr. Ashok Kumar Sanghi
Independent Director



Mr. Ashok Sanghi was appointed as Cluster Management Technical Agency (CMTA) for the Bhilwara Mega Powerloom Cluster, by the Ministry of Textiles, GOI. The responsibility envisaged development of infrastructure facilities worth ₹750 crores, to make it modern and internationally competitive textile cluster. He was appointed as Project Management Consultant (PMC) by the Ministry of Textiles, GOI for developing Textile parks at various centres in India. Each Textile Park had an investment of about ₹250 crores.

He holds Bachelors' Degree in Science from Secunderabad College of Arts & Science, Osmania University and Masters' in Management from Jamnalal Bajaj Institute of Management, Mumbai, India.

1 2 3 5

Mr. Ashok Kumar Chhabra
Independent Director



Mr. Ashok Chhabra is practicing as an Advocate since 1974 in the High Courts and Supreme Court of India. His core area of practice includes Civil matters, Criminal matters, Company Law, Labour Law, Arbitration and other Corporate Matters. Mr. Chhabra has served as legal Adviser to the renowned corporates like MMTC, Nestle India and other Corporates during his professional career.

He is a Law Graduate.

4 5

Ms. Saraswathy Venkateswaran
Independent Director



Mrs. Saraswathy Venkateswaran worked with Management Guru Mr. C. K. Prahalad in her early 20s 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. Year 1989 earmarked the beginning of The Head Hunters, an Executive Search Firm which Mrs. 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 aforementioned one, into a viable business model, Mrs. Saraswathy moved ahead in forming her own venture CEO Search India Pvt Ltd. She holds Masters in English Literature from the Gujarat University.

4

Mr. Parth Gandhi
Additional Non-Executive Non-Independent Director



Mr. Parth Gandhi is a senior investment professional with significant experience in India for over two decades. Previously, Mr. Gandhi was a Senior Partner and Managing Director at Apollo Global Managements India JV between ICICI and AION. AION, was one of the largest single India-focused Private Equity funds (\$825 million) and with coinvest capital committed roughly \$1.25 billion of investments in India. Prior to that Mr. Gandhi was President of Private Equity at ICICI Venture Funds Management Company Limited. At ICICI Venture Mr. Gandhi was responsible for establishing the strategic partnership with Apollo and in developing AION Investment strategy. Mr. Gandhi serves on the International Advisory Board for Michigan State University, is a charter member of TIE Global (The Indus Entrepreneurs) and an active member of The Explorers Club and ASSOCHAM (The Associated Chambers of Commerce and Industry of India). In his previous roles, Mr. Gandhi was a Managing Director at Navigator Capital Advisors Limited and prior to that was a Consultant with Ernst and Young.

MANAGEMENT DISCUSSION AND ANALYSIS



1. ECONOMIC OVERVIEW

1.1 Global Outlook

Year 2020 was an unprecedented year. It commenced with a full-blown public health crisis caused by the COVID, a global shutdown and a pandemic that continued throughout the year and spilled into 2021. During the year 2020, the global economy is estimated to have contracted by 3.3%, but it is projected to grow at 6.0% in 2021, and 4.4% in 2022. However, new mutations and fresh waves of the virus have cast a spell of uncertainty on growth forecasts across the world. Nevertheless, an aggressive vaccination drive and policy spend by advanced economies are expected to be the silver lining for accelerating economic recovery. Reopening of economies have enabled bringing back consumer confidence.

Advanced economies, which are estimated to have contracted by 4.7% during 2020, are projected to witness 5.1% growth in 2021 and 3.6% in 2022. Governments in these countries supported households and businesses with various initiatives ranging from far-reaching tax and spending measures to equity injections, loans and guarantees. Central banks played a key role through asset purchase programmes, funding-for-lending facilities, and interest rate cuts, all of which proved to be major enablers for the global economy. While the government support measures were similar in nature, actual economic recovery varied widely across different economies. For example, while the United States is projected to recover its 2019 growth levels by the first half of 2021, Japan is expected to reach its 2019 growth levels only by the end of 2021. Both the countries have announced sizable fiscal support for 2021. The Biden administration's new fiscal package for \$1.9 trillion is expected to strongly boost growth in the United States in 2021 and extend the growth to trading partners. The European Union (EU) has also agreed to start distributing the next generation EU funds. The Euro area GDP is forecasted to grow by 4.4% in 2021 and 3.8% in

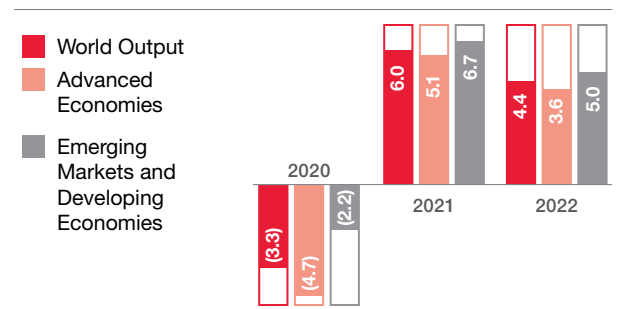
2022. The United Kingdom GDP is forecasted to grow by 5.3% in 2021 and 5.1% in 2022 respectively.

The emerging and developing economies are believed to have contracted by 2.2% during 2020. They are projected to grow by 6.7% and 5.0% in 2021 and 2022 respectively.

Proportion of total population vaccinated

Region	% of total population vaccinated as on May 15, 2021
World	9.03
United States	46.71
North America	32.73
Europe	26.71
Asia	4.91
India	10.23

Global Economic Prospects Growth Projections



Source: World Economic Outlook, IMF, April 2021

The global economic recovery is picking up steam on the success of vaccination drives. These vaccination drives have helped to reduce infection rates and deaths. Different economies have reacted differently to the efficacy of the

vaccines. Variations in response to the infection, flexibility and adaptability of economic activity to low mobility, pre-existing trends and structural rigidities are some of the reasons behind the differences.

Sources:

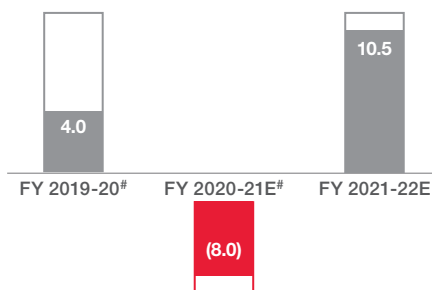
1. All GDP Data as per World Economic Outlook, IMF, April 2021
2. Vaccination data from ourworldindata.org

1.2 Domestic outlook

FY 2020-21 was an exceptional year that started with a nationwide lockdown that continued till June 2020. While this helped control the pandemic, it led the economy into a temporary recession. However, by Q2 FY 2020-21, with the relaxation of lockdown restrictions in a phased manner, businesses had started to regain lost ground. The year 2021 began with the rollout of vaccination raising hopes for a quicker economic recovery. As per the Monetary Policy Report by the Reserve Bank of India (RBI) pegs India's GDP growth rate for FY 2021-22 at 10.5%, indicating a strong rebound from an estimated contraction of 8.0% in FY 2020-21.

The rebound was the result of numerous policy initiatives undertaken by the government and the RBI, including a stimulus package that amounted to 10% of the GDP, liquidity boosting measures, aggressive policy rate cuts, loan moratorium and time-bound resolution for specified sectors. The government accelerated these efforts with inclusive budgetary initiatives such as production-linked incentives, 'Vocal for Local' schemes, including the Atmanirbhar Bharat Abhiyan, higher investments in infrastructure, tax reforms, labour and land reforms, and amendment of the insolvency and bankruptcy code to promote entrepreneurship and availability of credit. Indicators such as collections from the Goods and Services Tax (GST), Index for Industrial Production (IIP), Purchasing Manager's Index (PMI), steel and energy demand and auto sales suggest that India's economic activity is fast reaching pre-COVID-19 levels. A second wave of infection may temporarily dampen recovery, but it is unlikely to destroy the momentum altogether.

India's GDP Growth



E – Estimate

Source: IMF *RBI

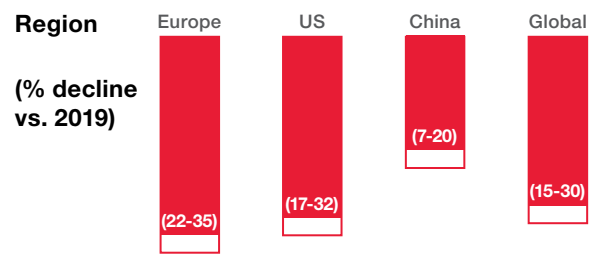
2. INDUSTRY OVERVIEW

2.1 Fashion industry

For the global fashion industry, valued at US\$2.5 trillion, 2020 was one of the worst years on record.

During 2020, global fashion sales are estimated to have plummeted between 15-30% in comparison to 2019. There is variation in the pattern in different regional markets, but on the whole, Europe was the worst hit with a sale contraction ranging from 22-35%. US fashion sales are estimated to have declined by 17-32%, while China registered a moderate decline by 7-20% due to limited impact of the pandemic.

Decline in fashion sales during 2020



Source: The State of Fashion 2021 by Business of Fashion and McKinsey

The pandemic brought a shift to conscious consumerism, which started prior to the COVID and got accelerated as people's purchases got more value and need driven, than want and trend driven. Even though the buying capacity was affected due to the challenging times, people were still buying clothes, though more mindfully than before. This included loungewear, athleisure and timeless clothing that would go well even after pandemic is over and when they get back to work.

The year 2021 will act as a bridge between an extreme situation and an extended recovery period for the global fashion industry. The year ahead is expected to be a difficult one for some fashion industry participants, while some others are likely to reap benefits from the opportunities presented by the market disruption. The European fashion market is expected to recover by Q2 2022, while the US, with a slower recovery pace, is expected to normalise by Q1 2023, as travel and tourism re-opens. The Chinese fashion scene was expected to return to pre-COVID-19 levels as early as Q4 2020 or latest by Q1 2021. The speed of recovery will also differ across various fashion categories. Value segments and a few geographical markets are expected to witness growth despite the challenges. Comfort, sustainability, and most importantly, highly individual choices as opposed to impersonal, ubiquitous industry trends will be the major driving factors for demand. Fashion players focused on niche offerings, the Asian market and luxury segment may have a competitive edge.

2.2 Apparel industry

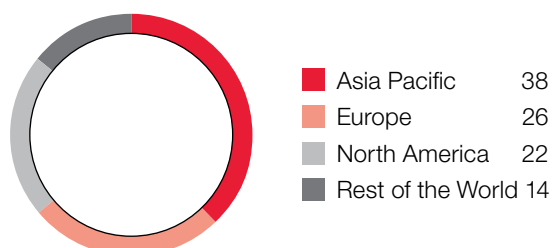
The value of the global apparel industry was US\$1.5 trillion+ in 2020. The Asia-Pacific region leads the market in demand, with 38% market share, followed by Europe at 26%, North America at 22% and others at 14%. It is estimated that by 2025, the market would grow to US\$2.25 trillion.

Source: <https://www.statista.com/topics/5091/apparel-market-worldwide/>

One prominent trend observed during the year, is that the big luxury groups have recovered quickly from COVID-19, while some of the leading luxury brands have remained financially immune or even profited.

Apparel market geographic breakout

Geography (% of total market size)



Source: statista.com

As economies open up, apparel industry is expected to showcase a significant growth with a swoosh shaped recovery for the overall markets. Online retail has been thriving since the beginning of the lockdown, which is expected to pave way for established brands and retailers providing a distinct experience to the consumers.

2.3 Growth drivers

Rise of e-commerce and digitalisation

Digital adoption skyrocketed during the pandemic, with many new fashion brands announcing their online presence and customers picking up fast through facilities like livestreaming, online customer service video chat, as well as social shopping. Global online fashion sales nearly doubled from 16% to 29% of total fashion sales within a period of eight months (after pandemic struck). The increasing trend towards online shopping is expected to help the apparel market recover and grow. In India, e-commerce portals have boosted the sales of traditional garments, giving larger exposure to producers who were confined to the local market.

Globally, brands expect their online businesses to grow by 20% or more in 2021. As customers look for more refined digital experiences, market players will have to invest in latest technologies including artificial intelligence, data analytics and virtual reality, to attract and retain more customers.

20%+

Online business growth expectation for 2021

Rebalancing market share

The pandemic led to a long list of fashion bankruptcies, some of which were big names. This has led to a strong expectation of a market share redistribution soon. Some fashion houses have kept themselves afloat on government subsidies, so there is a ripe opportunity for mergers and acquisitions as companies scour the market to seize market share, unlock new opportunities and expand capabilities. With every crisis, new opportunities emerge for investors.

Recovery from the pandemic will lead to the strong pent-up demand. This will augur well for a significant growth in the apparel market and the industry in general.

Investing in partnerships

Strong partnerships in the supply chain are expected to be one of the major trends in 2021. The pandemic has exposed the existing vulnerabilities of procurement relationships and contracts. To mitigate the risk, fashion players will try to move away from transactional relationships in favour of deeper partnerships, that bring greater agility and accountability.

Rewriting the fashion calendar

Seasonless fashion is gaining ground, as brands and designers appeal for the fashion calendar to be redone. Brands are required to reduce complexity and their inventory levels by taking a demand-focused approach while boosting flexible in-season reactivity for both new products and replenishment.

Rising popularity for new categories of clothing

Newer categories of apparel such as active wear, athleisure, protective gear and size-inclusive or plus-size fashion are boosting business growth. A new breed of health-conscious customers are driving the market. The athleisure market is estimated to have grown by 9% in 2019 to US\$414 billion and by 2023, it is expected to reach US\$570 billion*. Plus-size garments are also a growing category, as fashion becomes more accepting.

*Source: marketwatch.com

2.4 Industry challenges

COVID-19 related risks

The pandemic remains one of biggest challenges till majority of the world's population is vaccinated. It will continue to disrupt international trade, travel, consumer behaviour and economies. To manage the uncertainties, market players will have to recalibrate their business models to balance agility and change with financial discipline.

Global supply chains have been disrupted due to the pandemic. Apparel industry in particular relies on sourcing products manufactured at low-cost countries and ensuring timely availability of the selected merchandise. Manufacturers and suppliers will have to build more sustainable supply chains. The logistics costs have also gone up, due to various factors such as shortage/unavailability of containers.

Rising consumer preference for sustainable fashion

Consumers are increasingly preferring sustainable fashion. Growing awareness about the lack of equality in the manufacturing process and the value chain is raising demand for equitably manufactured products. Garment workers, sales assistants and other low-paid workers were the worst impacted during the pandemic. Campaigns have been gathering momentum to provide more dignity, security, and justice to workers. Companies which are found faltering may lose out customers.

Subdued travel

As per State of Fashion, 2021 report by Business of Fashion (BoF), in association with McKinsey & Company, travel retail sales are likely to take at least two to three years to reach their earlier growth levels. With international tourism remaining subdued and travel disrupted, destination shopping was majorly impacted during the year. Focus on local consumers and their preferences will be key in unlocking new opportunities.

The pandemic has resulted in drastic disruptions for the global economy; however it has also created new opportunities like faster pace digitisation, growth of few categories etc. The market players surviving the consolidation and these challenging times will emerge stronger, as they brace themselves for the new opportunities.



3. BUSINESS OVERVIEW

PDS Multinational Fashions Limited (PDS) is a design-led sourcing, manufacturing and supply chain platform with a unique business model. With a presence across 22 countries through 50 offices and served by a strong team of 3,000+ employees and 5,000+ associates and factory workers, PDS caters to 190+ leading global brands and retailers with c.1mn garments being shipped daily. Backed by around 130 production lines spread across Bangladesh, Sri Lanka, and India with an annual production capacity of ~36 million. Our focus on sustainable sourcing and manufacturing, led by strong design capabilities help us provide the right product to the right market from the right factory.

3.1 History and evolution

Our genesis dates back to 1999, when the promoter family established its flagship companies – Norwest Industries Limited in Hong Kong and Poeticgem Limited in the UK. We gradually expanded operations, leveraging the hub and spoke model and onboarding entrepreneurs and their teams on a pre-defined criteria of product specialisation, geographical advantage or customer base. Instead of acquiring companies, we partnered with them, ensuring mutual growth. We then graduated to a platform model, where existing setups were made part of the PDS group in a plug and play format. The entrepreneur team got the opportunity to work for some of the biggest names in the fashion industry and learn industry best practices while we expanded our capabilities and added to our business edge. We now operate through a collaborative model, where we provide a solution-based approach to meet customer requirements with the help of the best team available and use inter- business unit collaborations to leverage our strengths and economies of scale.

3.2 Business verticals

We have three distinct business verticals:

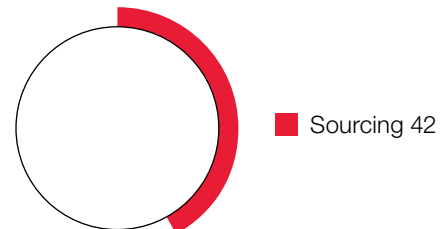
1. Sourcing
2. Manufacturing
3. PDS Venture Tech Investments

3.2.1 Sourcing

As part of our sourcing business, we have the capabilities to manage the entire supply chain for our customers, who are leading retailers and marquee brands looking for reliable

partners. We provide them market know-how, and assist them through in-house product development, design, sampling and technical expertise. Our designers are located across London, Hong Kong, New York, Barcelona, Dusseldorf, New Delhi, Shanghai, Colombo, Santiago, and Brussels. The business is structured to be inherently risk averse with respect to inventories, works with a target of 100% pre-sold goods. This makes the sourcing business to be extremely asset light.

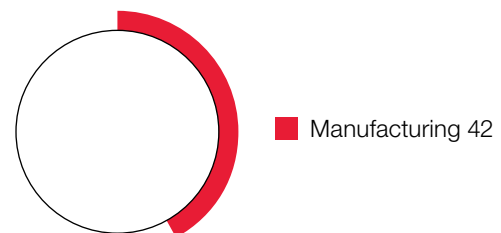
Capital employed (Gross) (%)



3.2.2 Manufacturing

We have manufacturing units spread over three countries, where we deploy ~6,000 machines across 130 production lines to generate an annual capacity of 36 million pieces. Our factories are LEED Platinum and Gold certified, testifying to our commitment to sustainability.

Capital employed (gross) (%)



Our manufacturing facilities are summarised as below:

1. **Progress Apparel, Bangladesh**
 - Planned capacity of 2,500 machines



- World-class manufacturing facility, compliant with ACORD (Association for Cooperative Operations Research and Development) standards
- Focused on bottom wear
- Major customers: Next, C&A and Express

2. Green Smart Shirts, Bangladesh

- Manufacturing facility with planned capacity of 2,000 machines
- Formal and casual shirts/blouses for ladies, men, and kids
- Major customers: Next, Primark and Bestseller

3. Nor Lanka, Sri Lanka

- Manufacturing facility with 320 machines
- Specialises in knitted kids' wear
- Major customers: ASDA George, Next, Primark

4. Parc Designs, India (held through minority stake)

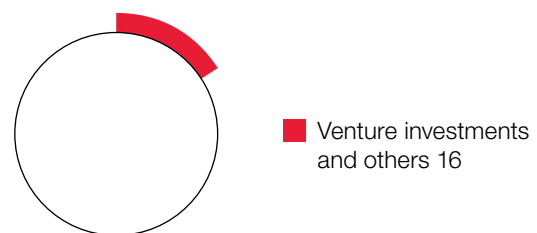
- Planned capacity of 1,000 machines
- Specialises in women's wear
- Major customers: Bestseller and Matalan

3.2.3 PDS Venture Tech Investments

Our venture investments are ESG-focused. With a clearly defined investment criteria, we primarily invest to promote circular economy, carbon neutrality, giving back to the nature, elimination of waste and making the planet greener.

We prefer funding ventures in the seed stage, which have less than US\$1 million in revenue or pre-series/early stage ventures, where revenues range between US\$1-5 million. Sustainability, technology including Artificial Intelligence (AI)/Machine Learning (ML), online marketplace, digital, retail services, fashion companies are the core investment areas, which enable us to enhance our value proposition for our customers, with sustainable, tech-backed solutions.

Capital employed (gross) %



3.3 Business performance

3.3.1 Highlights

- Successful moderation of the COVID-19 impact with income from operations of ₹6,213 crores, maintaining gross margins at 16.5%. Additionally, achieved 13% y-o-y reduction in operating expenses and effective working capital management resulted in reduction in net working capital days to 5 days in March 2021 from 10 days in March 2020.

- Resulting in gross debt reduction by ₹257 crores in FY 2020-21
- Business leaders onboarded to expand into new categories and make deeper inroads into markets such as US, South Africa, and Australia
- Focus on turning around manufacturing operations in Bangladesh
- Onboarded Group CEO along with a value creation team
- ESOP scheme launched

3.3.2 Consolidated financial review

(₹ in crores, unless mentioned otherwise)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Income from operations	4,616	4,924	6,486	6,648	6,213
Other income	14	24	16	27	37
Total income	4,630	4,948	6,502	6,675	6,250
EBITDA	57	38	112	186	230
EBITDA Margin (%)	1.2	0.8	1.7	2.8	3.7
Profit before tax	45	24	69	91	170
Profit after tax	38	20	69	81	148
Profit after tax margin (%)	0.8	0.4	1.1	1.2	2.4
Earnings per share (₹)	5.50	(3.01)	16.83	17.67	32.37
Cash flow from operations	121	58	213	281	379
Return on net worth (%)	7.1%	3.6%	13.8%	13.3%	22.0%*

*After adjusting dividend

Income from operations increased to ₹6,213 crores in FY 2020-21 vs ₹6,648 crores in FY 2019-20.

Total income of ₹6,250 crores in FY 2020-21 as compared to ₹6,675 crores in FY 2019-20

EBITDA margin increased from 2.8% in FY 2019-20 to 3.7% in FY 2020-21, on account of cost optimisation.

Profit before tax increased by 88% from ₹91 crores in FY 2019-20 to ₹170 crores in FY 2020-21. Profit after

tax increased by 83% from ₹81 crores in FY 2019-20 to ₹148 crores in FY 2020-21. Net profit margin improved to 2.4% in FY 2020-21 from 1.2% in FY 2019-20.

Cash flows from operations stood at ₹379 crores in FY 2020-21 against ₹281 crores in FY 2019-20.

Basic earnings per share stood at ₹32.37 in FY 2020-21 as against ₹17.67 in FY 2019-20.

Key financial ratios

Sr No.	Particulars	FY 2019-20	FY 2020-21	Change
1	Interest coverage ratio ^a	2.71x	6.30x	3.59x
2	Current ratio	1.08x	1.12x	0.04x
3	Debt equity ratio ^b	1.22x	0.68x	-0.54x
4	Operating profit margin (%) ^c	2.0%	2.6%	0.6%
5	Net profit margin (%) ^d	1.2%	2.4%	1.2%
6	Return on net worth (%)	13.3%	22.0%	8.7%
7	Debtors turnover ratio	7.99x	6.83x	-1.16x
8	Inventory turnover ratio	36.32x	31.52x	-4.81x
9	Return on capital employed (%) ^e	15.6%	22.1%	6.5%

^a Interest coverage ratio is calculated as profit before interest, tax and exceptional item over interest

^b Debt equity ratio is calculated as total borrowings over total equity of the Company. The change is attributable to decrease in total debt and increase in total equity due to higher net profit.

^c Operating profit margin is calculated as profit before interest and tax over revenue from operations of the Company

^d Net profit margin is computed as profit of the year over revenue from operations

^e The return on capital employed improved during the year because of increase in operating profit and reduction in total borrowing. FY 2020-21 is adjusted for dividend

4. OUR RESPONSE TO COVID-19

The fashion and apparel industry, being heavily dependent on discretionary spends and physical stores, was one of the worst affected by the lockdowns and other disruptions caused by COVID-19 during FY 2020-21.

At PDS, taking care of the health and well-being of our employees was a top priority. In compliance with local/regional regulations and government guidelines, our offices across India, the UK, Europe, the Middle East and Asia were temporarily shut, and we ran our business in 'work from home' mode. We gradually opened our offices in compliance with local regulations and we continue to adhere to regulatory guidelines such as daily temperature checks, sanitisation, social distancing, use of masks and so on.

We not only put in place stringent review mechanisms to safeguard the businesses from any lasting disruptions but also created a new revenue stream through PPE business. With a quick time to market, PDS successfully launched PPE kits across leading retailers which resulted in a new source of revenue.

We continue to closely monitor the COVID-19 situation on a regular basis and will continue to take all necessary precautions as mandated by the authorities for the safety of our employees, business partners, communities, and all stakeholders concerned. We are confident to emerge stronger from the current crisis and create long-term value for all our stakeholders.

5. OUTLOOK

We maintain a cautious outlook and believe that the COVID-19 disruption and the uncertainties related to the same will phase out once a significant portion of the population gets vaccinated. We also believe that getting the fashion industry back on the growth track would depend on the pace of digital adoption and agility of brands. At PDS, we always look for opportunities and are confident that this crisis will also provide tremendous opportunities in the form of learnings, market consolidation and other developments.

Going forward, we will focus on geographic expansion and have already identified target markets and have our strategy in place. The US, being one of the top global apparel markets, is an important strategic market for us. We will be strengthening our team in the US through our Group network for servicing customers. We are also looking to expand in Australia, New Zealand and the Scandinavian countries with new experience and professional teams, which will be focused on succeeding in these geographies.

We have a strong presence in the apparel market and are deepening our engagement with our existing customers to expand into newer categories such as home fashion and active wear across all our geographies.

We are collaborating with retailers to focus on developing in-house brands, which is also margin-accretive. Our experience with the successful launch of in-house brands such as Adapt and Wiseprotec makes us confident about the development of more such in-house brands. In late FY 2019-20, we have also acquired brands such as UK

based Lilly & Sid and Turtledove London which is focussed on kids' wear has been showing good traction.

Our ESG compliant manufacturing facilities are at the cusp of turning around. We continue to monitor and optimise costs through various cost optimisation measures.

Our continuity of the asset light model, expansion in margins and turnaround of manufacturing will enable us to generate higher returns on capital employed. Our focus on investing in sustainable and tech-enabled businesses is expected to also generate higher returns than our cost of capital and is expected to create long-term value for our shareholders.

6. TECHNOLOGY AND INFRASTRUCTURE

Our experienced technology team keeps our information technology infrastructure running and has enabled our teams to work from home without any disruptions or security compromise. During FY 2020-21, we incorporated Dizbi Private Limited as our IT arm, which will serve as a consulting arm for the existing platform and cater to a wider industry. We intend to implement cutting-edge technologies in our business to stay ahead of the curve.

7. RISK MANAGEMENT

We have a well-defined risk management framework.

Please refer to page 24 to read more on our risks and various mitigation measures.

8. HUMAN RESOURCE MANAGEMENT

We deeply value our people and cherish their dedication and relentless efforts to steer the business ahead and help us get closer to our goals.

Please refer to page 32 to read more on our human resources.

9. INTERNAL AUDIT AND CONTROLS

We have a robust system of internal controls, designed to ensure the reliability of financial and other information and records for preparing financial statements and other data, and for maintaining accountability of assets. This internal control system is supplemented by a comprehensive programme of internal audits, reviews by senior management and documented policies, guidelines, and procedures. The internal audit findings provide vital inputs for risk identification and assessment. Further, periodic assessment of business risks is carried out to identify significant risks to the achievement of our business objectives.

Disclaimer

Statements in this management discussion and analysis describing the Company's objectives, projections, estimates and expectations are categorised as 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include competition, employee cost and significant changes in the political and economic environment in India, environmental standards, tax laws, litigation and labour relations amongst other factors.

Statutory Reports

Board's Report	46
Report on Corporate Governance	66
Business Responsibility Report	86

Financial Statements

Standalone	92
Consolidated	142

Notice	210
--------	-----

BOARD'S REPORT

Dear Members,

PDS Multinational Fashions Limited

The Directors of your Company are pleased to present the 10th Annual Report together with the Annual Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue from Operations	4,611.89	4,112.43	6,21,286.84	6,64,803.92
Other Income	4,208.98	75.14	3,739.54	2,652.37
Total Expenses	4,201.04	3,770.22	6,07,640.09	6,56,355.62
Profit from Operations Before Exceptional Item and Taxes	4,619.83	417.35	17,386.29	11,100.67
Share of loss of associates and joint ventures	-	-	(391.61)	(690.14)
Exceptional Item	-	-	-	(1,357.02)
Profit Before Tax	4,619.83	417.35	16,994.68	9,053.51
Tax Expense (including deferred taxes)	148.24	149.85	2,152.26	945.86
Profit After Tax	4,471.59	267.50	14,842.42	8,107.65
Other Comprehensive Income/(loss)	17.60	(5.45)	788.13	5264.80
Total Comprehensive income	4,489.19	262.05	15,630.55	13,372.45
Earnings Per Share (₹)	17.17	1.03	32.37	17.67

OPERATIONAL PERFORMANCE OF THE COMPANY

I. Standalone Financial Performance

The revenue from operations of the Company stood at ₹4,611.89 Lakhs for the year ended March 31, 2021 as against ₹4,112.43 Lakhs in the previous year. The Company reported a Profit After Tax of ₹4,471.59 Lakhs for the Financial Year ended March 31, 2021 as compared to ₹267.50 Lakhs in the previous year due to better realizations, cost optimization and better operational controls.

II. Consolidated Financial Performance

The Consolidated revenue from operations of the Company for the Financial Year ended March 31, 2021 is ₹6,21,286.84 Lakhs as against ₹6,64,803.92 Lakhs in the previous year. The Consolidated Profit After Tax for the Financial Year ended March 31, 2021 is ₹8,107.65 Lakhs as compared to ₹14,842.42 Lakhs in the previous year, registering an increase of 83.07% due to better realizations, cost optimization and better operational controls.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to Reserve.

DIVIDEND

The Directors have recommended Final Dividend of ₹15.75 per Share of the Face Value of ₹10/- each for the Financial Year 2020-21. The final dividend on Equity Shares, if approved by the Members at the 10th Annual General Meeting (AGM), would involve a total outgo of ₹4,102.36 Lakhs for the Financial Year 2020-21 and will be paid to those Members, whose names

appear on the Register of Members/beneficial holders' list at the close of business hours on Friday, July 23, 2021.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

As on the date of the Annual Report, the Company has adopted Dividend Distribution Policy as per Regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations]. The said policy can be accessed at www.pdsmultinational.com.

NATURE OF BUSINESS AND STATE OF AFFAIRS OF THE COMPANY

During the year under review, there have been no changes in the nature of business of the Company. The information on the affairs of the Company has been covered under the Management Discussion & Analysis forming part of this Annual Report.

DEPOSITS

During the financial year under review, the Company has neither invited nor accepted any deposits from the public within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

SHARE CAPITAL

During the financial year under review, there has been no change in the Authorised Share Capital of the Company and it remained

at ₹27,00,00,000 (Rupees Twenty-Seven Crores) divided into 2,70,00,000 (Two Crores Seventy Lakhs) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each.

The Issued and Paid-up Capital of the Company remain unchanged at ₹26,04,67,240 (Rupees Twenty-Six Crores Four Lakhs Sixty-Seven Thousand and Two-Forty Only) divided into 2,60,46,724 (Two Crores Sixty Lakhs Forty-Six Thousand Seven Hundred and Twenty-Four) Equity Shares divided into Face Value of ₹10/- (Rupees Ten) each.

However, the Board has recommended for increase in Authorized Share Capital of the Company from present ₹27,00,00,000/- (Rupees Twenty-Seven Crores Only) divided into 2,70,00,000 (Two Crores Seventy Lakhs) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each to ₹28,00,00,000/- (Rupees Twenty-Eight Crores Only) divided into 2,80,00,000 (Two Crore Eighty Lakhs) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each, subject to shareholders approval at the forthcoming AGM of the Company and the same shall form part of the Notice to AGM.

Your Company has neither issued any Equity Shares with differential rights as to dividend, voting or otherwise nor has issued any Sweat Equity Shares to the employees or Directors of the Company, under any scheme. Your Company has not issued any debentures, bonds or any non-convertible securities during the financial year under review.

EMPLOYEE STOCK OPTION PLAN (ESOP)

During the financial year under review, the Shareholders at their Extra-Ordinary General Meeting had approved an Employee Stock Options Plan, namely, 'PDS Multinational Fashion Limited - Employee Stock Options Plan 2021 ("PDS ESOP 2021") for the Employees of the Company and its Subsidiary Companies and for granting of stock options or issuing of shares to the aforesaid employees under the PDS ESOP 2021 equal to or in excess of 1% of the issued capital at the time of grant of options or shares (as the case may be) but in any case not exceeding 2% of the issued capital of the Company at the time of grant of options or shares (as the case may be).

The Nomination and Remuneration Committee ("NRC Committee") administers the PDS ESOP 2021. There was no change in the PDS ESOP 2021 during the financial year under review. The PDS ESOP 2021 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations"). Details of the PDS ESOP 2021 have also been provided in Notes of the Standalone & Consolidated Financial Statement.

As on the date of this Annual Report, the NRC Committee on April 3, 2021, had approved grant of 2,65,782 Stock Options under its PDS ESOP 2021 to Mr. Sanjay Jain, Chief Executive Officer (Key Managerial Personnel) of the Company.

The disclosures as required under Regulation 14 of SBEB Regulations read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015, is enclosed herewith to this Annual Report as **Annexure 1** hereto and is also available on website of the Company at www.pdsmultinational.com.

A certificate from the Statutory Auditors certifying that PDS ESOP 2021 has been implemented in accordance with SBEB Regulations and in accordance with the resolution(s) passed by the Members would be uploaded on website of Company www.pdsmultinational.com during the AGM of the Company for inspection by the Members.

PDS INCENTIVE PLAN 2021

During the financial year under review, the Shareholders at their Extra-Ordinary General Meeting held on February 25, 2021, had approved PDS Multinational Fashions Limited – PDS Value Creation Incentive Plan 2021 ("PDS Incentive Plan 2021"). The purpose of the PDS Incentive Plan 2021 is to reward key employees of the Company and its subsidiaries for their performance and their contribution in delivering strong returns and creating value with respect to the investments made by the shareholders in the Company and to incentivize them in the future growth and profitability of the Company.

As on the date of this Annual Report, on the basis of performance criteria, Mr. Sanjay Jain, Chief Executive Officer of the Company had recommended names of 7 (Seven) Employees of the Company for rewards under PDS Incentive Plan 2021.

The Committee and Board of Directors at their respective meetings held on May 27, 2021, had approved rewards under PDS Incentive Plan 2021 to 7 (Seven) employees based on the recommendation of Mr. Sanjay Jain.

CREDIT RATING

During the year under review, your company has no outstanding instruments for which the credit rating needs to be obtained.

INTERNAL FINANCIAL CONTROL SYSTEMS AND ITS ADEQUACY

The Financial Statements of the Company comply with the Ind AS specified under Section 133 of the Act.

Your Company has put in place adequate internal controls with reference to accuracy and completeness of the accounting records and timely preparation of reliable financial information, commensurate with the size, scale and complexity of operations and ensures compliance with various policies and statutes in keeping with the organization's pace of growth, increasing complexity of operations, prevention and detection of frauds and errors. The design and effectiveness of key controls were tested and no material weaknesses were observed. The Audit Committee reviews and evaluates the adequacy of internal financial control and risk management systems, periodically. Efficacy of Internal control systems are tested periodically by Internal Auditors with and Internal Control over financial reporting is tested and certified by Statutory Auditors. The internal financial control system of the Company is supplemented with internal audits, regular reviews by the management and checks by the Internal Audit Team.

During the year under review, no material or serious observation has been highlighted for inefficiency or inadequacy of such controls.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2021, the Company had 82 (Eighty-Two) subsidiaries, 5 (Five) Joint Ventures and 1 (One) Associate Company. During the year under review, the following companies were incorporated, acquired, liquidated or divested:

- Acquisition of 75% stake in Norlanka Brands Private Limited to enter into online/digital business and expand and create opportunities in Indian fashion & apparel business including but not limited to kids wear, inner wear & other categories of lifestyle.
- Acquisition of 53% stake in Dizbi Private Limited to outsource all IT & ITES services of PDS Group Companies to Dizbi Private Limited and to explore to develop innovative products and its services to external clients as well.
- Atterley.com Holdings Limited ceased to be an Associate Company.
- The details regarding changes to the group companies are set out in Note 2 of the Consolidated Financial Statements.

In accordance with Section 129(3) of the Act and Regulation 34 of SEBI Listing Regulations, the Consolidated Financial Statements of the Company and all its subsidiary & associate companies have been prepared and are forming part of this Annual Report. A statement containing salient features of the Financial Statements of subsidiary and associate companies is stated in the prescribed Form AOC-1 as **Annexure 2**, which forms part of the Annual Report. The statement also provides details of the performance and the financial position of each of the subsidiaries and associates. The consolidated financial statements presented in this Annual Report include financial performance and financial position of the subsidiary and associate companies.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Deepak Seth (DIN: 00003021), Non-Executive, Non-Independent Director of the Company retires by rotation at the ensuing AGM and being eligible, offer himself for reappointment. Your Board of Directors recommends his appointment.

During the year under review, pursuant to the provisions of Section 161 of the Act and based on the recommendation of the Nomination and Remuneration Committee, Ms. Saraswathy Venkateswaran (DIN: 01778608) was appointed as an Independent Additional Director of the Company with effect from February 14, 2020 by the Board of Directors. Further, Members of the Company at the 9th AGM of the Company held on October 28, 2020 had approved her appointment as a Non-Executive Independent Director, not liable to retire by rotation, for a term of 5 (Five) consecutive years with effect from February 14, 2020.

As on the date of this Annual Report, Mr. Parth Gandhi (DIN: 01658253), on the recommendation of Nomination and Remuneration Committee was appointed as an Additional (Non-Executive & Non-Independent) Director w.e.f. May 27, 2021, to hold the office upto the conclusion of the ensuing AGM. In this

regards, the Company had received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company. Appropriate resolution(s) seeking Members approval for the same has already been included in the Notice of the 10th AGM.

All the Directors of the Company have confirmed that they are not disqualified to act as Director in terms of Section 164 of the Act.

Key Managerial Personnel

During the year under review and compliance of Section 203 of the Act, Mr. Sanjay Jain was appointed as Chief Executive Officer and Whole Time Key Managerial Personnel of the Company with effect from January 15, 2021, due to resignation of Mr. Omprakash Makam Suryanarayana as Chief Executive Officer of the Company at the close of business hours on January 14, 2021. However, the Board elevated Mr. Omprakash Makam Suryanarayana as Group Chief Operating Officer with effect from January 15, 2021.

Further, Mr. Abhishekh Kanoi (ICSI Membership No. FCS 9530) was appointed as Head of Legal & Company Secretary and Compliance Officer and Whole Time Key Managerial Personnel of the Company w.e.f. January 11, 2021. Mr. B. Chandra Sekhara Reddy (ICSI Membership No. ACS 14609) has resigned as Head – Legal & Company Secretary & Compliance Officer at the close of business hours on January 11, 2021. The Board placed on record its appreciation for the valuable contribution made by Mr. B. Chandra Sekhara Reddy during his tenure with the Company.

Furthermore, Mr. Ashish Gupta was appointed as a Chief Financial Officer and Whole Time Key Managerial Personnel of the Company w.e.f. May 28, 2021 at the Board Meeting held on May 27, 2021. Mr. Ajai Singh has resigned as Chief Financial Officer of the Company w.e.f. close of business hours of May 27, 2021. However, he will continue his association with the Company as Executive Director – Treasury & Manufacturing w.e.f. May 28, 2021.

As on May 27, 2021, Mr. Sanjay Jain, Chief Executive Officer, Mr. Ajai Singh, Chief Financial Officer and Mr. Abhishekh Kanoi, Head of Legal & Company Secretary are the Key Managerial Personnel of your Company in accordance with the provisions of Section 2(51) read with Section 203 of the Act.

Declaration of Independence by Independent Directors & adherence to the Company's Code of Conduct for Independent Directors

All the Independent Directors have confirmed to the Board that they meet the criteria of independence as specified under Section 149(6) of the Act and that they qualify to be independent directors pursuant to the Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014. They have also confirmed that they meet the requirements of 'Independent Director' as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations.

Further, all the Independent Directors have affirmed that they have adhered and complied with the Company's Code of Conduct for Independent Directors which is framed in accordance with Schedule IV of the Act.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any.

It may be noted that all the Independent Directors on the Board of the Company as on March 31, 2021 have been registered in the data bank of Independent Directors as per Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, in terms of Section 150 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended, since Dr. Ashutosh Prabhudas Bhupatkar, Mr. Ashok Kumar Chhabra and Mr. Ashok Kumar Sanghi, Independent Directors of the Company have served as Directors for a period of more than three (3) years on the Board of Listed Companies as on the date of inclusion of their names in the database, they are not required to undertake online proficiency self-assessment test conducted by the said Institute. Ms. Saraswathy Venkateswaran, Independent Director, shall undertake the online proficiency self-assessment test, as applicable, in accordance with the timeline as per aforesaid Rule.

Board Meetings

During the year under review, 5 (Five) meetings of the Board of Directors were held. Details about the Board Meetings and Committee Meetings are given in Report on Corporate Governance which forms part of this Annual Report.

Compliance With Secretarial Standard

Your Company has complied with the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively.

Constitution of Various Committees

During the financial year under review, the Board of Directors of the Company has constituted various Committees including the following:

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

Details of each of the Committees stating their respective composition, terms of reference and others are uploaded on our website at www.pdsmultinational.com and are stated in brief in the Corporate Governance Report attached to and forming part of this Annual Report.

As on the date of this Annual Report, the Board of Directors has constituted Corporate Social Responsibility Committee & Risk Management Committee on May 27, 2021. The details of aforesaid Committees including their respective composition and terms of reference are made available at the website of the Company at www.pdsmultinational.com.

Policies on Appointment of Directors and their Remuneration

The remuneration paid to the Directors is in line with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the SEBI

Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). Further, the Company has in place the orderly succession plan for the appointments at the Board and senior management level.

The Company's policy on directors' appointment and remuneration and other matters as provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this Report.

Policies

The Board of Directors of your Company, from time to time, has framed and revised various Policies as per the applicable Acts, Rules, Regulations and Standards for better governance and administration of your Company. The Policies are made available on the website of the Company at <https://www.pdsmultinational.com/code-conduct/>.

Annual Evaluation by the Board

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for effective evaluation of the performance of Individual Directors, Committees of the Board and the Board as a whole.

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

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

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of Independent Directors held on February 12, 2021, performance of Non-Independent Directors, the Board as a whole and Chairman of the Company was evaluated, considering the views of executive directors and non-executive directors.

The evaluation process inter alia considers attendance of Directors at Board and Committee Meetings, acquaintance with business, communicating inter se Board Members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers, etc., which is in compliance with applicable laws, regulations and guidelines.

The Board carried out annual evaluation of the performance of the Board, its Committees and Individual Directors and Chief Executive Officer (CEO). The Chairman of the respective Board Committees shared the report on evaluation with the respective

BOARD'S REPORT

Committee Members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Board Committees. The reports on performance evaluation of the Individual Directors including CEO were reviewed by the Chairman of the Board.

Familiarization Program for Independent Directors

All new independent directors inducted into the Board are familiarized with the operations and functioning of the Company. The details of the training and familiarization program are provided in the Corporate Governance Report.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) read with Section 134(5) of the Act with respect to Directors' Responsibility Statement, the Directors hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure has been made in following the same;
- b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made 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 and of the profit of the Company for that period;
- c) proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Act have been taken for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) internal financial controls to be followed by the Company had been laid down and such internal financial controls are adequate and are operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

1) Statutory Auditor

Section 139 of the Act and the rules frame thereunder M/s Walker Chandok & Co LLP, Chartered Accountants (Firm registration Number: 001076N/N500013), were appointed as Statutory Auditors of the Company at the 8th AGM held on November 13, 2019 to hold office from the conclusion of the 8th AGM till the conclusion of the 13th AGM. The Statutory Auditor has confirmed that they continue to remain eligible to act as the Statutory Auditor of the Company.

There are no qualifications, reservations, adverse remarks or disclaimers made by the Statutory Auditors, in their Audit Report for the Financial Year 2020-21.

2) Secretarial Auditor

The Secretarial Audit Report for the Financial Year ended March 31, 2021, issued by M/s. RHR & Associates, Practicing Company Secretary, who were appointed as Secretarial Auditors to undertake the Secretarial Audit of the Company for Financial Year 2020-21, is enclosed herewith as **Annexure-3** and forms an integral part of this Annual Report. The said Secretarial Audit Report does not contain any qualification, reservation, disclaimer or adverse remark.

Annual Secretarial Compliance Report

Pursuant to Regulation 24A of the SEBI Listing Regulations, the Secretarial Compliance Report for the financial year ended March 31, 2021 has been submitted to the Stock Exchanges.

Further, in this regard, please note that the Company does not have any material unlisted subsidiaries incorporated in India during Financial Year 2020-21. Therefore, the provisions regarding the 24A of the SEBI Listing Regulations, do not apply to such subsidiaries.

3) Cost Auditors

During the Financial Year under review, provisions of Section 148 of the Act, read with Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, relating to the Cost Audit are not applicable to the Company.

4) Details of Fraud reported by Auditors

During the Financial Year under review, neither the Statutory Auditors nor the Secretarial Auditor of the Company have reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3) (ca) of the Act.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year under review, the provisions of Section 135 of the Act relating to the Corporate Social Responsibility are not applicable to your Company.

RISK MANAGEMENT

During the financial year under review, Regulation 21 of the SEBI Listing Regulations are not applicable to your Company.

As on the date of this Annual Report, the Company has adopted a Risk Management Policy in terms of Regulation 21 of the SEBI Listing Regulations and the same is made available at the website of the Company at www.pdsmultinational.com.

The Risk Management Committee of the Company constituted as on the date of this Annual Report has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits.

Further, for details on the Risk Management Framework please refer Page No. 24 of this Annual Report.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the disclosures pertaining to remuneration and other details as required under the Act and the above Rules, are appended to this Annual Report as **Annexure 4**. The information about Top Ten Employees in terms of remuneration will be available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM. Any Shareholder interested in obtaining such details may write to the Company Secretary of the Company at investors@pdsmultinational.com and the same will be furnished on such request.

The Board of Directors affirm that the remuneration paid to employees of the Company is as per the Remuneration Policy of the Company.

RELATED PARTY TRANSACTIONS

The Board of Directors of the Company has formulated a policy on dealing with Related Party Transactions, pursuant to the applicable provisions of the Act and SEBI Listing Regulations. The same is displayed on the website of the Company at <https://www.pdsmultinational.com/code-conduct/>. This policy deals with the review and approval of related party transactions. All related party transactions are placed before the Audit Committee for review and approval.

During the financial year under review, all the related party transactions were entered in the ordinary course of business and on arm's length basis. All related party transactions as required under Indian Accounting Standards - 24 (Ind AS-24) are reported in Note No. 33 of Standalone Financial Statements.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, there are no related party transactions that are required to be reported under Section 188(1) of the Act in the prescribed Form AOC-2.

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2021 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at <https://www.pdsmultinational.com/>.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI Listing Regulations, Management Discussion and Analysis Report forms part of this Annual Report.

CORPORATE GOVERNANCE

Your Company practices a culture that is built on core values and ethical governance practices. Your Company is committed

to transparency in all its dealings and places high emphasis on business ethics. In terms of Regulation 34 of the SEBI Listing Regulations, the Report on Corporate Governance for the financial year ended March 31, 2021 along with the certificate confirming the compliance with regulations of corporate governance under the SEBI Listing Regulations is annexed as **Annexure 5** to this Annual report.

BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI Listing Regulations, the Business Responsibility Report is enclosed as **Annexure 6** and forms part of this Annual Report and can also be accessed on the Company's website at www.pdsmultinational.com.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

Your Company has established a Vigil Mechanism Policy/Whistle Blower Policy to deal with instances of fraud and mismanagement and to enable Directors and Employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and to report incidents of leak or suspected leak of unpublished price sensitive information. The Company has also hosted on its website NAVEX hotline for stakeholders to report such instances under Vigil Mechanism. The said Policy ensures that strict confidentiality is maintained in respect of whistle blowers whilst dealing with concerns and also specified that no discrimination will be meted out to any person for a genuinely raised concern. The Policy on Vigil Mechanism/Whistle Blower Mechanism can be accessed through website of the Company viz. www.pdsmultinational.com/code-conduct/.

During the financial year under review, no complaint pertaining to the Company was received under the Whistle Blower mechanism.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to the requirements of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with the Rules thereunder, your Company has formulated and adopted a Policy on Prevention of Sexual Harassment at Workplace.

Your Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received regarding sexual harassment.

During the financial year under review, no complaints were received from any of the employees regarding Sexual Harassment at workplace.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

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 are-

- 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 are-

The production activity of the Company is not energy intensive. However, all measures are being taken for optimizing energy usage.

b) Technology absorption

The Company plans to introduce various measures to help the production improvement as well as reduce the wastage further.

c) Foreign exchange earnings and Outgo

Details of Foreign exchange earnings and outgo for the financial year under review are as follows:

Foreign Exchange Earning:

₹6,587.21 Lakhs for FY 2020-21 as against ₹3,884.18 Lakhs in FY 2019-20

Foreign Exchange Outgo:

₹903.33 Lakhs for FY 2020-21 as against ₹27.26 Lakhs in FY 2019-20

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no Loans and Guarantees made by your Company under Section 186 of the Act. The details of investments made by the Company under Section 186 of the Act have been provided in Note 8 to the Standalone Financial Statements.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred after the close of the year till the date of this Annual Report which may affect the financial position of the Company.

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

During the Financial Year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in future.

LISTING

Equity Shares of your Company are listed on National Stock Exchange of India Limited and BSE Limited. Your Company has paid the required listing fees to Stock Exchanges for FY 2020-21.

MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

In terms of the SEBI Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from Mr. Sanjay Jain, Chief Executive Officer and Mr. Ajai Singh, Chief Financial Officer, for the Financial Year 2020-21 with regard to the Financial Statements and other matters. The said Certificate forms part of this Annual Report.

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable Securities Laws and Regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include changes in the government regulations, developments in the infrastructure segment, tax regimes and economic developments within India.

ACKNOWLEDGEMENT

Your Directors acknowledge the support extended by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Registrar of Companies and all other governmental and regulatory authorities for the guidance and support received from them including officials there at from time to time.

Your Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders in large including investors, customers, banks, financial institutions, and well-wishers for their continued support during the year. Your Directors place on record their appreciation of the contribution made by the employees of your Company and its subsidiaries at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

By & On Behalf of the Board of Directors
For **PDS Multinational Fashions Limited**

Place: Bengaluru, India
Date: May 27, 2021

Deepak Seth
Chairman & Non-Executive Director
DIN: 00003021

Ashutosh Bhupatkar
Independent Director
DIN: 00479727

ANNEXURE-1

DISCLOSURE PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 FOR THE FINANCIAL YEAR 2020-21

General Disclosures

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

All relevant disclosures have been made in the Financial Statements.

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. - Not Applicable

Scheme Specific Disclosures

Sr. No.	Details of ESOP	PDS Multinational Fashions Limited - Employee Stock Option Plan 2021 (PDS ESOP 2021)
1	A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP including:	The Company at present has only one ESOP Scheme namely, PDS ESOP 2021.
2	Date of Shareholders Approval	February 25, 2021
3	Total No. of Options approved under ESOP	5,31,565 Stock Options
4	Vesting Requirements	The Nomination and Remuneration Committee may specify certain vesting conditions pursuant to which the Options may vest with the relevant Eligible Employee. The specific vesting schedule and vesting conditions would be determined by the Nomination and Remuneration Committee and identified in the grant letter issued to the Option grantee.
5	Maximum Term of Options Granted	Options granted shall be capable of being exercised within a period of 3 (Three) Years from the date of vesting.
6	Exercise Price or Pricing Formula	The Exercise price in respect of the Option shall be determined by the Nomination and Remuneration Committee and shall be notified to the Option Grantees in the grant letter. The Exercise Price may be equal to or less than the market price of the Equity Shares of the Company, as determined by the Nomination and Remuneration Committee from time to time but shall not be less than the face value of the underlying Equity Share.
7	Source of Shares	Primary
8	Variation in Terms of Options	Subject to Applicable Laws, the Nomination and Remuneration Committee, may if it deems necessary, vary the terms of PDS ESOP 2021 which are not prejudicial to the interests of the Option Grantees, subject to compliance with the Applicable Laws and Regulations. During the year, no amendment/ modification/ variation has been introduced in terms of options granted by the Company.
9	Method of Option Valuation	Indian Accounting Standards (Ind AS) has been adopted by Company in previous financial year and accordingly, the Company has accounted the stock options at Fair Value Method.
10	Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options (if method is Intrinsic Value Method)	Not Applicable

ANNEXURE-1

Sr. No.	Details of ESOP	PDS Multinational Fashions Limited - Employee Stock Option Plan 2021 (PDS ESOP 2021)								
11	Option movement during the Year									
	Number of Options outstanding at the beginning of the period, i.e., April 1, 2020	Nil								
	Number of Options granted during the year	Nil								
	Number of Options forfeited/lapsed during the year	Nil								
	Number of Options vested during the year	Nil								
	Number of Options exercised during the year	Nil								
	Number of Shares arising as a result of exercise of options	Nil								
	Money realized by exercise of options (Amount in ₹)	Nil								
	Loan repaid by the Trust during the year from exercise price received	Not Applicable								
	Number of Options outstanding as at March 31, 2021	Nil								
	Number of Options exercisable as at March 31, 2021	Nil								
12	Weighted average exercise price of Options granted whose									
	(a) Exercise Price equals market price	-								
	(b) Exercise Price is greater than market price	-								
	(c) Exercise Price is less than market price	-								
	Weighted average fair value of Options granted during the year whose									
	(a) Exercise Price equals market price	-								
	(b) Exercise Price is greater than market price	-								
	(c) Exercise Price is less than market price	-								
	Weighted Average Information:									
	The fair value of employee share options, see (A) above, has been measured using Black Scholes Merton Model. The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plan are as follows: Not Applicable									
13	Employee Wise details of-									
	i) Options granted to Key Managerial Personnel during the FY 2020-21									
	<table><tr><th>Name</th><th>Designation</th><th>Option Granted during the Year</th><th>Exercise Price</th></tr><tr><td></td><td></td><td>NIL</td><td></td></tr></table>	Name	Designation	Option Granted during the Year	Exercise Price			NIL		
Name	Designation	Option Granted during the Year	Exercise Price							
		NIL								
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year;									
	<table><tr><th>Name</th><th>Designation</th><th>Option Granted during the Year</th><th>Exercise Price</th></tr><tr><td></td><td></td><td>NIL</td><td></td></tr></table>	Name	Designation	Option Granted during the Year	Exercise Price			NIL		
Name	Designation	Option Granted during the Year	Exercise Price							
		NIL								
	iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversations) of the Company at the time of grant									
	<table><tr><th>Name</th><th>Designation</th><th>Option Granted during the Year</th><th>Exercise Price</th></tr><tr><td></td><td></td><td>NIL</td><td></td></tr></table>	Name	Designation	Option Granted during the Year	Exercise Price			NIL		
Name	Designation	Option Granted during the Year	Exercise Price							
		NIL								
14	A description of the method and significant assumptions used during the year to estimate the fair value of options.	Not Applicable								

By & On Behalf of the Board of Directors
For PDS Multinational Fashions Limited

Place: Bengaluru, India
Date: May 27, 2021

Deepak Seth
Chairman & Non-Executive Director
DIN: 00003021

Ashutosh Bhupatkar
Independent Director
DIN: 00479727

(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 ₹ in Lakhs)

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 & Exchange rate as on the last date of Financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments*	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding**
1	Technocian Fashions Private Limited	20.03.2019	NA	INR	5.00	102.48	554.43	446.95	-	1,088.72	129.73	32.80	96.93	-	55.00%
2	DIZBI Private Limited	10.07.2020	NA	INR	1.00	29.15	349.70	319.55	-	495.60	39.86	10.71	29.15	-	53.00%
3	Norlanka Brands Private Limited	01.02.2021	NA	INR	5.00	(27.46)	20.73	43.19	-	-	(27.46)	-	(27.46)	-	75.00%
4	Multinational Textile Group Limited	13.05.2014	NA	USD	16,045.28	7,864.57	29,969.86	6,060.01	869.65	10,837.72	4,179.31	169.34	4,009.97	-	100.00%
5	Norwest Industries Limited	13.05.2014	NA	HKD	2,925.69	53,329.64	1,06,483.29	50,227.97	10,476.62	27,900.32	14,902.29	821.78	14,080.50	-	100.00%
6	Multinational OSG Services Bangladesh Limited	13.05.2014	NA	BDT	920.64	(249.01)	779.14	107.52	-	32.28	(144.91)	(21.87)	(123.04)	-	97.00%
7	PDS Smart Fabric Tech Limited	19.01.2009	NA	HKD	188.03	1,125.10	2,797.16	1,484.03	-	3,130.81	1,140.59	-	1,140.59	-	100.00%
8	PDS Smart Fabric Tech (UK) Limited	07.09.2020	NA	HKD	-	-	-	-	-	-	-	-	-	-	100.00%
9	Techno Design GmbH	14.02.2014	NA	EUR	85.75	209.50	4,724.42	4,429.17	-	16,351.43	476.57	131.85	344.72	-	55.00%
10	Blueprint Design Limited	30.06.2016	NA	HKD	7.31	(3,137.51)	9.51	3,139.70	-	(57.74)	(55.76)	-	(55.76)	-	100.00%
11	PDS Global Investments Limited	21.12.2016	NA	USD	36.55	(4.75)	31.81	0.00	-	-	(0.69)	-	(0.69)	-	100.00%
12	PDS Ventures Limited	03.07.2018	NA	GBP	50.36	(303.16)	542.47	795.26	-	-	(84.61)	-	(84.61)	-	100.00%
13	Twins Asia FZCO	17.01.2019	NA	AED	19.91	435.07	659.71	204.73	-	3,637.86	479.33	-	479.33	-	75.00%
14	Design Arc FZCO	17.01.2019	NA	AED	19.91	(227.94)	57.17	265.21	-	1.80	(38.42)	-	(38.42)	-	75.00%
15	Kleider Sourcing FZCO®	17.01.2019	NA	AED	19.91	635.13	3,726.22	3,071.18	-	25,811.09	1,989.03	-	1,989.03	-	41.00%
16	Spring Near East FZCO	17.01.2019	NA	AED	19.91	1,313.54	3,868.16	2,534.71	-	16,232.98	1,574.80	-	1,574.80	-	55.00%
17	Techno Sourcing BD Limited®	22.10.2019	NA	BDT	83.97	80.66	377.06	212.43	-	583.45	39.49	56.13	(16.64)	-	49.00%
18	Clover Collections FZCO	20.02.2020	NA	USD	-	-	-	-	-	-	-	-	-	-	100.00%
19	Pro Trusted Med Tech Limited	13.05.2014	NA	HKD	0.94	(295.30)	40.51	334.87	-	27.63	(181.19)	-	(181.19)	-	100.00%
20	Techno Design HK Limited	13.05.2014	NA	HKD	73.14	2,915.25	11,449.40	8,461.01	-	36,161.33	2,639.75	-	2,639.75	-	55.00%
21	PG Group Limited	13.05.2014	NA	USD	731.05	1,579.78	4,007.81	1,696.97	-	8,166.44	1,288.38	-	1,288.38	-	51.00%
22	PG Shanghai Manufacturer Co. Limited	13.05.2014	NA	RMB	140.58	(93.09)	232.33	184.83	-	-	(16.90)	-	(16.90)	-	51.00%

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 & Exchange rate as on the last date of Financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments*	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding**
23	PG Home Group Limited®	13.05.2014	NA	USD	182.76	840.67	2,242.81	1,219.37	-	4,634.30	314.27	(1.56)	315.83	-	45.90%
24	PG Home Group SPA®	13.05.2014	NA	CLP	3.05	(531.95)	211.71	740.61	-	1.26	(6.43)	(1.56)	(4.87)	-	45.90%
25	Grupo Sourcing Limited (Hong Kong)	15.03.2016	NA	HKD	73.14	78.29	296.25	144.81	-	1,458.54	32.93	-	32.93	-	51.00%
26	Grupo Sourcing Limited (Bangladesh)	15.03.2016	NA	BDT	257.43	(223.04)	403.86	369.47	-	2,676.29	21.11	(26.43)	47.54	-	50.99%
27	Zamira Fashion Limited	13.05.2014	NA	HKD	182.86	1,899.97	7,296.96	5,214.14	-	23,919.16	777.48	113.45	664.03	-	67.00%
28	6Degree Manufacturing Limited	24.10.2014	NA	HKD	7.31	(4.69)	15.58	12.95	-	-	(1.46)	-	(1.46)	-	67.00%
29	Zamira Fashion Limited	26.06.2015	NA	RMB	327.95	(184.26)	175.18	31.48	-	-	(18.38)	-	(18.38)	-	67.00%
30	Poeticgem International Limited	13.05.2014	NA	HKD	31.69	368.65	12,483.34	12,083.00	-	70,258.98	2,938.38	-	2,938.38	-	85.00%
31	Kindred Fashion Limited	23.08.2016	NA	USD	0.01	(8.41)	14.51	22.91	-	-	2.53	-	2.53	-	85.00%
32	Simple Approach Limited	13.05.2014	NA	HKD	2,516.09	3,111.64	16,285.79	10,658.06	-	65,147.42	2,184.73	462.59	1,722.14	-	75.00%
33	Simple Approach (Canada) Limited	02.05.2013	NA	CAD	0.06	214.13	267.85	53.66	-	-	33.82	10.67	23.15	-	75.00%
34	PDS Asia Star Corporation Limited	13.05.2014	NA	HKD	219.43	2,748.82	7,948.33	4,980.08	-	58,161.03	1,318.51	-	1,318.51	-	60.00%
35	PDS Trading (Shanghai) Co. Limited	13.05.2014	NA	RMB	669.35	(583.90)	279.86	194.41	-	1,492.71	(246.25)	0.24	(246.49)	-	60.00%
36	Casa Forma Limited	13.05.2014	NA	GBP	931.70	(901.87)	39.23	9.40	-	53.99	(2.93)	-	(2.93)	-	100.00%
37	PDS Sourcing Limited (Formerly known as Global Textiles Group Limited)	13.05.2014	NA	USD	2,914.89	52.38	3,987.53	1,020.25	-	4,457.62	24.37	-	24.37	-	100.00%
38	Green Apparel Industries Limited	15.03.2016	NA	HKD	146.28	(4,611.35)	16,572.79	21,037.85	-	3,026.82	(1,268.93)	-	(1,268.93)	-	75.00%
39	Green Smart Shirts Limited	04.05.2016	NA	BDT	7,795.94	550.81	19,117.64	10,770.89	-	11,405.29	(1,125.76)	(359.12)	(766.64)	-	74.99%
40	Progress Manufacturing Group Limited	17.07.2015	NA	HKD	7.31	(5,393.77)	26,753.68	32,140.14	-	10,982.62	(1,557.59)	-	(1,557.59)	-	97.00%
41	Progress Apparels (Bangladesh) Limited	12.07.2015	NA	BDT	6,788.76	(13,725.78)	21,404.46	28,341.48	-	13,660.75	(6,746.86)	(306.40)	(6,440.46)	-	96.99%
42	PDS Ventures Limited (Formerly known as MultiTech Venture Limited)	25.11.2015	NA	USD	731.05	(893.26)	262.20	424.42	-	-	(400.12)	-	(400.12)	-	100.00%
43	Poetic Brands Limited	15.01.2015	NA	GBP	50.36	948.16	6,287.51	5,288.98	-	15,011.84	834.91	165.00	669.91	-	100.00%
44	Poeticgem Limited	13.05.2014	NA	GBP	50.36	11,243.19	16,917.42	5,623.87	69.55	10,507.50	284.14	97.06	187.08	-	100.00%
45	Design Arc UK Limited	21.10.2016	NA	GBP	50.36	54.06	791.11	686.69	-	2,017.74	43.23	8.98	34.25	-	85.00%

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 & Exchange rate as on the last date of Financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments*	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding**
46	FX Import Co. Limited	13.05.2014	NA	GBP	25.38	(603.03)	322.22	899.87	-	-	(36.71)	-	(36.71)	-	100.00%
47	Poetic Knitwear Limited	13.05.2014	NA	GBP	0.10	(712.87)	4.18	716.95	-	-	(2.00)	-	(2.00)	-	100.00%
48	Pacific Logistics Limited	13.05.2014	NA	GBP	10.07	(408.49)	5.17	403.59	-	-	(4.93)	-	(4.93)	-	100.00%
49	Recovered Clothing Limited	24.07.2018	NA	GBP	50.36	(285.23)	321.17	556.04	-	370.73	(89.68)	-	(89.68)	-	100.00%
50	Techno Design USA LLC	16.04.2020	NA	USD	-	(70.70)	-	70.70	-	-	(71.78)	-	(71.78)	-	55.00%
51	360 Notch Limited	31.07.2015	NA	HKD	73.14	(2,238.09)	412.75	2,577.70	-	-	67.61	-	67.61	-	100.00%
52	Fareast Vogue Limited	13.05.2014	NA	HKD	7.31	491.30	576.17	77.56	-	494.83	1,341.17	-	1,341.17	-	60.00%
53	Casa Collective Limited	19.01.2018	NA	HKD	73.14	(330.32)	111.69	368.87	-	-	(331.65)	-	(331.65)	-	100.00%
54	Nor Lanka Manufacturing Limited	22.10.2008	NA	HKD	0.94	5,428.35	17,324.02	11,894.72	-	46,056.27	1,625.21	-	1,625.21	-	95.00%
55	Krayons Sourcing Limited	16.12.2014	NA	HKD	7.31	2,621.36	7,196.44	4,567.76	-	27,376.92	1,860.92	-	1,860.92	-	75.00%
56	Design Arc Europe Limited	13.05.2015	NA	HKD	73.14	(1,771.52)	884.98	2,583.37	-	1,313.29	16.08	-	16.08	-	70.00%
57	Kleider Sourcing Hong Kong Limited	01.10.2018	NA	HKD	7.31	581.77	1,352.83	763.75	-	77.38	(65.65)	6.42	(72.07)	-	51.00%
58	Kleider Sourcing Limited	01.10.2018	NA	BDT	869.08	(337.25)	954.38	422.54	-	-	(76.67)	57.00	(133.67)	-	51.00%
59	PDS Far-East Limited	23.08.2016	NA	HKD	0.73	(503.96)	156.91	660.14	-	160.68	(99.70)	-	(99.70)	-	100.00%
60	Kindred Brands Limited	23.10.2018	NA	HKD	0.73	(13.01)	4.16	16.44	-	-	(2.15)	-	(2.15)	-	60.00%
61	Styleberry Limited	13.09.2016	NA	HKD	7.31	(494.53)	222.23	709.45	-	3,443.81	(231.20)	-	(231.20)	-	85.00%
62	PDS Far East USA, Inc.	11.07.2017	NA	HKD	36.57	(20.26)	607.53	591.22	-	636.15	(5.55)	-	(5.55)	-	100.00%
63	Smart Notch Industrial Limited	28.12.2017	NA	HKD	7.31	(237.32)	1,931.26	2,161.27	1,860.09	-	124.46	-	124.46	-	100.00%
64	Apex Black Limited	28.12.2017	NA	HKD	7.31	(11.59)	912.85	917.13	901.47	-	(5.83)	-	(5.83)	-	65.00%
65	Jcraft Array Limited	12.04.2018	NA	HKD	36.57	137.77	1,508.12	1,333.78	-	1,726.06	148.60	-	148.60	-	85.00%
66	Rising Asia Star Hong Kong Co., Limited	13.05.2014	NA	HKD	7.31	(1,421.83)	63.09	1,477.61	-	-	3.95	-	3.95	-	100.00%
67	PDS Tailoring Limited	13.05.2014	NA	HKD	7.31	(380.35)	40.26	413.29	-	-	(378.88)	-	(378.88)	-	100.00%
68	Spring Near East Manufacturing Co. Limited	13.05.2014	NA	GBP	135.95	3,095.31	6,237.02	3,005.76	-	20,199.62	177.18	-	177.18	-	65.00%
69	Clover Collections Limited	13.05.2014	NA	HKD	146.28	1,617.84	8,601.29	6,837.17	-	25,622.52	2,655.21	-	2,655.21	-	100.00%
70	JJ Star Industrial Limited	01.10.2018	NA	HKD	36.57	301.42	4,367.38	4,029.40	-	13,603.37	435.68	-	435.68	-	57.50%
71	Twins Asia Limited	27.07.2015	NA	HKD	73.14	1,841.62	11,149.99	9,235.23	-	35,156.11	2,349.60	-	2,349.60	-	100.00%
72	Design Arc Asia Limited	27.06.2016	NA	HKD	73.14	(1,513.32)	12,567.63	14,007.81	-	36,898.88	1,343.15	-	1,343.15	-	100.00%
73	Razamtaaz Limited	13.05.2014	NA	GBP	0.00	4,244.15	9,813.84	5,569.69	261.01	-	49.92	16.65	33.27	-	100.00%
74	Smart Notch Limited (Shanghai)	20.04.2018	NA	RMB	55.78	21.61	133.40	56.02	-	13.88	40.53	(1.49)	42.02	-	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 & exchange rate as on the last date of Financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments*	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding**
75	LillyandSid Limited	10.03.2020	NA	GBP	0.10	751.63	1,075.29	323.56	-	1,866.60	141.49	27.04	114.45	-	52.25%
76	Nor Lanka Manufacturing Colombo Limited	13.05.2014	NA	USD	382.70	76.76	4,135.16	3,675.69	-	6,627.63	207.79	21.57	186.22	-	95.00%
77	Nor Europe Manufacturing SL	13.05.2014	NA	EUR	2.57	89.79	74.15	(18.20)	-	-	2.63	-	2.63	-	100.00%
78	PDS H2GO Glove Manufacturing Limited	30.09.2020	NA	HKD	7.31	(1.26)	6.05	-	-	-	(1.29)	-	(1.29)	-	51.00%
79	Poeticgem International FZCO	01.02.2021	NA	AED	-	-	-	-	-	-	-	-	-	-	65.00%
80	PDS Multinational FZCO	01.02.2021	NA	AED	-	-	-	-	-	-	-	-	-	-	100.00%
81	PDS Manufacturing Limited	22.03.2021	NA	USD	-	-	-	-	-	-	-	-	-	-	100.00%
82	Norlanka Progress (Private) Limited	20.10.2015	NA	SLR	-	-	-	-	-	-	-	-	-	-	95.00%

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

** Extent of shareholding is the shareholding at PDS Group level. For further details, refer Note No. 2 of Consolidated Financial Statements

® The Company is a subsidiary of PDS Multinational Fashions Limited as per explanation provided under Section 2(87) of the Companies Act, 2013.

Notes:

1. Names of subsidiaries which are yet to commence operations

PDS Smart Fabric Tech (UK) Limited

Poeticgem International FZCO

PDS Multinational FZCO

PDS Manufacturing Limited

Glover Collections FZCO

2. There are nil subsidiaries which have been liquidated or sold during the year.
3. Details of reporting currency and the rate used in the preparation of consolidated financial statements

Currency	For Conversion	
	Closing rate (in ₹)	Average rate (in ₹)
HKD	9.40	9.58
USD	73.11	74.23
GBP	100.72	97.06
RMB	11.16	10.96
AED	19.91	20.21
BDT	0.87	0.88
EUR	85.75	86.61
INR	1.00	1.00
CAD	58.20	56.17
CLP	0.10	0.10

4. Winding up process has been initiated for Norlanka Progress (Private) Limited.

JV & Associates

Sl. No.	Name of Associates or Joint Ventures (1)	Latest audited Balance Sheet Date (2)	Date on which the Associate or JV was associated or acquired (3)	Shares of Associate or Joint Ventures held by the Company on the year end (4)	No.	Amount of Investment in Associates or Joint Venture	Description of how there is significant Influence (5)	Reason why the associate/ Joint venture is not consolidated (6)	Networth attributable to shareholding as per latest audited Balance Sheet (7)	Profit or (Loss) for the year (8)
Joint ventures										
1	Redwood Internet Ventures Limited	31-Mar-21	09.12.2015	5,000	USD 5000	50.00	50% joint venture	NA	-	-
2	Digital Internet Technologies Limited	31-Mar-21	25.02.2016	10,000	USD 10,000	100.00	50% joint venture	NA	-	(0.67)
3	Digital Ecom Techno Private Limited	31-Mar-21	17.06.2016	63,17,990	₹6,31,79,900	100.00	50% joint venture	NA	-	48.48
4	Sourcing Solutions Limited**	31-Mar-21	12.03.2015	38,900	HKD 38,900	50.00	50% joint venture	NA	913.53	(55.16)
Associates										
1	Atterley.com Holdings Limited^						Group holds investment which by share ownership is deemed to be an associate company	NA	-	(299.48)
2	GWD Enterprises Limited	31-Mar-21	21-Oct-10	100 A shares and 25 B shares	USD 4,48,151	25.00		NA	-	(84.79)

** includes Sourcing Solutions Europe BV

^ Due to the allotments of new ordinary shares to new investors by Atterley.com Holdings Limited ("Atterley") during the year, the Group's shareholding has diluted from 27.23% to 14.40% as a result of which the Group has ceased to have significant influence on Atterley.

* Extent of shareholding is the shareholding at PDS Group level. For further details, refer Note No. 2 of Consolidated Financial Statements

ANNEXURE-3

FORM NO-MR 3 SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2021

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

To

The Members,

PDS Multinational Fashions Limited

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PDS Multinational Fashions Limited** (hereinafter called the "Company") **for the Financial Year ended 31st March, 2021**. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and 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 31st March, 2021** complied with 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 the Company for the financial year ended on 31st March, 2021, 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 2015;
- (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. **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review);**
- (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, 2018; **(Not Applicable to the Company During the Audit Period);**
- (g) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (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, 2018 **(Not Applicable to the Company During the Audit Period)**

No specific law applicable specifically to the Company except those laws generally applicable to the size and nature of business of the Company.

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

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

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

We further report that

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including a Woman Independent Director. Changes in the composition of Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- (ii) 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.

- (iii) 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.

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.

Place: Bengaluru
Date: May 27, 2021

For PDS Multinational Fashions Limited

R. Hariprasad Reddy
Practicing Company Secretary
FCS NO: 8477
CP NO: 15936
UDIN: F008477C000380244

ANNEXURE-3(A)

“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 are 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 PDS Multinational Fashions Limited

R. Hariprasad Reddy

Practicing Company Secretary

FCS NO: 8477

CP NO: 15936

UDIN: F008477C000380244

Place: Bengaluru

Date: May 27, 2021

ANNEXURE-4

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for Financial Year 2020-21 along with percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the Financial Year 2020-21

The median remuneration of employees of the Company during 2020-21 was ₹4,75,145 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the table below:

Sr. No.	Name of Directors/ Key Managerial Personnel (KMPs)	Designation	Remuneration of Director/ KMPs for 2020-21 (in ₹)	Ratio of Directors Remuneration to Median Remuneration	% increase in Remuneration in the FY 2020-21 [#]
1	Mr. Deepak Seth	Non-Executive Director	Nil	NA	NA
2	Mrs. Payel Seth	Non-Executive Director	Nil	NA	NA
3	Mr. Pallak Seth	Non-Executive Director	Nil	NA	NA
4	Mr. Ashok Kumar Chhabra	Independent Director	4,00,000	NA	NA
5	Mr. Ashok Kumar Sanghi	Independent Director	4,00,000	NA	NA
6	Ms. Saraswathy Venkatesh	Independent Director	4,00,000	NA	NA
7	Dr. Ashutosh Bhupatkar	Independent Director	4,00,000	NA	NA
8	Mr. Omprakash Makam Suryanarayana* (Upto January 14, 2021)	Chief Executive Officer	50,82,747	-	-
9	Mr. Sanjay Jain [^] (w.e.f. January 15, 2021)	Chief Executive Officer	63,65,573	-	-
10	Mr. Ajai Singh	Chief Financial Officer	1,62,77,543	-	(8.75%)
11	Mr. B. Chandra Sekhara Reddy ^{\$} (Upto January 10, 2021)	Head of Legal & Company Secretary	31,19,176	-	-
12	Mr. Abhishekh Kanoi [@] (w.e.f. January 11, 2021)	Head of Legal & Company Secretary	9,38,890	-	-

* Mr. Omprakash Makam Suryanarayana has resigned as Chief Executive Officer and Key Managerial Personnel (KMP) of the Company at the close of business hours on January 14, 2021 and continues his association as Group Chief Operating Officer with effect from January 15, 2021.

[^] Mr. Sanjay Jain was appointed as Chief Executive Officer and KMP of the Company w.e.f. January 15, 2021.

^{\$} Mr. B. Chandra Sekhara Reddy resigned as Head Legal & Company Secretary & KMP at the close of business hours on January 10, 2021.

[@] Mr. Abhishekh Kanoi was appointed as Head of Legal & Company Secretary & KMP of the Company w.e.f. January 11, 2021.

[#] The % increase of remuneration is provided for only those Directors and KMPs who have drawn remuneration from the Company for full financial years 2019-20 & 2020-21.

Note:

- The aforesaid details are calculated on the basis of remuneration for the Financial Year 2020-21 and include sitting fees paid to Directors during the Financial Year.
- The remuneration to Directors is within the overall limits approved by the shareholders of the Company.
- There has been no change in the payment criteria for remuneration to Non-Executive / Independent Director.

2) The percentage increase in the median remuneration of employees in the financial year:

The percentage change in the Median Remuneration of Employees in the FY 2020-21 was -19% as compared to FY 2019-20. in the median remuneration of employees.

3) The number of permanent employees on the rolls of the Company:

There were 177 permanent employees on the rolls of the Company as on March 31, 2021.

4) 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 percentage increase in the salaries of employees other than the managerial personnel was NIL.

The comparison of the percentile increase made in the salaries of employees with the percentile increase in the managerial remuneration is not comparable owing to change in role/designation during the part of the financial year. The remuneration of Independent Directors consists of sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees etc., were taken into consideration.

5) Affirmation that the remuneration is as per the remuneration policy of the company:

It is affirmed that the remuneration paid is as per the Remuneration Policy applicable for Directors, Key Managerial Personnel and other employees, adopted by the Company.

By & On Behalf of the Board of Directors
For PDS Multinational Fashions Limited

Place: Bengaluru, India
Date: May 27, 2021

Deepak Seth
Chairman & Non-Executive Director
DIN: 00003021

Ashutosh Bhupatkar
Independent Director
DIN: 00479727

REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance of PDS Multinational Fashions Limited (hereinafter referred as **"the Company"**) as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (**"the SEBI Listing Regulations"**) is given below:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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.

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 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.

BOARD OF DIRECTORS

Composition, meetings and attendance during the year:

- a. The Company has an optimum combination of Executive, Non-Executive and Independent Directors. The composition of your Company's Board which comprises of

7 (Seven) Directors and is in conformity with the Companies Act, 2013 (**"the Act"**) and also Regulation 17 of the SEBI Listing Regulations.

- b. None of the Directors on the Board holds directorship in more than ten public companies. None of the Independent Directors serves as an Independent Director on more than seven listed companies. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors.
- c. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.
- d. During the year under review, 5 (Five) Board Meetings were held on July 10, 2020, September 14, 2020, November 13, 2020, January 11, 2021 and February 12, 2021 respectively. The gap between two meetings exceeded one hundred and twenty days because the Company availed exemption given by MCA vide its Circular No. 11/2020 dated March 24, 2020 and SEBI Circular No. dated SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020.
- e. The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2021 are given herein below -

Name and Designation of Director	DIN	Category	No. of Board Meetings Attended	No. of Directorship held in other Public entities [#]	No. of Board Committees of other Public Companies in which Director is Chairman(C)/ Member (M)		Attendance at last AGM	Name of the Other Listed entity & Category of Directorship in that entity
					C	M [@]		
Mr. Deepak Seth Chairman & Non-Executive & Non-Independent Director	00003021	Promoter & NED	4	3	-	-	Yes	Pearl Global Industries Limited – NED(NID)
Mrs. Payel Seth Non-Executive & Non-Independent Director	00003035	Promoter & NED	1	1	-	-	Yes	-

Name and Designation of Director	DIN	Category	No. of Board Meetings Attended	No. of Directorship held in other Public entities [#]	No. of Board Committees of other Public Companies in which Director is Chairman(C)/ Member (M)		Attendance at last AGM	Name of the Other Listed entity & Category of Directorship in that entity
					C	M [@]		
Mr. Pallak Seth Non-Executive & Non-Independent Director	00003040	Promoter & NED	3	-	-	-	Yes	-
Dr. Ashutosh Bhupatkar Independent Director	00479727	NED (I)	5	-	-	-	Yes	-
Mr. Ashok Kumar Sanghi Independent Director	00011207	NED (I)	5	-	-	-	Yes	-
Mr. Ashok Kumar Chhabra Independent Director	06869497	NED (I)	5	-	-	-	Yes	-
Ms. Saraswathy Venkateswaran Independent Director	01778608	NED (I)	5	-	-	-	Yes	-

Note:

- (i) ED - Executive Director/ NED(I) - Non-Executive Director (Independent)/ NED- Non-Executive Director/ / NED(NID) - Non-Executive Non-Independent Director.
- (ii) [#] Foreign Companies, Bodies Corporate, Private Companies and Companies under Section 8 of the Act are excluded for the above purpose.
- (iii) Chairmanship/Membership of Committee only includes Audit Committee and Stakeholders' Relationship Committee in Listed Companies other than PDS Multinational Fashions Limited.
- (iv) [@] Member includes Chairman.
- (v) As on March 31, 2021, Mr. Deepak Seth, Mrs Payel Seth and Mr. Pallak Seth are related to each other. No other Directors are related inter se.
- (vi) No Independent Director resigned during the F.Y. 2020-21.

Shareholding of Non-Executive Directors

Name of Director	No. of Shares held	% of total share capital
Mr. Deepak Seth	31,55,734	12.12
Mrs Payel Seth	1,38,75,242	53.27
Mr. Pallak Seth	2,78,838	1.07

Further, on an on-going basis, as a part of agenda of Board/Committee Meetings, presentations are regularly made to the Board including the Independent Directors on various matters inter-alia covering the Company's and its Subsidiaries/ Associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of Independent Directors under various statutes and other relevant matters. In the opinion of the Board, the Independent Directors on the Board of the Company fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management. The details of the familiarization programme for Directors are available on the Company's website viz. www.pdsmultinational.com.

- f. During the Financial Year 2020-21, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations has been placed before the Board for its consideration.
- g. During the Financial Year 2020-21, an Independent Directors meeting was held on February 12, 2021. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

Core Skills/ Expertise/ Competencies of Board of Directors

The Board of Directors of the Company comprises of qualified members who possess relevant skills, expertise and competence for the effective functioning of the Company. The Board of Directors have identified the following skills / expertise / competencies fundamental for the effective functioning of the Company:

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

Board diversity

The Company has over the years been fortunate to have eminent persons from diverse fields to serve as Directors on its Board. Pursuant to the SEBI Listing Regulations, the Nomination & Remuneration Committee of the Board has formalized a policy on Board Diversity to ensure diversity of the Board in terms of experience, knowledge, perspective, background, gender, age and culture. The Policy on diversity is available on the Company's website and can be accessed on web link at www.pdsmultinational.com.

Compliance with the Code of Conduct

The Company has adopted the Code of Conduct for Directors & Senior Managerial Personnel ("**Code**"). This Code will be adhered to by the Senior Management of the Company and its Subsidiaries including Directors, Members of Management one level below the Directors and all functional heads. The Code is available on the website of the Company. (web link: <https://www.pdsmultinational.com/>).

A declaration signed by the Chairman & Managing Director, that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code during the year 2020-21 is placed at the end of this report.

BOARD COMMITTEES

The Board Committees are set up by the Board and are governed by their respective terms of reference which exhibit their scope and responsibilities. Presently, the Board has 4 (four) committees, namely, Audit Committee, Nomination & Remuneration and Stakeholders Relationship Committee. The committees operate under the direct supervision of the Board. Generally, Committee meetings are held prior to the Board meeting and the chairperson of the respective committees report to the Board about the deliberations and decisions taken by the Committees.

AUDIT COMMITTEE

Composition, meetings and attendance during the year:

During the year under review, 5 (Five) Meetings of the Audit Committee were held on July 10, 2020, September 14, 2020, November 13, 2020, January 11, 2021 and February 12,

2021. The details of composition of the Committee and their attendance at the meetings are given below:

Name of Director	Position	No. of Meetings Held	No. of meetings attended
Dr. Ashutosh Bhupatkar	Chairman	5	5
Mr. Ashok Kumar Sanghi	Member	5	5
Mr. Ashok Kumar Chhabra	Member	5	5
Mr. Deepak Seth	Member	5	4

The meetings of the Audit Committee were also attended by the Chief Financial Officer, Statutory and Internal Auditors as special invitees. The Company Secretary acts as a Secretary to the Audit Committee. Minutes of the Audit Committee are placed and discussed in the next meeting of the Board. Members of the Audit Committee have requisite expertise in the field of Finance and Management.

Terms of reference:

- 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 ₹100 crores 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, if any
- Reviewing, with the management, the 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.

Internal control system and their adequacy

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has appointed Internal Auditor who audits the adequacy and effectiveness of the internal controls as laid down by the management and suggest improvements.

The Audit Committee of the Board of Directors periodically review the audit plans, internal audit reports and adequacy of internal controls and risk management. 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.

NOMINATION AND REMUNERATION COMMITTEE

Composition, meetings and attendance during the year:

During the year under review, 2 (Two) Meetings of the Nomination and Remuneration Committee were held on July 10, 2020 and January 11, 2021.

The details of composition of the Committee and their attendance at the meetings are given below:

Name of Director	Position	No. of Meetings Held	No. of meetings attended
Mr. Ashok Kumar Sanghi	Chairman	2	2
Dr. Ashutosh Bhupatkar	Member	2	2
Mr. Ashok Kumar Chhabra	Member	2	2
Ms. Saraswathy Venkateswaran	Member	2	2*

* Ms. Saraswathy Venkateswaran has attended Nomination and Remuneration Committee on July 10, 2020 as an Invitee.

REPORT ON CORPORATE GOVERNANCE

During the year under review, the Nomination and Remuneration Committee was re-constituted at the Board Meeting held on July 10, 2020.

The Company Secretary acts as a Secretary to the Nomination and Remuneration Committee. Minutes of the Nomination and Remuneration Committee are placed and discussed in the next meeting of the Board.

Terms of reference:

The terms of reference of this Committee, inter alia covers all the matters specified under the scope and function of the Nomination and Remuneration Committee and is in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II to the SEBI Listing Regulations and which is as follows:

- 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.
 - To act as the Compensation Committee under SEBI (Share Based Employee Benefits) Regulations, 2014 (including amendment thereof).
 - Review the Company's Employee Stock Options Plan (ESOP) and recommend changes as necessary.

- Oversee administration of the ESOP Schemes.
- Grant Options to eligible employees, in consultation with management and issue and allot shares when Options are exercised.

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.

The Non-Executive Independent Directors fulfill the conditions of Independence specified in Section 149 of the Act. A format letter of appointment to Independent Director as provided in the Act has been issued and disclosed on website of the Company viz. www.pdsmultinational.com.

Nomination and Remuneration Policy

The Board of Directors of the Company has adopted Nomination and Remuneration Policy ('Policy') for the Company, inter-alia, to deal with the manner of selection of Board of Directors and KMP and their remuneration. The Policy is annexed as Annexure to this Report.

DIRECTOR REMUNERATION

Sl. No.	Name of the Director	Sitting Fees in ₹ for attending Board & Committee Meetings	Salary and Perquisites	Incentive/ Bonus	Total in ₹
1.	Mr. Deepak Seth	Nil	Nil	Nil	Nil
2.	Mrs. Payel Seth	Nil	Nil	Nil	Nil
3.	Mr. Pallak Seth	Nil	Nil	Nil	Nil
4.	Dr. Ashutosh Bhupatkar	4,00,000	N.A	N.A	4,00,000
5.	Mr. Ashok Kumar Sanghi	4,00,000	N.A	N.A	4,00,000
6.	Mr. Ashok Kumar Chhabra	4,00,000	N.A	N.A	4,00,000
7.	Ms. Saraswathy Venkateswaran	4,00,000	N.A	N.A	4,00,000

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. No sitting fees is payable to Non-Executive Non-Independent Directors as they have waived their entitlement for the same.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company. None of Directors have been granted any stock options under the scheme.

Performance Evaluation of the Board including CEO, Directors and Committees of the Board

The Company has devised Board Evaluation Policy as to carry out annual performance evaluation of the Independent Directors, Board, Chief Executive Officer, Committees and other individual Directors.

A structured questionnaire was prepared for capturing various facets of the functioning of Board, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were assessed to find out knowledge/skills, contribution to the Board and their communication/relationship with the Board and senior management of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-independent Directors were carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Composition, meetings and attendance during the year:

During the year under review, 2 (two) Meetings of the Stakeholders' Relationship Committee were held June 8, 2020 and September 1, 2020 respectively.

GENERAL BODY MEETINGS

Details of the Annual General Meetings held during the preceding 3 (Three) years and Special Resolutions passed thereat are given below:

Financial Year	Venue	Date and Time	Mode	Details of Special Resolution Passed
2019-20	No. 758 & 759, 2 nd Floor, 19 th Main, HSR Layout, Sector-II, Bengaluru-560102, Karnataka (India).	28/10/2020 at 11:00 A.M.	Video Conferencing ("VC") / Other Audio Visual Mean ("OAVM")	None
2018-19	Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru, Karnataka (India).	13/11/2019 at 12:30 P.M.	Physical	None

The details of composition of the Committee and their attendance at the meetings are given below:

Name of Director	Position	No. of meetings held	No. of meetings attended
Mr. Ashok Kumar Chhabra	Chairman	2	2
Mr. Ashok Kumar Sanghi	Member	2	2
Mr. Deepak Seth	Member	2	0

Mr. Abhishekh Kanoi, Head of Legal & Company Secretary of the Company is the Compliance Officer. The number of shareholders' complaints received and resolved during the year 2020-21 is Nil [Previous Year: Nil].

Terms of reference:

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II to the SEBI Listing Regulations. This Committee is responsible for the redressal of shareholder grievances. The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

REPORT ON CORPORATE GOVERNANCE

Financial Year	Venue	Date and Time	Mode	Details of Special Resolution Passed
2017-18	Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram, Rajajinagar, Bengaluru - 560055, Karnataka (India).	21/09/2018 at 11:30 A.M.	Physical	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.

Details of the Extra-Ordinary General Meetings held during the Financial Year 2020-21:

Financial Year	Venue	Date and Time	Mode	Details of Special Resolution Passed
2020-21	No. 758 & 759, 2 nd Floor, at 11:00 A.M. 19 th Main, HSR Layout, Sector-II, Bengaluru-560102, Karnataka (India).	25/02/2021 at 11:00 A.M.	Video Conferencing ("VC") / Other Audio Visual Mean ("OAVM")	Special Resolutions- 1. Approval of the Employees Stock Option Plan 2021 for the Employees of the Company. 2. Approval of the Employees Stock Option Plan 2021 for the Eligible Employees of the Company's subsidiaries. 3. Resolution approving the options to be granted and shares to be issued to the employees of the Company and its subsidiaries under the PDS ESOP 2021 equal to or in excess of 1% of the issued capital at the time of grant of options or shares (as the case may be) but in any case not exceeding 2% of the issued capital of the Company at the time of grant of options or shares (as the case may be) Ordinary Resolutions- 4. Approving the PDS Value Creation Incentive Plan 2021. 5. Approving the payment of Fund Raise Incentive to the Chief Executive Officer of the Company.

Details of resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern: NIL

MEANS OF COMMUNICATION

The Company recognizes the importance of two way communication with shareholders and of giving a proper reporting of results and progress and responds to questions/issues raised in a timely and consistent manner. Shareholders seeking information may contact the Company directly throughout the year.

- Website:** Comprehensive information about the Company, and its business operations and investors information can be viewed at the Company website viz. www.pdsmultinational.com.
- Financial result:** The quarterly, half-yearly and annual results are regularly posted by the Company on its website. These are also submitted to the Stock Exchanges in accordance with the SEBI Listing Regulations and is generally published in one English daily newspaper viz. Business Standard-all India Edition and in one Kannada (Regional Language) newspaper viz. Hosadigantha, within 48 hours of approval thereof.
- Annual Report:** Annual Report containing inter alia Audited Financial Statements, Auditors' Report, Directors' Report and other important information is circulated to members and others entitled thereof.
- Corporate Filing:** Announcements, Quarterly Results, Shareholding Pattern, Analyst/ Investors Presentations, Annual Reports, etc. of the Company is regularly filed by the Company with National Stock Exchange of India Limited and BSE Limited and is also available on the website of the Company.

GENERAL SHAREHOLDER INFORMATION

Financial Year	Venue
Annual General Meeting	
- Day	Friday
- Date	July 30, 2021
- Time	11:00 A.M.
- Mode	Video Conferencing ("VC") / Other Audio Visual Mean ("OAVM")
- Venue	No. 758 & 759, 2 nd Floor, 19 th Main, HSR Layout, Sector-II, Bengaluru-560102, Karnataka (India).
Financial Year	April 1, 2020 to March 31, 2021
Date of Book Closure	July 24, 2021 to July 30, 2021 (both days inclusive)
Dividend Payment Date (subject to approval of shareholders)	on or before August 28, 2021
Financial Results Calendar:	(Tentative Schedule, subject to change)
- First Quarter Results by	August 14, 2021
- Second Quarter Results by	November 14, 2021
- Third Quarter Results by	February 14, 2022
- Fourth Quarter Results by	May 30, 2022
Listing on Stock Exchanges	National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai-400 051. BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
Stock Code	NSE – PDSMFL BSE – 538730
Corporate Identification Number (CIN)	L18101KA2011PLC094125
ISIN for Equity Shares	INE111Q01013

Note: Annual Listing Fees for the year 2021-22 has been paid to NSE and BSE.

Stock Market Price Data:

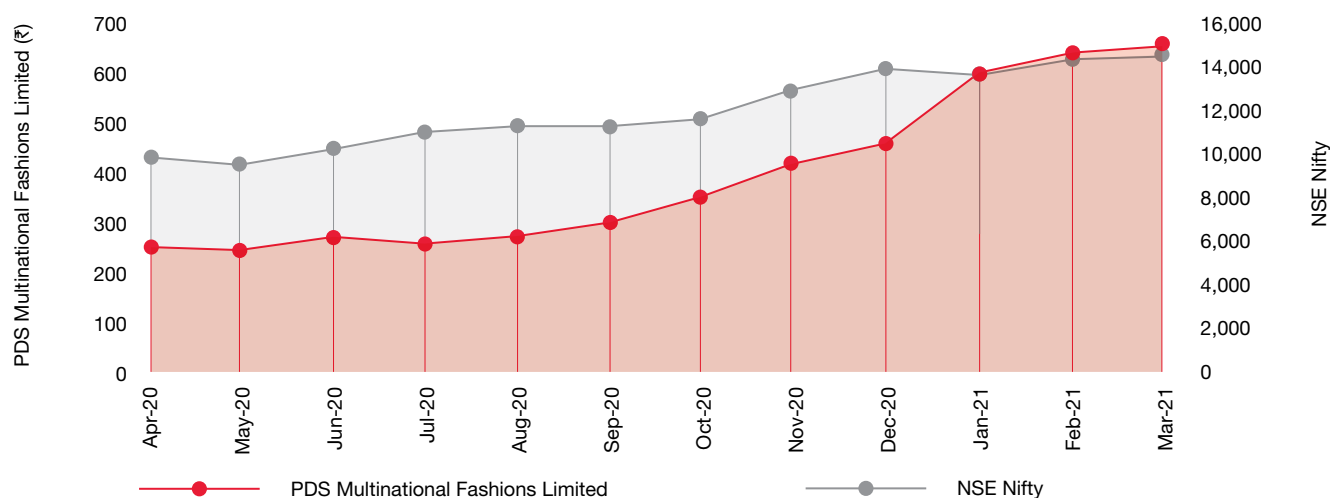
The details of monthly high and low price of the Equity Shares of the Company and its comparison to broad based indices BSE Sensex and NSE Nifty for the year 2020-21 are as follows:

Month	BSE				NSE			
	PDSMFL		SENSEX		PDSMFL		NIFTY	
	High Price	Low Price	High	Low	High Price	Low Price	High	Low
Apr-20	298.00	254.00	33,887.25	27,500.79	331.20	243.95	9,889.05	8,083.80
May-20	309.00	240.10	32,845.48	29,968.45	274.20	227.95	9,598.85	8,806.75
Jun-20	290.00	245.75	35,706.55	32,348.10	300.00	247.00	10,553.15	9,544.35
Jul-20	318.50	254.85	38,617.03	34,927.20	320.00	252.25	11,341.40	10,299.60
Aug-20	297.05	258.25	40,010.17	36,911.23	312.00	257.00	11,794.25	10,882.25
Sep-20	317.00	264.00	39,359.51	36,495.98	325.00	262.60	11,618.10	10,790.20
Oct-20	368.65	300.00	41,048.05	38,410.20	365.00	299.80	12,025.45	11,347.05
Nov-20	435.00	357.00	44,825.37	39,334.92	469.95	356.00	13,145.85	11,557.40
Dec-20	464.85	392.65	47,896.97	44,118.10	463.00	390.70	14,024.85	12,962.80
Jan-21	625.00	461.00	50,184.01	46,160.46	639.40	460.00	14,753.55	13,596.75
Feb-21	660.00	590.00	52,516.76	46,433.65	675.00	603.00	15,431.75	13,661.75
Mar-21	765.00	632.00	51,821.84	48,236.35	774.35	603.95	15,336.30	14,264.40

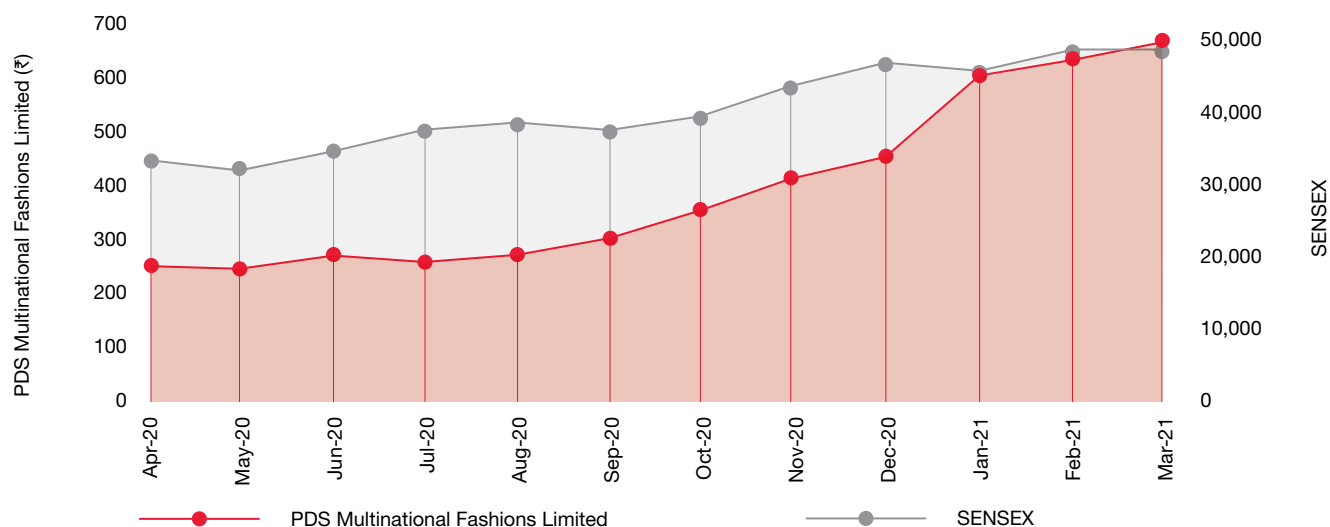
Source: This information is compiled from the data available from the website of BSE and NSE.

Share Price Performance in comparison to NSE Nifty for FY 2020-21

The performance of your Company's shares relative to the NSE Nifty 500 Index is given in the chart below:

**Share Price Performance in comparison to BSE SENSEX for FY 2020-21**

The performance of your Company's shares relative to the S&P BSE 500 index is given in the chart below:

**Registrars and Share Transfer Agent (RTA)**

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

Shareholders are advised to send all correspondence related to equity shares of the Company to the RTA. However, for the convenience of the shareholders documents relating to shares received by the Company are forwarded to the RTA for necessary action thereon.

Investor Services

All share related services to the Company's investors are being provided by Link Intime India Pvt Ltd. Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, email ids, nomination and power of attorney should be given to Link Intime India Private Limited. Address for correspondence with the Company Link Intime India Private Limited is mentioned above. Members who hold shares in dematerialised form should correspond with the Depository Participant with whom they maintain their Demat Account/s for queries relating to shareholding, updation of change of address, updation of bank details for electronic credit of dividend, non-receipt of annual reports or on matters relating to the working of the Company should be

addressed to the Company's RTA viz. Link Intime India Private Limited. Members who hold shares in physical form should also address their requests to the Company's RTA viz. Link Intime India Private Limited, for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewal/ split/ consolidation of share certificates, issue of duplicate share certificates and such requests should be signed by the first named member, as per the specimen signature registered with the Company. The RTA/Company may also, with a view to safeguard the interest of its members and that of the Company, request for additional supporting documents such as proof of identity and/or address as considered appropriate in addition to the requirement of certified copies of PAN cards. Members are requested to state their DPID & Client ID/ Ledger Folio number in their correspondence with the Company and provide their email address and telephone number to facilitate prompt response from the RTA/ Company. Members may please note that with effect from April 1, 2019, shares held in physical form cannot be transferred. Members in their own interest are requested to have their physical holdings dematerialised through a Depository Participant by opening a demat account.

Share Transfer System

Securities lodged for transfers are processed and security certificates are returned within a period of fifteen days from the date of receipt, subject to all documents being valid and complete in all respects. The Board of Directors has delegated the authority for approving transfer, transmission, etc. of the Company's securities to Company Secretary of the Company. The Company obtains from a Company Secretary in Practice

half-yearly certificate of compliance with the share transfer formalities, as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the certificate with Stock Exchanges.

Nomination facility for Shareholding

As per the provisions of Section 72 of the Act, facility for making nomination is available for the members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company's RTA or download the same from the Company's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

Permanent Account Number

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN Card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

Reconciliation of Share Capital Audit

A Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and held in physical mode with the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

Shareholding as on March 31, 2021

i. Distribution of shareholding as on March 31, 2021

Shares Range			No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Shares
From	-	To				
1	-	500	12,046	96.34	8,47,794	3.25
501	-	1000	180	1.44	1,31,519	0.50
1001	-	2000	112	0.90	1,59,234	0.61
2001	-	3000	33	0.26	80,927	0.31
3001	-	4000	14	0.11	47,427	0.18
4001	-	5000	16	0.13	72,988	0.28
5001	-	10000	25	0.20	1,73,008	0.66
10001	&	above	77	0.62	2,45,33,827	94.19
Total			12,503	100.00	2,60,46,724	100.00

ii. Category of Shareholding as on March 31, 2021

Category	No. of Shareholders	No. of Shares Held of face Value ₹10/- each	%age of Shareholding
PROMOTERS & PROMOTER GROUP			
Indian	3	1,38,75,279	53.27
Body Corporate	2	50,035	0.19
Foreign	2	34,34,572	13.19
TOTAL (A)	7	1,73,59,886	66.65

Category	No. of Shareholders	No. of Shares Held of face Value ₹10/- each	%age of Shareholding
PUBLIC			
Alternate Investment Funds	1	1,45,000	0.56
Foreign Portfolio Investors	10	9,32,914	3.58
Financial Institutions/Banks	2	158	0.00
Individuals	11,428	52,87,750	20.30
NRI's	149	2,73,538	1.05
Bodies Corporate	88	15,36,335	5.90
Hindu Undivided Family	434	4,97,393	1.91
Trust	1	192	0.00
Unclaimed Shares	1	504	0.00
Clearing Members	30	13,054	0.05
TOTAL (B)	12,144	86,86,838	33.35
TOTAL (A)+(B)	12,151	2,60,46,724	100.00

Dematerialization of Shares

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 March 31, 2021, 99.36% of our shares were held in dematerialized form and the rest in physical form.

Shares held in demat and physical modes as on March 31, 2021 are as follows:

Category	Shareholders	Shares	% of total equity
Demat Mode			
NSDL	7,106	2,30,09,037	88.34
CDSL	3,781	28,70,284	11.02
Total	10,887	2,58,79,321	99.36
Physical Mode	1,616	1,67,403	0.64
Grand total	12,503	2,60,46,724	100.00

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.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on Equity:

Not Applicable. Since, the Company has not issued any GDRs/ADRs/Warrants etc. during FY 2020-21.

Plant Locations:

Not Applicable. Since the Company doesn't have plant at any location as on March 31, 2021.

Subsidiary Company / Associate / Consortium

During the financial year under review, your Company has 5 (Five) material unlisted subsidiaries, namely, Multinational Textile Group Limited, Norwest Industries Limited, Simple Approach Limited Nor Lanka Manufacturing Limited and Poeticgem Limited. Accordingly, the requirement of appointing an Independent Director of the Company on the Board of Directors of the material unlisted subsidiary company calculated as per Regulation 24 of the SEBI Listing Regulations has been complied with during the year.

The Audit Committee and Board reviews the financial statements, significant transactions and working of the unlisted subsidiary companies and the minutes are placed before the Board.

The Policy for Determining Material Subsidiaries is available on your Company's website viz. www.pdsmultinational.com.

Address for Correspondence

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

E-mail: investors@psdmultinational.com

Credit Ratings Obtained by the Entity

List of all credit ratings obtained by the Company along with any revisions thereto during the financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad - Not Applicable.

DISCLOSURES

Related Party Transactions

The Company did not enter into any material significant related party transactions, which had potential conflict with the interest of the Company at large. The register of contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with the related parties are disclosed under Note No. 33 to the standalone financial

statements in the Annual Report. Further, the details of the policy are also posted on the website of the Company viz. www.pdsmultinational.com.

Disclosure of Commodity Price Risk and Commodity Hedging Activities

The Company does not deal with any commodity and hence not exposed to any commodity price risk. The Company has no foreign exchange receivable and payable as on March 31, 2021.

Penalties or Strictures

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authorities on any matter related to capital markets during the last three years.

Code of Conduct for Prevention of Insider Trading

In terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has adopted a 'Code of Conduct to regulate, monitor and report trading by designated persons in listed or proposed to be listed securities' of your Company ("the Code"). The Code aims at preserving and preventing misuse of unpublished price sensitive information. All Designated Persons (including Directors, Key Managerial Personnel and employees) of your Company are covered under the Code, which provides inter alia for periodical disclosures and obtaining pre-clearances for trading in securities of your Company. The Code is also available at the website of the Company at www.pdsmultinational.com.

Vigil Mechanism/Whistle Blower Policy

The Whistle Blower Mechanism (Vigil Mechanism) in the Company enables all the Directors, employees and its stakeholders, to report concerns about unethical behaviour, report for leakage of Unpublished Price Sensitive Information (UPSI), actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company also has hosted on its website at www.pdsmultinational.com, Navex Hotline for its stakeholders for online reporting of any unethical behavior, leakage of UPSI etc. This mechanism has provided adequate safeguards against victimization of Directors/ employees of the Company who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee. No personnel have been denied access to this mechanism and to the Audit Committee.

The Vigil Mechanism and Whistle Blower Policy has been posted on the website of the Company at www.pdsmultinational.com.

Certificate on Corporate Governance

The Company has complied with all mandatory requirements of corporate governance norms as required under the Listing Regulations. The Company is also in compliance with the requirements stipulated under Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations and amendments thereto, as applicable, with regard to Corporate Governance.

A Compliance Certificate from M/s MAKS & Co., Practicing Company Secretary, pursuant to the requirement of Schedule V to the SEBI Listing Regulations regarding compliance of the conditions of Corporate Governance is enclosed.

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. MAKS & Co., Practicing Company Secretary, has submitted a certificate to this effect and is attached herewith this Report.

Total Fees Paid to Statutory Auditors

For the financial year under review, the Company has paid a consolidated sum of ₹55.37 Lakhs to M/s Walker Chandio & Co LLP, the Statutory Auditor.

₹ in Lakhs			
	By Company	By Subsidiaries	Total
Statutory Audit Fees	47.00	5.02	52.02
Tax Audit Fees	1.00	0.25	1.25
Out of pocket Expenses	2.10	-	-
Total	50.10	5.27	55.37

Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Schedule V(c) of the SEBI Listing Regulations - NIL

Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account

In terms of the schedule V of the SEBI Listing Regulation, 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 April 1, 2020.	20	504
Number of shareholders who approached to the Issuer / Registrar for transfer of shares from suspense account during the FY 2020-21.	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the FY 2020-21.	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 March 31, 2021.	20	504

The voting rights on the shares in the suspense account as on 31st March, 2021 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.

Unclaimed sale proceeds of fractional shares

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

It has been also noticed by the Company that few shareholders have approached to the Company/RTA for revalidation of their stale demand draft and the fresh demand draft were issued by the Bank in their favour. A list of shareholders who have not encashed their demand draft is available at the Company's website www.pdsmultinational.com. It is further informed to the shareholder pursuant to 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.

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 SEBI Listing Regulations.

Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace:

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity. During the year under review, the Company has not received any complaint in this regard.

Internal control system and their adequacy

The Company has adequate internal control procedures commensurate with its size and nature of business. The Company has appointed Internal Auditor who audits the adequacy and effectiveness of the internal controls as laid down by the management and suggest improvements.

The Audit Committee of the Board of Directors periodically review the audit plans, internal audit reports and adequacy of internal controls and risk management.

Disclosure of Accounting Treatment

The Company has prepared its Standalone & Consolidated Financial Statements in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act, as applicable.

Details of Compliance with Mandatory requirements and adoption of Non-mandatory/ discretion requirements

The Company has complied with all the mandatory requirement of the SEBI Listing Regulations, which is being reviewed by the Board from time to time.

The status of adoption of the non-mandatory requirements pursuant to Regulation 27(1) read with Part E of Schedule II to the SEBI Listing Regulations is as under:

a. Separate post of Chairman of the Board and Chief Executive Officer (CEO)

The position of the Chairman of the Board of Directors and that of the Managing Director and the Chief Executive Officer are separate.

b. Shareholders Rights

Your Company follows a robust process of communicating with the shareholders which have been elaborated in the Report under the heading 'Means of Communication'.

c. Audit Qualifications

During the year under review, there is no audit qualification in your Company's Financial Statements nor has there been a matter of emphasis made during the year.

d. Reporting of Internal Auditor

The Internal Auditor of the Company reports to the Chairman of the Audit Committee and has direct access to the Audit Committee.

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Chief Executive Officer and Chief Financial Officer of the Company give annual certificate on financial reports and internal controls to the Board in terms of Regulation 17(8) of the SEBI Listing Regulations, and the said certificate is contained in this Annual report. The Chief Executive Officer and Chief Financial Officer also jointly issue a quarterly compliance certificate on financial results and place the same before the Board in terms of Regulation 33(2) of the SEBI Listing Regulations.

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2021.

Date: May 27, 2021

Sanjay Jain

Chief Executive Officer

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE

**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

PDS Multinational Fashions Limited

We, Sanjay Jain, Chief Executive Officer and Ajai Singh, Chief Financial Officer of PDS Multinational Fashions Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2021 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 company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:
- (1) there has not been any significant change in internal control over financial reporting during the year under reference;
 - (2) there has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - (3) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in company's internal control system over financial reporting.

Sanjay Jain
Chief Executive Officer

Ajai Singh
Chief Financial Officer

Date: May 27, 2021

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE

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,

PDS Multinational Fashions Limited

No. 758 & 759, 2nd Floor, 19th Main,

Sector -2, HSR Layout,

Bengaluru – 560 102, Karnataka

We 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, Sector -2, HSR Layout, Bengaluru – 560 102, Karnataka, India, (hereinafter referred to as '**the Company**'), produced before us 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 our opinion and to the best of our information and according to the verifications including Directors Identification Number (DIN) status at the portal of Ministry of Corporate Affairs (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 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 as applicable.

S. No.	Name of Director	DIN	Date of Appointment
1	Mr. Deepak Seth	00003021	06/04/2011
2	Mrs. Payel Seth	00003035	06/04/2011
3	Mr. Pallak Seth	00003040	06/04/2011
4	Mr. Ashok Kumar Sanghi	00011207	26/05/2014
5	Dr. Ashutosh Prabhudas Bhupatkar	00479727	26/05/2014
6	Mr. Ashok Kumar Chhabra	06869497	26/05/2014
7	Ms. Saraswathy Venkateswaran	01778608	14/02/2020

Ensuring the eligibility for the appointment and 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 MAKS & Co.,

Company Secretaries

[FRN P2018UP067700]

Mohit Maheshwari

Partner

Membership No.: F9565

COP No.: 19946

UDIN: F009565C000378142

Date: May 27, 2021

Place: Noida

CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
PDS Multinational Fashions Limited

We have examined the compliance of conditions of Corporate Governance by **PDS Multinational Fashions Limited** ("the Company"), for the financial year ended March 31, 2021 as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance as stipulated under the Listing Regulations is the responsibility of the management of the Company including the preparation and maintenance of all the relevant records and documents. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MAKS & Co.,
Company Secretaries
[FRN P2018UP067700]

Mohit Maheshwari
Partner
Membership No.: F9565
COP No.: 19946
UDIN: F009565C000377746

Date: May 27, 2021
Place: Noida

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE

PDS MULTINATIONAL FASHIONS LIMITED NOMINATION AND REMUNERATION POLICY

1. OBJECTIVE

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

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

2. DEFINITIONS

- a. Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. Board means Board of Directors of the Company.
- c. Directors mean Directors of the Company.
- d. Key Managerial Personnel means
 - Chief Executive Officer or the Managing Director or the Manager;
 - Chief Financial Officer;
 - Company Secretary; and
 - such other officer as may be prescribed
- e. Senior Management means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors.

3. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

a. Appointment criteria and qualifications:

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

b. Term / Tenure

- Managing Director/Whole-time Director:
 - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- Independent Director:
 - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
 - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he / she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

c. Evaluation

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

d. Removal

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

e. Retirement

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

4. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

a. General:

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee or as per policies framed by the committee. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against

any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

• Fixed pay:

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

• Minimum Remuneration:

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

• Provisions for excess remuneration:

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

c. Remuneration to Non- Executive / Independent Director:

• Sitting Fees:

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

• Stock Options:

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

5. MEMBERSHIP

- The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

6. CHAIRPERSON

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

7. FREQUENCY OF MEETINGS

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

8. COMMITTEE MEMBERS' INTERESTS

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

9. SECRETARY

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

10. VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

11. NOMINATION DUTIES

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

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee; and
- Considering any other matters, as may be requested by the Board.

12. REMUNERATION DUTIES

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

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company.
- to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- to consider any other matters as may be requested by the Board.

ANNEXURE-6

BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2)(f) of SEBI Listing Obligation and Disclosure Requirements) Regulations, 2015]

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	Registered Office Address: No. 758 & 759, 2 nd Floor, 19 th Main, Sector-2, HSR Layout, Bengaluru - 560102, Karnataka, India. Corporate Office Address: Unit No. 971, Solitaire Corporate Park Andheri Ghatkopar Link Road, Andheri East, Mumbai – 400093, Maharashtra, India.										
4. Website	www.pdsmultinational.com										
5. E-mail id	investors@psdmultinational.com										
6. Financial Year Reported	April 1, 2020 to March 31, 2021										
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	<table><thead><tr><th>Industrial Activity Code</th><th>Description</th></tr></thead><tbody><tr><td>NIC Code: 692</td><td>Accounting, book keeping and auditing activities; tax consultancy</td></tr><tr><td>NIC Code: 829</td><td>Business Support Service Activities</td></tr><tr><td>NIC Code: 46</td><td>Wholesale trade, except of motor vehicles and motorcycles</td></tr><tr><td>NIC Code: 77</td><td>Rental and Leasing Activities</td></tr></tbody></table>	Industrial Activity Code	Description	NIC Code: 692	Accounting, book keeping and auditing activities; tax consultancy	NIC Code: 829	Business Support Service Activities	NIC Code: 46	Wholesale trade, except of motor vehicles and motorcycles	NIC Code: 77	Rental and Leasing Activities
Industrial Activity Code	Description										
NIC Code: 692	Accounting, book keeping and auditing activities; tax consultancy										
NIC Code: 829	Business Support Service Activities										
NIC Code: 46	Wholesale trade, except of motor vehicles and motorcycles										
NIC Code: 77	Rental and Leasing Activities										
8. List three key products/services that the Company manufactures/provides (as in balance sheet):	• Business Support Service Activities. • Rental and Leasing Activities. • Wholesale trade, except of motor vehicles and motorcycles.										
9. Total number of locations where business activity is undertaken by the Company											
a. Number of International Locations (Provide details of major 5)	The Company has presence in Hongkong, United Kingdom, UAE and Bangladesh through its Subsidiary Companies.										
b. Number of National Locations	4(Four)										
10. Markets served by the Company – Local/State/National/International	The Company serves Markets in India and through its subsidiaries in Europe, UK, Americas, Asia and Middle East.										

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid-up Capital	₹26,04,67,240
2. Total Turnover	₹8,820.87 Lakhs(Standalone) ₹6,25,026.38 Lakhs (Consolidated)
3. Total Profit After Taxes	₹4,471.59 Lakhs (Standalone) ₹14,842.42 Lakhs (Consolidated)
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

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	Name	Designation
00003021	Mr. Deepak Seth	Chairman & Non-Executive Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	Not Applicable
2	Name	Mr. Sanjay Jain
3	Designation	Chief Executive Officer
4	Telephone number	+91-80-67653000
5	E-mail id	investors@pdsmultinational.com

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

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are briefly as under:

Principle 1: Business should conduct and govern themselves with ethics, transparency and Accountability.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability through their life cycle.

Principle 3: Business should promote the wellbeing of all employees.

Principle 4: Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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)	Refer Note (a)								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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.pdsmultinational.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Refer note (b)								

Notes:

- The policies have been formulated based in accordance with the applicable laws and regulations and through appropriate consultation with relevant stakeholders and after considering the best practices adopted by the industry.
- The policies are internally evaluated by various department heads, business heads and the management.
- If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles					N.A.				
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

(a) 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 is assessed Annually.

(b) 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 (BRR) forms part of the Annual Report for the Financial Year 2020-21 and is available on the Company's website at www.pdsmultinational.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.

Yes, it covers Subsidiary Companies/ Joint Ventures/ Associate Companies also.

2. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

Yes. The Code of Conduct for Business Ethics policy of the company encapsulates our core values and beliefs that we expect all our employees to function ethically. Fair and just business dealings free from any extraneous consideration ought to be followed by all employees in their day to day work life. The policy applies to all employees.

Company also has a Whistle Blower Policy which seeks to empower employees and Directors to raise any genuine concerns within the group.

The Company has always maintained open door policies and encouraged employees, even at the lowest level of the organization to have their concerns conveyed to the concerned business heads.

3. 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 concerns were received during Financial Year 2020-21.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

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

The Company believes that Sustainable Development is integral to its success, and it is committed to behaving in an ethical, transparent, and responsible way. The Company understands its obligations relating to social and environmental concerns and risks and opportunities. Accordingly, the company has devised the following processes and systems factoring social and environmental concerns:

- **Norlanka Renewable Clean Energy Generation Project:** The Company has started a solar panel installation project at one of the manufacturing facilities in Sri Lanka. The project is designed to generate an average annual output of 9,12,000 kWh which is more than the electricity consumption of the factory. This project will produce a net positive renewable clean energy reducing our overall carbon footprint by 1050 Tons annually.

- **3D Sampling Design Services:** Sampling is one of the crucial processes in the fashion supply chain. Every year, millions of samples are created, and physical samples are transported across the globe. By introducing the 3D design in the sampling process, the company is pioneering change in the industry by digitizing the sampling process. Virtual sampling reduces the carbon footprint through lesser transportation and reduction in water as well as material consumption.

- The Company is actively making investments in early-stage startups which offer sustainability solutions across the fashion supply chain. Some of the investments include a tech-driven approach to grow premium sustainable cotton with 80% less water and fertilizers; a brand rating platform that makes it easier for consumers to shop ethical & sustainable fashion and an intelligent business network that drives more sustainable business practices.

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

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? Not Applicable.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? Not Applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The company has started making concentrated efforts in sustainable sourcing. By the end of 2021, the company plans to implement the following initiatives:

- All factories to be registered on Higg Facility Environmental Module (Higg FEM).
- Zero Discharge of Hazardous Chemicals (ZDHC) followed by all fabric mills.
- Sustainable regenerated cellulose (fibers/ filaments) to be supplied with Forest Management certification.
- 20% of Cotton product supplied to be from Organic Cotton.

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

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Currently, about 10-20% of the Companies inputs are sourced sustainably from our partner factories.

5. 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 - Businesses should promote the wellbeing of all employees.

- Please indicate the Total number of employees – 177 Employees
- Please indicate the Total number of employees hired on temporary/contractual/casual basis – 2 Employees
- Please indicate the Number of permanent women employees – 33 Women Employees
- Please indicate the Number of permanent employees with disabilities –NIL
- 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? N.A.
- 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.

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	N.A.
2	Sexual harassment	NIL	N.A.
3	Discriminatory employment	NIL	N.A.

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

The Company has always believed that its employees are its most valued resource and hence, has always ensured their all-round development through regular training & leadership programs. There is Culture Management Department that ensures that employees are sufficiently trained in functional and behavioural skills to ensure high standards of service to internal and external stakeholders. These training programs are based on the needs identified, competency or job specific knowledge, skills and attitude gaps identified during the performance appraisal process and through discussions.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. 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

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

No

3. 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.

Not Applicable

Principle 5 - Businesses should respect and promote human rights.

1. 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 the Company and its subsidiaries, Associates and other Joint Ventures

Respecting and understanding the Human Rights and addressing the potential human rights violation is important responsibility of any organization. The Company has adopted several policies viz., Code of Conduct, Policy against Sexual Harassment, Whistle Blower Policy, etc., which ensures that there are no violation of human rights in its conduct of business.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, the Company did not receive any complaint in the nature of human rights violation from any stakeholder.

Principle 6 - Businesses should respect, protect, and make efforts to restore the environment.

1. 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 subsidiaries, Associates and other Joint Ventures

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

No, the Company at present does not address global environmental issues.

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, however the Company does not generate any hazardous waste.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company promotes ecological sustainability and green initiatives by use of energy efficient resources. The Company also encourages use of electronic means of communication which serves towards environmental protection and sustainable growth. The aforesaid actions of the Company will contribute towards saving environment by reduction in usage of resources.

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

Yes. The Company complies with requisite environmental regulations in respect of its premises and operations.

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.

NIL. There were no show cause/ legal notices received from CPCB/ SPCB during the Financial Year 2020-21.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

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 - Businesses should support inclusive growth and equitable development.

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?

N.A.

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

N.A.

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 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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)

N.A.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour 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.

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 2021, 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 2021, 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 do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information 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.

Report on Other Legal and Regulatory Requirements

14. 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.
15. 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.
16. 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - 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 2021 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 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 27 May 2021 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 litigations on its financial position as at 31 March 2021;
 - 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 2021;
 - 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 2021; 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: 21210122AAAACI8705

Bengaluru
27 May 2021

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 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the 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) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and 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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, 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 services 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 or financial institution during the year. The Company has no loans or borrowings payable to the 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: 21210122AAAACI8705

Bengaluru

27 May 2021

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 2021

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 2021, 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 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 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 2021, 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 issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh

Partner
Membership No.: 210122
UDIN: 21210122AAAACI8705

Bengaluru
27 May 2021

STANDALONE BALANCE SHEET

as at March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
Assets			
I. Non-current assets			
(a) Property, plant and equipment	4	1,269.88	1,030.31
(b) Investment property	5	2,359.74	2,401.02
(c) Other intangible assets	6	12.10	127.33
(d) Intangible assets under development	7	9.08	12.83
(e) Financial assets			
(i) Investments	8	10,114.28	10,110.00
(ii) Other financial assets	9	46.08	-
(f) Non-current tax assets (net)	10	36.62	36.40
(g) Other non-current assets	11	-	2.12
Total non-current assets		13,847.78	13,720.01
Current assets			
(a) Financial assets			
(i) Trade receivables	12	479.79	79.92
(ii) Cash and cash equivalents	13	4,516.67	230.82
(iii) Bank balances other than (ii) above	14	1.15	1.15
(iv) Other financial assets	9	253.11	301.10
(b) Current tax assets (net)	10	-	22.07
(c) Other current assets	11	216.79	293.41
Total current assets		5,467.51	928.47
Total assets		19,315.29	14,648.48
II. Equity and liabilities			
Equity			
(a) Equity share capital	15	2,604.67	2,604.67
(b) Other equity	16	12,991.45	8,502.26
Total equity		15,596.12	11,106.93
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	169.83	432.18
(ii) Other financial liabilities	18	313.63	80.30
(b) Provisions	19	131.87	143.52
(c) Deferred tax liabilities (net)	22	140.79	78.79
(d) Other non-current liabilities	21	12.19	12.19
Total non-current liabilities		768.31	746.98
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	300.00	734.00
(ii) Trade payables	20		
- Total outstanding dues to micro enterprises and small enterprises		1.72	3.34
- Total outstanding dues to parties other than micro enterprises and small enterprises		501.98	259.08
(iii) Other financial liabilities	18	668.16	556.75
(b) Other current liabilities	21	1,381.51	1,106.49
(c) Provisions	19	97.49	134.91
Total current liabilities		2,950.86	2,794.57
Total equity and liabilities		19,315.29	14,648.48
Summary of significant accounting policies and explanatory information thereon	3		

The accompanying notes are an integral part of these standalone 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**

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Ashutosh Bhupatkar
Independent Director
DIN 00479727

Sanjay Jain
Chief Executive Officer

Ajai Singh
Chief Financial Officer

Abhishekh Kanoi
Head of Legal &
Company Secretary
M. No. FCS 9530

Place: Bengaluru, India
Dated: May 27, 2021

Place: Bengaluru, India
Dated: May 27, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	23	4,611.89	4,112.43
II Other income	24	4,208.98	75.14
III Total income (I+II)		8,820.87	4,187.57
IV Expenses			
(a) Purchases of stock-in-trade	25	1,543.12	-
(b) Employee benefits expense	26	1,531.70	2,255.68
(c) Finance costs	27	155.27	174.44
(d) Depreciation and amortization expense	28	270.95	253.98
(e) Other expenses	29	700.00	1,086.12
Total expenses		4,201.04	3,770.22
V Profit before tax (III-IV)		4,619.83	417.35
VI Tax expense:	31		
(a) Current tax		92.15	-
(b) Deferred tax charge		56.09	149.85
Total tax expense		148.24	149.85
VII Profit for the year (V-VI)		4,471.59	267.50
VIII Other comprehensive income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement (losses) on defined benefit plans		23.52	(7.28)
(ii) Income tax on items that will not be reclassified to profit or loss		(5.92)	1.83
(B) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax on items that will be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the year, net of tax		17.60	(5.45)
IX Total comprehensive income for the year (VII + VIII)		4,489.19	262.05
X Earnings per share: (face value of ₹10 per share)	30		
1) Basic (amount in ₹)		17.17	1.03
2) Diluted (amount in ₹)		17.17	1.03
Summary of significant accounting policies and explanatory information thereon	3		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

For **Walker Chandiok & 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**

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Ashutosh Bhupatkar
Independent Director
DIN 00479727

Sanjay Jain
Chief Executive Officer

Ajai Singh
Chief Financial Officer

Abhishekh Kanoi
Head of Legal &
Company Secretary
M. No. FCS 9530

Place: Bengaluru, India
Dated: May 27, 2021

Place: Bengaluru, India
Dated: May 27, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

A. Equity share capital

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Amount
Balance as at April 1, 2019	2,604.67
Changes during the year	-
Balance as at March 31, 2020	2,604.67
Changes during the year	-
Balance as at March 31, 2021	2,604.67

B. Other equity

Particulars	Reserve and surplus		Total Equity
	Capital Reserve	Retained earnings	
Balance as at April 1, 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
Profit for the year	-	4,471.59	4,471.59
Other comprehensive, net of income tax	-	17.60	17.60
Balance as at March 31, 2021	8,078.07	4,913.38	12,991.45
Summary of significant accounting policies and explanatory information thereon	Note 3		

The accompanying notes are an integral part of these standalone 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

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Ashutosh Bhupatkar
Independent Director
DIN 00479727

Sanjay Jain
Chief Executive Officer

Ajai Singh
Chief Financial Officer

Abhishekh Kanoi
Head of Legal &
Company Secretary
M. No. FCS 9530

Place: Bengaluru, India
Dated: May 27, 2021

Place: Bengaluru, India
Dated: May 27, 2021

STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities		
Profit before tax	4,619.83	417.35
Adjustments for:		
Depreciation and amortization expense	270.95	253.98
Finance costs	155.27	174.44
Loss on sale of property, plant and equipment	-	4.95
Unrealised foreign exchange fluctuation	(6.13)	-
Dividend income	(4,054.05)	-
Interest income	(0.05)	(24.67)
Bad debts written off	-	0.29
Sundry balances written back	-	(0.55)
Operating profit before change in working capital	985.82	825.79
Movement in working capital:		
Change in trade payables and other current liabilities	522.44	(460.62)
Change in other current financial liabilities	52.13	192.54
Change in other non-current financial liabilities	(17.06)	25.17
Change in provisions	(25.55)	26.30
Change in trade receivables	(399.87)	20.85
Change in non-current financial assets	(58.93)	43.68
Change in other current assets	87.74	(188.35)
Change in other current financial assets	(181.88)	(30.89)
Change in other non-current assets	2.12	2.67
Cash generated from operations	966.96	457.14
Direct tax paid, net of refund received	(73.15)	(7.24)
Net cash inflow from operating activities	893.81	449.90
Cash flows from investing activities		
Purchase of property, plant and equipment, investment property and other intangible assets	(118.43)	(126.60)
Proceeds from sale of property, plant and equipment	151.60	7.78
Investment in subsidiaries	(4.28)	(2.75)
Loan repayments received	213.50	-
Proceeds from sale of investment in subsidiary	-	96.00
Dividend received from subsidiaries	4,054.05	-
Interest received	16.42	24.58
Net cash inflow/(outflow) in investing activities	4,312.86	(0.99)
Cash flows from financing activities		
Repayment of long term borrowings	(289.49)	(268.98)
Repayment of short term borrowings	(434.00)	-
Interest paid on lease liabilities	(9.85)	-
Payment of principal portion of lease liabilities	(28.06)	-
Interest paid on borrowings	(159.42)	(194.83)
Net cash outflow from financing activities	(920.82)	(463.81)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	4,285.85	(14.90)
Cash and cash equivalents at the beginning of the year (refer note 13)	230.82	245.72
Cash and cash equivalent at the end of the year (refer note 13)	4,516.67	230.82
Components of cash and cash equivalents		
Cash on hand	0.03	0.03
With banks - on current account and deposits with banks	4,516.64	230.79
Cash and cash equivalent at the end of the year (refer note 13)	4,516.67	230.82

STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2021

Non cash disclosure

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	Cash flow		Non-cash	As at March 31, 2020
		Interest expense	Repayment (net of proceeds)	Others	
Borrowings	1,779.96	-	268.98	-	1,510.98
Interest accrued and due on borrowings	37.55	174.44	194.83	-	17.16
	1,817.51	174.44	463.81	-	1,528.14

Particulars	As at March 31, 2020	Cash flow			Non-cash	As at March 31, 2021
		Lease liability	Interest expense	Repayment (net of proceeds)	Others	
Borrowings	1,510.98	-	-	723.49	-	787.49
Interest accrued and due on borrowings	17.16	-	142.59	159.42	-	0.33
Lease liability	-	383.95	9.85	37.91	-	355.89
	1,528.14	383.95	152.44	920.82	-	1,143.71

Summary of significant accounting policies and explanatory information thereon Note 3

The accompanying notes are an integral part of these standalone 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

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Ashutosh Bhupatkar
Independent Director
DIN 00479727

Sanjay Jain
Chief Executive Officer

Ajai Singh
Chief Financial Officer

Abhishekh Kanoi
Head of Legal &
Company Secretary
M. No. FCS 9530

Place: Bengaluru, India
Dated: May 27, 2021

Place: Bengaluru, India
Dated: May 27, 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 Limited and the National Stock Exchange of India Limited.

The standalone financial statements of the Company for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on May 27, 2021.

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, 2021 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

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

a) Balance Sheet:

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

b) Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Company will evaluate the same to give effect to them as required by law.

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.

Classification between investment properties and owner-occupied properties

The Company determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Company considers whether a property generates cash flows largely independently of the other assets held by the Company. Some properties comprise a

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Company accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the 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 judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii) Contingencies

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

iii) Recoverability of deferred taxes

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

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

iv) Defined benefit plans

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

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

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.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life
Furniture and fixtures	10 Years
Office equipments	5 Years
Vehicles	8 Years
Electrical installations and equipments	10 Years
Building	60 Years
Computers	3 Years

Freehold land is not depreciated.

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. (Refer table above)

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

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 Company 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 Company 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 Company 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.

Recognising revenue from major business activities

(i) Rendering of services

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 revenue' 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.

(ii) Sale of goods

Revenue from the sale of goods is recognised at point in time when controls of promised goods are transferred to the customer (i.e. upon satisfaction of performance obligation).

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

Export incentives are recognized as income when the Company is entitled to the incentive as per the terms of

the scheme in respect of the exports made and where it is probable that the Company will collect such incentive proceeds.

h) Leases

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 recognizes 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 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 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 or loss so as to provide a constant periodic rate of charge over the lease terms.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 event 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 (FVTOCI)
- 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 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 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 assets 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 associates/subsidiary are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

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 (FVTPL)

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

l) Impairment of financial assets

The Company applies the expected credit loss 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.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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.

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 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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4 : Property, plant and equipment

Particulars	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Electrical installations and equipments	Computers	Right to use assets	Total
Gross carrying value								
Balance as at April 1, 2019	428.11	59.22	63.36	27.79	800.49	160.55	-	1,539.52
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)
Balance as at March 31, 2020	425.95	59.22	55.36	40.15	797.24	177.37	-	1,555.29
Add: Additions during the year	-	-	70.51	1.51	-	14.64	396.81	483.47
Less: Disposals during the year	-	-	(24.54)	-	-	(115.24)	-	(139.78)
Balance as at March 31, 2021	425.95	59.22	101.33	41.66	797.24	76.77	396.81	1,898.98
Accumulated depreciation								
Balance as at April 01, 2019	80.45	28.92	16.28	11.34	155.71	65.72	-	358.42
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)	-	-	(6.11)
Balance as at March 31, 2020	120.14	33.08	22.10	16.13	230.54	103.01	-	525.00
Add: Depreciation charge for the year	40.94	4.15	8.95	7.88	75.06	26.22	42.59	205.79
Less: Disposals/adjustments during the year	-	-	(20.63)	-	-	(81.06)	-	(101.69)
Balance as at March 31, 2021	161.08	37.23	10.42	24.01	305.60	48.17	42.59	629.10
Net carrying amount								
As at March 31, 2021	264.87	21.99	90.91	17.65	491.64	28.60	354.22	1,269.88
As at March 31, 2020	305.81	26.16	33.26	24.02	566.70	74.36	-	1,030.31

Note 5 : Investment property

Particulars	Freehold land	Building	Total
A. Gross carrying amount			
Balance as at April 1, 2019	68.81	2,422.05	2,490.86
Add: Additions during the year	-	30.81	30.81
Balance as at March 31, 2020	68.81	2,452.86	2,521.67
Add: Additions during the year	-	-	-
Balance as at March 31, 2021	68.81	2,452.86	2,521.67
B. Accumulated depreciation			
Balance as at April 1, 2019	-	79.99	79.99
Add: Depreciation charge for the year	-	40.95	40.95
Less: Disposals/adjustments during the year	-	(0.29)	(0.29)
Balance as at March 31, 2020	-	120.65	120.65
Add: Depreciation charge for the year	-	41.29	41.29
Balance as at March 31, 2021	-	161.93	161.93
C. Net carrying amount			
As at March 31, 2021	68.81	2,290.93	2,359.74
As at March 31, 2020	68.81	2,332.21	2,401.02
a) Fair value			
As at March 31, 2021	3,140.00	2,130.00	5,270.00
As at March 31, 2020	3,140.00	2,130.00	5,270.00

(All amounts in ₹ lakhs, unless otherwise stated)

b) Information regarding income and expenditure of investment property

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income derived from investment property	326.16	228.25
Direct operating expenses	205.11	259.92
Profit/ (loss) arising from investment property before depreciation	121.05	(31.67)
Less: Depreciation charge	153.63	153.57
Loss arising from investment property	(32.58)	(185.24)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Not later than 1 year	245.75	310.72
Later than 1 year but not later than 5 years	83.70	329.45
Later than 5 years	-	-
Total	329.45	640.17

- 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 during the current year. 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
Gross carrying amount			
Balance as at April 1, 2019	0.90	196.92	197.82
Add: Additions during the year	-	63.63	63.63
Balance as at March 31, 2020	0.90	260.55	261.45
Add: Additions during the year	-	14.43	14.43
Less: Disposals / adjustments during the year	-	(197.24)	(197.24)
Balance as at March 31, 2021	0.90	77.74	78.64
Amortisation			
Balance as at April 1, 2019	0.44	93.34	93.78
Add: Amortisation charge for the year	0.18	40.16	40.34
Balance as at March 31, 2020	0.62	133.50	134.12
Add: Amortisation charge for the year	0.18	23.67	23.85
Less: Disposals / adjustments during the year	-	(91.43)	(91.43)
Balance as at March 31, 2021	0.80	65.74	66.54
Net carrying value			
Balance as at March 31, 2021	0.10	12.00	12.10
Balance as at March 31, 2020	0.28	127.05	127.33

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Note 7 : Intangible assets under development

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets under development	9.08	12.83
Total	9.08	12.83

Note 8 : Non-current investments

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in subsidiaries		
Unquoted (at cost)		
2,19,48,270 (March 31, 2020: 2,19,48,270) equity shares of Multinational Textiles Group Limited, Mauritius of USD 1 each fully paid up	10,050.25	10,050.25
27,500 (March 31, 2020: 27,500) equity shares of Technocian Fashions Private Limited of ₹10 each fully paid up (refer note 'a' below)	2.75	2.75
5,300 (March 31, 2020: Nil) equity shares of Dizbi Private Limited of ₹10 each fully paid up (refer note 'b' below)	0.53	-
37,500 (March 31, 2020: Nil) equity shares of Norlanka Brands Private Limited of ₹10 each fully paid up (refer note 'c' below)	3.75	-
Total (A)	10,057.28	10,053.00
Investments at fair value through profit or loss		
Unquoted		
5,70,000 (March 31, 2020: 5,70,000) equity shares of Parc Designs Private Limited of ₹10 each fully paid up (refer note 'd' below)	57.00	57.00
Total (B)	57.00	57.00
Total (A+B)	10,114.28	10,110.00
Aggregate book value of unquoted investments	10,114.28	10,110.00

Information about investments

	% of equity interest	
Name of the Company, country of incorporation, principal activities	As at March 31, 2021	As at March 31, 2020
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 'a' below)	55.00%	55.00%
DIZBI Private Limited, India, information technology support services (refer note 'b' below)	53.00%	-
Norlanka Brands Private Limited, India, manufacturing, trading, e-commerce business of readymade garments (refer note 'c' below)	75.00%	-
Parc Designs Private Limited, India, manufacturing of readymade garments(refer note 'd' below)	19.00%	19.00%

(a) Incorporated during the year ended March 31, 2020.

(b) Acquired during the year ended March 31, 2021.

(c) Acquired during the year ended March 31, 2021.

(d) The investment in Parc Designs Private Limited ("Parc Design") was sold during the year ended March 31, 2020 as a result of which the percentage holding had 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.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9 : Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits (unsecured, considered good) (refer note 'a' below)	46.08	-
Total (A)	46.08	-
Current		
Unbilled revenue (refer note 33)	41.04	34.05
Security deposits	1.37	35.72
Deposits with original maturity of more than 12 months (refer note 'b' below)	1.00	1.00
Interest accrued but not due on fixed deposits	0.46	0.41
Loans receivable from others (refer note 'c' below)	-	213.50
Interest due on loan to others	-	16.42
Dues from related party (refer note 33)	209.24	-
Total (B)	253.11	301.10
Total (A+B)	299.19	301.10

- a) The Company has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.
- b) Fixed deposits with a carrying amount of ₹1.00 (March 31, 2020: ₹1.00) are pledged with the Government authorities.
- c) Loan receivable from Parc Designs Private Limited as at March 31, 2020 carries interest rate of 10% p.a. The loan was repaid in full during the current year.

Note 10 : Tax assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Advance income tax, net of provision for income tax	36.62	36.40
Total (A)	36.62	36.40
Current		
Advance income tax	-	22.07
Total (B)	-	22.07
Total (A+B)	36.62	58.47

Note 11 : Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good, unless otherwise stated)		
Non-current		
Prepaid expenses	-	2.12
Total (A)	-	2.12
Current		
Balance with government authorities	159.30	195.14
Deferred payment asset	-	1.15
Prepaid expenses	30.59	91.01
Advances to employees	15.58	2.56
Advances to suppliers	11.13	3.55
Other advances	0.19	-
Total (B)	216.79	293.41
Total (A+B)	216.79	295.53

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Note 12 : Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Trade receivable considered good - secured	-	-
(b) Trade receivable considered good - unsecured	479.79	79.92
(c) Trade receivable which have significant increase in credit risk	-	-
(d) Trade receivable - credit impaired	-	-
	479.79	79.92
Less: Allowance for expected credit loss	-	-
Total	479.79	79.92

- 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, 2021 amounts to ₹56.71 (March 31, 2020: ₹51.41). (Refer note 33)
d) Trade receivables are generally on terms of not more than 90 days.

Note 13 : Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- Current account	4,516.64	230.79
- Cash on hand	0.03	0.03
Total	4,516.67	230.82

Note 14 : Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances with bank	1.15	1.15
Total	1.15	1.15

Note 15 : Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
2,70,00,000 (March 31, 2020: 2,70,00,000) equity shares of ₹10 each*	2,700.00	2,700.00
	2,700.00	2,700.00
Issued, subscribed and paid up		
2,60,46,724 (March 31, 2020: 2,60,46,724) equity shares of ₹10 each*	2,604.67	2,604.67
Total	2,604.67	2,604.67

a) Reconciliation of issued and subscribed share capital:

Particulars	No. of shares*	Amount
Balance as at April 1, 2019	2,60,46,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2020	2,60,46,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2021	2,60,46,724	2,604.67

(All amounts in ₹ lakhs, unless otherwise stated)

- b) The Company has not issued any bonus shares or any shares for consideration other than cash during five years immediately preceding March 31, 2021. Further, the Company has not bought back any shares during five years immediately preceding March 31, 2021.

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

1. The Company has only one class of equity share 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.
2. 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**

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares*	Holding %	No. of shares*	Holding %
Mrs. Payal Seth	1,38,75,242	53.27	1,38,75,242	53.27
Mr. Deepak Seth	31,55,734	12.12	31,55,734	12.12
Mr. Sanjiv Dhiresbhai Shah	16,18,366	6.21	14,01,814	5.38

* The number of shares are given in absolute numbers.

Note 16 : Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Surplus in the Statement of Profit and Loss	8,502.26	8,240.21
Add: Profit for the year	4,471.59	267.50
Other items of Comprehensive Income		
Remeasurement of defined benefit plan, net of income tax	17.60	(5.45)
Balance as at the end of the year	12,991.45	8,502.26

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

Details of dividend distributions proposed:

Particulars	As at March 31, 2021	As at March 31, 2020
Proposed dividend on equity shares:		
Proposed dividend: ₹15.75 per equity share of ₹10/- each (March 31, 2020: Nil)	4,102.36	-
Total proposed dividend on equity shares	4,102.36	-

Proposed dividend on equity shares is subject to approval by shareholders at the Annual General Meeting and had not been included as a liability in these standalone financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Note 17 : Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured loan		
- Vehicle loan from bank	71.16	21.27
- Term loan from banks	416.33	755.71
Less: Current maturities of long term borrowings (refer note 18)	(317.66)	(344.80)
Total (A)	169.83	432.18
Current		
Unsecured loans		
- From related parties (refer note 33)	300.00	300.00
- From others	-	434.00
Total (B)	300.00	734.00
Total (A+B)	469.83	1,166.18

- a) For interest rate and liquidity risk related disclosures, refer note 37.
- b) The nature of security for the loans are:
- Vehicle loan
 - Vehicle loan of ₹57.35 taken by the Company, from BMW Financial Services, during the year ended March 31, 2021 and was secured against hypothecation of the respective vehicle. The applicable rate of interest is 7.50% per annum (March 31, 2020: Nil). The loan is repayable in 60 monthly instalments.
 - 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 (March 31, 2020: 8.8% per annum). The loan is repayable in 60 monthly instalments.
- c) **In case of term loans from bank, the terms are as under: -**
- Term loan of ₹1,500 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.
 - 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.
 - Term Loan carries rate of interest ranging from 9.60% to 10.25% per annum (March 31, 2020: 9.60% to 10.25% per annum)
- d) Unsecured loan from related party are repayable on demand and carries interest rate of 10% per annum (March 31, 2020: 10% per annum)

(All amounts in ₹ lakhs, unless otherwise stated)

Note 18 : Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposit (refer to note 'a' below)	63.24	80.30
Lease liability	250.39	-
Total (A)	313.63	80.30
Current		
Current maturity of long term borrowings	317.66	344.80
Security deposit (refer to note 'a' below) (refer note 33)	25.30	-
Lease liability	105.50	-
Creditors for capital goods	-	2.25
Employee dues	219.37	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
- from others	-	9.71
- from bank	0.33	0.74
Total (B)	668.16	556.75
Total (A+B)	981.79	637.05

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.

Note 19 : Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
- Gratuity (refer note 32)	131.87	143.52
Total (A)	131.87	143.52
Current		
- Compensated absences	93.95	122.10
- Gratuity (refer note 32)	3.54	12.81
Total (B)	97.49	134.91
Total (A+B)	229.36	278.43

Note 20 : Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
- Outstanding dues to Micro Enterprises and Small Enterprises (refer note 'b' & 'd' below)	1.72	3.34
- Others	501.98	259.08
	503.70	262.42

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

- 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:

Particulars	As at March 31, 2021	As at March 31, 2020
- the principal amount (March 31, 2021: ₹1.72, March 31, 2020: ₹3.34) and the interest (March 31, 2021: Nil, March 31, 2020: ₹ Nil) due thereon remaining unpaid to any supplier at the end of each accounting year;	1.72	3.34
- 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.

Note 21 : Other liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Deferred income on security deposit received	11.04	11.04
Others	1.15	1.15
Total (A)	12.19	12.19
Current		
Deferred income on security deposit received	60.87	71.91
Statutory dues	86.95	51.28
Advance from customers (refer note 33)	1,233.69	983.30
Total (B)	1,381.51	1,106.49
Total (A+B)	1,393.70	1,118.68

Note 22: Deferred tax

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	99.51	127.52
Deferred tax liabilities	240.30	206.31
Total deferred tax asset/(liabilities) (net)	(140.79)	(78.79)

(All amounts in ₹ lakhs, unless otherwise stated)

Movement in deferred tax liabilities (net)

	As at April 01, 2020	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive income	As at March 31, 2021
Deferred tax assets relates to the following:				
Provision for employee benefits	63.36	0.15	(5.92)	57.59
Deferred income on security deposit received	20.88	(2.78)	-	18.10
Bought forward losses and unabsorbed depreciation	42.64	(42.64)	-	-
Others	0.64	(0.64)	-	-
Lease liability	-	23.82		23.82
	127.52	(22.10)	(5.92)	99.51
Deferred tax liability relates to the following:				
Property, plant and equipment	157.15	40.58	-	197.73
Others	49.16	(6.59)	-	42.57
	206.31	33.99	-	240.30
Total deferred tax assets/(liabilities) (net)	(78.79)	(56.09)	(5.92)	(140.79)

	As at April 01, 2019	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive income	As at March 31, 2020
Deferred tax assets relates to the following:				
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
	141.89	(16.20)	1.83	127.52
Deferred tax liability relates to the following:				
Property, plant and equipment	125.56	31.59	-	157.15
Others	30.03	19.13	-	49.16
	155.59	50.72	-	206.31
Minimum alternate tax credit*	82.94	(82.94)	-	-
Total deferred tax assets/(liabilities) (net)	69.24	(149.86)	1.83	(78.79)

* The Company had decided to exercise the option permitted under Section 115BBA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 in the previous year. 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 in 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 years ended March 31, 2020 and March 31, 2021, on the basis of the rate prescribed in the said section.

Note 23 : Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services		
- Corporate and sourcing support services (refer note 33)	2,354.47	3,884.18
Sale of goods	1,931.26	-
Other operating income		
- Rental income (refer note 33)	326.16	228.25
Total	4,611.89	4,112.43

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Note 24 : Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest income		
- on fixed deposits	0.05	0.11
- on loan to related party (refer note 33)	-	24.57
Service tax credit	16.72	-
Unwinding of discount on deposits	3.54	2.55
Foreign exchange fluctuation (net)	28.24	2.22
Loss allowance for advances and receivables written back	-	0.55
Export incentives	89.22	31.39
Dividend from subsidiaries (refer note 33)	4,054.05	-
Miscellaneous income	17.16	13.75
Total	4,208.98	75.14

Note 25 : Purchase of stock in trade

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of stock-in-trade	1,543.12	-
Total	1,543.12	-

Note 26 : Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	1,440.32	2,072.74
Compensated absences	21.34	61.25
Contribution to provident and other fund (refer note 32)	27.25	48.08
Gratuity expense (refer note 32)	39.81	49.97
Staff welfare expenses	2.98	23.64
Total	1,531.70	2,255.68

Note 27 : Finance cost

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense		
- on term loans	57.46	91.61
- on unwinding of discount on security deposit received	8.53	7.34
- on loan from related party (refer note 33)	30.06	30.00
- on loan from others	43.98	43.42
- on vehicle loan	2.56	2.07
- on lease obligation	9.85	-
- on others	2.83	-
Total	155.27	174.44

(All amounts in ₹ lakhs, unless otherwise stated)

Note 28 : Depreciation and amortization expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property plant and equipment	163.21	172.69
Depreciation of investment property	41.29	40.95
Amortization of intangible assets	23.85	40.34
Depreciation on right to use of assets	42.59	-
Total	270.95	253.18

Note 29 : Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Electricity charges	33.54	39.16
Rent	3.28	73.16
Rates and taxes	17.56	15.09
Insurance	31.60	12.37
Repair and maintenance		
- Building	8.21	31.94
- Others	39.33	66.87
Recruitment expense	14.39	26.87
Security expenses	17.89	19.21
Sampling and designing	4.32	34.86
Advertisement and business promotion	5.89	4.62
SAP expenses	20.58	62.88
Legal and professional	210.46	179.35
Postage and courier	26.17	61.99
Commission and brokerage	-	17.96
Travelling and conveyance	29.65	261.17
Communication costs	15.70	32.11
Printing and stationery	8.38	22.45
Freight cost	46.67	-
Bank charges	55.69	-
License fees	18.22	-
Auditor's remuneration (refer note 'a' below)	50.10	58.32
Bad debts written off	-	0.29
Loss on sale of property, plant and equipment	-	4.95
Director sitting fees (refer note 33)	16.00	18.00
Miscellaneous expenses	26.37	42.50
Total	700.00	1,086.12

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As auditor:		
- Statutory audit fee	20.00	39.00
- Limited review fee	27.00	17.00
- Tax audit fee	1.00	1.00
- Reimbursement of expenses	2.10	1.32
Total	50.10	58.32

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to the equity holders	4,471.59	267.50
Weighted average number of equity shares for basic and diluted EPS	2,60,46,724	2,60,46,724
Basic and diluted earnings per share(in ₹) (face value ₹10 per share)	17.17	1.03

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, 2021 and March 31, 2020 are:

Statement of profit and loss:	Year ended March 31, 2021	Year ended March 31, 2020
Tax expense:		
a) Current tax	92.15	-
b) MAT credit reversal	-	82.94
c) Deferred tax charge	56.09	66.91
Income tax expense reported in the Statement of Profit and Loss	148.24	149.85

Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate for March 31, 2021 and March 31, 2020

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	4,619.83	417.35
At Company's statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	1,162.72	105.04
MAT credit reversed	-	82.94
Tax impact on permanent difference on dividend income	(1,008.83)	-
Tax impact on utilisation of bought forward business loss	-	(33.93)
Others	(5.65)	(4.20)
At the effective income tax rate	148.24	149.85

Income tax recognised in other comprehensive income

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net loss/(gain) on remeasurements of defined benefit plans	(5.92)	1.83
Net amount charged to OCI	(5.92)	1.83

(All amounts in ₹ lakhs, unless otherwise stated)

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	Year ended March 31, 2021	Year ended March 31, 2020
Employer's contribution to provident fund/ pension fund	27.16	47.75
Employer's contribution to employee state insurance	0.09	0.33
Total	27.25	48.08

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.

Particulars	As at March 31, 2021	As at March 31, 2020
Change in benefit obligation		
1) Opening defined benefit obligation	156.33	130.81
2) Acquisition/(transfer) adjustment*	-	(26.23)
3) Add: Interest cost	10.63	10.06
4) Add: Current service cost	29.18	39.91
5) Add: Past Service cost	-	-
6) Less: Benefits paid	(37.21)	(5.50)
7) Add: Actuarial (gain) / loss	(23.52)	7.28
Present value of obligation as at the end of the year	135.41	156.33

*During the year 2019-20, the Company has transferred 38 employees to its subsidiary, Technocian Fashions Private Limited('TFPL'). Consequently, there is a transfer of gratuity liability of the respective employees to TFPL which is shown as transfer adjustment in the year ended March 31, 2020.

d) The Company expects to contribute ₹60.98 during the financial year 2021-2022.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

e) The following tables summarise the net benefit expense recognised in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Service cost	29.18	39.91
Interest cost	10.63	10.06
Components of defined benefit costs recognised in statement of profit and loss	39.81	49.97
Actuarial losses on defined benefit plans	(23.52)	7.28
Components of defined benefit costs recognised in other comprehensive income	(23.52)	7.28
Total	16.29	57.25

f) Bifurcation of actuarial loss on gratuity:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Remeasurement due to:		
Effect of change in financial assumptions	-	12.20
Effect of change in demographic assumption	-	(0.08)
Effect of experience adjustment	23.52	(4.84)
Total amount recognised in other comprehensive income	23.52	7.28

g) Principal actuarial assumptions at the Balance Sheet date are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Economic assumptions		
1) Discount rate	6.80%	6.80%
2) Future salary growth rate	5.50%	5.50%
Demographic assumptions		
1) Retirement age	58 years	58 years
2) Mortality rate	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (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%

h) Net liabilities recognized in the Balance Sheet for benefit obligation

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligation	135.41	156.33
Less: Fair value of plan assets	-	-
Net liability	135.41	156.33

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A. Discount rate		
0.5% increase in discount rate	(6.71)	(7.45)
0.5% decrease in discount rate	7.02	8.09
B. Salary escalation rate		
0.5% increase in salary escalation rate	6.63	7.79
0.5% decrease in salary escalation rate	(6.31)	(7.22)

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, 2021 on an average is 15.74 years (March 31, 2020: 16.43 years)

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
1 year	3.54	12.81
2 to 6 years	36.37	37.90
More than 6 years	95.50	105.61

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Note 33 : Related party

a) List of related parties

i) Parties where control exists:

Name of related party	Nature of relationship
Technocian Fashions Private Limited^	Subsidiary company
DIZBI Private Limited##	
Norlanka Brands Private Limited##	
Multinational Textile Group Limited	Wholly owned subsidiary company
Design Arc FZCO	Step down subsidiaries
Spring Near East FZCO	
Kleider Sourcing FZCO	
Twins Asia FZCO	
Poeticgem International FZCO###	
PDS Multinational FZCO###	
Clover Collections FZCO	
Techno Design HK Limited (Formerly known as DPOD Manufacturing Limited)	
Techno Design USA LLC###	
Progress Manufacturing Group Limited	
Progress Apparels (Bangladesh) Limited	
Green Apparel Industries Limited	
Green Smart Shirts Limited	
PDS Asia Star Corporation Limited	
PDS Trading (Shanghai) Company Limited	
Simple Approach Limited	
Simple Approach (Canada) Ltd (Formerly known as Poeticgem Canada Limited)	
Poeticgem International Limited	
Kindred Fashions Limited	
Zamira Fashions Limited	
Zamira Fashions Limited Zhongshan	
6Degrees Manufacturing Limited (Formerly known as Zamira Denim Lab Limited)	
PG Group Limited	
PG Home Group Limited	
PG Shanghai Manufacturer Co. Ltd	
PG Home Group SPA	
Poetic Brands Limited	
Poeticgem Limited	
Techno Design GmBH	
Norwest Industries Limited	
PDS Smart Fabric Tech Limited (Formerly known as Funky Brands Company Limited and Full House Manufacturing Limited and Nor Delhi Manufacturing Limited)	
PDS Smart Fabric Tech (UK) Limited###	
Casa Forma Limited	
PDS Sourcing Limited (Formerly known as Global Textiles Group Limited)	
Multinational OSG Services Bangladesh Private Limited	
360 Notch Limited (Formerly known as PoeticGem Australia Limited; GEM Australia Manufacturing Company Ltd)	

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party	Nature of relationship
Razamtaaz Limited	Step down subsidiaries
Krayons Sourcing Limited (Formerly known as Sourcing Solutions HK Limited)	
Design Arc Asia Limited (Formerly known as Design Arc Limited / NOR France Manufacturing Co. Ltd.)	
Nor Lanka Manufacturing Limited	
Design Arc Europe Limited (Formerly known as Nor Europe Manufacturing Co. Limited)	
Kleider Sourcing Hong Kong Limited	
Kleider Sourcing Limited, Bangladesh	
Rising Asia Star Hong Kong Co., Limited (Formerly known as Techno Manufacturing Limited / Sino West Manufacturing Co Ltd)	
PDS Tailoring Limited (Formerly known as Nor India Manufacturing Company Limited)	
Spring Near East Manufacturing Company Limited	
Clover Collections Limited (Formerly known as PDS Manufacturing Limited / Designed and Sourced Limited)	
FX Import Company Limited	
Poetic Knitwear Limited	
Pacific Logistics Limited	
Nor Lanka Colombo Manufacturing Limited	
Nor Europe Manufacturing S.L	
Pro Trusted Med Tech Limited (Formerly known as FX Import Hong Kong Limited)	
PDS Ventures Limited (Formerly known as MultiTech Venture Limited) (Mauritius)	
Grupo Sourcing Limited	
JJ Star Industrial Limited	
Twins Asia Limited	
Nor Lanka Progress (Private) Limited	
Blueprint Design Limited	
Design Arc UK Limited	
Grupo Sourcing Limited, Bangladesh	
Fareast Vogue Limited	
PDS Far-east Limited	
Kindred Brands Limited (Formerly known as NW Far-east Limited)	
Styleberry Limited	
PDS Global Investments Limited	
PDS Far East USA, Inc.	
Smart Notch Industrial Limited	
Apex Black Limited (Formerly known as Fabric & Trims Limited)	
Casa Collective Limited (Formerly known as Sourcing East West Limited)	
Smart Notch (Shanghai) Limited	
Jcraft Array Limited	
Recovered Clothing Limited	
PDS Ventures Limited	
Techno Sourcing BD Limited (Formerly known as KIK Service Unit Limited)	
LillyandSid Limited	
PDS H2GO Glove Manufacturing Limited###	
PDS Manufacturing Limited###	

ii) Party under common control where transactions have taken place:

Name of related party	Nature of relationship
Pearl Global Industries Limited	Enterprise over which KMP exercise control and significant influence.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

iii) Other related party where transactions have taken place:

Name of related party	Nature of relationship
Digital Ecom Techno Private Limited	Joint venture

iv) Key managerial personnel

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. Omprakash Makam Suryanarayana Setty (Chief Operating Officer)**	
Mr. Sanjay Jain (Chief Executive Officer)**	
Mr. Ajai Singh (Chief Financial Officer)	
Mr. Chandra Shekhar Reddy (Head of Legal & Company Secretary)^^	
Mr. Abhishekh Kanoi (Head of Legal & Company Secretary)^^	

b) Transactions with related parties

Name of related party	Relationship	Nature of transaction	Year ended March 31, 2021	Year ended March 31, 2020
Multinational Textiles Group Limited	Wholly owned subsidiary company	Service income	1,558.95	1,990.28
		Dividend income	4,008.40	
Poeticgem International Limited	Step down subsidiary company	Service income	62.25	81.77
Techno Design GMBH	Step down subsidiary company	Service income	-	35.99
Blue Print Designs Limited	Step down subsidiary company	Service income	12.49	160.22
Design Arc Asia Limited	Step down subsidiary company	Service income	573.09	1,224.88
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Interest expense	30.06	30.00
Parc Designs Private Limited *	Subsidiary company	Disinvestment in shares	-	96.00
		Interest income	-	12.71
Technocian Fashions Private Limited	Subsidiary company	Rental income/ other charges	63.69	50.00
		Dividend income	45.65	-
DIZBI Private Limited	Subsidiary company	Sale of asset	164.60	-
		SAP expenses	27.30	-
		SAP expenses incurred on behalf of subsidiary	64.30	
		Investment in shares	0.53	-
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives	Rental income	0.03	0.47
Mr. Ashok Kumar Sanghi	Key managerial personnel	Director sitting fees	4.00	6.00
Mr. Ashutosh Prabhudas Bhupatkar	Key managerial personnel	Director sitting fees	4.00	6.00
Mr. Ashok Kumar Chhabra	Key managerial personnel	Director sitting fees	4.00	6.00
Ms. Saraswathy Venkateswaran#	Key managerial personnel	Director sitting fees	4.00	-
Mr. Omprakash Makam Suryanarayana Setty**	Key managerial personnel	Salary	64.52	104.43
Mr. Sanjay Jain**	Key managerial personnel	Salary	63.66	-
Mr. Chandra Shekar Reddy^^	Key managerial personnel	Salary	31.19	63.86
Mr. Abhishekh Kanoi^^	Key managerial personnel	Salary	9.39	-

(All amounts in ₹ lakhs, unless otherwise stated)

c) Year end payable balances of related parties

Name of related party	Relationship	Nature of transaction	Year ended March 31, 2021	Year ended March 31, 2020
Multinational Textile Group Limited	Wholly owned subsidiary company	Advance from customer	1,233.69	667.81
Design Arc Asia Limited	Step down subsidiary company	Advance from customer	-	315.50
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives.	Loan outstanding	300.00	300.00
		Interest accrued	-	6.71
Technocian Fashions Private Limited	Subsidiary company	Security deposit received	25.87	25.87
		Leave encashment and gratuity transfer	-	46.08
Mr. Abhishek Kanoi	Key managerial personnel	Salary payable	3.16	-
Mr. Sanjay Jain	Key managerial personnel	Salary payable	19.71	-

d) Year end receivable balances of related parties

Name of related party	Relationship	Nature of transaction	Year ended March 31, 2021	Year ended March 31, 2020
Techno Design GMBH	Step down subsidiary company	Accounts receivable	-	17.83
Blue Print Designs Limited	Step down subsidiary company	Accounts receivable	-	27.98
		Unbilled revenue	-	1.06
Technocian Fashions Private Limited	Subsidiary company	Accounts receivable	0.38	-
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives.	Accounts receivable	0.04	-
Poeticgem International Limited	Step down subsidiary company	Accounts receivable	8.18	5.60
		Unbilled revenue	-	0.17
DIZBI Private Limited ^{##}	Subsidiary company	Other receivable	209.24	-
Multinational Textile Group Limited	Wholly owned subsidiary company	Unbilled revenue	25.35	15.56
Design Arc Asia Limited	Step down subsidiary company	Accounts receivable	48.11	-
		Unbilled revenue	15.68	17.26

* The investment in Parc Designs Private Limited ("Parc Design") was sold during the year ended March 31, 2020 as a result of which the percentage of holding has been 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 of the Company. Consequently, the transactions with Parc Design from the period April 01, 2020 until September 30, 2020 has been disclosed as related party transactions.

^ Incorporated during the year ended March 31, 2020.

Acquired during the year ended March 31, 2021.

Incorporated during the year ended March 31, 2021.

^^ Mrs. Payal Seth is the controlling shareholder.

** The Board of Directors of the Company has appointed Mr. Sanjay Jain as Chief Executive Officer and Key Managerial Personnel (KMP) of the Company effective from January 15, 2021. Mr. Omprakash Makam Suryanarayana Setty has resigned as Chief Executive Officer and KMP of the Company at the close of business hours on January 14, 2021 and continues his association as Group Chief Operating Officer with effect from January 15, 2021.

^^ The Board of Directors of the Company has appointed Mr. Abhishek Kanoi as Head of Legal & Company Secretary and Key Managerial Personnel (KMP) of the Company effective from January 11, 2021. Mr. Chandra Sekhara Reddy has resigned as Head of Legal & Company Secretary and KMP of the Company at the close of business hours on January 10, 2021.

Ms. Saraswathy Venkateshwaran was appointed as an Additional Independent Director with effect from February 14, 2020 and confirmed as an Independent Director on October 28, 2020.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

g) In respect of figures disclosed above:

- (i) the amount of transactions/ balances are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.
 - (ii) Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Company.
- (h) There are no reportable transactions/balances as required under Regulation 34(3) of SEBI (Listing and Other Disclosure requirements) Regulations, 2015.

Note 34 : Capital management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company's capital and adjusted net debt position is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings (refer note 17 and 18)	787.49	1,510.98
Less: Cash and cash equivalents (refer note 13)	(4,516.67)	(230.82)
Less: Bank balances other than cash and cash equivalents (refer note 14)	(1.15)	(1.15)
Adjusted net debt (A)	(3,730.33)	1,279.01
Equity share capital (refer note 15)	2,604.67	2,604.67
Other equity (refer note 16)	12,991.45	8,502.26
Total capital (B)	15,596.12	11,106.93
Capital and net debt (A+B)	11,865.79	12,385.94

- a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.
- b) For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 35 : Fair value 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:

	Carrying values		Fair values	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets measured at amortised cost				
Investment in subsidiaries	10,057.28	10,053.00	10,057.28	10,053.00
Security deposits	47.45	35.72	47.45	35.72
Unbilled revenue	41.04	34.05	41.04	34.05
Loans receivable	-	213.50	-	213.50
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	0.46	0.41	0.46	0.41
Interest due on loans	-	16.42	-	16.42
Trade receivables	479.79	79.92	479.79	79.92
Cash and cash equivalents	4,516.67	230.82	4,516.67	230.82
Bank balance other than cash and cash equivalents	1.15	1.15	1.15	1.15
Dues from related party	209.24	-	209.24	-
Total (A)	15,354.08	10,665.99	15,354.08	10,665.99
Financial assets measured at FVTPL				
Investments	57.00	57.00	57.00	57.00
Total (B)	57.00	57.00	57.00	57.00
Total (A+B)	15,411.08	10,722.99	15,411.08	10,722.99

b) Fair value of financial liabilities:

	Carrying values		Fair values	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial liabilities measured at amortised cost				
Borrowings	469.83	1,166.18	469.83	1,166.18
Current maturity of long term borrowings	317.66	344.80	317.66	344.80
Trade payables	503.70	262.42	503.70	262.42
Security deposit received	88.54	80.30	88.54	80.30
Interest accrued and due on borrowings	-	16.42	-	16.42
Lease liability	355.89	-	355.89	-
Interest accrued but not due on borrowings from bank	0.33	0.74	0.33	0.74
Creditor for capital goods	-	2.25	-	2.25
Dues to related party	-	46.08	-	46.08
Employee payable	219.37	146.46	219.37	146.46
Total	1,955.32	2,065.65	1,955.32	2,065.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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, 2021 and March 31, 2020 are as follows

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial assets measured at FVTPL				
Investments	57.00	-	-	57.00
Total	57.00	-	-	57.00

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

i) Valuation technique used to determine fair value:

Investment in Parc Designs Private Limited ("Parc Design"): 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, 2021 and March 31, 2020.

Note 37 : Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables, borrowings, current maturity of borrowings, lease liability, 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, 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.

(All amounts in ₹ lakhs, unless otherwise stated)

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.

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	416.33	755.71
Fixed rate borrowings	371.16	755.27
	787.49	1,510.98

Particulars	Increase or decrease in basis points	Effect on profit before tax
March 31, 2021		
INR	+50	(2.93)
	-50	2.93
March 31, 2020		
INR	+50	(4.44)
	-50	4.44

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

ii) Foreign currency risk

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars		As at March 31, 2021	As at March 31, 2020
Trade receivable	USD	255.84	51.41
Unbilled revenue	USD	41.04	1.23
Trade payable	USD	(355.37)	-
Net Exposure	USD	(58.49)	52.64

Sensitivity

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, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Change in foreign currency exchange rate by	5%	(2.92)	2.63	2.92	(2.63)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

B. Credit risk

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

i) Trade receivables

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

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

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets 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, 2021	124.37	260.77	94.65	479.79
Trade receivables as of March 31, 2020	62.09	-	17.83	79.92

The total impairment loss amounting to Nil (March 31, 2020: Nil) 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.

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

As at March 31, 2021	Less than 12 months	1 to 5 years	> 5 years	Total
Borrowings	617.66	169.83	-	787.49
Trade payables	503.70	-	-	503.70
Lease liability	105.50	332.16	-	437.66
Other financial liabilities	260.81	125.73	-	386.54
Total	1,487.67	627.72	-	2,115.39

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	166.84	-	378.79
Total	1,553.17	599.02	-	2,152.19

(All amounts in ₹ lakhs, unless otherwise stated)

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.

Entity wide disclosures**a. Revenue by geography**

Particulars	As at March 31, 2021	As at March 31, 2020
India	2,057.86	228.25
Outside India	2,554.03	3,884.18
Total	4,611.89	4,112.43

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, 2021 (March 31, 2020: ₹10,050.25)

There are 3 customers during year ended March 31, 2021 and 2 customers during year ended March 31, 2020 who has contributed 10% or more to the Company's revenue.

b. Revenue by nature of products / services

Particulars	As at March 31, 2021	As at March 31, 2020
Sale of services		
- Corporate and sourcing services (refer note 33)	2,354.47	3,884.18
Sale of goods	1,931.26	-
Other operating income		
- Rental income (refer note 33)	326.16	228.25
Total	4,611.89	4,112.43

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, 2021	Year ended March 31, 2020
Sale of services	Over time	2,354.47	3,884.18
Sale of goods	At point in time	1,931.26	-
Total		4,285.73	3,884.18

(ii) Contract balances

Assets and liabilities related to contracts with customers:

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables (refer note 12)	479.79	79.92
Contract asset - unbilled revenue (refer note 9)	41.04	34.05
Contract liability - advance from customers (refer note 21)	1,233.69	983.30

Trade receivables are non-interest bearing and are generally on terms of not more than 90 days. The Company has recognised Nil provision for expected credit loss on trade receivables during the year ended March 31, 2021 (March 31, 2020: Nil).

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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, 2021	As at March 31, 2020
Contract assets at the beginning of the year	34.05	-
Revenue billed/accrued revenue during the year	6.99	34.05
Contract assets at the end of the year	41.04	34.05
Contract liabilities at the beginning of the year	983.30	1,492.33
Advance received/(adjusted) from customers during the year, net	250.39	(509.03)
Contract liabilities at the end of the year	1,233.69	983.30

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue as per contract	4,285.73	3,884.18
Adjustments	-	-
Revenue from contract with customers	4,285.73	3,884.18

Note 40 : Leases

a) As a lessee

i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Office premises	Total
As at April 1, 2020	-	-
Addition during the year	396.81	396.81
Depreciation expenses	(42.59)	(42.59)
As at March 31, 2021	354.22	354.22

ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	Office premises	Total
As at April 1, 2020	-	-
Addition during the year	383.95	383.95
Accretion of interest	9.85	9.85
Payment	(37.91)	(37.91)
As at March 31, 2021	355.89	355.89

iii) Maturity analysis of lease liabilities

Particulars	Lease payments	Interest expense	Net present values
Not later than one year	105.50	30.48	75.02
Later than one year	332.15	51.28	280.87
Later than five years	-	-	-
Total	437.65	81.76	355.89

(All amounts in ₹ lakhs, unless otherwise stated)

iv) Amount recognised in Standalone Statement of Profit and Loss

Particulars	Year ended March 31, 2021	As at March 31, 2020
Depreciation on right of use assets	42.59	-
Interest on lease liabilities	9.85	-
Expenses relating to short term leases	3.28	73.16

b) As a lessor

The Company has entered into operating leases on its Investment property located at Gurugram, India. 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, 2021 and March 31, 2020.

Note 41 : Commitments and Contingencies**a) Commitments****(i) Capital commitment:**

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	33.37	-

(ii) Other commitment:

The Company has entered into a Capital commitment agreement where contribution has to be made to WaterBridge Ventures II Trust (the "Fund") and the contribution agreement has been executed between Vistra ITCL (India) Limited (the "Trustee Company"), WaterBridge Capital Management LLP (the "Investment Manager") and PDS Multinational Fashions Limited (The "contributor") in which the contributor has committed ₹750.00 which will be paid as per the terms of agreement. Subsequent to the Balance Sheet date, 35% of the amount i.e. ₹262.50 has been contributed based on the drawdown notice received from the fund.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against company not acknowledged as debt:		
- On account of stamp duty on demerger	148.20	148.20
	148.20	148.20

(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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

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, 2021	As at March 31, 2020
a) Investments in subsidiaries & associates		
- Investment in wholly owned subsidiary: Multinational Textile Group Limited	10,050.25	10,050.25
- Investment in Subsidiary: Technocian Fashions Private Limited^	2.75	2.75
- Investment in Subsidiary: DIZBI Private Limited*	0.53	-
- Investment in Subsidiary: Norlanka Brands Private Limited*	3.75	-

^ incorporated during the year ended March 31, 2020.

* Acquired during the year ended March 31, 2021.

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, 2021.

Note 45: Subsequent event

The board and the shareholders have considered and approved "PDS Multinational Fashions Limited- Employee Stock Option Plan 2021" (the PDS ESOP 2021 or Scheme or Plan) during the year ended March 31, 2021. On 3 April 2021, the Nomination and Remuneration (Compensation) Committee of the Board of Directors of the Company has granted 2,65,782 Stock Options under its PDS ESOP 2021 plan.

Note 46: Figures have been rounded off to the nearest ₹ lakhs except otherwise stated.

Note 47: The previous year's figure have been regrouped/rearranged wherever necessary, to make them comparable to those of the current year.

Note 48: Covid 19

The spread of Covid-19 has severely impacted businesses around the globe including India. The Company has considered the possible effects that may result from COVID-19 in the preparation of these financial statement including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the Company has, at the date of approval of the financial statements, used internal and external sources of information and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of the same. 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 financial resources to operate for the next twelve months.

As per our report of even date

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Aasheesh Arjun Singh

Partner

Membership Number: 210122

Place: Bengaluru, India

Dated: May 27, 2021

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

Deepak Seth

Chairman & Non-Executive Director

DIN 00003021

Sanjay Jain

Chief Executive Officer

Place: Bengaluru, India

Dated: May 27, 2021

Ajai Singh

Chief Financial Officer

Ashutosh Bhupatkar

Independent Director

DIN 00479727

Abhishekh Kanoi

Head of Legal &
Company Secretary

M. No. FCS 9530

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 2021, 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 the 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 2021, 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 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note 50 to 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 pandemic on the Group's operations significantly depend on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. 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.
6. 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 addressed the key audit matter
1. Evaluation of the consolidation process Refer note 2 for the basis of consolidation in the accompanying consolidated financial statements. The Group's consolidation process involves 89 components (including step-down subsidiaries) located across multiple geographies and audited by other auditors. These components comprise significant portions of the Group's assets, liabilities, income and expenses. 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. 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.	Our audit procedures for auditing the consolidated financial statements and consolidation adjustments included, but were not limited to the following - • Obtained an understanding of the management's process of preparation of consolidated financial statements comprising the Holding Company and its components • Evaluated the design and implementation and tested operating effectiveness of key controls with respect to Group's process of consolidation; • 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 another auditor; • 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;

Key audit matter	How our audit addressed the key audit matter
2. Impairment of Goodwill Refer note 7 of consolidated financial statements The carrying value of goodwill aggregates to ₹5,032.03 lakhs as on 31 March 2021. Such goodwill is tested for impairment annually by the management in accordance with Ind AS 36, Impairment of Assets using the discounted cash flow method. 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 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. 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. The auditor of one 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.	- 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; - 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; - Reviewed inter-company eliminations, consolidation adjustments, foreign currency translation adjustments, alignment of Group accounting policies and the resultant tax impacts; and - Assessed the adequacy and appropriateness of disclosures made in accordance with the applicable accounting standards in these consolidated financial statements. Our audit procedures for assessing the impairment of goodwill, if any, included but were not limited to the following - - Obtained an understanding of the management's process for identification of impairment indicators for goodwill, identification of CGUs and impairment testing of such assets. - Obtained an understanding of the internal controls over impairment assessment process of goodwill. - Assessed reasonableness of the future cash flow projections prepared by the management and compared them with past trends; - Involved the auditor's expert to assist in examining the Group's valuation models where applicable, and analyzed 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; - Tested the mathematical accuracy of the management's computations; - Performed independent sensitivity analysis on the valuation, resulting from changes to key assumptions applied; - Obtained an understanding from the component auditors to understand the procedures performed by them in respect of impairment of Goodwill as part of group audit instructions sent to them; and - Assessed the appropriateness and adequacy of presentation and disclosures in the consolidated financial statements in accordance with the applicable accounting standards.

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

7. 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 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

8. 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 financial position, 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 associate companies and 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.

9. 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.
10. 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 Financial Statements

11. 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.
12. 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.
13. 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.
 14. 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.

15. 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

16. We did not audit the financial statements / financial information of 54 subsidiaries, whose financial statements / financial information reflects total assets of ₹2,64,824.59 lakhs and net assets of ₹1,06,123.18 lakhs as at 31 March 2021, total revenues of ₹3,41,356.11 lakhs, and net cash outflows amounting to ₹19,927.51 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 ₹391.61 lakhs for the year ended 31 March 2021, 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.

17. We did not audit the financial statements / financial information of 8 subsidiaries, whose financial statements / financial information reflects total assets of ₹2,838.47 lakhs and net assets of ₹(1,785.27) lakhs as at 31 March 2021, total revenues of ₹3,073.08 lakhs and net cash inflows amounting to ₹92.02 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 Holding Company's 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 statements / 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 of the respective entities and provided to us by the Holding Company's management.

Report on Other Legal and Regulatory Requirements

18. Based on our audit, we report that the Holding Company and 3 subsidiary companies, 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 companies. 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.
19. 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 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 companies 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 2021 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 companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'. Further, in our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 143(3)(i) for reporting on the adequacy of internal financial controls with reference to financial statements and the operating effectiveness of such controls of 1 joint venture company covered under the Act, are not applicable; 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 and joint venture:

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint venture as detailed in note 43(b) to the consolidated financial statements;
- ii. the Holding Company, 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 2021;
- 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 companies and joint venture company covered under the Act, during the year ended 31 March 2021; 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 Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh

Partner

Membership No.: 210122

UDIN: 21210122AAAACJ7308

Bengaluru
27 May 2021

ANNEXURE I

List of entities included in the consolidated financial statements.

Subsidiaries

Sl. No.	Name of entity
1	Technocian Fashions Private Limited
2	DIZBI Private Limited
3	Norlanka Brands Private Limited
4	Multinational Textile Group Limited
5	Design Arc FZCO
6	Spring Near East FZCO
7	Kleider Sourcing FZCO
8	Twins Asia FZCO
9	Poeticgem International FZCO
10	PDS Multinational FZCO
11	Clover Collections FZCO
12	Techno Design HK Limited (Formerly known as DPOD Manufacturing Limited)
13	Techno Design USA LLC
14	Progress Manufacturing Group Limited
15	Progress Apparels (Bangladesh) Limited
16	Green Apparel Industries Limited
17	Green Smart Shirts Limited
18	PDS Asia Star Corporation Limited
19	PDS Trading (Shanghai) Company Limited
20	Simple Approach Limited
21	Simple Approach (Canada) Ltd (Formerly known as Poeticgem Canada Limited)
22	Poeticgem International Limited
23	Kindred Fashions Limited
24	Zamira Fashions Limited
25	Zamira Fashions Limited Zhongshan
26	6Degrees Manufacturing Limited (Formerly known as Zamira Denim Lab Limited)
27	PG Group Limited
28	PG Home Group Limited
29	PG Shanghai Manufacturer Co. Ltd
30	PG Home Group SPA
31	Poetic Brands Limited
32	Poeticgem Limited
33	Techno Design GmbH
34	Norwest Industries Limited
35	PDS Smart Fabric Tech Limited (Formerly known as Funky Brands Company Limited and Full House Manufacturing Limited and Nor Delhi Manufacturing Limited)
36	PDS Smart Fabric Tech (UK) Limited
37	Casa Forma Limited
38	PDS Sourcing Limited (Formerly known as Global Textiles Group Limited)
39	Multinational OSG Services Bangladesh Private Limited
40	360 Notch Limited (Formerly known as PoeticGem Australia Limited; GEM Australia Manufacturing Company Ltd)
41	Razamtaaz Limited
42	Krayon Sourcing Limited (Formerly known as Sourcing Solutions HK Limited)
43	Design Arc Asia Limited (Formerly known as Design Arc Limited / NOR France Manufacturing Co. Ltd.)
44	Nor Lanka Manufacturing Limited
45	Design Arc Europe Limited (Formerly known as Nor Europe Manufacturing Co. Limited)
46	Kleider Sourcing Hong Kong Limited
47	Kleider Sourcing Limited, Bangladesh
48	Rising Asia Star Hong Kong Co., Limited (Formerly known as Techno Manufacturing Limited / Sino West Manufacturing Co Ltd)
49	PDS Tailoring Limited (Formerly known as Nor India Manufacturing Company Limited)
50	Spring Near East Manufacturing Company Limited
51	Clover Collections Limited (Formerly known as PDS Manufacturing Limited / Designed and Sourced Limited)
52	FX Import Company Limited
53	Poetic Knitwear Limited
54	Pacific Logistics Limited
55	Nor Lanka Colombo Manufacturing Limited
56	Nor Europe Manufacturing S.L
57	Pro Trusted Med Tech Limited (Formerly known as FX Import Hong Kong Limited)

Sl. No.	Name of entity
58	PDS Ventures Limited (Formerly known as MultiTech Venture Limited) (Mauritius)
59	Grupo Sourcing Limited
60	JJ Star Industrial Limited
61	Twins Asia Limited
62	Nor Lanka Progress (Private) Limited
63	Blueprint Design Limited
64	Design Arc UK Limited
65	Grupo Sourcing Limited, Bangladesh
66	Fareast Vogue Limited
67	PDS Far-east Limited
68	Kindred Brands Limited (Formerly known as NW Far-east Limited)
69	Styleberry Limited
70	PDS Global Investments Limited
71	PDS Far East USA, Inc.
72	Smart Notch Industrial Limited
73	Apex Black Limited (Formerly known as Fabric & Trims Limited)
74	Casa Collective Limited (Formerly known as Sourcing East West Limited)
75	Smart Notch (Shanghai) Limited
76	Jcraft Array Limited
77	Recovered Clothing Limited
78	PDS Ventures Limited
79	Techno Sourcing BD Limited (Formerly known as KIK Service Unit Limited)
80	LillyandSid Limited
81	PDS H2GO Glove Manufacturing Limited
82	PDS Manufacturing Limited

Associates

Sl. No.	Name of entity
1	GWD Enterprises Limited
2	Atterley.com Holdings Limited (Refer note 9(d) of the Consolidated Financial Statement)

Joint Ventures

Sl. No.	Name of 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 BVBA

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 2021

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 2021, we have audited the internal financial controls with reference to financial statements of

the Holding Company, its subsidiary companies and joint venture company, which are companies 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, its subsidiary companies and joint venture company, which are companies 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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. The audit of internal financial controls with reference to financial statements of the aforementioned joint venture company, which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the 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 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 companies 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 companies, which are companies 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 2021, 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 issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh

Partner
Membership No.: 210122
UDIN: 21210122AAAACJ7308

Bengaluru
27 May 2021

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2021	As at March 31, 2020
Assets			
I. Non-current assets			
(a) Property, plant and equipment	4	30,944.59	32,607.32
(b) Capital work in progress	5	468.18	2,059.25
(c) Investment property	6	9,966.12	9,568.77
(d) Goodwill	7	5,032.03	5,141.59
(e) Intangible assets	8	433.47	585.93
(f) Intangible assets under development		9.08	12.83
(g) Financial assets			
(i) Investments	9	9,680.56	6,532.47
(ii) Other financial assets	10	1,661.63	25.00
(h) Deferred tax assets (net)	24	859.55	52.50
(i) Non-current tax asset (net)		119.67	22.79
(j) Other non-current assets	11	235.40	524.29
Total non-current assets		59,410.28	57,132.74
Current assets			
(a) Inventories	12	19,712.82	18,302.18
(b) Financial assets			
(i) Investments	9	5,728.35	2,367.27
(ii) Trade receivables	13	90,980.73	83,244.15
(iii) Cash and cash equivalents	14	29,346.21	35,038.68
(iv) Bank balances other than (iii) above	15	13,718.34	15,208.74
(v) Other financial assets	10	6,023.73	6,438.41
(c) Other current assets	11	9,667.93	16,703.48
Total current assets		1,75,178.11	1,77,302.91
Total assets		2,34,588.39	2,34,435.65
II. Equity and liabilities			
Equity			
(a) Equity share capital	16	2,604.67	2,604.67
(b) Other equity	17	62,083.92	53,264.18
Equity attributable to the owners of the parent		64,688.59	55,868.85
Non-controlling interest		6,865.79	5,246.03
		71,554.38	61,114.88
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	184.04	503.71
(ii) Other financial liabilities	19	4,800.78	6,578.38
(b) Provisions	20	1,369.55	1,195.35
(c) Deferred tax liabilities (net)	24	134.93	73.35
(d) Other non-current liabilities	22	112.29	59.21
Total non-current liabilities		6,601.59	8,410.00
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	48,479.10	74,214.14
(ii) Trade payables	21		
- Total outstanding dues to micro enterprises and small enterprises		1.72	3.10
- Total outstanding dues to creditors other than micro and small enterprises		89,242.79	72,888.60
(iii) Other financial liabilities	19	11,413.01	11,289.38
(b) Other current liabilities	22	3,617.44	4,436.05
(c) Provisions	20	1,500.56	1,204.31
(d) Current tax liabilities (net)	23	2,177.80	875.20
Total current liabilities		1,56,432.42	1,64,910.78
Total equity and liabilities		2,34,588.39	2,34,435.65
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 Chandiok & 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**

Deepak Seth

Chairman & Non-Executive Director

DIN 00003021

Sanjay Jain

Chief Executive Officer

Ajai Singh

Chief Financial Officer

Ashutosh Bhupatkar

Independent Director

DIN 00479727

Abhishekh Kanoi

Head of Legal &

Company Secretary

M. No. FCS 9530

Place: Bengaluru, India

Dated: May 27, 2021

Place: Bengaluru, India

Dated: May 27, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Particulars	Note no.	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	25	6,21,286.84	6,64,803.92
II Other income	26	3,739.54	2,652.37
III Total income (I+II)		6,25,026.38	6,67,456.29
IV Expenses			
(a) Cost of material consumed	27	59,314.15	34,759.63
(b) Purchases of stock-in-trade	28	4,59,825.00	5,25,148.42
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	29	(608.69)	(4,977.59)
(d) Employee benefits expense	30	41,425.48	43,595.86
(e) Finance costs	31	2,573.79	4,927.46
(f) Depreciation and amortization expense	32	6,769.68	5,220.05
(g) Other expenses	33	38,340.68	47,681.79
V Total expenses		6,07,640.09	6,56,355.62
VI Profit before share of loss in associates and joint ventures and exceptional items (III-V)		17,386.29	11,100.67
VII Share of loss of associates and joint ventures		(391.61)	(690.14)
VIII Profit before exceptional items and tax (VI-VII)		16,994.68	10,410.53
IX Exceptional items	7	-	(1,357.02)
X Profit before tax (VIII-IX)		16,994.68	9,053.51
XI Tax expense	35		
(a) Current tax		2,467.48	809.63
(b) Deferred tax (credit)/ charge		(315.22)	136.23
Total tax expense		2,152.26	945.86
XII Profit for the year (X-XI)		14,842.42	8,107.65
XIII Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement losses on defined benefit plans		(40.79)	-
(ii) Income tax on items that will not be reclassified to profit or loss		-	-
(B) (i) Items that will be reclassified reclassifies to profit or loss			
(a) Net (loss)/ gain on cash flow hedges		(405.76)	742.22
(b) Gain arising on translating the financial statements of foreign operations		435.69	4,686.48
(c) Net (loss)/gain on instruments measured at fair value through other comprehensive income		798.99	(163.90)
(ii) Income tax on items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		788.13	5,264.80
XIII Total comprehensive income for the year, net of tax		15,630.55	13,372.45
Net profit for the period attributable to			
- Owners of the Company		8,431.75	4,602.03
- Non controlling interest		6,410.67	3,505.62
		14,842.42	8,107.65
Total comprehensive income for the year, net of tax			
- Owners of the Company		9,171.36	9,792.79
- Non controlling interest		6,459.19	3,579.66
		15,630.55	13,372.45
XIV Earnings per share: (Face value ₹10 per share)	34		
1) Basic (amount in ₹)		32.37	17.67
2) Diluted (amount in ₹)		32.37	17.67
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 Chandiok & 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**

Deepak Seth

Chairman & Non-Executive Director

DIN 00003021

Sanjay Jain

Chief Executive Officer

Ajai Singh

Chief Financial Officer

Ashutosh Bhupatkar

Independent Director

DIN 00479727

Abhishekh Kanoi

Head of Legal &

Company Secretary

M. No. FCS 9530

Place: Bengaluru, India

Dated: May 27, 2021

Place: Bengaluru, India

Dated: May 27, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at April 1, 2019	2,604.67
Changes during the year	-
Balance as at March 31, 2020	2,604.67
Changes during the year	-
Balance as at March 31, 2021	2,604.67

B. Other equity

Particulars	Other Comprehensive Income							Total equity before Non-controlling interest	Non-controlling interest	Total equity
	Capital reserve	Restricted reserve	Retained earnings	Other reserves ^	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	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 fair value through other comprehensive income	-	-	-	-	-	(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))	-	-	-	-	-	-	-	-	369.47	369.47
Sale of a subsidiary (refer note 47(c))	-	-	-	(54.10)	-	-	-	(54.10)	(15.62)	(69.72)
Others	-	-	-	-	(689.66)	-	-	(689.66)	-	(689.66)
Total Comprehensive Income	26,185.92	664.52	16,792.08	(3,469.59)	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

for the year ended March 31, 2021

^ Other reserves represents gain/loss on change in proportion held by NCI without a change in control.

As per our report of even date

Chartered Accountants

Aasheesh Arjun Singh

Membership Number: 210122

DIN 00003021

Chief Executive Officer

Chief Financial Officer

DIN 00479727

Company Secretary

Dated: May 27, 2021

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from operating activities		
Profit before tax	16,994.68	9,053.51
Adjustments for:		
Share of loss of associates and joint ventures	391.61	690.14
Depreciation and amortization expense	6,769.68	5,220.05
Impairment of goodwill	-	1,357.02
Finance costs	2,565.26	4,927.46
Provision for trade receivables	261.42	46.70
Interest income	(194.38)	(305.90)
Dividend income	(44.42)	(225.19)
Liabilities no longer required written back	(458.63)	-
Fair value gain on financial assets measured at fair value through profit and loss	(368.63)	-
Gain on deemed disposal of associate	(424.73)	-
Loss on sale of asset	0.39	9.33
Impairment of investment in joint venture	616.75	152.25
Impairment of advance to joint venture and associate, net	125.70	-
Unrealised foreign exchange fluctuation	1,004.18	-
Others	-	(2.83)
Operating profit before working capital changes	27,238.88	20,922.54
Movement in working capital:		
Change in trade payables and other financial liabilities	16,118.69	1,943.28
Change in other current liabilities	(779.67)	(11,124.40)
Change in provisions	479.14	471.34
Change in trade receivables	(8,348.33)	29,167.02
Change in other assets	7,165.56	(913.73)
Change in inventories	(1,436.71)	(2,988.96)
Change in other financial assets	(1,244.53)	(8,431.88)
Cash generated from operations	39,193.03	29,045.21
Direct tax paid (net of refunds)	(1,261.75)	(969.18)
Net cash inflow from operating activities	37,931.28	28,076.03
Cash flows from investing activities		
Purchase of property, plant and equipment, capital working in progress and investment property	(2,517.00)	(5,122.28)
Purchase of intangible assets	(136.00)	(450.89)
Purchase of investments	(8,581.00)	(1,742.48)
Proceeds from sale of investments	1,165.80	-
Increase/(decrease) in bank deposits	1,517.00	(841.93)
Dividend received	44.42	225.19
Loans extended	-	(248.50)
Interest received	194.38	305.90
Net cash used in investing activities	(8,312.40)	(7,874.99)
Cash flows from financing activities		
Repayment of short term borrowings, net	(24,862.79)	(3,092.32)
Repayment of long term borrowings	(384.12)	(268.98)
Payment of dividend to non-controlling interests	(4,694.38)	(1,776.08)
Payment of principal portion of lease liabilities	(2,140.56)	(2,053.88)
Interest paid on lease liabilities	(337.21)	(271.54)
Interest paid on borrowings	(1,893.91)	(4,927.46)
Interest paid on others	(350.66)	(413.62)
Net cash used in from financing activities	(34,663.63)	(12,803.88)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(5,044.75)	7,397.15
Effect of exchange rate changes on cash and cash equivalents	(457.92)	2,336.33
Opening balance of cash and cash equivalents	33,741.17	24,007.70
Cash and cash equivalents at the end of the year (refer note 14)	28,238.50	33,741.18
Components of cash and cash equivalents		
Cash on hand	46.71	84.30
Balance with banks	29,299.50	34,954.38
Book overdraft	(1,107.71)	(1,297.51)
Total cash and cash equivalents (refer note 14)	28,238.50	33,741.17

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2021

Non cash disclosure

(All amounts in ₹lakhs, unless otherwise stated)

Particulars	As at March 31, 2019	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	(3,612.39)	-	7,096.71	-	74,738.29
Interest accrued and due on borrowings	37.61	-	(4,676.37)	4,655.92	-	-	17.16
Lease liability	-	9,609.48	(2,325.42)	271.54	603.34	-	8,158.94
	70,045.86	10,855.20	(10,614.18)	4,927.46	7,700.05	-	82,914.39

Particulars	As at March 31, 2020	Cash flow		Non-cash			As at March 31, 2021
		Additions*	Repayment	Amortisation of upfront fees/ Interest expense	Exchange difference	Others	
Borrowings	74,738.29	1,793.70	(25,246.91)	-	(2,621.94)	-	48,663.14
Interest accrued and due on borrowings	17.16	-	(2,289.87)	2,236.58	36.47	-	0.34
Lease liability	8,158.94	2,685.17	(2,140.56)	337.21	(575.12)	(1,291.75)	7,173.89
	82,914.39	4,478.87	(29,677.34)	2,573.79	(3,160.59)	(1,291.75)	55,837.37

During the year, the Group had non-cash additions to right to use assets of ₹2,344.13 in respect of lease arrangements.

* includes amount received as book 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

Aasheesh Arjun Singh
Partner
Membership Number: 210122

Place: Bengaluru, India
Dated: May 27, 2021

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

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Sanjay Jain
Chief Executive Officer

Ajai Singh
Chief Financial Officer

Place: Bengaluru, India
Dated: May 27, 2021

Ashutosh Bhupatkar
Independent Director
DIN 00479727

Abhishekh Kanoi
Head of Legal &
Company Secretary
M. No. FCS 9530

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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: 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, 2021 were approved by the Board of Directors and authorised for issue on May 27, 2021.

Going concern: The Board of Directors have considered the financial position of the Group as at March 31, 2021 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

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

a) Balance Sheet:

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters,

directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

b) Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The Group will evaluate the same to give effect to them as required by law.

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 ventures companies used in the consolidation are drawn upto the same reporting date as that of the group i.e. March 31, 2021.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered. 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.

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.

Changes in ownership interest without change in control

The Group treats transactions with Non-Controlling Interests(NCI) that do not result in a loss of control as

transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interest and any consideration paid or received is recognised within equity.

The ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss where appropriate.

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 that have been considered in the preparation of the consolidated financial statements are as under:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2021	% of voting power held as at March 31, 2020
Technocian Fashions Private Limited	20.03.2019	India	55.00%	55.00%
Multinational Textile Group Limited	13.05.2014	Mauritius	100.00%	100.00%
Norlanka Brands Private Limited ¹	01.02.2021	India	75.00%	-
DIZBI Private Limited ¹	10.07.2020	India	53.00%	-
(i) Multinational Textiles Group Limited holds the following subsidiaries:				
PDS Sourcing Limited (Formerly known as 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%
PDS Smart Fabric Tech Limited (Formerly known as Fullhouse Manufacturing Limited)	19.01.2009	Hong Kong	100.00%	100.00%
Casa Forma Limited	01.01.2012	UK	100.00%	100.00%
PDS Asia Star Corporation Limited	24.10.2012	Hong Kong	60.00%	60.00%
Techno Design HK Limited	02.11.2012	Hong Kong	55.00%	55.00%
Poeticgem International Limited	27.09.2013	Hong Kong	83.00%	83.00%
Multinational OSG Services Bangladesh Limited	02.02.2014	Bangladesh	97.00%	97.00%
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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2021	% of voting power held as at March 31, 2020
PDS Ventures Limited (formerly known as Multitech Ventures Limited)	25.11.2015	Mauritius	100.00%	100.00%
Techno Design GMBH	14.02.2014	Germany	55.00%	55.00%
Progress Manufacturing Group Limited	17.07.2015	Hong Kong	97.00%	97.00%
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%	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	90.00%	90.00%
Spring Near East FZCO	17.01.2019	Dubai	55.00%	55.00%
Clover Collections FZCO	20.02.2020	Dubai	100.00%	100.00%
PDS Manufacturing Limited ²	22.03.2021	Mauritius	100.00%	-
Poeticgem International FZCO ²	01.02.2021	Dubai	100.00%	-
PDS Multinational FZCO ²	01.02.2021	Dubai	100.00%	-
(ii) Norwest Industries Limited, holds the following subsidiaries:				
Nor Lanka Manufacturing Limited ³	22.10.2008	Hong Kong	95.00%	100.00%
PDS Tailoring Limited (Formerly known as Nor India Manufacturing Company Limited) ³	17.12.2010	Hong Kong	70.00%	100.00%
Design Arc Europe Limited	04.11.2011	Hong Kong	70.00%	70.00%
Rising Asia Star HongKong Limited (Formerly Known as Techno. Manufacturing Co. Ltd.)	03.01.2012	Hong Kong	100.00%	100.00%
Spring Near East Manufacturing Company Limited	17.12.2010	Hong Kong	65.00%	65.00%
Clover collection Limited(Formerly known as DS Manufacturing Limited/ Designed and Sourced Limited)	27.08.2012	Hong Kong	100.00%	100.00%
360 Notch Limited(Formerly known as PoeticGem Australia Ltd /Gem Australia Manufacturing Company Limited)	06.06.2012	Hong Kong	100.00%	100.00%
Design Arc Asia Limited (Formerly Known as Nor France) ⁵	18.12.2012	Hong Kong	100.00%	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 ⁵	27.07.2015	Hong Kong	100.00%	85.00%
JJ Star Industrial Limited	28.04.2015	Hong Kong	57.50%	57.50%
Krayons Sourcing Limited ⁶	16.12.2014	Hong Kong	75.00%	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 ⁵	13.09.2016	Hong Kong	100.00%	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%
Apex Black Limited (Formerly known as Fabric and Trims Limited)	28.12.2017	Hong Kong	65.00%	100.00%
Jcraft Array Limited	12.4.2018	Hong Kong	85.00%	85.00%
Casa Collective Limited (Formerly known as Sourcing East West Limited)	19.01.2018	HongKong	50.00%	50.00%
PDS H2GO Glove Manufacturing Limited ²	30.09.2020	HongKong	51.00%	-
(iii) Design Arc Europe Limited holds the following subsidiary:				
Nor Europe Manufacturing SL	17.11.2011	Spain	100.00%	100.00%
(iv) Nor Lanka Manufacturing Company Limited holds the following subsidiaries:				
Nor Lanka Progress (Private) Limited ⁴	20.10.2015	Sri Lanka	95.00%	100.00%
Nor Lanka Manufacturing Colombo Limited ⁴	13.08.2012	Sri Lanka	95.00%	100.00%
LillyandSid Limited ⁴	10.03.2020	UK	52.25%	55.00%

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2021	% of voting power held as at March 31, 2020
(v) PDS Sourcing Limited (formerly known as Global Textiles Group Limited)				
Poeticgem Limited	30.03.2006	UK	100.00%	100.00%
Poetic Brands Limited	15.01.2015	UK	100.00%	100.00%
Design Arc UK Limited	21.10.2016	UK	85.00%	85.00%
(vi) Poeticgem Limited holds the following subsidiaries:				
Pacific Logistics Limited	27.10.2003	UK	100.00%	100.00%
FX Imports Company Limited	26.03.2008	UK	100.00%	100.00%
Poetic Knitwear Limited	31.03.2009	UK	100.00%	100.00%
(vii) PG Group Limited holds the following subsidiaries:				
PG Home Group Limited	13.05.2008	Hong Kong	90.00%	90.00%
PG Shanghai Manufacturing Co Limited	08.06.2012	China	100.00%	100.00%
(viii) PG Home Group Limited holds the following subsidiary:				
PG Home Group SPA	31.07.2008	Chile	100.00%	100.00%
(ix) FX Imports Company Limited holds the following subsidiary:				
Pro Trusted Med Tech Limited (Formerly known as FX Import Hong Kong Limited)	04.05.2009	Hong Kong	100.00%	100.00%
(x) PDS Asia Star Corporation Limited holds the following subsidiary:				
PDS Trading (Shanghai) Co., Limited	31.12.2012	China	100.00%	100.00%
(xi) Simple Approach Limited holds the following subsidiary:				
Simple Approach (Canada) Limited	02.05.2013	Canada	100.00%	100.00%
(xii) Kleider Sourcing HongKong Limited holds the following subsidiary:				
Kleider Sourcing Limited	10.08.2014	Bangladesh	99.97%	85.00%
(xiii) Zamira Fashions Limited holds the following subsidiaries:				
6Degree Manufacturing Limited (Formerly known as Zamira Denim Lab Limited)	24.10.2014	Hong Kong	100.00%	100.00%
Zamira Fashion Limited Zhongshan	26.06.2015	China	100.00%	100.00%
(xiv) Grupo Sourcing Limited holds the following subsidiary:				
Grupo Sourcing Limited	02.05.2016	Bangladesh	99.98%	99.98%
(xv) Green Apparel Industries Limited holds the following subsidiary:				
Green Smart Shirts Limited	04.05.2016	Bangladesh	99.98%	99.98%
(xvi) Norwest Industries Limited holds the following joint venture:				
Sourcing Solutions Limited	12.03.2015	Hong Kong	50.00%	50.00%
(xvii) Sourcing Solutions Limited holds the following subsidiary:				
Sourcing Solutions Europe BVBA	01.04.2018	Belgium	100.00%	100.00%
(xviii) PDS Ventures Limited (formerly known as Multitech Ventures Limited)				
Redwood Internet Ventures Limited	09.12.2015	Hong Kong	50.00%	50.00%
(xix) Redwood Internet Ventures Limited holds the following subsidiary:				
Digital Internet Technologies Limited	25.02.2016	Hong Kong	100.00%	100.00%
(xx) Digital Internet Technologies Limited holds the following subsidiary:				
Digital Ecom Techno Private Limited	17.06.2016	India	100.00%	100.00%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2021	% of voting power held as at March 31, 2020
(xxi) Progress Manufacturing Group Limited holds the following subsidiary:				
Progress Apparels Bangladesh Limited	12.07.2015	Bangladesh	99.99%	99.99%
(xxii) 360 Notch Limited holds the following subsidiary:				
Smart Notch Ltd. (Shanghai)	20.04.2018	China	100.00%	100.00%
(xxiii) Poetic Brands Limited holds the following subsidiary:				
Recovered Clothing Limited	24.07.2018	UK	100.00%	100.00%
(xxiv) Poeticgem International Limited holds the following subsidiary:				
Kindred Fashions Limited	23.10.2018	Canada	100.00%	100.00%
(xxv) 360 Notch Limited holds the following associate:				
Atterley.com Holdings Limited ("Atterley") ⁶	23.09.2018	UK	-	27.23%
(xxvi) Multinational Textiles Group Limited holds the following associate:				
GWD Enterprises Limited	21.10.2010	UK	25.00%	25.00%
(xxvii) PDS Smart Fabric Tech Limited holds the following subsidiary:				
PDS Smart Fabric Tech (UK) Limited ²	07.09.2020	UK	100.00%	-
(xxviii) Techno Design HK Limited holds the following subsidiary:				
Techno Design USA LLC ²	16.04.2020	USA	100.00%	-

Notes:

- 1 Acquired during the year
- 2 Incorporated during the year
- 3 Dilution of holding stake during the year
- 4 Dilution in step down subsidiary companies stake on account of dilution in parent company stake
- 5 Acquired stake from the non-controlling interests during the year
- 6 Due to the allotments of new ordinary shares to new investors by Atterley.com Holdings Limited ("Atterley") during the year, the Group's shareholding has diluted from 27.23% to 14.40% as a result of which the Group has ceased to have significant influence on Atterley.

Note 3: Use of estimates and judgements

- a) 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.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 increases. 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 affect 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 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:

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

All other assets are classified as non-current.

Liabilities:

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

c) Property, plant and equipment (PPE)

Property, plant and equipment, 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.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life	
	India	Foreign entities
Furniture and fixtures	10 years	3 - 5 years
Office equipments	5 years	NA
Vehicles	8 years	5 - 8 years
Electrical installations and equipments	10 years	NA
Buildings	60 years	NA
Computers	3 years	3 - 5 years
Plant and machinery	NA	4 - 5 years
Infrastructure	NA	5 years

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.

d) 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 March 31, 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.

e) 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.

f) Borrowing costs

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

assets is deducted from the borrowing costs eligible for capitalisation.

g) 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.

h) 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.

Recognising revenue from major business activities

(i) Rendering of services

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 revenue' 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.

(ii) Sale of goods

Revenue from the sale of goods is recognised at point in time when controls of promised goods are transferred to the customer (i.e. upon satisfaction of performance obligation).

Other income and other operating revenues

Interest income

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.

Investment income

Investment income is recognized as and when the right to receive the same is established.

Handling fee income

Handling fee income is recognized in the period in which the services are rendered.

Commission income and management income

Commission income is recognized when the services are rendered.

Dividend income

Dividend income is recognized when the right to receive payment is established.

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.

Export incentives

Export incentives are recognized as income when the Company is entitled to the incentive as per the terms of the scheme in respect of the exports made and where it is probable that the Company will collect such incentive proceeds.

Any other income is recognized on an accrual basis.

i) 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.

j) Leases

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

Group 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 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 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 and Loss so as to provide a constant periodic rate of charge over the lease terms.

k) 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.

l) Provisions, contingent liabilities and contingent assets

General

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

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

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

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

m) 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 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.

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 and Loss.

n) 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 and 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 and Loss. Amounts recognised in other comprehensive income are transferred to the statement of profit and 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.

o) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

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

p) Fair value measurement

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

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

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.

q) 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 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 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 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.

r) Cash and cash equivalents

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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)

s) 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.

t) 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

Particulars	Freehold land	Buildings	Buildings Plant and machinery	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Computers	Right to use assets	Total
Gross Carrying Value										
Balance as at April 01, 2019	840.57	8,444.35	6,294.11	4,730.89	1,820.18	1,142.11	7,032.03	1,562.48	-	31,866.72
Additions/ transfers during the year	-	920.28	2,743.40	1,385.96	335.79	2.52	1,016.05	233.04	-	6,637.04
Impact on account of transition to Ind AS 116	-	-	-	-	-	-	-	-	9,609.48	9,609.48
Disposals	-	-	(28.22)	(6.27)	-	(92.89)	(6.27)	(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
Balance as at March 31, 2020	912.33	9,533.72	9,526.32	6,448.51	2,393.47	1,116.96	8,365.62	1,794.72	9,992.33	50,083.98
Additions/ transfers during the year	-	1,014.51	774.50	368.70	978.44	93.37	774.91	91.46	2,344.13	6,440.02
Disposals during the year	-	-	(20.35)	(0.58)	-	(24.54)	(6.09)	(137.86)	(1,239.17)	(1,428.58)
Effect of changes in exchange rates	(25.79)	(260.49)	(57.30)	(29.00)	(65.43)	82.30	(368.78)	3.08	388.34	(333.07)
Balance as at March 31, 2021 (A)	886.54	10,287.73	10,223.18	6,787.63	3,306.48	1,268.08	8,765.66	1,751.40	11,485.63	54,762.35
Accumulated depreciation										
Balance as at April 01, 2019	-	938.56	1,422.29	2,917.74	1,186.06	819.14	4,282.87	345.57	-	11,912.23
Depreciation charge for the year	-	374.39	667.30	304.02	568.09	60.71	700.09	246.39	1,659.12	4,580.11
Disposals	-	-	(6.61)	(2.43)	-	(86.86)	(38.64)	(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
Balance as at March 31, 2020	-	1,469.79	2,330.31	3,377.47	1,993.76	851.96	4,950.61	653.26	1,849.50	17,476.66
Depreciation charge for the year	-	451.56	880.27	555.94	334.85	88.09	1,319.52	293.17	2,437.38	6,360.78
Disposals	-	-	-	-	-	(20.63)	-	(81.06)	(160.41)	(262.11)
Effect of changes in exchange rates	-	1.25	271.35	4.56	(29.49)	23.39	(263.52)	(0.06)	234.93	242.42
Balance as at March 31, 2021 (B)	-	1,922.60	3,481.93	3,937.97	2,299.13	942.81	6,006.61	865.31	4,361.40	23,817.76
Net book value										
Balance as at March 31, 2021 (A-B)	886.54	8,365.14	6,741.25	2,849.66	1,007.36	325.28	2,759.05	886.09	7,124.23	30,944.59
Balance as at March 31, 2020	912.33	8,063.93	7,196.01	3,071.04	399.71	265.00	3,415.01	1,141.46	8,142.83	32,607.32

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. The details are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying value	3,447.79	3,566.70
Less: Accumulated depreciation	969.33	931.43
Net book value	2,478.46	2,635.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Note 5 : Capital work in progress

Particulars	As at March 31, 2021	As at March 31, 2020
Capital work in progress	468.18	2,059.25
	468.18	2,059.25

Note 6 : Investment property

Particulars	Freehold land	Building	Total
Gross carrying amount			
Balance as at April 01, 2019	68.81	14,493.53	14,562.34
Additions during the year	-	64.79	64.79
Disposals during the year	-	(259.44)	(259.44)
Foreign exchange fluctuation	-	428.83	428.83
Balance as at March 31, 2020	68.81	14,727.71	14,796.52
Foreign exchange fluctuation	-	739.77	739.77
Balance as at March 31, 2021	68.81	15,467.48	15,536.29
Accumulated depreciation			
Balance as at April 01, 2019	-	4,757.27	4,757.27
Add: Depreciation charge for the year	-	420.21	420.21
Disposals during the year	-	(0.30)	(0.30)
Add: Foreign exchange fluctuation	-	50.57	50.57
Balance as at March 31, 2020	-	5,227.75	5,227.75
Add: Depreciation charge for the year	-	255.73	255.73
Add: Foreign exchange fluctuation	-	86.69	86.69
Balance as at March 31, 2021	-	5,570.17	5,570.17
Net book value			
Balance as at March 31, 2021	68.81	9,897.31	9,966.12
Balance as at March 31, 2020	68.81	9,499.96	9,568.77
a) Fair value			
Balance as at March 31, 2021	3,140.00	13,209.20	16,349.20
Balance as at March 31, 2020	3,140.00	12,920.78	16,060.78

b) Information regarding income and expenditure pertaining to investment properties of the Group is as under:

Particulars	As at March 31, 2021	As at March 31, 2020
Rental Income derived from investment property	634.38	539.80
Less: Direct operating expenses	300.61	324.33
Profit/(loss) arising from investment property before depreciation	333.77	215.47
Less: Depreciation	255.73	420.21
Profit/ (loss) arising from investment property	78.04	(204.74)

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:

Particulars	As at March 31, 2021	As at March 31, 2020
Not later than 1 year	632.90	446.60
Later than 1 year but not later than 5 years	530.35	933.39
Total	1,163.25	1,379.99

(All amounts in ₹lakhs, unless otherwise stated)

d) The above schedule of investment property includes :

- i) Property of the 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) (2020 land - ₹3,140.00, Building ₹2,130.00)
- ii) One residential property is in the United Kingdom. The fair value of the residential property of GBP 80,00,000 (₹8,057.60) (2020: GBP 85,00,000 (₹7,958.49)) was determined by the Company's directors and valuation has been performed by an independent professionally qualified valuer.
- iii) As at March 31, 2021 and March 31, 2020, the investment property was pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries. In the opinion of the directors, the open market value of the property is not materially different from the stated amount. The details are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying value	10,160.27	9,819.77
Less: Accumulated depreciation	2,699.11	2,236.37
Net book value	7,461.16	7,583.40

- e) During the year ended 31 March 2021, a property held by Poeticgem Limited is with a carrying value of GBP 30,00,000 (₹3,021.60) (2020: GBP 30,25,000 (₹2,832.00)) 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. The main input used are quantum, area, location, population, profile of surrounding developments, negotiations, connectivity and accessibility.

Note 7 : Goodwill

Particulars	Amount
Gross carrying amount	
Balance as at April 01, 2019	5,399.78
Acquisition of a subsidiary	615.26
Impairment of goodwill	(1,357.02)
Exchange difference	483.57
Balance as at March 31, 2020	5,141.59
Exchange difference	(109.56)
Balance as at March 31, 2021	5,032.03

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 10.00%-20.08% and cash flows beyond the five-year period were extrapolated using a growth rate of 2.80%-3.00%, 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 ₹Nil (March 31, 2020: ₹1,357.02) goodwill pertaining to certain entities as these entities do not have significant activities and operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

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	Total
Gross carrying amount			
Balance as at April 01, 2019	486.42	0.90	487.32
Add: Additions during the year	172.37	-	172.37
Disposals/ adjustments during the year	356.19	-	356.19
Exchange difference	35.60	-	35.60
Balance as at March 31, 2020	1,050.58	0.90	1,051.48
Add: Additions during the year	424.33	-	424.33
Disposals/ adjustments during the year	(308.89)	-	(308.89)
Exchange difference	(94.69)	-	(94.69)
Balance as at March 31, 2021	1,071.33	0.90	1,072.23
Amortisation			
Balance as at April 01, 2019	209.80	0.44	210.24
Add: Amortisation charge for the year	219.55	0.18	219.73
Disposals/ adjustments made during the year	14.63	-	14.63
Exchange difference	20.95	-	20.95
Balance as at March 31, 2020	464.93	0.62	465.55
Add: Amortisation charge for the year	152.99	0.18	153.17
Disposals/ adjustments made during the year	45.50	-	45.50
Exchange difference	(25.45)	-	(25.45)
Balance as at March 31, 2021	637.97	0.80	638.77
Net carrying value			
Balance as at March 31, 2021	433.36	0.10	433.47
Balance as at March 31, 2020	585.65	0.28	585.93

Note 9 : Investments

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
Fair value through profit or loss (refer note 'a' below)				
Equity investments - refer note (i) and (v) below	525.15	2,135.80	57.00	34.44
Debt investments - refer note (ii) below	-	3,592.55	-	2,332.83
Other investments - refer note (iii) and (iv) below	2,525.74	-	2,531.51	-
Total (A)	3,050.89	5,728.35	2,588.51	2,367.27
Fair value through other comprehensive income				
Equity and debt investments (refer note 'b' below)	5,646.59	-	1,023.61	-
Investment in bonds	69.55	-	139.75	-
Total (B)	5,716.14	-	1,163.36	-
Investment accounted using equity method				
Interest in joint ventures (refer note 'c' below)	913.53	-	1,568.31	-
Interest in associates (refer note 'd' below)	-	-	1,212.29	-
Total (C)	913.53	-	2,780.60	-
Total [D=(A+B+C)]	9,680.56	5,728.35	6,532.47	2,367.27

Note:

a) Financial assets at fair value through profit or loss :

- The above listed equity instruments as at March 31, 2021 and March 31, 2020 were classified as financial assets at fair value through profit or loss as they were held for trading.
- The above listed debt instruments as at March 31, 2021 and March 31, 2020 were classified as financial assets at fair value through profit or loss as they were held for trading.

(All amounts in ₹lakhs, unless otherwise stated)

- iii) 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.
- iv) As at March 31, 2021, the Group's unlisted investments with an aggregate carrying value of ₹2,525.74 (March 31, 2020: ₹2,531.51) were pledged to secure the general banking facilities granted to the Group.
- v) The below mentioned equity investments as at March 31, 2021 were designated by the Group as financial assets at fair value through profit or loss and are stated at fair value.

Particulars	As at March 31, 2021	As at March 31, 2020
Equity investments, at fair value		
Parc Designs Private Limited 5,70,000 equity shares of ₹10 each (March 31, 2020: 5,70,000 equity shares of ₹10 each*)	57.00	57.00
Investment in listed companies equity shares	2,603.95	34.44
Total	2,660.95	91.44

*The investment in Parc Designs Private Limited ("Parc Design") was sold during the year ended March 31, 2020 as a result of which the percentage holding had 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 Group.

b) Financial assets at fair value through other comprehensive income:

Equity investments, at fair value

Name of the investee entity	Investment instrument	As at March 31, 2021	As at March 31, 2020
Ethical Fashion Group Limited	Equity shares	153.41	98.37
Made in Africa Inc	Compulsory convertible preference shares	109.71	75.67
Style Theory Private Limited	Compulsory convertible preference shares	189.61	227.00
Survivour Made Goods, Inc	Convertible promissory note	629.28	227.00
Clinova Limited	Equity shares	201.58	196.90
Maude Group Inc	Convertible note	156.38	-
Satis.AI Limited	SAFE*	20.14	-
ARPalus Limited	SAFE*	20.14	-
Evrnu SPC	Convertible note	182.86	-
Symbioco Limited	Convertible note	20.14	-
Fertifa Limited	Equity shares	50.35	-
Zwift Inc	Equity shares	548.57	-
War Paint Men's Grooming Limited	Equity shares	201.38	-
Hydrocotton Limited	Equity shares	251.73	-
Monolith AI Limited	Convertible note	201.38	-
Alacrity Law Limited	Equity shares	151.04	-
M-XR Limited	Equity shares	151.04	-
Cerebra Technologies Inc	Preference shares	146.26	-
Brand Kreations Limited	Equity shares	503.45	-
Good on You Pty Limited	Equity shares	146.28	-
Atterley.com Holdings Limited	Equity shares	1,210.36	-
Juhu Exchange Limited	Preference shares	401.50	198.67
Total		5,646.59	1,023.61

* A SAFE (simple agreement for future equity) is an agreement between an investor and a company that provides rights to the investor for future equity in the company similar to a warrant, except without determining a specific price per share at the time of the initial investment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

c) Investment in Joint ventures

Name	Investment details	Place of registration	Percentage		Principal activities
			March 31, 2021	March 31, 2020	
Sourcing Solutions Limited	Registered capital of USD 10,000	Hong Kong	50	50	Trading of
Sourcing Solutions Europe [^]	Registered capital of USD 1,00,000	Hong Kong	50	50	garments products
Redwood Internet Ventures Limited	Registered capital of USD 10,000	Hong Kong	50	50	E-commerce
Digital Internet Technologies Limited ^{^^}	Registered capital of USD 10,000	Hong Kong	50	50	
Digital Ecom Techno Private Limited ^{^^^}	Authorised share capital of ₹1,00,00,000	India	50	50	

Notes:

[^] 100% subsidiary of Sourcing Solutions Limited

^{^^} 100% subsidiary of Redwood Internet Ventures limited

^{^^^} 100% subsidiary of Digital Internet Technologies Limited

(i) During the year ended March 31, 2021, an impairment loss ₹616.75 (March 31, 2020: Nil) was recognised for an investment in Sourcing Solutions Limited.

d) 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 [^]	NA	NA	-	-	-	NA
GWD Enterprises Limited	USD 8,00,070	United Kingdom	25.00%	25.00%	-	Trading of garments

[^] Due to the allotments of new ordinary shares to new investors by Atterley.com Holdings Limited ("Atterley") during the year, the Group's shareholding has diluted from 27.23% to 14.40% as a result of which the Group has ceased to have significant influence on Atterley.

Note 10 : Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits (unsecured, considered good) (refer to note 'a' below)	50.33	25.00
Deposits with original maturity of more than 12 months (refer to note 'b' below)	-	-
Application money paid towards securities	299.38	
Loan to others (refer note 'c' below)	1,311.92	-
Total (A)	1,661.63	25.00
Current		
Security deposits (unsecured, considered good)	1,500.12	1,726.24
Deposits with original maturity of more than 12 months (refer to note 'b' below)	1.00	1.00
Interest accrued but not due	28.77	43.46
Dues from related party (refer note 37)	1,227.21	2,279.64
Derivative financial instruments (refer note 39)	370.16	629.85
Receivable from others	2,746.90	1,699.32
Unbilled revenue	149.57	42.49
Interest due on loan to others	-	16.42
Total (B)	6,023.73	6,438.41
Total (A+B)	7,685.36	6,463.41

- 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, 2020: ₹1.00) are pledged with the government authorities.
- c) Loan to others represent interest free loan given to a director of a step down subsidiary of the Company

(All amounts in ₹lakhs, unless otherwise stated)

Note 11 : Other assets

Particulars	As at March 31, 2021	As at March 31, 2020
Capital advances	90.64	120.87
Prepaid expenses	-	2.12
Advances recoverable in cash or in kind		
- From others	144.76	42.84
- From related parties (refer note 37)	-	358.47
Total (A)	235.40	524.29
Current		
Balance with government authorities	714.67	205.00
Prepaid expenses	1,853.24	2,748.25
Advances to suppliers	6,228.35	9,586.88
Advances to employees	299.38	481.92
Advances recoverable in cash or in kind		
- From others	572.29	3,681.43
Total (B)	9,667.93	16,703.48
Total (A+B)	9,903.33	17,227.77

Note 12: Inventories*

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials	9,307.82	8,505.88
Work in progress	3,208.07	3,974.99
Finished goods	5,577.37	5,680.31
Goods-in-transit	1,619.56	141.00
Total	19,712.82	18,302.18

* Write-downs of inventories to net realisable value on account of slow moving and obsolete items amounted to ₹2,659.08 (March 31, 2020: Nil). These were recognized as an expense/reversal of expense respectively during the year and were included in cost of goods sold.

Note 13 : Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Trade receivable considered good - secured		-
(b) Trade receivable considered good - unsecured	90,980.73	83,244.15
(c) Trade receivable which have significant increase in credit risk	-	-
(d) Trade receivable - credit impaired	518.14	256.72
	91,498.87	83,500.87
Less: Allowance for expected credit loss	518.14	256.72
Total	90,980.73	83,244.15

- There are no receivables at the reporting date having significant increase in credit risk.
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
- The above impairment loss amounting to ₹518.14 (March 31, 2020: ₹256.72) related to trade receivables majorly from the subsidiaries namely Simple Approach, Norwest Industries Limited, FX Import Hong Kong Limited and PG Group.
- Trade receivables due from related parties as at March 31, 2021 amounts to ₹1,122.23 (March 31, 2020: ₹1,963.68). (Refer note 37).
- Trade receivables are generally on terms of not more than 90 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Note 14 : Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- Current account*	29,299.50	34,954.38
Cash on hand	46.71	84.30
Total	29,346.21	35,038.68

Note:

At March 31, 2021, the cash and bank balances of the Group denominated in RMB amounted to USD 98,363 (₹71.91) (2020: USD 3,80,224 (₹286.64)). 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.

* includes funds in transit amounting to ₹859.35 as at March 31, 2021 (March 31, 2020: Nil) pertaining to Norwest Industries limited and Progress Apparels Bangalesh Limited.

Note 15 : Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Earmarked balances for share fraction account	1.15	1.15
Deposits with original maturity of more than 3 months but less than 12 months	13,717.19	15,207.59
Total	13,718.34	15,208.74

- a) The earmarked balance represents balance of share fraction account lying with bank.
- b) Deposits amounting to ₹11,878.19 (March 31, 2020: ₹15,207.59) 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.

Note 16 : Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
2,70,00,000 (March 31, 2020: 2,70,00,000) equity shares of ₹10 each*	2,700.00	2,700.00
	2,700.00	2,700.00
Issued, subscribed and paid up		
2,60,46,724 (March 31, 2020: 2,60,46,724) equity shares of ₹10 each*	2,604.67	2,604.67
Total	2,604.67	2,604.67

a) Reconciliation of issued and subscribed share capital:

Particulars	No. of shares*	Amount
Balance as at April 1, 2019	2,60,46,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2020	2,60,46,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2021	2,60,46,724	2,604.67

- b) The Company has not issued any bonus shares or any shares for consideration other than cash during five years immediately preceding March 31, 2021. Further, the Company has not bought back any shares during five years immediately preceding March 31, 2021.

(All amounts in ₹lakhs, unless otherwise stated)

c) Terms/ rights attached to equity shares:

- The Company has only one class of equity share having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares*	Holding %	No. of shares*	Holding %
Mrs. Payal Seth	1,38,75,242	53.27	1,38,75,242	53.27
Mr. Deepak Seth	31,55,734	12.12	31,55,734	12.12
Mr. Sanjiv Dhireshbhai Shah	16,18,366	6.21	14,01,814	5.38

* The number of shares are given in absolute numbers.

Note 17 : Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	26,185.92	26,185.92
Restricted reserve	664.52	664.52
Other reserve	(3,821.21)	(3,469.59)
Retained earnings	25,223.83	16,792.08
Foreign currency translation reserve	13,007.10	12,604.44
Hedging reserve	124.37	530.13
Financial instruments through other comprehensive income	736.67	(43.32)
Defined benefit obligation through other comprehensive income	(37.28)	-
	62,083.92	53,264.18

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

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.

Details of dividend distributions proposed:

Particulars	As at March 31, 2021	As at March 31, 2020
Proposed dividend on equity shares:		
Proposed dividend: ₹15.75 per equity share of ₹10/- each (March 31, 2020: Nil)	4,102.36	-
Total proposed dividend on equity shares	4,102.36	-

Proposed dividend on equity shares is subject to approval by shareholders at the Annual General Meeting and had not been included as a liability in these consolidated financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹ lakhs, unless otherwise stated)

Note 18 : Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Secured loan		
- Vehicle loan from bank	71.16	21.56
- Term loan from bank	430.55	826.95
Less: Current maturities of long term borrowings (refer note 19)	(317.67)	(344.80)
Total (A)	184.04	503.71
Current		
Secured loan		
- From banks	47,053.09	72,358.54
- Bank overdraft	1,107.71	980.18
Unsecured loan		
- From directors	18.30	141.42
- From related parties (refer note 37)	300.00	300.00
- From others	-	434.00
Total (B)	48,479.10	74,214.14
Total (A+B)	48,663.14	74,717.85

a) For interest rate and liquidity risk related disclosures, refer note 42.

b) The nature of security for the loans are :

(i) Vehicle loan

- Vehicle loan of ₹27.00 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 (March 31, 2020: 8.8% per annum). The loan is repayable in 60 monthly instalments.
- Vehicle loan of ₹57.35 taken by the Company, from BMW Financial Services, during the year ended March 31, 2021 and was secured against hypothecation of the respective vehicle. The applicable rate of interest is 7.50% per annum (March 31, 2020: Nil). The loan is repayable in 60 monthly instalments.

c) In case of term loan from bank, the terms are as under:

- Term loan of ₹1,500.00 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.
- Term Loan of ₹300.00 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.
- Term loan carries rate of interest ranging from 9.60% to 10.25% per annum (March 31, 2020: 9.60% to 10.25% per annum).

d) Unsecured loan from related party are repayable on demand and carries interest rate of 10% per annum (March 31, 2020: 10% per annum).

(All amounts in ₹lakhs, unless otherwise stated)

e) Others:

- (i) In case of secured loans (other than vehicle loan) of Norwest Industries Limited ('NIL') and its subsidiaries (NIL Group), these loans are secured by way of NIL Group's guarantees from the immediate holding company, fellow subsidiaries, directors of NIL, a related party, Group's investment property, unlisted investments and certain of NIL 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.
- (ii) In case of banking facilities of Simple Approach Limited, Zamira fashions Limited, Techno Design HK Limited, PDS Asia Star Limited, Poeticgem International Limited, Green Apparel Industries Limited and Progress Manufacturing Group Limited, the banking facilities are secured by fellow subsidiaries' corporate guarantee, directors' personal guarantee, life insurance policy, bank guarantee and fellow subsidiary's properties.
- (iii) 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 and these loans are repaid during the year ending March 31, 2021.
- (iv) Interest details of secured loans are as follows:

Entity name	Nature of loan	March 31, 2021	March 31, 2020
PDS Asia star Limited	Discounted bills	LIBOR +2% p.a	LIBOR +2% p.a
	Import loans		
	Trust receipt loans		
Simple Approach Limited	Discounted bills	LIBOR+2% p.a	LIBOR+2% p.a
	Trust receipt loans	Bank prime rate+1.5% p.a	Bank prime rate+1.5% p.a
Zamira Fashions Limited	Import loans	Bank prime rate+1.5% p.a	Bank prime rate+1.5% p.a
	Trust receipt loans	Bank prime rate+1.5% p.a	Bank prime rate+1.5% p.a
Poeticgem International Limited	Import loans	LIBOR+2% to 2.4% p.a	LIBOR+2% to 2.4% p.a
	Trust receipt loans	LIBOR+2% to 2.4% p.a	LIBOR+2% to 2.4% p.a
Techno Design HK Limited	Import loans	LIBOR+2% p.a	LIBOR+2% p.a
Green Apparel Industries Limited	Term loan	LIBOR+2.75% p.a	LIBOR+2.75% p.a
Progress Manufacturing Group Limited	Term loan	LIBOR +2.75% p.a	LIBOR +2.75% p.a
Green Smart Shirts Limited	Bill discounting	LIBOR+3.5% p.a	LIBOR+3.5% p.a
	Term loan	11% p.a	11.00% p.a
Progress Apparel (Bangladesh) Limited	Bill discounting	LIBOR+3.5% p.a	
	Bank overdraft	LIBOR+3.5% p.a	
	Import loans	LIBOR+2.75% p.a	LIBOR+3.5% p.a
	Trust receipt loans	LIBOR+3.5% p.a	
Norwest Industries Limited and its subsidiaries	Term loans	1.75% over 3 months HIBOR [^] , 1.47% p.a, 1 month LIBOR [#] + 4% p.a.	1.75% over 3 months HIBOR [^] , 1.47% p.a, 1 month LIBOR [#] + 4% p.a.
	Import loans	USD/GBP/EUR: LIBOR [#] +2%, BFR ^{^^} +1.75% p.a	USD/GBP/EUR: LIBOR [#] +2%, BFR ^{^^} +1.75% p.a
	Trust receipt loans	COF ^{^^} +2.25%, LIBOR [#] +3.5%, HIBOR [^] +2%, LIBOR [#] +2%, BFR ^{^^} +1.75% p.a., LIBOR [#] +2.37% p.a., 2% over higher of LIBOR [#] and COF ^{^^}	COF ^{^^} +2.25%, LIBOR [#] +3.5%, HIBOR [^] +2%, LIBOR [#] +2%, BFR ^{^^} +1.75% p.a., LIBOR [#] +2.37% p.a., 2% over higher of LIBOR [#] and COF ^{^^}
	Bank overdraft	1.5% p.a.	1.5% p.a.
	Collateral bank advances	-	LIBOR [#] +2% p.a, COF ^{^^} +2.25% p.a.
	Currency loan	-	LIBOR [#] +2% p.a

London Interbank Offered Rate ("LIBOR")

[^]Hong Kong Interbank Offered Rate ("HIBOR")^{^^} Intesa Sanpaolo S.P.A.'s Cost of Funds ("COF")^{^^^} BNP PARIBAS's Funding Rate ("BFR")^{^^^^} Citi Bank's Cost of Funds ("COF")

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Note 19 : Other financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposit received (refer to note 'a' below)	63.23	210.86
Lease liabilities	4,737.55	6,367.52
Total (A)	4,800.78	6,578.38
Current		
Creditors for capital goods	-	2.25
Current maturities of long term borrowings	317.66	-
Interest accrued and not due on borrowings		
- From related parties	-	6.71
- From others	-	9.71
- Interest accrued but not due on borrowings from bank	0.34	0.74
Derivative financial instruments	252.76	99.72
Lease liabilities	2,436.34	1,791.42
Dues to employees	4,961.02	2,717.75
Dues to others	405.96	980.35
Due to related party (note 37)	3,038.93	5,680.73
Total (B)	11,413.01	11,289.38
Total (A+B)	16,213.79	17,867.76

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

Note 20 : Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Gratuity and other defined benefit plans (refer note 36)	1,369.55	1,195.35
Long service pay		
Total (A)	1,369.55	1,195.35
Current		
Provision for compensated absences	961.35	767.06
Gratuity and other defined benefit plans (refer note 36)	539.21	176.11
Long service pay		114.11
Other provisions	-	147.03
Total (B)	1,500.56	1,204.31
Total (A+B)	2,870.11	2,399.66

Note 21 : Trade payable

Particulars	As at March 31, 2021	As at March 31, 2020
- Outstanding dues to Micro Enterprises and Small Enterprises - (refer note 'a' & 'c' below)	1.72	3.10
- Others (refer note 37)	89,242.79	72,888.60
	89,244.51	72,891.70

(All amounts in ₹lakhs, unless otherwise stated)

- 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:

Particulars	As at March 31, 2021	As at March 31, 2020
- the principal amount (March 31, 2021: ₹1.72, March 31, 2020: ₹3.09) and the interest (March 31, 2021: Nil, March 31, 2020: Nil) due thereon remaining unpaid to any supplier at the end of each accounting year;	1.72	3.10
- 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.

Note 22 : Other liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
Other payables	112.29	59.21
Total (A)	112.29	59.21
Current		
Deferred income on security deposit received	71.90	82.97
Statutory dues	1,385.96	941.20
Advance from customers	1,987.42	3,166.37
Other payables	172.16	245.51
Total (B)	3,617.44	4,436.05
Total (A + B)	3,729.73	4,495.26

Note 23 : Liabilities for current tax (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for income tax, net of advance tax	2,177.80	875.20
Total	2,177.80	875.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Note 24 : Deferred tax, net

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
Deferred tax asset relates to the following:				
Provision for employee benefits	110.77	2.43	28.30	-
Brought forward losses and unabsorbed depreciation	979.14	-	17.07	-
Property, plant and equipment	27.83	286.34	-	4.03
Others	40.55	9.97	11.16	-
	1,158.29	298.74	56.53	4.03
Deferred tax asset (net)	859.55	-	52.50	-
Deferred tax liability relates to the following:				
Provision for employee benefits	57.59	6.42	63.37	-
Deferred assets	-	-	20.88	-
Brought forward losses and unabsorbed depreciation	-	-	42.64	-
Depreciation	-	197.73	-	157.15
Others	41.92	30.29	0.64	43.73
	99.51	234.44	127.53	200.88
Deferred tax liability (net)	-	134.93	-	73.35
Charge/ (credit) for the year		(745.47)		162.15
Reconciliation to the consolidated Statement of Profit and Loss				
a. Charge/ (credit) for the year		(745.47)		162.15
b. Exchange differences		210.25		(25.92)
c. Others		220.00		-
Charge/(credit) during the year		(315.22)		136.23

During the year ended March 31, 2020, the Company had 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 in the previous year. Accordingly, the Company derecognised 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 in 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 years ended March 31, 2020 and March 31, 2021, on the basis of the rate prescribed in the said section.

The Company has recognised deferred tax asset in respect of temporary differences in accordance with Ind AS 12 "Income Taxes" in the absence of convincing evidence pertaining to the recoverability of the tax assets, the Company has created deferred tax asset on the unabsorbed depreciation as it can be carried forward indefinitely. However, deferred tax asset on business losses has not been created due to lack of convincing evidence pertaining to the recoverability of the tax assets.

Details of Unused tax losses for which no deferred tax asset has been recognised:

Nature of loss/ allowance	Pertains to	Amount	Expiry Date
Business loss	AY 2017-2018	169.67	AY 2023-24
Business loss	AY 2018-2019	1,062.74	AY 2024-25
Business loss	AY 2019-2020	820.86	AY 2025-26
Business loss	AY 2020-2021	485.12	AY 2026-27

Note 25 : Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of goods	6,05,256.79	6,51,700.05
Other operating revenues		
- Others	16,030.05	13,103.87
Total	6,21,286.84	6,64,803.92

Note 26 : Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income	634.38	539.80
Interest income		
- On fixed deposits	155.06	174.80
- On bonds	-	131.10
- Others	39.32	-
Fair value gain on investments	368.63	-
Unwinding of discount on deposits	3.54	2.83
Sundry balance written back	458.63	0.55
Dividend from non trade investments	44.42	225.19
Other non-operating income	7.65	-
Recovery income	981.00	590.14
Gain on deemed disposal of associate	424.73	-
Miscellaneous income	622.18	987.96
Total	3,739.54	2,652.37

Note 27 : Cost of material consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year	8,505.88	8,777.34
Add: Purchases	60,116.09	34,488.17
Less: Inventory at the end of the year	9,307.82	8,505.88
Total	59,314.15	34,759.63

Note 28 : Purchase of stock in trade

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Purchases	4,59,825.00	5,25,148.42
Total	4,59,825.00	5,25,148.42

Note 29 : Changes in inventories of finished goods, work in progress and stock in trade

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year		
- Finished goods	5,821.32	2,749.56
- Work-in-progress	3,974.99	2,069.16
Total (A)	9,796.31	4,818.72
Inventories at the end of the year		
- Finished goods	7,196.93	5,821.32
- Work-in-progress	3,208.07	3,974.99
Total (B)	10,405.00	9,796.31
(Increase) / decrease in inventory (A-B)	(608.69)	(4,977.59)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Note 30 : Employee benefits expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	38,205.79	41,160.58
Contribution to provident and other fund (refer note 36)	1,870.62	1,148.20
Staff welfare expenses	468.49	576.55
Compensated absences	233.88	308.22
Gratuity expense (refer note 36)	646.70	402.31
Total	41,425.48	43,595.86

Note 31 : Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense		
- on term loans	375.13	1,418.16
- on loan from related party (refer note 37)	30.06	30.00
- on cash credit and working capital facilities	1,499.71	2,368.67
- on vehicle loan	2.55	2.07
- on lease obligation (refer note 46)	337.21	271.54
- on loan from others	119.13	109.66
- on others	201.47	720.02
- on unwinding of discount on security deposit received	8.53	7.34
Total	2,573.79	4,927.46

Note 32 : Depreciation and amortization expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property plant and equipment	3,923.40	2,921.00
Depreciation of investment property	255.73	420.21
Amortization of intangible assets	153.17	219.73
Depreciation on right to use of assets	2,437.38	1,659.11
Total	6,769.68	5,220.05

Note 33 : Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other manufacturing expenses	420.49	1,285.97
Electricity charges	654.98	413.79
Rent	555.84	1,006.67
Rates and taxes	78.59	729.66
Repairs and maintenance	750.73	688.46
Legal and professional	13,063.62	11,723.04
SAP expenses	345.57	80.49
Travelling and conveyance	1,681.72	5,469.20
Selling and marketing	1,976.70	2,761.45
Postage and courier	1,563.07	2,508.99
Commission and brokerage	3,083.86	4,365.87
Provision for doubtful trade receivables	261.42	46.70

(All amounts in ₹lakhs, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Freight cost	2,544.41	3,309.23
Loss on sale of plant, property and equipment	0.38	9.33
Recruitment expenses	225.35	230.70
Impairment of investment in joint venture	616.75	152.25
Impairment of advance to joint venture and associate, net	125.70	-
Foreign exchange fluctuation (net)	1,004.18	384.76
License fee	2,876.72	1,486.45
Advertisement and business promotion	567.30	798.86
Insurance	623.48	671.84
Security expenses	125.12	119.23
Printing and stationery	301.75	413.94
Communication costs	562.66	618.08
Bank charges	1,477.66	2,510.55
Office expenses	493.57	1,437.03
Miscellaneous expenses	2,359.06	4,459.25
Total	38,340.68	47,681.79

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.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to the equity holders of the Company	8,431.75	4,602.03
Number of equity shares for basic and diluted EPS	2,60,46,724	2,60,46,724
Basic and diluted earnings per share(in ₹) (face value ₹10 per share)	32.37	17.67

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, 2021 and March 31, 2020 are:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Tax expense:		
a) Current tax	2,467.48	809.63
b) MAT credit reversal	-	82.94
c) Deferred tax (credit)/ charge	(315.22)	53.29
Income tax expense reported in the Statement of Profit and Loss	2,152.26	945.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate for March 31, 2021 and March 31, 2020

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before income tax	16,994.68	9,053.51
Statutory rate	25.168%	25.168%
At statutory income tax rate (applicable rate)	4,277.23	2,278.59
Unused tax losses at statutory rate	469.72	1,290.76
Net effect of tax rates in foreign jurisdictions	(2,349.06)	(947.09)
Income exempt from tax	(1,251.58)	(2,406.66)
Non-deductible expenses	1,435.99	715.46
Permanent difference on account of impairment of goodwill	-	341.53
Effect of prior period errors adjusted	303.19	-
Deemed tax credit	-	(304.35)
Foreign tax credit	(680.77)	-
Tax losses utilised	-	(131.06)
Deferred tax impact due to change in tax rate	-	83.15
MAT credit written off	-	82.94
Others	(52.46)	(57.40)
At the effective income tax rate	2,152.26	945.87
Income tax recognised in other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Net amount charged to Other Comprehensive Income	-	-

- a) As at March 31, 2021, certain subsidiaries of the Group have unused tax losses arising in Mainland China of ₹35.60 (March 31, 2020: ₹29.82) 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 ₹584.74 (March 31, 2020: ₹496.37), that are available indefinitely for off setting against future taxable profits of that subsidiary.
- b) As at the end of the reporting period, deferred tax assets have not been recognised in respect of the unused tax losses of ₹11,839.72 (March 31, 2020: ₹8,348.65), which are available for off setting against future taxable profits of the companies in which the losses arose. Deferred tax assets 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 across the various geography. 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 Consolidated Statement of Profit and Loss under contribution to defined contribution plans:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employer's contribution to provident fund/ pension fund	1,870.53	1,147.87
Employer's Contribution to employee state insurance	0.09	0.33
Total	1,870.62	1,148.20

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	Year ended March 31, 2021	Year ended March 31, 2020
1) Opening defined benefit obligation	1,371.46	962.25
2) Acquisition adjustment	-	12.40
3) Add: Interest cost	100.81	88.86
4) Add: Current service cost	545.89	313.45
5) Less: Benefits paid	(150.19)	(5.50)
6) Add: Actuarial (gain) / loss	40.79	-
Present value of obligation as at the end of the year	1,908.76	1,371.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

d) The following tables summarise the net benefit expense recognised in the Statement of Profit and Loss:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cost for the year included under employee benefit		
Current service cost	545.89	313.45
Interest cost	100.81	88.86
Net cost	646.70	402.31

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Economic assumptions		
1) Discount rate	6.8-7.0%	6.8-9.2%
2) Rate of increase in compensation levels	5.0-9.0%	5.0-7.5%
Demographic assumptions		
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
Employee Turnover / Attrition rate		
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, 2021	As at March 31, 2020
Present value of obligation	1,908.76	1,371.46
Less: Fair value of plan assets	-	-
Net liability	1,908.76	1,371.46

g) The weighted average duration of the defined benefit obligations are in the range of 9 - 13.24 years (March 31, 2020: 9 - 13.24 years).

h) A quantitative sensitivity analysis for significant assumptions is as shown below:

Particulars	As at March 31, 2021 increase/ (decrease) in liability	As at March 31, 2020 increase/ (decrease) in liability
A. Discount rate		
0.5% increase in discount rate	(60.23)	(63.30)
0.5% decrease in discount rate	64.92	68.20
B. Salary escalation rate		
0.5% increase in salary escalation rate	64.98	69.29
0.5% decrease in salary escalation rate	(60.73)	(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.

(All amounts in ₹lakhs, unless otherwise stated)

i) Description of risk exposures:

Salary increase	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, 2021	As at March 31, 2020
1 year	121.86	85.92
2 to 6 years	422.35	458.28
More than 6 years	888.23	827.26

- 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****(i) Joint ventures**

Name of related party	Nature of relationship
Sourcing Solutions Limited	
Sourcing East West Limited	
Digital Ecom Techno Private Limited	Joint ventures
Redwood Internet Ventures Limited	
Digital Internet Technologies Limited	

(ii) Associates

Name of related party	Nature of relationship
Atterley.Com Holdings Limited^	
GWD Enterprises Limited	Associates

(iii) Parties under common control where transactions have taken place:

Name of related party	Nature of relationship
Pearl Global Industries Limited	
Frou Holding Limited	Enterprise over which KMP exercise control and significant influence.
JSM Trading FZE	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

(iv) Key managerial personnel

Name of related party	Nature of relationship
Mrs. Payal Seth (Non-Executive and Non-Independent Director)^^^	Key managerial personnel (KMP)
Mr. Deepak Seth (Non-Executive and Non-Independent Director)	
Mr. Pallak Seth (Non-Executive and Non-Independent Director)	
Mr. Ashok Kumar Sanghi (Independent Director)	
Mr. Ashutosh Prabhudas Bhupatkar (Independent Director)	
Mr. Ashok Kumar Chhabra (Independent Director)	
Ms. Saraswathy Venkateshwaran (Independent Director)	
Mr. Omprakash Makam Suryanarayan Setty (Chief Operating Officer)**	
Mr. Sanjay Jain (Chief Executive Officer)**	
Mr. Ajai Singh (Chief Financial Officer)	
Mr. Chandra Shekhar Reddy (Head of Legal & Company Secretary)^^	
Mr. Abhishekh Kanoi (Head of Legal & Company Secretary)^^	

Refer note 2 for details of subsidiaries and step down subsidiaries

b) Transactions with related parties

Name of related party	Relationship	Nature of transaction	Year ended March 31, 2021	Year ended March 31, 2020
Sourcing Solutions Limited	Joint venture	Management income	139.44	-
		Management expense	123.30	78.90
		Interest income	37.17	-
Parc Designs Private Limited*	Subsidiary Company	Disinvestment in shares	-	96.00
		Interest income	-	12.71
JSM Trading FZE	Enterprises owned or significantly influenced by KMP or their relatives	Consultancy fees	2,226.75	2,126.61
Pearl Global Industries Limited		Interest expenses	30.06	30.00
Digital Ecom Techno Private Limited	Joint venture	Rental income	0.03	0.47
Mr. Ashok Kumar Sanghi	Key managerial personnel	Director sitting fees	4.00	6.00
Mr. Ashutosh Prabhudas Bhupatkar		Director sitting fees	4.00	6.00
Mr. Ashok Kumar Chhabra		Director sitting fees	4.00	6.00
Ms. Saraswathy Venkateshwaran#		Director sitting fees	4.00	-
Mr. Pallak Seth		Salary	178.17	179.56
Mr. Ajai Singh			162.78	203.42
Mr. Omprakash Makam Suryanarayan Setty**			64.52	104.43
Mr. Sanjay Jain**			63.66	-
Mr. Abhishekh Kanoi^^			9.39	-
Mr. Chandra Shekar Reddy^^			31.19	63.86

c) Year end receivable balances of related parties

Name of related party	Relationship	Nature of transaction	Year ended March 31, 2021	Year ended March 31, 2020
Frou Holding Limited	Enterprises owned or significantly influenced by KMP or their relatives	Dues from related party	287.60	358.47
Digital Internet Technologies Limited	Joint ventures		258.13	663.93
Sourcing Solutions Limited			-	1,140.02
GWD Enterprises Limited	Associate		681.49	475.68

(All amounts in ₹lakhs, unless otherwise stated)

d) Year end payable balances of related parties

Name of related party	Relationship	Nature of transaction	Year ended March 31, 2021	Year ended March 31, 2020
Sourcing Solutions Limited	Joint venture	Dues to related party	-	323.10
JSM Trading FZE	Enterprises owned or significantly influenced by KMP or their relatives	Trade payable	639.67	149.26
Pearl Global Industries Limited		Loan outstanding	300.00	306.71
Mr. Abhishek Kanoi	Key managerial personnel	Salary payable	3.16	-
Mr. Sanjay Jain			19.71	-
Mr. Pallak Seth			14.85	14.96
Mr. Ajai Singh			13.56	16.95
Mr. Deepak Seth		Dues to related party	3,038.93	5,357.63

* The 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 of holding has been 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 of the Company. Consequently, the transactions with Parc Design from the period April 01, 2020 until September 30, 2020 has been disclosed as related party transactions.

^ Due to the allotments of new ordinary shares to new investors by Atterley.com Holdings Limited ("Atterley") during the year, the Group's shareholding has diluted from 27.23% to 14.40% as a result of which the Group has ceased to have significant influence on Atterley.

Ms. Saraswathy Venkateshwaran was appointed as an Additional Independent Director with effect from February 14, 2020 and confirmed as Independent Director on October 28, 2020.

** The Board of Directors of the Company has appointed Mr. Sanjay Jain as Chief Executive Officer and KMP of the Company effective from January 15, 2021. Mr. Omprakash Makam Suryanarayana has resigned as Chief Executive Officer & KMP of the Company on January 14, 2021 and continues his association as Group Chief Operating Officer with effect from January 15, 2021.

^^ The Board of Directors of the Company has appointed Mr. Abhishek Kanoi as Head of Legal and Company Secretary and KMP of the Company effective from January 11, 2021. Mr. Chandra Sekhara Reddy has resigned as Head of Legal and Company Secretary and KMP of the Company on January 10, 2021.

^^^ Mrs. Payal Seth is the controlling shareholder

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.

f) In respect of figures disclosed above:

- The amount of transactions/ balances are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.
- Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Group.

Note 38: Capital management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings (refer note 18 and 19)	48,980.80	74,717.85
Less: Cash and cash equivalents (refer note 14)	29,346.21	35,038.68
Less: Other bank balance (refer note 15)	13,718.34	15,208.74
Net debt (A)	5,916.25	24,470.43
Equity share capital (refer note 16)	2,604.67	2,604.67
Other equity (refer note 17)	62,083.92	53,264.18
Total Capital (B)	64,688.59	55,868.85
Capital and net debt (A + B)	70,604.84	80,339.28
Gearing ratio [A/(A + B)]	8.38%	30.46%

- a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.
- 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 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.

Particulars	Assets 2021 USD	Assets 2021 USD	Assets 2020 USD	Assets 2020 USD
Forward currency contracts	5,06,340 (Equivalent to ₹370.16)	3,45,749 (Equivalent to ₹252.76)	8,35,677 (Equivalent to ₹629.85)	1,32,279 (Equivalent to ₹99.72)

The carrying amount of foreign currency contracts are the same as their fair values

As at March 31, 2021, the Group held 129 forward currency contracts (March 31, 2020: 89) and no option currency contracts (March 31, 2020: Nil) and they are designated as hedges in respect of expected future sales to customers in the United Kingdom for which the said group has firm commitments.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. The cash flow hedges of the expected future sales between April 2021 and March 2022 were assessed to be highly effective and a net loss of ₹405.76 (March 31, 2020: net gain of ₹777.49), was included in the hedging reserve for the year.

(All amounts in ₹lakhs, unless otherwise stated)

Note 40 : Fair values disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments. 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial assets measured at FVTPL				
Equity investments (refer note 9)	2,660.95	91.44	2,660.95	91.44
Debt investments (refer note 9)	3,592.55	2,332.83	3,592.55	2,332.83
Other investments (refer note 9)	2,525.74	2,531.51	2,525.74	2,531.51
	8,779.24	4,955.78	8,779.24	4,955.78
Financial assets measured at FVOCI				
Equity and debt investments (refer note 9)	5,646.59	1,023.61	5,646.59	1,023.61
Derivative financial instruments (refer note 10)	370.16	629.85	370.16	629.85
Other investments (refer note 9)	69.55	139.75	69.55	139.75
	6,086.30	1,793.21	6,086.30	1,793.21
Financial assets measured at amortised cost				
Security deposits (refer note 10)	1,550.45	1,751.24	1,550.45	1,751.24
Investment in associates and joint ventures (refer note 9)	913.53	2,780.60	913.53	2,780.60
Application money paid towards securities (refer note 10)	299.38	-	299.38	-
Loan to others (refer note 10)	1,311.92	-	1,311.92	-
Dues from related party (refer note 10)	1,227.21	2,279.64	1,227.21	2,279.64
Interest accrued on fixed deposits (refer note 10)	-	16.42	-	16.42
Deposits with original maturity of more than 12 months (refer note 10)	1.00	1.00	1.00	1.00
Interest accrued but not due (refer note 10)	28.77	43.46	28.77	43.46
Loans receivable from others (refer note 10)	2,746.90	1,699.32	2,746.90	1,699.32
Unbilled revenue (refer note 10)	149.57	42.49	149.57	42.49
Trade receivable (refer note 13)	90,980.73	83,244.15	90,980.73	83,244.15
Cash and cash equivalents (refer note 14)	29,346.21	35,038.68	29,346.21	35,038.68
Other bank balances (refer note 15)	13,718.34	15,208.74	13,718.34	15,208.74
	1,42,274.01	1,42,105.73	1,42,274.01	1,42,105.73

b) Fair value of financial liabilities:

	Carrying values		Fair values	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Financial liabilities measured at fair value through other comprehensive income				
Derivative financial instruments (refer note 19)	252.76	99.72	252.76	99.72
	252.76	99.72	252.76	99.72
Financial liabilities measured at amortised cost				
Borrowings (refer note 18 and 19)	48,980.80	74,717.85	48,980.80	74,717.85
Trade payables (refer note 21)	89,244.51	72,891.70	89,244.51	72,891.70
Interest accrued but not due on borrowings (refer note 19)	0.34	17.16	0.34	17.16
Lease liabilities (refer note 19)	7,173.89	8,158.94	7,173.89	8,158.94
Dues to employees (refer note 19)	4,961.02	2,717.75	4,961.02	2,717.75
Due to related party (refer note 19)	3,038.93	5,680.73	3,038.93	5,680.73
Due to others (refer note 19)	405.96	980.35	405.96	980.35
Security deposit received (refer note 19)	63.23	210.86	63.23	210.86
Creditors for capital expenditure (refer note 19)	-	2.25	-	2.25
	1,53,868.68	1,65,377.59	1,53,868.68	1,65,377.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

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, 2021:

	Total	Level 1	Level 2	Level 3
Financial assets measured at FVTPL				
Listed and unlisted equity investments, at fair value	2,660.95	2,603.95	-	57.00
Listed debt investments, at fair value	3,592.55	3,592.55	-	-
Investments in life insurance policies, at fair value	2,525.74	-	2,525.74	-
Total (A)	8,779.24	6,196.50	2,525.74	57.00
Financial assets measured at FVOCI				
Equity investments, at fair value	5,646.59	-	-	5,646.59
Derivative financial instruments	370.16		370.16	-
Investments in bonds, at fair value	69.55	69.55	-	-
Total (B)	6,086.30	69.55	370.16	5,646.59
Total (A+B)	14,865.54	6,266.05	2,895.90	5,703.59

b) Fair value measurement hierarchy for financial liabilities as at March 31, 2021:

	Total	Level 1	Level 2	Level 3
Financial liabilities measured at FVOCI				
Derivative financial instruments	252.76	-	252.76	-
	252.76	-	252.76	-

(All amounts in ₹lakhs, unless otherwise stated)

c) Fair value measurement hierarchy of financial assets as at March 31, 2020:

	Total	Level 1	Level 2	Level 3
Financial assets measured at FVTPL				
Listed and unlisted equity investments, at fair value	91.44	34.44	-	57.00
Listed 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	-
Total A	4,955.78	2,367.27	2,531.51	57.00
Financial assets measured at FVOCI				
Equity investments, at fair value	1,023.61	-	-	1,023.61
Derivative financial instruments	629.85		629.85	-
Investments in bonds, at fair value	139.75	139.75	-	-
Total B	1,793.21	139.75	629.85	1,023.61
Total (A+B)	6,748.99	2,507.02	3,161.36	1,080.61

d) Fair value measurement hierarchy for financial liabilities as at March 31, 2020:

	Total	Level 1	Level 2	Level 3
Financial liabilities measured at FVOCI				
Derivative financial instruments	99.72	-	99.72	-
	99.72	-	99.72	-

The movements in fair value measurements within Level 3 during the year are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
At beginning of the year	1,080.61	990.72
Addition	2,730.34	1,878.06
Total gains/(losses) recognised in statement of profit and loss	-	(16.87)
Total gains/(losses) recognised in other comprehensive income	798.99	(163.90)
Disposals/ reclass	-	(1,515.64)
Transferred from an investment in an associate - refer (i) below	1,210.36	-
Foreign exchange gain/(loss)	(116.71)	(91.76)
At end of the year	5,703.59	1,080.61

(i) Due to the allotments of new ordinary shares to new investors by Atterley.com Holdings Limited ("Atterley") during the year, the Group's shareholding has diluted from 27.23% to 14.40% as a result of which the Group has ceased to have significant influence on Atterley.

(ii) There have been no transfers between level 1, level 2 and level 3 category during the years ended on March 31, 2021 and March 31, 2020.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) 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.

(b) Investment in unlisted equity and debt instruments: The fair value of unlisted investments at fair value through other comprehensive income and fair value through profit or loss are based on either using a valuation technique which incorporates various market observable inputs including quoted prices or most recent transaction prices. The management believe that the estimated fair value resulting therefrom, which is recorded in the Consolidated Balance Sheet and the related change in fair value, which is recorded in the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), are reasonable, and that it was the most appropriate value at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at March 31, 2021 and March 31, 2020:

Particulars	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial assets at fair value through other comprehensive income	Market approach	Enterprise-value- to-revenue multiple ("EV/ Revenue")	Increase/decrease in EV/ Revenue would result in increase/ decrease in fair value
	Income approach	Discount rate	Increase/decrease in discount rate would result in decrease/ increase in fair value

(c) Derivative financial instruments: The Group enters into derivative financial instruments with financial institutions with high credit ratings. Derivative financial instruments, representing forward currency contracts and option currency contracts, are measured using valuation techniques similar to forward and option pricing, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values. As at March 31, 2021, the mark-to-market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

(d) Investment in life insurance policies: The fair values of investments in life insurance policies have been estimated based on the surrender values, which are calculated and quoted by the issuer. The management believe that the estimated fair values resulting therefrom, which are recorded in the consolidated Balance Sheet, and the related changes in fair values, which are recorded in the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), are reasonable, and that they were the most appropriate values at the end of the reporting period.

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.

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.

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowing	47,483.63	72,840.69
Fixed rate borrowing	1,497.17	1,877.16
	48,980.80	74,717.85

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
50 bps increase would decrease the profit before tax by	(300.81)	(354.40)
50 bps decrease would Increase the profit before tax by	300.81	354.40

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.

(All amounts in ₹lakhs, unless otherwise stated)

ii) Foreign currency risk

The Group's exposure to foreign currency risk as at March 31, 2021 are as follows:

Currency	Trade receivables	Unbilled revenue	Other receivable	Cash and cash equivalent	Lease liability	Trade payable	Bank borrowings	As at March 31, 2021
USD	255.84	41.04	-	-	-	(355.37)	-	(58.49)
EUR	1,278.74	-	-	607.58	-	(307.58)	(24.31)	1,554.43
GBP	2,961.80	-	112.35	2,657.98	-	(2,270.81)	(5,239.28)	(1,777.96)
CNY	44.84	-	-	176.23	(60.97)	(106.31)	-	53.79
BDT	50.33	-	-	548.85	(31.65)	(368.98)	-	198.55
CAD	1.56	-	-	46.62	-	(42.61)	-	5.57
CHF	-	-	-	0.07	-	-	-	0.07
LKR	6.27	-	-	12.84	-	(58.76)	-	(39.65)
Net Exposure	4,599.38	41.04	112.35	4,050.17	(92.62)	(3,510.42)	(5,263.59)	(63.69)

The Group's exposure to foreign currency risk as at March 31, 2020 are as follows:

Currency	Trade receivables	Unbilled revenue	Other receivable	Cash and cash equivalent	Lease liability	Trade payable	Bank borrowings	As at March 31, 2020
USD	51.41	1.23	-	-	-	-	-	52.64
EUR	3,083.68	-	-	1,526.41	-	(565.75)	(38.95)	4,005.39
GBP	2,411.43	-	-	5,513.60	-	(4,274.13)	-	3,650.90
CNY	54.87	-	-	145.59	(183.07)	(93.44)	-	(76.05)
BDT	6.50	-	-	360.15	(4.25)	(91.51)	-	270.89
CAD	-	-	-	0.40	-	-	-	0.40
CHF	-	-	-	0.07	-	(10.98)	-	(10.90)
LKR	-	-	-	6.27	-	-	-	6.27
Net Exposure	5,607.89	1.23	-	7,552.50	(187.32)	(5,035.80)	(38.95)	7,899.54

Sensitivity

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	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
USD	5%	(2.92)	2.63	2.92	(2.63)
EUR	5%	77.72	200.27	(77.72)	(200.27)
GBP	5%	(88.90)	182.54	88.90	(182.54)
CNY	5%	2.69	(3.80)	(2.69)	3.80
BDT	5%	9.93	13.54	(9.93)	(13.54)
CAD	5%	0.28	0.02	(0.28)	(0.02)
CHF	5%	0.00	(0.55)	(0.00)	0.55
LKR	5%	(1.98)	0.31	1.98	(0.31)

Norwest Group has transactional currency exposures. Such exposures arise from sales or purchases in currencies other than the Group's functional currency. Norwest Group uses forward currency contracts to eliminate the foreign currency exposures on its sales transactions, for which the corresponding settlements are anticipated to take place more than one month after the Norwest Group has entered into firm commitments for the sales. The forward currency contracts must be in the same currency as that of the hedged items. Norwest Group negotiates the terms of the hedge derivatives to match the terms of the hedged items to maximise hedge effectiveness. It is Norwest Group's policy that a forward contract is not entered into until a firm commitment is in place.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

B. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the 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.

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, 2021	79,271.21	8,280.89	3,428.63	90,980.73
Trade receivables as of March 31, 2020	66,668.56	10,493.39	6,082.20	83,244.15

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 applies to most of the subsidiaries.

The total impairment loss amounting to ₹518.14 as at March 31, 2021 (March 31, 2020: ₹256.72) 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, 2021	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	48,796.76	184.04	-	48,980.80
Trade payables	89,244.51	-	-	89,244.51
Lease liabilities	2,422.69	5,154.12	337.99	7,914.81
Other financial liabilities	8,659.01	125.73	-	8,784.74
Total	1,49,122.97	5,463.89	337.99	1,54,924.86

As at March 31, 2020	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	74,214.14	503.71	-	74,717.85
Trade payables	72,891.70	-	-	72,891.70
Lease liabilities	2,268.42	7,197.86	328.52	9,794.80
Other financial liabilities	9,497.96	297.38	-	9,795.34
Total	1,58,872.22	7,998.95	328.52	1,67,199.69

a) Commitments

(i) Capital commitment:

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances)	33.37	-

(All amounts in ₹lakhs, unless otherwise stated)

(ii) Other commitment:

The Company has entered into a Capital commitment agreement where contribution has to be made to WaterBridge Ventures II Trust (the "Fund") and the contribution agreement has been executed between Vistra ITCL (India) Limited (the "Trustee Company"), WaterBridge Capital Management LLP (the "Investment Manager") and PDS Multinational Fashions Limited (The "contributor") in which the contributor has committed ₹750.00 which will be paid as per the terms of agreement. Subsequent to the Balance Sheet date, 35% of the amount i.e. ₹262.50 has been contributed based on the drawdown notice received from the fund.

b) Contingent liabilities

- (i) In case of the Company, claims against Company not acknowledged as debt

Particulars	As at	As at
	March 31, 2021	March 31, 2020
- On account of stamp duty on demerger	148.20	148.20
	148.20	148.20

- 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.

- (iii) In case of Norwest Industries Limited, Guarantee given to banks in connection with facilities granted to subsidiaries and fellow subsidiaries ₹38,912.67 (March 31, 2020: ₹46,655.69). At March 31, 2021, the banking facilities guaranteed by Norwest Industries Limited to its fellow subsidiaries were utilised to the extent of approximately ₹31,944.10 (March 31, 2020 : ₹42,627.68).

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 Nil (March 31, 2020: ₹140.44). 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) Poeticgem Limited had available ₹2,518.10 (March 31, 2020: ₹2,340.73) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.
- (vi) Contingent liabilities related to irrevocable letters of credit as at March 31, 2021 of Group companies is ₹17,869.43 (March 31, 2020: ₹22,683.15).

Note 44 : Segment reporting**(a) Primary segment information:**

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment e.g. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

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:

	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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Segment revenue	6,07,317.62	6,39,671.08	28,462.19	30,998.23	(207.45)	484.91	(14,285.52)	(6,350.30)	6,21,286.84	6,64,803.92
Other income	1,860.25	2,064.71	181.88	348.48	1,697.41	239.19	-	-	3,739.54	2,652.37
Segment results before tax	28,292.86	16,418.25	(10,368.10)	(5,724.44)	(11.94)	(821.35)	(526.54)	(128.81)	17,386.28	9,743.65
Tax expense									(2,152.26)	(945.86)
Share of loss of associates and joint ventures									(391.61)	(690.14)
Profit for the year									14,842.42	8,107.65
Segment assets	1,67,620.44	1,73,480.99	41,951.65	44,744.87	25,016.31	16,209.79	-	-	2,34,588.40	2,34,435.65
Segment assets as a percentage of total assets	71.45	74.00	17.88	19.09	10.66	6.91	-	-	100.00	100.00
Segment liabilities	1,34,776.62	1,35,834.93	19,731.85	28,788.96	8,525.54	8,696.86	-	-	1,63,034.01	1,73,320.75
Segment liabilities as a percentage of total liabilities	82.67	78.37	12.10	16.61	5.23	5.02	-	-	100.00	100.00
Other material non-cash items included under Statement of Profit and loss before tax										
Depreciation and amortisation	4,064.53	3,221.73	2,336.83	1,703.81	368.32	294.51	-	-	6,769.68	5,220.05

Entity wide disclosures:

(c) Information about products and services

(i) Revenue from external customers by nature of product:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of goods	6,05,256.79	6,51,700.05
Others	16,030.05	13,103.87
	6,21,286.84	6,64,803.92

(d) Information about Geographical areas

(i) Revenue from external customers by Geography

Geography	Year ended March 31, 2021	Year ended March 31, 2020
India	2,341.42	2,910.72
Europe	5,21,880.95	5,55,736.53
Others	97,064.47	1,06,156.67
	6,21,286.84	6,64,803.92

(All amounts in ₹lakhs, unless otherwise stated)

(ii) The Group's non-current assets are majorly located as follows:

Geography	As at March 31, 2021	As at March 31, 2020
India	3,753.07	3,909.34
Hong Kong	13,855.53	13,000.62
Bangladesh	21,338.76	22,966.43
Others	8,261.18	10,646.38
	47,208.54	50,522.77

(iii) The Group's investments accounted as per equity method are majorly located as follows:

Geography	As at March 31, 2021	As at March 31, 2020
India	-	105.04
Hong Kong	913.53	1,463.27
Others	-	1,212.29
	913.53	2,780.60

- (e) Revenue from major customers: There are 2 customers who has contributed 10% or more to the Group's revenue for the year ended March 31, 2021 and 4 customers for the year ended March 31, 2020.

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:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenues by category and nature		
Sale of goods	6,05,256.79	6,51,700.05
Others	16,030.05	13,103.87
	6,21,286.84	6,64,803.92
Revenues from geographic areas based on the location of the customers are as follows:		
Europe	5,21,880.95	5,55,736.53
Other than Europe	99,405.89	1,09,067.39
	6,21,286.84	6,64,803.92
Revenues based on timing of recognition		
Services transferred at a point in time	6,21,286.84	6,64,803.92
Services transferred over time	-	-
	6,21,286.84	6,64,803.92

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

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	90,980.73	83,244.15
Contract assets	149.57	42.49
Contract liabilities	1,987.42	3,166.37

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

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, 2021 (March 31, 2020: 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.

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.

Particulars	As at March 31, 2021	As at March 31, 2020
Contract assets at the beginning of the year	42.49	-
Revenue billed/ accrued during the year	107.08	42.49
Contract assets at the end of the year	149.57	42.49
Contract liabilities at the beginning of the year	3,166.37	-
Advance received from customers during the year	(1,178.95)	3,166.37
Contract liabilities at the end of the year	1,987.42	3,166.37
Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price		
Revenue as per contract	6,18,290.34	6,63,502.12
Adjustments	2,996.50	1,301.80
Revenue from contract with customers	6,21,286.84	6,64,803.92

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 March 31, 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.

(All amounts in ₹lakhs, unless otherwise stated)

As lessee

- i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Buildings	
	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	8,142.83	-
Impact on account of transition to Ind AS 116	-	9,609.48
Additions during the year	2,344.13	-
Disposals/adjustment during the year	(1,078.76)	-
Depreciation expenses	(2,437.38)	(1,659.12)
Forex translation, net	153.41	192.47
At the end of the year	7,124.23	8,142.83

- ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	8,158.94	-
Impact on account of transition to Ind AS 116	-	9,609.48
Addition	2,685.17	-
Accretion of interest	337.21	271.54
Covid concession	(136.88)	-
Payment	(2,140.56)	(2,325.42)
Derecognition upon exercise of termination options	(1,154.87)	-
Forex translation	(575.12)	603.34
At the end of the year	7,173.89	8,158.94
Current	2,436.34	1,791.42
Non-current	4,737.55	6,367.52
	7,173.89	8,158.94

- iii) Maturity analysis of lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Lease payments		
Not later than one year	2,422.69	2,268.42
Later than one year	5,154.12	7,197.86
Later than five years	337.99	328.52
Total	7,914.80	9,794.80

- iv) Amount recognised in Consolidated Statement of Profit and Loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on right of use assets	2,437.38	1,659.12
Interest on lease liabilities	337.21	271.54
Expenses relating to short term leases	555.84	1,006.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

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, 2021 and March 31, 2020.

Note 47: Business Combination

Business combinations in the previous year

(a) 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 GBP11,50,000 (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 GBP11,50,000 (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	(39.96)
Total identifiable net assets at fair value	888.80
Non-controlling interests	(369.47)
Goodwill on acquisition	615.26
Satisfied by cash	1,134.59
An analysis of the cash flows in respect of the acquisition of Lillyandsid is as follows:	
Cash consideration	1,134.59
Cash and bank balances acquired	(272.74)
Net outflow of cash and cash equivalents included in cash flows from investing activities	861.85

(b) Windup of SACB

The Company's investee namely SACB has ceased to carry on business as at March 31, 2020 and has also proposed to wind up. As such, the assets and liabilities of SACB has been transferred to Multinational Textile Group Limited.

(c) Sale of stake in Parc Designs Private Limited

The investment in Parc Designs Private Limited ("Parc Designs") was sold during the year ended March 31, 2020, 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 Designs Private Limited ceases to be a subsidiary to the Company. Consequently, the transactions with Parc Designs Private Limited for the period April 01, 2020 until September 30, 2020 only has been reported in these consolidated financial statements. A loss of ₹54.11 was recorded on such sale.

(All amounts in ₹lakhs, unless otherwise stated)

Note 48: Prior period comparatives

During the year ended March 31, 2021, the Group reclassified/ regrouped certain previous year's amount i.e., March 31, 2020. Considering the nature of these reclassifications/ regrouping, the Group has not presented an opening balance sheet of previous year reported. Refer below the re-classified/ regrouped amounts:

The following tables summarise the impacts on the Group's consolidated financial statements:

a) Reconciliation of Consolidated Balance Sheet (extract) as at March 31, 2020

	March 31, 2020 (Reported)	Reclassification	March 31, 2020
Assets			
Current assets			
Financial assets - current			
Security deposits (unsecured, considered good)	5,308.98	(3,582.74)	1,726.24
Receivable from others	213.48	1,485.84	1,699.32
Dues from related party	-	2,279.64	2,279.64
Other current assets			
Advances recoverable in cash or in kind from others	1,430.06	2,251.37	3,681.43
Advances recoverable in cash or in kind from related parties	6,016.84	(6,016.84)	-
Sub-total	12,969.36	(3,582.73)	9,386.63
Liabilities			
Current liabilities			
Other financial liabilities - current			
Dues to employees	185.75	2,532.00	2,717.75
Due to related party	46.08	5,634.65	5,680.73
Dues to others	-	980.35	980.35
Trade payables	57,927.61	14,960.99	72,888.60
Other liabilities - current			
Statutory dues	357.20	584.00	941.20
Other payables	28,520.25	(28,274.74)	245.51
Sub-total	87,036.87	(3,582.73)	83,454.14

(b) The previous year's figure have been regrouped/rearranged wherever necessary, to make them comparable to those of the current year.

Note 49: 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/(loss) 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
Parent Company								
PDS Multinational Fashions Limited	24.11%	15,596.12	53.03%	4,471.59	2.38%	17.60	48.95%	4,489.19
Indian subsidiaries								
Technocian Fashions Private Limited	0.17%	107.48	1.15%	96.93	0.15%	1.12	1.07%	98.04
DIZBI Private Limited	0.05%	30.16	0.35%	29.16	0.00%	0.00	0.32%	29.16
Norlanka Brands Private Limited	(0.03%)	(22.46)	(0.33%)	(27.46)	0.00%	0.00	(0.30%)	(27.46)
Foreign subsidiaries								
Multinational Textile Group Limited	36.96%	23,909.85	47.56%	4,009.97	28.67%	212.04	46.03%	4,222.00
PDS Ventures Limited (formerly known as Multitech Venture Limited), Mauritius	(0.25%)	(162.21)	(4.75%)	(400.12)	0.00%	0.00	(4.36%)	(400.12)
PDS Sourcing Limited (formerly known as Global Textiles Group Limited)	4.59%	2,967.27	0.29%	24.37	0.00%	0.00	0.27%	24.37
PDS Global Investments Limited	0.05%	31.81	(0.01%)	(0.69)	0.09%	0.69	0.00%	0.00
Techno Design GmBH	0.46%	295.25	4.09%	344.72	0.00%	0.00	3.76%	344.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(All amounts in ₹lakhs, unless otherwise stated)

Name of enterprises	Net assets i.e. total assets minus total liability		Share in profit/(loss) 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
Pro Trusted Med Tech Limited (formerly known as FX Import Hong Kong Limited)	(0.46%)	(294.36)	(2.15%)	(181.19)	-	-	(1.98%)	(181.19)
PG Group Limited	4.75%	3,071.06	13.90%	1,172.27	1.72%	12.73	12.92%	1,184.99
PDS Smart Fabric Tech Limited (formerly known as Fullhouse Manufacturing Limited)	2.03%	1,313.12	13.53%	1,140.59	0.00%	-	12.44%	1,140.59
Norwest Industries Limited and its subsidiaries	98.17%	63,505.69	164.33%	13,856.23	120.91%	894.26	160.83%	14,750.49
Progress Manufacturing Group Limited	(8.33%)	(5,386.46)	(18.47%)	(1,557.59)	-	-	(16.98%)	(1,557.59)
Progress Apparels (Bangladesh) Limited	(10.72%)	(6,937.02)	(76.38%)	(6,440.46)	1.58%	11.72	(70.10%)	(6,428.74)
Green Apparel Industries Limited	(6.90%)	(4,465.06)	(15.05%)	(1,268.93)	-	-	(13.84%)	(1,268.93)
Green Smart Shirts Limited	12.90%	8,346.75	(9.09%)	(766.64)	(1.40%)	(10.33)	(8.47%)	(776.96)
PDS Asia Star Corporation Limited and its subsidiaries	4.63%	2,995.72	20.60%	1,736.58	2.44%	18.02	19.13%	1,754.60
Simple Approach Limited and its subsidiaries	8.72%	5,641.14	20.70%	1,745.29	0.61%	4.53	19.08%	1,749.82
Zamira Fashions Limited and its subsidiaries	2.93%	1,893.54	7.63%	643.71	1.73%	12.80	7.16%	656.50
Poeticgem International Limited	0.60%	388.39	34.78%	2,932.24	-	-	31.97%	2,932.24
Grupo Sourcing Limited and its subsidiaries	0.36%	232.45	2.61%	220.18	(0.11%)	(0.83)	2.39%	219.35
Techno Design HK Limited	4.62%	2,988.39	31.31%	2,639.75	0.62%	4.58	28.83%	2,644.33
Blueprint Design Limited	(4.84%)	(3,130.19)	(0.66%)	(55.76)	-	-	(0.61%)	(55.76)
Poetic Brands Limited	1.54%	998.53	7.95%	669.91	-	-	7.30%	669.91
FX Import Company Limited	(0.89%)	(577.65)	(0.44%)	(36.71)	-	-	(0.40%)	(36.71)
Poeticgem Limited	17.46%	11,293.55	2.22%	187.08	-	-	2.04%	187.08
Poetic Knitwear Limited	(1.10%)	(712.77)	(0.02%)	(2.00)	-	-	(0.02%)	(2.00)
Design Arc UK Limited	0.16%	105.94	0.41%	34.25	-	-	0.37%	34.25
Pacific Logistics Limited	(0.62%)	(398.42)	(0.06%)	(4.93)	-	-	(0.05%)	(4.93)
Casa Forma Limited	0.05%	29.83	(0.03%)	(2.93)	-	-	(0.03%)	(2.93)
PDS Ventures Limited	(0.39%)	(252.79)	(1.00%)	(84.61)	-	-	(0.92%)	(84.61)
Recovered Clothing Limited	(0.36%)	(234.86)	(1.06%)	(89.68)	-	-	(0.98%)	(89.68)
Multinational OSG Services Bangladesh Private Limited	1.19%	772.48	(1.46%)	(123.04)	-	-	(1.34%)	(123.04)
Design Arc FZCO	(0.32%)	(208.04)	(0.46%)	(38.41)	-	-	(0.42%)	(38.41)
Kleider Sourcing FZCO	1.01%	650.81	23.54%	1,984.74	-	-	21.64%	1,984.74
Spring Near East FZCO	0.41%	263.74	3.89%	328.08	-	-	3.58%	328.08
Twins Asia FZCO	0.74%	480.67	5.99%	505.42	-	-	5.51%	505.42
Clover Collections FZCO	-	-	-	-	-	-	-	-
Techno Sourcing BD Limited	0.25%	164.63	(0.20%)	(16.64)	-	-	(0.18%)	(16.64)
Techno Design USA LLC	-	(0.97)	(0.01%)	(0.97)	-	-	(0.01%)	(0.97)
Foreign associates								
Atterley.com Holdings Limited	-	-	(3.55%)	(299.48)	-	-	(3.27%)	(299.48)
GWD Enterprises Limited	-	-	(1.01%)	(84.79)	-	-	(0.92%)	(84.79)
Foreign joint ventures								
Sourcing Solutions Limited	1.41%	913.53	(0.65%)	(55.16)	-	-	(0.60%)	(55.16)
Redwood Internet Ventures Limited	-	-	0.57%	47.81	-	-	0.52%	47.81
	195.10%	1,26,204.61	323.57%	27,282.66	159.40%	1,178.92	310.33%	28,461.58
Non-controlling interest in subsidiaries	(10.61%)	(6,865.79)	(76.03%)	(6,410.67)	(6.56%)	(48.52)	(70.43%)	(6,459.19)
Intercompany elimination and consolidation adjustments	(84.48%)	(54,650.23)	(147.54%)	(12,440.24)	(52.84%)	(390.79)	(139.90%)	(12,831.03)
Grand-total		64,688.59		8,431.75		739.61		9,171.36

Note 50: Covid-19

The spread of COVID-19 has severely impacted businesses around the globe. As a result, the operations of the Group were impacted in FY 2020-21 with a series of lockdowns announced by the Governments of respective countries. The Group has resumed its business activities during the year by reopening its factories and offices in phased manner in line with the guideline issued by the government authorities of respective countries. However, any increase in business in FY 2021-22 is dependent on the various Government decisions to further lock down or re-open the respective economies where the Group operates. The Group has assessed the impact of this pandemic on its business operations and has considered relevant internal business projections, cash flows, and external information available up to the date of approval of these financial results. In determination of the recoverability and carrying value of its assets comprising 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 Group's financial results, which may differ from that considered as at the date of approval of these financial results. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business and believes that it has sufficient financial resources to operate for the next twelve months.

Note 51: Subsequent event

The board and the shareholders have considered and approved "PDS Multinational Fashions Limited- Employee Stock Option Plan 2021" (the PDS ESOP 2021 or Scheme or Plan) during the current quarter. On 3 April 2021, the Nomination and Remuneration (Compensation) Committee of the Board of Directors of the Company has granted 2,65,782 Stock Options under its PDS ESOP 2021 plan.

Note 52: Others

- (a) In the view of management, no material events have occurred between the Balance Sheet date to the date of issue of these consolidated financial statements that could affect the values stated in the financial statements as at March 31, 2021.
- (b) Figures have been rounded off to the nearest lakhs except otherwise stated.

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

Place: Bengaluru, India

Dated: May 27, 2021

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

Deepak Seth

Chairman & Non-Executive Director

DIN 00003021

Sanjay Jain

Chief Executive Officer

Ajai Singh

Chief Financial Officer

Place: Bengaluru, India

Dated: May 27, 2021

Ashutosh Bhupatkar

Independent Director

DIN 00479727

Abhishekh Kanoi

Head of Legal &
Company Secretary

M. No. FCS 9530

NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the Members of **PDS Multinational Fashions Limited** will be held on **Friday, the 30th day of July, 2021 at 11:00 A.M. (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") Facility, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Report of the Auditors thereon.
2. To declare the Final Dividend of ₹15.75/- (Rupees Fifteen and Seventy-Five Paise Only) per share for the financial year ended March 31, 2021.
3. To appoint a Director in place of Mr. Deepak Seth (DIN: 00003021) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **To approve appointment of Mr. Parth Gandhi (DIN: 01658253) as a Director (Non-Executive & Non-Independent) Director of the Company.**

To consider and if thought fit, to pass, with or without modification(s), appointment of Mr. Parth Gandhi (DIN: 01658253) as a Non-Executive & Non-Independent Director of the Company, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 161, 152 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "**Act**") and the Rules framed thereunder and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force) and on the recommendation of Nomination & Remuneration Committee, Mr. Parth Gandhi (DIN: 01658253), who was appointed by the Board of Directors as an Additional (Non-Executive & Non-Independent) Director of the Company w.e.f. May 27, 2021, and who holds office upto the conclusion of this Annual General Meeting of the Company in terms of Section 161 of the Act read with Articles of Association of the Company but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice, in writing from a Member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director (Non-Executive

& Non-Independent) of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. To approve increase in Authorized Share Capital of the Company

To consider and if thought fit, to approve, with or without modification(s), increase in Authorized Share Capital of the Company as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 61 and all other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "**Act**") read with the Rules framed thereunder and all other applicable regulations, rules and circulars/guidelines in force, from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Members be and is hereby accorded to increase the Authorized Share Capital of the Company from the present ₹27,00,00,000/- (Rupees Twenty Seven Crores Only) divided into 2,70,00,000 (Two Crores Seventy Lakhs) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each to ₹28,00,00,000/- (Rupees Twenty-Eight Crores Only) divided into 2,80,00,000 (Two Crore Eighty Lakhs) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each by creation of an additional ₹1,00,00,000 (Rupees One Crore Only) divided into 10,00,000 (Ten Lakhs) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each and such Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Act read with the Rules framed thereunder and all other applicable regulations, rules and circulars/guidelines in force, from time to time (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the Members be and is hereby accorded to amend Clause V of the Memorandum of Association (MOA) of the Company by substituting the existing Clause V of MOA with new Clause V as follows:

- V. The Authorized Share Capital of the Company is ₹28,00,00,000/- (Rupees Twenty-Eight Crores Only) divided into 2,80,00,000 (Two Crore Eighty Lakhs) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution."

6. **Approval for Amendments in the terms of the PDS Multinational Fashions Limited - Employee Stock Option Plan 2021**

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

"RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013 (hereinafter referred to as the **"Act"**) and all other applicable provisions, if any, of the Act read with Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as **"SEBI SBEB Regulations"**), the circulars issued by Securities and Exchange Board of India (**"SEBI"**), the Foreign Exchange Management Act (including statutory modifications or re-enactment of aforesaid and for the time being in force), any other notifications, circulars, rules and clarifications, guidance as may be applicable and relevant, the approval of the Members of the Company be and is hereby accorded to amend the terms of the PDS Multinational Fashions Limited – Employee Stock Option Plan 2021 (**"PDS ESOP 2021"**) such that the maximum period within which the options granted under the PDS ESOP 2021 shall vest be increased to 4 (Four) Years.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized in its absolute discretion as it deems fit; for the aforesaid purpose, to give effect to this resolution and the amendments in the terms of the PDS ESOP 2021 as may be necessary from time to time; to do such actions and deeds, obtain approvals, statutory, contractual or otherwise, approve / authorize to sign and execute all deeds, agreements, undertakings, applications, representation, documents and writings, to delegate all or any of the above powers to any Committee, Company Secretary, any officer of the Company generally to do all acts, deeds, and steps that may be necessary, desirable, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution including to settle all matters, issues, questions, difficulties or doubts that may arise at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

7. **Approval of the PDS Multinational Fashions Limited - Employees Stock Option Plan 2021 – Plan A for the Employees of the Company**

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

"RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013 (hereinafter referred to as the **"Act"**) and all other applicable provisions, if any, of the Act read

with Rules made thereunder, (including any statutory modification(s) or re- enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as **"SEBI SBEB Regulations"**), the circulars issued by Securities and Exchange Board of India (**"SEBI"**), the Foreign Exchange Management Act (including statutory modifications or re-enactment of aforesaid and for the time being in force), any other notifications, circulars, rules and clarifications, guidance as may be applicable and relevant, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which term shall include the Nomination and Remuneration Committee or any other committee which the Board has constituted to exercise the powers conferred by the Board, including the powers conferred by this resolution), to implement the "PDS Multinational Fashions Limited- Employee Stock Option Plan 2021 – Plan A" (the **"PDS ESOP (A) 2021"** or **"Scheme"** or **"Plan"**) and that the Board be and is hereby authorized to introduce, offer, issue, grant, vest and allot, in one or more tranches, a maximum of 5,82,410 Employee Stock Options (the **"Options"**) as the Board may decide; from time to time and in one or more tranches, to: (i) a permanent employee of the Company working in India or outside of India; (ii) a director of the Company or (iii) an employee, as defined in sub-clauses (i) or (ii) of an existing and future subsidiary, in India or outside of India, but excludes - (a) an individual who is a promoter or belongs to the promoter group; (b) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares; and (c) an independent director (within the meaning of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (**"SEBI Listing Regulations"**) as applicable under the PDS ESOP (A) 2021, (all such persons are hereinafter collectively referred to as the **"Eligible Employees"**), on such terms, conditions, price and manners as set out in the PDS ESOP (A) 2021 including any modifications thereof.

RESOLVED FURTHER THAT the Board of the Company, be and are hereby authorized to approve grant of Options and issue grant letters to Eligible Employees in accordance with the terms of the PDS ESOP (A) 2021.

RESOLVED FURTHER THAT the Company be and is hereby authorized to obtain approval from the Securities and Exchange Board of India and the Stock Exchanges or such other authorities, as required, for listing and trading of shares issued pursuant to the exercise of Options.

RESOLVED FURTHER THAT the number of Equity Shares underlying the Options and/or equity linked instruments which would give rise to issue of Equity Shares of the Company (hereinafter referred to as the **"Equity Shares"**) to be exercisable, subscribed, issued, offered and allotted under the Scheme shall not exceed 5,82,410 Equity Shares of the Company of Face Value of ₹10/- each fully paid-up.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to issue and allot such number of Equity Shares within the limit as set out above and may be required to be issued and allotted upon exercise of any Option or as may be necessary in accordance with the terms of the Options, and all the Equity Shares so issued and allotted pursuant to the Scheme shall rank pari passu with the Equity Shares of the Company in all respects, exist at the time of allotment.

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded to, and the Board be and is hereby authorized to do the following:

- a) devise, formulate, and bring into effect the PDS ESOP (A) 2021 in accordance with the terms approved in this resolution and as per provisions of the applicable laws.
- b) designate the Nomination and Remuneration Committee of the Company as the Compensation Committee for the purposes of the SEBI SBEB Regulations, which will administer and manage the PDS ESOP (A) 2021.
- c) take necessary steps for listing of the Equity Shares allotted under the Scheme on the Stock Exchanges as per the provisions of the SEBI SBEB Regulations / SEBI Listing Regulations / applicable laws.
- d) re-price the Options at any time as it deems fit, which are not exercised, if the exercise price of the Options is rendered unattractive due to fall in price of the shares in the market and such re-pricing is not detrimental to the interest of the employees.
- e) determine and conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations / SEBI Listing Regulations / applicable laws to the extent relevant to the PDS ESOP (A) 2021.
- f) determine the criteria to identify Eligible Employees to whom benefit of the Scheme shall be extended, determine the criteria for grant of Options, vesting period, exercise price, vesting schedule, vesting conditions, withdraw, lapse or expiry of the Options and matter relating thereto.
- g) determine the adjustment in number of Options and/ or exercise price as may be reasonably necessary in the event of various corporate actions proposed to be taken by the Company including subdivision or consolidation of shares, issuance of bonus shares, merger or reorganization of capital structure of the Company, as it thinks appropriate to adjust.
- h) appoint or authorize or direct to appoint intermediaries, professionals, agencies, advisors, merchant bankers, corporate trustee, banks, authorized dealers, valuers, consultants, brokers, agents, escrow agents, administrator, representative assessee, guarantor, special purpose vehicle and representatives as

may be necessary or incidental for implementation or administration of the Scheme or as it may, in its absolute discretion, deem fit, including to bear, receive and disburse monies on behalf of the Eligible Employees.

RESOLVED FURTHER THAT the Board be and is hereby authorized in its absolute discretion as it deems fit; for the aforesaid purpose, to give effect to this resolution and the Scheme as may be necessary from time to time; to do such actions and deeds, obtain approvals, statutory, contractual or otherwise, approve / authorize to sign and execute all deeds, agreements, undertakings, applications, representation, documents and writings, to delegate all or any of the above powers to any Committee, Company Secretary, any officer of the Company generally to do all acts, deeds, and steps that may be necessary, desirable, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution including to settle all matters, issues, questions, difficulties or doubts that may arise at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the PDS ESOP (A) 2021."

8. **Approval of the PDS Multinational Fashions Limited - Employees Stock Option Plan 2021 – Plan A for the Eligible Employees of the Company's subsidiaries**

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

"RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013 (hereinafter referred to as the "**Act**") and all other applicable provisions, if any, of the Act read with Rules made thereunder, (including any statutory modification(s) or re- enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "**SEBI SBEB Regulations**"), SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("**SEBI Listing Regulations**"), the circulars issued by Securities and Exchange Board of India ("**SEBI**"), the Foreign Exchange Management Act (including statutory modifications or re-enactment of aforesaid and for the time being in force, any other notifications, circulars, rules and clarifications, guidance as may be applicable and relevant, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include the Nomination and Remuneration Committee or any other committee which the Board has constituted to exercise the powers

conferred by the Board, including the powers conferred by this resolution), to implement the "PDS Multinational Fashions Limited- Employee Stock Option Plan 2021 – Plan A" (the "**PDS ESOP (A) 2021**" or "**Scheme**" or "**Plan**") and That the Board be and is hereby authorized to introduce, offer, issue, grant, vest and allot such number of options (the "**Options**"), as the Board may determine; from time to time and in one or more tranches, to (i) a permanent employee of any existing or future subsidiary company(ies) of the Company, working in India or outside of India and (ii) a director of any existing or future subsidiary company(ies) of the Company, in India or outside of India under the PDS ESOP (A) 2021, (all such persons are hereinafter collectively referred to as the "**Eligible Employees**"), on such terms, conditions, price and manners as set out in the PDS ESOP (A) 2021 including any modifications thereof.

RESOLVED FURTHER THAT the Board of the Company, be and are hereby authorized to approve grant of Options and issue grant letters to Eligible Employees in accordance with the terms of the PDS ESOP (A) 2021.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to obtain approval from the Securities and Exchange Board of India and the Stock Exchanges or such other authorities, as required, for listing and trading of shares issued pursuant to the exercise of Options.

RESOLVED FURTHER THAT the number of Equity Shares underlying the Options and/or equity linked instruments which would give rise to issue of Equity Shares of the Company (hereinafter referred to as the "**Equity Shares**") to be exercisable, subscribed, issued, offered and allotted under the Scheme shall not exceed 5,82,410 Equity Shares of the Company of Face Value of ₹10/- each fully paid-up.

RESOLVED FURTHER THAT the Board of the Company (be and is hereby authorized to issue and allot such number of Equity Shares within the limit as set out above and may be required to be issued and allotted upon exercise of any Option or as may be necessary in accordance with the terms of the Options, and all the Equity Shares so issued and allotted pursuant to the Scheme shall rank pari passu with the Equity Shares of the Company in all respects, exist at the time of allotment.

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded to, and the Board be and is hereby authorized to do the following:

- a) devise, formulate, and bring into effect the PDS ESOP (A) 2021 in accordance with the terms approved in this resolution and as per provisions of the applicable laws.
- b) designate the Nomination and Remuneration Committee of the Company as the Compensation Committee for the purposes of the SEBI SBEB Regulations, which will administer and manage the PDS ESOP (A) 2021.

- c) take necessary steps for listing of the Equity Shares allotted under the Scheme on the Stock Exchanges as per the provisions of the SEBI SBEB Regulations / SEBI Listing Regulations / applicable laws.
- d) re-price the Options at any time as it deems fit, which are not exercised, if the exercise price of the Options is rendered unattractive due to fall in price of the shares in the market and such re-pricing is not detrimental to the interest of the employees.
- e) determine and conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations / SEBI Listing Regulations / applicable laws to the extent relevant to the PDS ESOP (A) 2021.
- f) determine the criteria to identify Eligible Employees to whom benefit of the Scheme shall be extended, determine the criteria for grant of Options, vesting period, exercise price, vesting schedule, vesting conditions, withdraw, lapse or expiry of the Options and matter relating thereto.
- g) determine the adjustment in number of Options and/or exercise price as may be reasonably necessary in the event of various corporate actions proposed to be taken by the Company including subdivision or consolidation of shares, issuance of bonus shares, merger or reorganization of capital structure of the Company, as it thinks appropriate to adjust.
- h) appoint or authorize or direct to appoint intermediaries, professionals, agencies, advisors, merchant bankers, corporate trustee, banks, authorized dealers, valuers, consultants, brokers, agents, escrow agents, administrator, representative assessee, guarantor, special purpose vehicle and representatives as may be necessary or incidental for implementation or administration of the Scheme or as it may, in its absolute discretion, deem fit, including to bear, receive and disburse monies on behalf of the Eligible Employees.

RESOLVED FURTHER THAT the Board be and is hereby authorized in its absolute discretion as it deems fit; for the aforesaid purpose, to give effect to this resolution and the Scheme as may be necessary from time to time; to do such actions and deeds, obtain approvals, statutory, contractual or otherwise, approve / authorize to sign and execute all deeds, agreements, undertakings, applications, representation, documents and writings, to delegate all or any of the above powers to any Committee, Company Secretary, any officer of the Company generally to do all acts, deeds, and steps that may be necessary, desirable, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution including to settle all matters, issues, questions, difficulties or doubts that may arise at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the PDS ESOP (A) 2021."

9. **Approval of the PDS Multinational Fashions Limited - Employees Stock Option Plan 2021 – Plan B for the Employees of the Company**

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

"RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013 (hereinafter referred to as the "**Act**") and all other applicable provisions, if any, of the Act read with Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "**SEBI SBEB Regulations**"), the circulars issued by Securities and Exchange Board of India ("**SEBI**"), the Foreign Exchange Management Act (including statutory modifications or re-enactment of aforesaid and for the time being in force), any other notifications, circulars, rules and clarifications, guidance as may be applicable and relevant, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include the Nomination and Remuneration Committee or any other committee which the Board has constituted to exercise the powers conferred by the Board, including the powers conferred by this resolution), to implement the "PDS Multinational Fashions Limited- Employee Stock Option Plan 2021 – Plan B" (the "**PDS ESOP (B) 2021**" or "**Scheme**" or "**Plan**") and That the Board be and is hereby authorized to introduce, offer, issue, grant, vest and allot, in one or more tranches, a maximum of 1,01,348 Employee Stock Options such number of options (the "**Options**") by way of a trust; from time to time and in one or more tranches as the Board may decide, to: (i) a permanent employee of the Company working in India or outside of India; (ii) a director of the Company or (iii) an employee, as defined in sub-clauses (i) or (ii) of an existing and future subsidiary, in India or outside of India, but excludes - (a) an individual who is a promoter or belongs to the promoter group; (b) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares; and (c) an independent director (within the meaning of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("**SEBI Listing Regulations**") as applicable under the PDS ESOP (B) 2021, (all such persons are hereinafter collectively referred to as the "**Eligible Employees**"), on such terms, conditions, price and manners as set out in the PDS ESOP (B) 2021 including any modifications thereof.

RESOLVED FURTHER THAT the PDS ESOP (B) 2021 for grant of stock options to the employees of the Company be implemented through an irrevocable trust to be set up by the Company in the name of PDS Multinational Fashions ESOP Trust ("**Trust**"), and the Company be and is hereby authorized to establish the Trust on such terms and conditions as may be determined by the Board of Directors in accordance with the provisions of the PDS ESOP (B) 2021, the SEBI SBEB Regulations and in accordance with other applicable laws and regulations, and take all steps necessary in this regard.

RESOLVED FURTHER THAT the Board of the Company, be and are hereby authorized to approve grant of Options and issue grant letters to Eligible Employees in accordance with the terms of the PDS ESOP (B) 2021.

RESOLVED FURTHER THAT the Company be and is hereby authorized to obtain approval from the Securities and Exchange Board of India and the Stock Exchanges or such other authorities, as required, for listing and trading of shares issued pursuant to the exercise of Options.

RESOLVED FURTHER THAT the number of Equity Shares underlying the Options and/or equity linked instruments which would give rise to issue of Equity Shares of the Company (hereinafter referred to as the "**Equity Shares**") to be exercisable, subscribed, issued, offered and allotted under the Scheme shall not exceed 1,01,348 Equity Shares of the Company of Face Value of ₹10/- each fully paid-up, of which up to 1,01,348 Equity Shares shall be issued and allotted by the Company to the Trust and up to 1,01,348 Equity Shares shall be acquired from the secondary market by the Trust.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to issue and allot such number of Equity Shares within the limit as set out above and may be required to be issued and allotted upon exercise of any Option or as may be necessary in accordance with the terms of the Options, and all the Equity Shares so issued and allotted pursuant to the Scheme shall rank pari passu with the Equity Shares of the Company in all respects, exist at the time of allotment.

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded to, and the Board be and is hereby authorized to do the following:

- a) devise, formulate, and bring into effect the PDS ESOP (B) 2021 in accordance with the terms approved in this resolution and as per provisions of the applicable laws.
- b) designate the Nomination and Remuneration Committee of the Company as the Compensation Committee for the purposes of the SEBI SBEB Regulations, which will administer and manage the PDS ESOP (B) 2021.
- c) take necessary steps for listing of the Equity Shares allotted under the Scheme on the Stock Exchanges

as per the provisions of the SEBI SBEB Regulations / SEBI Listing Regulations / applicable laws.

- d) re-price the Options at any time as it deems fit, which are not exercised, if the exercise price of the Options is rendered unattractive due to fall in price of the shares in the market and such re-pricing is not detrimental to the interest of the employees.
- e) determine and conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations / SEBI Listing Regulations / applicable laws to the extent relevant to the PDS ESOP (B) 2021.
- f) determine the criteria to identify Eligible Employees to whom benefit of the Scheme shall be extended, determine the criteria for grant of Options, vesting period, exercise price, vesting schedule, vesting conditions, withdraw, lapse or expiry of the Options and matter relating thereto.
- g) determine the adjustment in number of Options and/or exercise price as may be reasonably necessary in the event of various corporate actions proposed to be taken by the Company including subdivision or consolidation of shares, issuance of bonus shares, merger or reorganization of capital structure of the Company, as it thinks appropriate to adjust.
- h) appoint or authorize or direct to appoint intermediaries, professionals, agencies, advisors, merchant bankers, corporate trustee, banks, authorized dealers, valuers, consultants, brokers, agents, escrow agents, administrator, representative assessee, guarantor, special purpose vehicle and representatives as may be necessary or incidental for implementation or administration of the Scheme or as it may, in its absolute discretion, deem fit, including to bear, receive and disburse monies on behalf of the Eligible Employees.

RESOLVED FURTHER THAT the Board be and is hereby authorized in its absolute discretion as it deems fit; for the aforesaid purpose, to give effect to this resolution and the Scheme as may be necessary from time to time; to do such actions and deeds, obtain approvals, statutory, contractual or otherwise, approve / authorize to sign and execute all deeds, agreements, undertakings, applications, representation, documents and writings, to delegate all or any of the above powers to any Committee, Company Secretary, any officer of the Company generally to do all acts, deeds, and steps that may be necessary, desirable, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution including to settle all matters, issues, questions, difficulties or doubts that may arise at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the PDS ESOP (B) 2021."

10. **Approval of the PDS Multinational Fashions Limited - Employees Stock Option Plan 2021 – Plan B for the for the Eligible Employees of the Company's subsidiaries**

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

"RESOLVED THAT pursuant to Section 62 of the Companies Act, 2013 (hereinafter referred to as the "**Act**") and all other applicable provisions, if any, of the Act read with Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "**SEBI SBEB Regulations**"), SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("**SEBI Listing Regulations**"), the circulars issued by Securities and Exchange Board of India ("**SEBI**"), the Foreign Exchange Management Act (including statutory modifications or re-enactment of aforesaid and for the time being in force, any other notifications, circulars, rules and clarifications, guidance as may be applicable and relevant, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include the Nomination and Remuneration Committee or any other committee which the Board has constituted to exercise the powers conferred by the Board, including the powers conferred by this resolution), to implement the "PDS Multinational Fashions Limited- Employee Stock Option Plan 2021 – Plan B" (the "**PDS ESOP (B) 2021**" or "**Scheme**" or "**Plan**") and that the Board be and is hereby authorized to introduce, offer, issue, grant, vest and allot such number of options (the "**Options**") by way of a trust; from time to time and in one or more tranches, as the Board may determine to (i) a permanent employee of any existing or future subsidiary company(ies) of the Company, working in India or outside of India and (ii) a director of any existing or future subsidiary company(ies) of the Company, in India or outside of India under the PDS ESOP (B) 2021, (all such persons are hereinafter collectively referred to as the "**Eligible Employees**"), on such terms, conditions, price and manners as set out in the PDS ESOP (B) 2021 including any modifications thereof.

RESOLVED FURTHER THAT the PDS ESOP (B) 2021 for grant of stock options to the employees of the Company be implemented through an irrevocable trust to be set up by the Company in the name of PDS Multinational Fashions ESOP Trust ("**Trust**"), and the Company be and is hereby authorized to establish the Trust on such terms and conditions as may be determined by the Board of Directors

in accordance with the provisions of the PDS ESOP (B) 2021, the SEBI SBEB Regulations and in accordance with other applicable laws and regulations, and take all steps necessary in this regard.

RESOLVED FURTHER THAT the Board of the Company, be and are hereby authorized to approve grant of Options and issue grant letters to Eligible Employees in accordance with the terms of the PDS ESOP (B) 2021.

RESOLVED FURTHER THAT the Company be and is hereby authorized to obtain approval from the Securities and Exchange Board of India and the Stock Exchanges or such other authorities, as required, for listing and trading of shares issued pursuant to the exercise of Options.

RESOLVED FURTHER THAT the number of Equity Shares underlying the Options and/or equity linked instruments which would give rise to issue of Equity Shares of the Company (hereinafter referred to as the “**Equity Shares**”) to be exercisable, subscribed, issued, offered and allotted under the Scheme shall not exceed 1,01,348 Equity Shares of the Company of Face Value of ₹10/- each fully paid-up of which up to 1,01,348 Equity Shares shall be issued and allotted by the Company to the Trust and up to 1,01,348 Equity Shares shall be acquired from the secondary market by the Trust.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to issue and allot such number of Equity Shares within the limit as set out above and may be required to be issued and allotted upon exercise of any Option or as may be necessary in accordance with the terms of the Options, and all the Equity Shares so issued and allotted pursuant to the Scheme shall rank pari passu with the Equity Shares of the Company in all respects, exist at the time of allotment.

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded to, and the Board be and is hereby authorized to do the following:

- a) devise, formulate, and bring into effect the PDS ESOP (B) 2021 in accordance with the terms approved in this resolution and as per provisions of the applicable laws.
- b) designate the Nomination and Remuneration Committee of the Company as the Compensation Committee for the purposes of the SEBI SBEB Regulations, which will administer and manage the PDS ESOP (B) 2021.
- c) take necessary steps for listing of the Equity Shares allotted under the Scheme on the Stock Exchanges as per the provisions of the SEBI SBEB Regulations / SEBI Listing Regulations / applicable laws.
- d) re-price the Options at any time as it deems fit, which are not exercised, if the exercise price of the Options is rendered unattractive due to fall in price of the shares

in the market and such re-pricing is not detrimental to the interest of the employees.

- e) determine and conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations / SEBI Listing Regulations / applicable laws to the extent relevant to the PDS ESOP (B) 2021.
- f) determine the criteria to identify Eligible Employees to whom benefit of the Scheme shall be extended, determine the criteria for grant of Options, vesting period, exercise price, vesting schedule, vesting conditions, withdraw, lapse or expiry of the Options and matter relating thereto.
- g) determine the adjustment in number of Options and/or exercise price as may be reasonably necessary in the event of various corporate actions proposed to be taken by the Company including subdivision or consolidation of shares, issuance of bonus shares, merger or reorganization of capital structure of the Company, as it thinks appropriate to adjust.
- h) appoint or authorize or direct to appoint intermediaries, professionals, agencies, advisors, merchant bankers, corporate trustee, banks, authorized dealers, valuers, consultants, brokers, agents, escrow agents, administrator, representative assessee, guarantor, special purpose vehicle and representatives as may be necessary or incidental for implementation or administration of the Scheme or as it may, in its absolute discretion, deem fit, including to bear, receive and disburse monies on behalf of the Eligible Employees.

RESOLVED FURTHER THAT the Board be and is hereby authorized in its absolute discretion as it deems fit; for the aforesaid purpose, to give effect to this resolution and the Scheme as may be necessary from time to time; to do such actions and deeds, obtain approvals, statutory, contractual or otherwise, approve / authorize to sign and execute all deeds, agreements, undertakings, applications, representation, documents and writings, to delegate all or any of the above powers to any committee, the Company Secretary, any officer of the Company or any other person and generally to do all acts, deeds, and steps that may be necessary, desirable, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution including to settle all matters, issues, questions, difficulties or doubts that may arise at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the PDS ESOP (B) 2021."

11. **Authorization to the PDS Multinational Fashions ESOP Trust to acquire equity shares of the Company from the secondary market in furtherance of the PDS Multinational Fashions Limited - Employees Stock Option Plan – Plan B**

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

"RESOLVED THAT pursuant to provisions of Regulation 6(3)(a) and other applicable provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "**SEBI SBEB Regulations**"), the Memorandum and Articles of Association of the Company, the circulars issued by Securities and Exchange Board of India ("**SEBI**"), the Foreign Exchange Management Act (including statutory modifications or re-enactment of aforesaid and for the time being in force), any other notifications, circulars, rules and clarifications, guidance as may be applicable and relevant, the approval of the Members of the Company be and is hereby accorded to the PDS Multinational Fashions ESOP Trust, an irrevocable trust to be set up by the Company ("**Trust**") to acquire upto 1,01,348 Equity Shares of the Company, in one or more tranches, from the secondary market ("**Secondary Shares**"), for the purpose of implementation of the PDS ESOP (B) 2021, at such price and at such terms and conditions that the Trust may deem fit and do all such acts, deeds and things as may be incidental or ancillary in this regard.

RESOLVED FURTHER THAT the total number of Secondary Shares acquired by the Trust in any financial year shall not exceed more than 2% of the Paid-up Equity Share Capital of the Company as at the end of the previous financial year and the total number of Secondary Shares held by the Trust at any time shall not exceed 5% of the Paid-up Equity Share Capital of the Company at the end of the previous financial year.

RESOLVED FURTHER THAT in case of any corporate action(s) such as bonus issue, rights issue, stock splits or consolidations or other re-organization, if any, where additional Equity Shares are required to be issued by the Company to the shareholders, then the maximum number of Equity Shares to be acquired by the Trust from the secondary market in any financial year as well as the maximum number of Equity Shares acquired from the secondary market and held by the Trust at any point of time, as aforesaid, shall be increased in the same proportion as the number of such additional Equity Shares issued bears to the number of Equity Shares outstanding immediately prior to such issue.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Committee thereof) be and is hereby authorized in its absolute discretion as it deems fit; for the aforesaid purpose, to give effect to this resolution as may be necessary from time to time; to do such actions and deeds, obtain approvals, statutory, contractual or

otherwise, approve / authorize to sign and execute all deeds, agreements, undertakings, applications, representation, documents and writings, to delegate all or any of the above powers to any Committee, Company Secretary, any officer of the Company generally to do all acts, deeds, and steps that may be necessary, desirable, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution including to settle all matters, issues, questions, difficulties or doubts that may arise at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

12. **Authorization to the Company to grant a loan to the PDS Multinational Fashions ESOP Trust to acquire equity shares of the Company for implementation of the PDS Multinational Fashions Limited - Employees Stock Option Plan 2021 – Plan B**

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

"RESOLVED THAT pursuant to the provisions of Section 67(3), 62(1)(b) of the Companies Act, 2013, Rule 16 of the Companies (Share Capital and Debentures) Rules, 2015 and other applicable provisions, if any, of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"), the circulars issued by Securities and Exchange Board of India ("**SEBI**"), the Foreign Exchange Management Act (including statutory modifications or re-enactment of aforesaid and for the time being in force), enabling provisions of the Memorandum and Articles of Association of the Company, other law, notifications, circulars, rules and clarifications, guidance as may be applicable and relevant and subject to requisite approvals of the SEBI, Stock Exchanges and such other authorities, institutions or persons as may be required, and subject to such conditions as may be prescribed by any of them while granting approvals as may be agreed by the Board of the Company, consent of the Members of the Company be and is hereby accorded to the Company to grant loan, to provide guarantee or security in connection with a loan granted or to be granted to PDS Multinational Fashions ESOP Trust ("**Trust**"), an irrevocable trust set-up by the Company in one or more tranches not exceeding, i.e. 5% (Five percent) of the aggregate of the Paid-up Share Capital and Free Reserves for the purpose of subscription and/or purchase of Equity Shares of the Company by the Trust/ Trustees, in one or more tranches, subject to the ceiling of Equity Shares ("**Shares**") as may be prescribed under PDS ESOP (B) 2021 ("**Scheme**") or any other share based employee benefit plan which may be introduced by the Company from time to time ("**Employee Benefit Scheme(s)**") from time to time, with a view to deal in such Shares in line with contemplated objectives of the Scheme or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI (SBEB) Regulations, Companies Act, 2013 and any other applicable laws and regulations such that the total amount of loan outstanding at any time

shall not exceed ₹5,80,00,000/- (Rupees Five Crores Eighty Lakhs Only).

RESOLVED FURTHER THAT any loan provided by the Company shall be repayable to and recoverable by the Company from time to time by utilising the proceeds realised from exercise of Employee Stock Options during the term of the Scheme and/or Employee Benefit Scheme(s), as the case may be, and the amounts accrued to the Trust at the time of termination of the Scheme and/or Employee Benefit Scheme(s), as the case may be.

RESOLVED FURTHER THAT the Trust shall not deal in derivatives and shall undertake transactions as permitted by the SEBI (SBEB) Regulations.

RESOLVED FURTHER THAT the trustees of the Trust shall not vote in respect of the Shares held by such Trust.

RESOLVED FURTHER THAT for the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as non-promoter and non-public shareholding.

RESOLVED FURTHER THAT the trustees of the Trust shall ensure compliance with the provisions of the SEBI (SBEB) Regulations, the Companies Act, 2013 and all other applicable laws at all times in connection with dealing with the Shares of the Company including but not limited to maintenance of proper books of account, records and documents as prescribed.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Committee thereof) be and is hereby authorized in its absolute discretion as it deems fit; for the aforesaid purpose, to give effect to this Resolution as may be necessary from time to time; to do such actions and deeds, obtain approvals, statutory, contractual or otherwise, approve/ authorize to sign and execute all deeds, agreements, undertakings, applications, representation, documents and writings, to delegate all or any of the above powers to any committee, the Company Secretary, any officer of the Company or any other person and generally to do all acts, deeds, and steps that may be necessary, desirable, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution including to settle all matters, issues, questions, difficulties or doubts that may arise at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."

13. **Approval of the PDS Multinational Fashions Limited - Phantom Stock Units Plan 2021 for the Employees of the Company**

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (hereinafter referred to as

the **"Act"**), read with Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), if and only to the extent applicable, the Memorandum and Articles of Association of the Company, the applicable provision of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as **"SEBI SBEB Regulations"**), if and only to the extent applicable, the applicable provision of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as **"SEBI Listing Regulations"**), if and only to the extent applicable, the circulars issued by Securities and Exchange Board of India (**"SEBI"**), the Foreign Exchange Management Act (including statutory modifications or re-enactment of aforesaid and for the time being in force), any other notifications, circulars, rules and clarifications, guidance as may be applicable and relevant, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **"Board"**, which term shall include the Nomination and Remuneration Committee or any other committee which the Board has constituted to exercise the powers conferred by the Board, including the powers conferred by this resolution), to implement the "PDS Multinational Fashions Limited – Phantom Stock Units Plan 2021" (the **"PDS PSU 2021"** or **"Scheme"** or **"Plan"**) and That the Board be and is hereby authorized to introduce, offer, issue, grant, vest and allot phantom stock units (the **"Units"**); from time to time and in one or more tranches as may be determined by the Board, to: (i) a permanent employee of the Company working in India or outside of India; (ii) a director of the Company or (iii) an employee, as defined in sub-clauses (i) or (ii) of an existing and future subsidiary, in India or outside of India, but excludes - (a) an individual who is a promoter or belongs to the promoter group; (b) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares; and (c) an independent director (within the meaning of the Act and SEBI Listing Regulations as applicable under the PDS ESOP (A) 2021, (all such persons are hereinafter collectively referred to as the **"Eligible Employees"**), on such terms, conditions, price and manners as set out in the PDS PSU 2021 including any modifications thereof.

RESOLVED FURTHER THAT the Board of the Company, be and are hereby authorized to approve grant of Units and issue grant letters to Eligible Employees in accordance with the terms of the PDS PSU 2021.

RESOLVED FURTHER THAT the number of Units offered under the PDS PSU 2021 shall not exceed 1,72,283 Units in aggregate.

RESOLVED FURTHER THAT under the PDS PSU 2021, the appreciation in the value of shares underlying the Units shall be passed on by way of cash to the relevant employee upon exercise of the Units, in accordance with the terms of the PDS PSU 2021.

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded to, and the Board of the Company be and is hereby authorized to do the following:

- a) devise, formulate, and bring into effect the PDS PSU 2021 in accordance with the terms approved in this resolution and as per provisions of the applicable laws.
- b) designate the Nomination and Remuneration Committee of the Company as the Compensation Committee for the purposes of the SEBI SBEB Regulations, which will administer and manage the PDS PSU 2021.
- c) re-price the Units at any time as it deems fit, which are not exercised, if the exercise price of the Units is rendered unattractive due to fall in price of the shares in the market and such re-pricing is not detrimental to the interest of the employees.
- d) determine and conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations / SEBI Listing Regulations / applicable laws to the extent relevant to the PDS PSU 2021.
- e) determine the criteria to identify Eligible Employees to whom benefit of the Scheme shall be extended, determine the criteria for grant of Units, vesting period, exercise price, vesting schedule, vesting conditions, withdraw, lapse or expiry of the Units and matter relating thereto.
- f) determine the adjustment in number of Units and/or exercise price as may be reasonably necessary in the event of various corporate actions proposed to be taken by the Company including subdivision or consolidation of shares, issuance of bonus shares, merger or reorganization of capital structure of the Company, as it thinks appropriate to adjust.
- g) appoint or authorize or direct to appoint intermediaries, professionals, agencies, advisors, merchant bankers, corporate trustee, banks, authorized dealers, valuers, consultants, brokers, agents, escrow agents, administrator, representative assessee, guarantor, special purpose vehicle and representatives as may be necessary or incidental for implementation or administration of the Scheme or as it may, in its absolute discretion, deem fit, including to bear, receive and disburse monies on behalf of the Eligible Employees.

RESOLVED FURTHER THAT the Board be and is hereby authorized in its absolute discretion as it deems fit; for the aforesaid purpose, to give effect to this resolution and the Scheme as may be necessary from time to time; to do such actions and deeds, obtain approvals, statutory, contractual or otherwise, approve / authorize to sign and execute all deeds, agreements, undertakings, applications, representation, documents and writings, to delegate all or any of the above powers to any Committee, Company

Secretary, any officer of the Company generally to do all acts, deeds, and steps that may be necessary, desirable, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution including to settle all matters, issues, questions, difficulties or doubts that may arise at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the PDS PSU 2021."

14. **Approval of the PDS Multinational Fashions Limited - Phantom Stock Units Plan 2021 for the Eligible Employees of the Company's subsidiaries**

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "**Act**"), read with Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), if and only to the extent applicable, the Memorandum and Articles of Association of the Company, the applicable provision of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "**SEBI SBEB Regulations**"), if and only to the extent applicable, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("**SEBI Listing Regulations**"), if and only to the extent applicable, the circulars issued by Securities and Exchange Board of India ("**SEBI**"), the Foreign Exchange Management Act (including statutory modifications or re-enactment of aforesaid and for the time being in force, any other notifications, circulars, rules and clarifications, guidance as may be applicable and relevant, the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall include the Nomination and Remuneration Committee or any other committee which the Board has constituted to exercise the powers conferred by the Board, including the powers conferred by this resolution), to implement the "PDS Multinational Fashions Limited - Phantom Stock Units Plan 2021" (the "**PDS PSU 2021**" or "**Scheme**" or "**Plan**") and That the Board be and is hereby authorized to introduce, offer, issue, grant, vest and allot phantom stock units (the "**Units**"); from time to time and in one or more tranches as may be determined by the Board, to (i) a permanent employee of any existing or future subsidiary company(ies) of the Company, working in India or outside of India and (ii) a director of any existing or future subsidiary company(ies) of the Company, in India or outside of India under the PDS PSU 2021, (all such persons are hereinafter collectively referred to as the "**Eligible Employees**"), on such terms,

conditions, price and manners as set out in the PDS PSU 2021 including any modifications thereof.

RESOLVED FURTHER THAT the Board of the Company, be and are hereby authorized to approve grant of Units and issue grant letters to Eligible Employees in accordance with the terms of the PDS PSU 2021.

RESOLVED FURTHER THAT the number of Units offered under the PDS PSU 2021 shall not exceed 1,72,283 Units in aggregate.

RESOLVED FURTHER THAT under the PDS PSU 2021, the appreciation in the value of shares underlying the Units shall be passed on by way of cash to the relevant employee upon exercise of the Units, in accordance with the terms of the PDS PSU 2021.

RESOLVED FURTHER THAT the consent of the Members of the Company be and is hereby accorded to, and the Board of the Company be and is hereby authorized to do the following:

- a) devise, formulate, and bring into effect the PDS PSU 2021 in accordance with the terms approved in this resolution and as per provisions of the applicable laws.
- b) designate the Nomination and Remuneration Committee of the Company as the Compensation Committee for the purposes of the SEBI SBEB Regulations, which will administer and manage the PDS PSU 2021.
- c) re-price the Units at any time as it deems fit, which are not exercised, if the exercise price of the Units is rendered unattractive due to fall in price of the shares in the market and such re-pricing is not detrimental to the interest of the employees.
- d) determine and conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations / SEBI Listing Regulations / applicable laws to the extent relevant to the PDS PSU 2021.
- e) determine the criteria to identify Eligible Employees to whom benefit of the Scheme shall be extended, determine the criteria for grant of Units, vesting period, exercise price, vesting schedule, vesting conditions, withdraw, lapse or expiry of the Units and matter relating thereto.
- f) determine the adjustment in number of Units and/or exercise price as may be reasonably necessary in the event of various corporate actions proposed to be taken by the Company including subdivision or consolidation of shares, issuance of bonus shares, merger or reorganization of capital structure of the Company, as it thinks appropriate to adjust.
- g) appoint or authorize or direct to appoint intermediaries, professionals, agencies, advisors, merchant bankers, corporate trustee, banks, authorized dealers, valuers,

consultants, brokers, agents, escrow agents, administrator, representative assessee, guarantor, special purpose vehicle and representatives as may be necessary or incidental for implementation or administration of the Scheme or as it may, in its absolute discretion, deem fit, including to bear, receive and disburse monies on behalf of the Eligible Employees.

RESOLVED FURTHER THAT the Board be and is hereby authorized in its absolute discretion as it deems fit; for the aforesaid purpose, to give effect to this resolution and the Scheme as may be necessary from time to time; to do such actions and deeds, obtain approvals, statutory, contractual or otherwise, approve / authorize to sign and execute all deeds, agreements, undertakings, applications, representation, documents and writings, to delegate all or any of the above powers to any Committee, Company Secretary, any officer of the Company generally to do all acts, deeds, and steps that may be necessary, desirable, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution including to settle all matters, issues, questions, difficulties or doubts that may arise at any stage, without being required to seek any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the PDS PSU 2021."

15. **Approval to provide Security on creation of Charge, Mortgage, etc. under Section 180(1)(a) of the Companies Act, 2013.**

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

"RESOLVED THAT in supersession of the earlier Special Resolution passed through postal ballot by the Members on October 16, 2015, authorizing the Board to mortgage/create charge on the assets of the Company and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Members be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any Committee thereof) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, investment institutions and their subsidiaries, mutual funds, trusts, other bodies corporate (hereinafter referred to as 'Lending Agencies') and trustees for the holders of debentures/bonds/other

instruments to secure rupee/foreign currency loans and/ or the issue of debentures whether partly/fully convertible or non-convertible and/ or rupee/foreign currency convertible bonds and/ or foreign currency bonds and/ or bonds with share warrants attached (hereinafter collectively referred to as “**Loans**”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge is to be created, shall not, at any time exceed ₹2,000 Crores (Rupees Two Thousand Crores Only).

RESOLVED FURTHER THAT the Board of Directors and/ or Chief Executive Officer and/ or Chief Financial Officer and/ or Company Secretary of the Company be and is hereby authorized to file necessary returns/ forms with the Registrar of Companies and to do all such acts, deeds and things as may be considered necessary, incidental and ancillary in order to give effect to this Resolution.”

16. **Approval for increase in the limits for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate under Section 186 of the Companies Act, 2013**

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

“**RESOLVED THAT** in supersession of the earlier Special Resolution passed through postal ballot by the Members on October 16, 2015, and pursuant to the provisions of Section 186 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder as applicable, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in terms of the provisions of the Company’s Memorandum

and Articles of Association, and subject to such other approvals, consents, sanctions and permissions, as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “**the Board**” which term shall include any Committee thereof) to give any loan(s) and/ or any guarantee(s) and/ or provide any security(ies) in connection with any loan(s) to any other body corporate including subsidiary/group companies on such terms and conditions as to repayment thereof and interest thereon or person and/ or to make any further investments/ acquisition by way of subscription, purchase or otherwise, the securities (including equity shares, preference shares, debentures, or any other kind of instruments, whether convertible or not) of other body corporate including subsidiary/ group companies, up to an amount of ₹2,000 Crores (Rupees Two Thousand Crores Only) or equivalent amount in any other foreign currency, notwithstanding that the aggregate of the loans so far made or to be made and/ or guarantees so far given or to be given and/ or securities so far provided or to be provided and/ or securities so far acquired or to be acquired may exceed the limit of 60% (Sixty Percent) of aggregate of Paid-up Share Capital and Free Reserves and Securities Premium Account or 100% (One Hundred Percent) of the Free Reserves and Securities Premium Account of the Company, whichever is more and remaining outstanding at any point of time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient for implementation of the above resolution and matters connected therewith or incidental thereto including but not limited to delegation of all or any of the powers herein conferred to any Committee or any director(s) or Company Secretary of the Company, or to settle any questions, difficulties or doubts that may arise with regard to the above resolution, without being required to seek any further clarification, consent or approval of the Members.”

By Order of the Board of Directors
for **PDS Multinational Fashions Limited**

Abhishekh Kanoi
Head of Legal & Company Secretary
ICSI Membership No.: F-9530

Place: Bengaluru, India
Date: May 27, 2021

Regd. Office:
No. 758 & 759, 2nd Floor, 19th Main,
Sector-2, HSR Layout Bengaluru – 560102, Karnataka (India).
E-mail: investors@pdsmultinational.com
Website: www.pdsmultinational.com

NOTES:

1. In view of the outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and the Ministry of Corporate Affairs ("**MCA**") has vide its General Circular nos. 14/2020 dated April 8, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020; 02/2021 dated January 13, 2021 issued by MCA (hereinafter referred as "**MCA Circulars**") read with Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("**SEBI Circular**") and in compliance with the provisions of the Companies Act, 2013 ("**the Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), the 10th Annual General Meeting (**AGM**) of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 10th AGM shall be Registered Office of the Company.
2. Since the 10th AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
3. The Explanatory Statement pursuant to Section 102 of the Act setting out the material facts concerning the businesses under Item No. 4 to 16 of the accompanying Notice is annexed hereto as **Annexure I**. The Board of Directors of the Company at its meeting held on Thursday, May 27, 2021 considered that the special business under Item No. 4 to 16, being considered unavoidable, be transacted at the 10th AGM of the Company.
4. The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this 10th AGM is annexed as **Annexure-II**.
5. 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 & SEBI Circulars 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.
6. Corporate Members intending to send their authorized representatives to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. authorizing its representatives to attend the AGM through VC / OAVM on their behalf and to vote through remote e-voting, by e-mail to investors@pdsmultinational.com.
7. The Members may join the 10th AGM through VC/ OAVM Facility by following the procedure mentioned herein below in the Notice which shall be kept open for the Members from 10:45 A.M. IST i.e. 15 (Fifteen) Minutes before the time scheduled to start the 10th AGM and the Company may close the window for joining the VC/OAVM Facility 15 (Fifteen) Minutes after the scheduled time to start the 10th AGM. Members may note that the VC/ OAVM Facility, allows participation of at least 1,000 Members on a 'first come first served' basis. The 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. can attend the 10th AGM without any restriction on account of 'first come first served' basis.
8. The attendance of the Members participating in the 10th AGM through VC/ OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. Voting Rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the cut-off date i.e. Friday, July 23, 2021.
10. In view of the outbreak of the COVID-19 pandemic, resultant difficulties involved in dispatching of physical copies of the Annual Report and in line with the MCA Circulars and SEBI Circulars, the Annual Report for the Financial Year 2020-21 including Notice of the 10th AGM of the Company, inter alia, indicating the process and manner of e-voting is being sent only by Email, to all the Members whose Email IDs are registered with the Company/ Registrar and Share Transfer Agent or with the respective Depository Participant(s) for communication purposes to the Members and to all other persons so entitled.
11. Further, in terms of the applicable provisions of the Act, SEBI Listing Regulations read with the MCA Circulars and SEBI Circulars, the Annual Report including Notice of the 10th AGM of the Company will also be available on the website of the Company at www.pdsmultinational.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of Link Intime India Private Limited ("Link Intime") at <https://instavote.linkintime.co.in>.
12. Pursuant to Section 91 of the Act, the Register of Members of the Company will remain closed from Saturday, July 24, 2021 to Friday, July 30, 2021 (both days inclusive).
13. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent, Link Intime at their address – Noble Heights, 1st floor, Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi – 110058; Email – delhi@linkintime.co.in.

14. Members must quote their Folio No. /Demat Account No. and contact details such as e-mail address, contact no. etc. in all their correspondence with the Company's Registrar and Share Transfer Agent, Link Intime.
15. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.
16. The Registers maintained under Section 170 & 189 of the Act and all relevant documents as referred in the Notice calling the AGM and the Explanatory Statement will be available electronically for inspection by the Members upto the date of AGM. Members seeking to inspect such documents can send an email to investors@pdsinternational.com.
17. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 01, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
18. Pursuant to demerger, the unclaimed shares lying in the Suspense Account of the Company in respect of which dividend has not been claimed for 7 (Seven) consecutive years or more from the date of declaration, are also required to be transferred to an IEPF.
19. Members who wish to obtain any information on the Company or view the financial statements for the financial year ended March 31, 2021 send their queries at investors@pdsinternational.com at least 7 (Seven) days before the date of 10th AGM. The same will be replied by/ on behalf of the Company suitably.
20. Members who have not registered their E-mail address so far are requested to register their e-mail for receiving all communications including Annual Report, Notices and Circulars etc. from the Company electronically. Members can do this by updating their email addresses with their depository participants.
21. In case of joint holders attending the 10th AGM, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
22. **DIVIDEND**
- The Board of Directors has recommended Final Dividend of ₹15.75/- per Equity Share of ₹10/- each for the year ended March 31, 2021, subject to the approval of the Shareholders at the 10th AGM. Pursuant to the provisions of Section 123 of the Companies Act, 2013, the payment of Final Dividend on Equity Shares, upon declaration by the Shareholders at the 10th AGM, will be made on or before Saturday, August 28, 2021, as under:
- a. to all those beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Ltd. ("NSDL") and the Central Depository Services (India) Ltd. ("CDSL") at the closure of business hours on Friday, July 23, 2021.
- b. to all those shareholders holding shares in physical form after giving effect to all the valid share transfers lodged with the Company before the closing hours on Friday, July 23, 2021.
- c. **Payment of Dividend through electronic means**
- To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in electronic mode through National Automated Clearing House (NACH). Members holding shares in physical form and desirous of availing this facility of electronic remittance are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9-digit MICR and 11-Digit IFS Code), along with their Folio Number and original cancelled cheque leaf bearing the name of the first-named shareholder as account holder, to the Company's Registrar and Share Transfer Agent - Link Intime.
 - Members holding shares in electronic form are requested to provide the said details to their respective Depository Participants.
 - Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective Depository Participant of the Members.
 - Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent.
 - Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act:

For Resident Shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number ("PAN")	10% or as notified by the Government of India
Members not having PAN / valid PAN	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2021-22 does not exceed ₹5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA"), read with Multilateral Instrument ("MLI") between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the member or details as prescribed under rule 37BC of Income-tax Rules, 1962.
- Copy of Tax Residency Certificate for financial year 2021-22 obtained from the revenue authorities of the country of tax residence, duly attested by member.
- Self-declaration in Form 10F.
- Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty.
- Self-declaration of beneficial ownership by the non-resident shareholder.
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member.

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section

196D of the IT Act @ 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents.

The aforementioned documents can be downloaded from Link Intime's website at <https://linkintime.co.in/client-downloads.html> on general tab and are required to be uploaded on the Link Intime portal at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before 5:00 pm (IST), Friday, July 23, 2021 to enable the Company to determine the appropriate TDS/withholding tax rate applicable. Incomplete and/or unsigned forms and declarations will not be considered by the Company. Any communication on the tax determination/ deduction received post 5:00 P.M. (IST) Friday, July 23, 2021 shall not be considered. All communications/ queries in this respect should be addressed to our RTA, Link Intime to its email address at delhi@linkintime.co.in. The Company will arrange to email a soft copy of the TDS Certificate at the shareholders registered email ID post payment of the said Final Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>.

- Members holding shares in physical form are advised to furnish, on or before Friday, July 23, 2021, particulars of their bank account, if not done already or if it has changed, to the Company to incorporate the same in the dividend warrants/ payment instruments.
- Section 72 of the Act provides for Nomination by the Members of the Company in the prescribed Form No. SH-13 for shares held in physical form. Blank forms will be supplied by Link Intime on request. Members holding shares in dematerialized form may contact their respective Depository Participants for recording of nomination.

23. VOTING

In compliance with provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide its Members the facility to cast their votes either for or against each resolutions set forth in the Notice of the 10th AGM using electronic voting system ("**Remote E-Voting**") and e-voting (during the 10th AGM), provided by Link Intime and the business may be transacted through such voting.

Only those Members who will be present in the 10th AGM through VC / OAVM facility and have not cast 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 system during the 10th AGM.

The voting period begins on Tuesday, July 27, 2021 (9.00 AM IST) and ends on Thursday, July 29, 2021 (5.00 PM IST). During this period, Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on Friday, July 23, 2021 may cast their votes electronically. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of 10th AGM and holds shares as of the cut-off date i.e. Friday, July 23, 2021, may obtain the login ID and password by sending a request at investors@pdsmultinational.com or delhi@linkintime.co.in (RTA email id). However, if a Member is already registered with Link Intime for e-voting, then he/she can use existing user id and password/PIN for casting the vote.

A. PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

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).

B. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

- a. Shareholders who would like to speak during the meeting must register their request 7 (Seven) days in advance i.e. on or before July 23, 2021, with the Company on the specific email id i.e. investors@pdsmultinational.com.

- b. Shareholders will get confirmation on first cum first basis.
- c. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- d. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- e. 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.

C. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK 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:

- a. On the Shareholders VC page, click on the link for e-Voting "Cast your Vote"
- b. 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'.
- c. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- d. 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 cut-off date under 'Favour/Against'.
- e. 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.
- f. 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 or contact on: - Tel: 022-49186175

D. REMOTE E-VOTING INSTRUCTIONS FOR SHAREHOLDERS:

Pursuant to SEBI Circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 9, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

LOGIN METHOD –

FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE/ PHYSICAL MODE IS GIVEN BELOW:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.

Individual Shareholders (holding securities in demat mode) & login through their depository participants	- You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. - Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME	- Open the internet browser and launch the URL: https://instavote.linkintime.co.in - Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. 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. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. - 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). - Click on 'Login' under 'SHARE HOLDER' tab. - Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. - After successful login, you will be able to see the notification for e-voting. Select 'View' icon. - E-voting page will appear. - 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). - 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.

FOR INSTITUTIONAL SHAREHOLDERS:

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.

FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE & EVOTING SERVICE PROVIDER IS LINKINTIME, 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 is 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.

INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE WITH NSDL/ CDSL HAVE FORGOTTEN THE PASSWORD:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
 - 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 this 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".

HELPPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

HELPPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN PHYSICAL MODE/ INSTITUTIONAL SHAREHOLDERS & EVOTING SERVICE PROVIDER IS LINKINTIME:

In case shareholders/ members holding securities in physical mode/ Institutional shareholders 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 or contact on: - Tel: 022 -4918 6000.

- Mr. Mohit Maheshwari, Partner (C.P. No. 19946) or failing him, Mr. Ankush Agarwal, Partner (C.P. No. 14486) of M/s MAKES & Co., Practicing Company Secretary (FRN: P2018UP067700) have been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the remote e-voting process and voting through Ballot at the 10th AGM in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the 10th AGM, first count the votes cast during the 10th AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the 10th AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company (www.pdsmultinational.com) and on the website of Link Intime (<https://instavote.linkintime.co.in>) immediately. The result will also be displayed on the Notice Board of the Company at its Registered Office. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the date of the 10th AGM i.e. July 30, 2021.
- Section 72 of the Act provides for Nomination by the Members of the Company in the prescribed Form No. SH-13 for shares held in physical form. Blank forms will be supplied by Link Intime on request. Members holding shares in dematerialized form may contact their respective Depository Participants for recording of nomination.

By Order of the Board of Directors
for **PDS Multinational Fashions Limited**

Abhishekh Kanoi

Head of Legal & Company Secretary
ICSI Membership No.: F-9530

Place: Bengaluru, India
Date: May 27, 2021

Regd. Office:

No. 758 & 759, 2nd Floor, 19th Main,
Sector-2, HSR Layout Bengaluru – 560102, Karnataka (India).
E-mail: investors@pdsmultinational.com
Website: www.pdsmultinational.com

Annexure - I

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item No. 4 to 16 of the accompanying Notice dated May 27, 2021:

ITEM NO. 4: TO APPROVE APPOINTMENT OF MR. PARTH GANDHI (DIN: 01658253) AS A DIRECTOR (NON-EXECUTIVE & NON-INDEPENDENT) OF THE COMPANY

Based on the recommendation of the Nomination, Remuneration and Compensation Committee ("NRC Committee"), Mr. Parth Gandhi (DIN: 01658253) was appointed as an Additional (Non-Executive & Non-Independent) Director on the Board of the Company with effect from May 27, 2021 to hold office upto the date of the forthcoming Annual General Meeting and is eligible to be appointed as Director. The Company received a notice from a Member of the Company under Section 160 of the Act, signifying his intention to propose the candidature of Mr. Parth Gandhi for the office of Director (Non-Executive & Non-Independent) of the Company.

The other details of Mr. Parth Gandhi in terms of Regulation 36(3) of the SEBI Listing Regulation and Secretarial Standard 2 is annexed to this Notice as **Annexure II**. The Nomination and Remuneration Committee and Board of Directors is of the opinion that Mr. Parth Gandhi's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No. 4 of this Notice relating to his appointment as a Director (Non-Executive & Non-Independent), liable to retire by rotation as Ordinary Resolution for your approval.

Except, Mr. Parth Gandhi, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested or concerned in the Resolution at Item No. 4 of the Notice

ITEM NO. 5: TO APPROVE INCREASE IN AUTHORIZED SHARE CAPITAL OF THE COMPANY

Presently, the Authorized Share Capital of the Company is ₹27,00,00,000/- (Rupees Twenty-Seven Crores Only) divided into 2,70,00,000 (Two Crores Seventy Lakhs) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each. The Company has embarked upon expansion plans and to expand the capital base, it shall require to increase in Authorized Share Capital to ₹28,00,00,000/- (Rupees Twenty-Eight Crores Only) divided into 2,80,00,000 (Two Crore Eighty Lakhs) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each.

Therefore, the Clause V of the Memorandum of Association of the Company shall be required to be altered such that the Authorized Share Capital is increased to ₹28,00,00,000/- (Rupees Twenty-Eight Crores Only) divided into 2,80,00,000 (Two Crore Eighty Lakhs) Equity Shares of Face Value of ₹10/- (Rupees Ten Only) each.

The Board recommends the resolution set out at Item No. 5 of this Notice to the Members for their consideration and approval by way of Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the proposed resolution except to the extent of their shareholding in the Company.

ITEM NO. 6: APPROVAL OF AMENDMENT IN THE TERMS OF THE PDS MULTINATIONAL FASHIONS LIMITED - EMPLOYEE STOCK OPTION PLAN 2021

Pursuant to provisions of applicable laws; key details, salient features and disclosures are set out below.

1. Brief Description and Rationale for the Amendment

The Shareholders at their Extra-Ordinary General Meeting held on February 25, 2021, had approved "PDS Multinational Fashions Limited - Employee Stock Option Plan 2021 ("PDS ESOP 2021") for the Employee of the Company and its Subsidiary Companies.

The Company intends to amend the terms of the PDS ESOP 2021 such that that the maximum period for vesting of stock options granted under the PDS ESOP 2021 shall be increased to 4 (Four) Years, with the rationale of incentivizing employees benefiting from the PDS ESOP 2021 to contribute towards the growth of the Company for an increased duration.

2. Details of the Amendment

The maximum period for vesting of stock options granted under the PDS ESOP 2021 is proposed to be increased by 1 (One) Year, i.e. the maximum period within which the options shall vest shall be 4 (Four) Years instead of 3 (Three) Years at present. The proposed amendment is not detrimental to the interests of any of the Company's employees. This new vesting period is applicable on all future Grants under this Scheme and the existing Grants shall not be affected by the amendment in the Scheme.

3. Details of the employees who are beneficiaries of the Amendment

All the employees who are eligible to participate in the PDS ESOP 2021 shall be beneficiaries of the variation, and any other employees or class of employees as may be determined by the Nomination and Remuneration Committee.

The Board recommends the resolution set out at Item No. 6 of this Notice to the Members for their consideration and approval by way of Special Resolution.

Directors / Key Managerial Personnel of the Company / their relatives who may be granted Options and allotted Shares under the Scheme may be considered as concerned or interested in the Special Resolution. Save as aforesaid, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolution.

ITEM NO. 7 & 8: APPROVAL OF THE PDS MULTINATIONAL FASHIONS LIMITED - EMPLOYEE STOCK OPTION PLAN 2021 - PLAN A FOR THE EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/ plan. Your Company believes in rewarding its employees as well as that of its subsidiaries for their continuous hard work, dedication and support.

Accordingly, the Company intends to implement PDS Multinational Fashions Limited - Employees Stock Option Plan 2021 – Plan A [**"PDS ESOP (A) 2021"**] for the employees of the Company and its subsidiaries, with a view to attract and retain key talent, by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The Company seeks approval of the Shareholders in respect of PDS ESOP (A) 2021 and for grant of stock options to the eligible employees, if any, as may be decided by Board and / or the Nomination and Remuneration Committee from time to time in due compliance with Companies, Act, 2013 (the "**Act**"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"), SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("**SEBI Listing Regulations**") and other applicable laws and regulations.

The salient features and other details of the Scheme as required under applicable laws are as under:

1. Brief Description of Scheme

This Scheme shall be called the "PDS Multinational Fashions Limited – Employee Stock Option Plan 2021 – Plan A" or "PDS ESOP (A) 2021".

The objective of the PDS ESOP (A) 2021 is to reward the employees of the Company, its subsidiaries and its holding company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company views the PDS ESOP (A) 2021 as an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/plan.

2. Total number of Options to be Granted

The total number of Options that may in aggregate be granted shall be 5,82,410 (Five Lakhs Eighty-Two Thousand Four Hundred and Ten) with 1 (One) Option being exercisable into 1 (One) fully Paid-up Equity Share each i.e. 5,82,410 (Five Lakhs Eighty-Two Thousand Four Hundred and Ten) Employee Stock Options being exercisable into 5,82,410 (Five Lakhs Eighty-Two Thousand Four Hundred and Ten) fully paid- up Equity Shares each to be issued and allotted by the Company.

3. Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

The following employees will be eligible to participate in the PDS ESOP (A) 2021 ("**Eligible Employee**"):

- a permanent employee of the Company working in India or outside of India;
- a director of the Company; or
- an employee, as defined in sub-clauses (i) or (ii) of a subsidiary, in India or outside of India

but excludes - (a) an individual who is a Promoter or belongs to the Promoter Group; (b) a director who either by himself or through his relatives or through a body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares; and (c) an independent director (within the meaning of the Act and SEBI Listing Regulations, as applicable).

4. Appraisal process for determining the eligibility of employees for the Scheme

The eligibility criteria for granting the Options to the Eligible Employees shall be determined by the Nomination and Remuneration Committee in accordance with the conditions prescribed under applicable law and the PDS ESOP (A) 2021 which may include the following:

- **Loyalty:** It will be determined on the basis of tenure of employment of an Employee / Grantee in the Company.
- **Performance of Employee / Grantee:** Employee's / Grantee's performance during the financial year on the basis of the parameters decided by the Board of Directors.
- **Performance of Company:** Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Nomination and Remuneration Committee in consultation with the Board of Directors from time to time.

5. Requirements of vesting and period of vesting

Options granted under PDS ESOP (A) 2021 would Vest, no earlier than 1 (One) Year from the Date of Grant (or such shorter period as permitted under Applicable Law) and no later than 4 (Four) Years from the Date of Grant of such Options.

The Nomination and Remuneration Committee may specify certain vesting conditions pursuant to which the Options may vest with the relevant Eligible Employee. The specific vesting schedule and vesting conditions would be determined by the Nomination and Remuneration Committee and identified in the grant letter issued to the Option grantee.

Note: Option Grantee means an Employee who has been granted an Employee Stock Option in pursuance of the PDS ESOP (A) 2021.

6. Maximum period within which the Options shall be vested

Options granted under PDS ESOP (A) 2021 would vest, no earlier than 1 (One) Year from the date of grant (or such shorter period as permitted under Applicable Law) and no later than 4 (Four) Years from the date of grant of such Options. The specific vesting schedule would be determined by the Nomination and Remuneration Committee and identified in the grant letter issued to the Option grantee.

7. Exercise price or pricing formula

The Exercise price in respect of the Option shall be determined by the Nomination and Remuneration Committee and shall be notified to the Option grantee in the grant letter. The Exercise Price may be equal to or less than the market price of the Equity Shares of the Company one date prior to the date of Grant, as determined by the Nomination and Remuneration Committee from time to time but shall not be less than the face value of the underlying Equity Share.

8. Exercise period and process of exercise

The Exercise period in respect of the Options shall be determined by the Nomination and Remuneration Committee and shall not be more than 4 (Four) Years from the date of vesting of the Options.

After vesting, Options can be immediately exercised within the exercise period, either wholly or in part, through cash mechanism after submitting the exercise application along with payment of the exercise price, applicable taxes and other charges, if any.

Payment of the exercise price shall be made by a crossed cheque or a demand draft drawn or through electronic funds transfer in favour of the Company, or in such other manner as the Nomination and Remuneration Committee may permit. On payment of the exercise price, the Company shall issue and allot to the relevant Eligible Employee, the fully-paid equity shares (corresponding to the number of Options being exercised), and take all other steps may be necessary to obtain listing and trading approvals for such shares.

9. Lock-in Period (if any)

The Shares issued upon Exercise of Options shall be freely transferable and will not be subject to any lock - in restrictions.

10. Maximum number of Options to be issued per employee and in aggregate

The maximum number of Options that may be granted in aggregate shall not exceed 5,82,410. The maximum number of Options that may be granted per Eligible Employees shall be determined by the Nomination and Remuneration Committee in accordance with the conditions prescribed under applicable law and the PDS ESOP (A) 2021.

Further, the maximum number of Options that can be granted to any eligible Employee during any one year shall not be less than 1% of the issued share capital of the

Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued share capital of the Company to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

11. Maximum quantum of benefits to be provided per employee

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Stock Exchanges as on the date of Exercise of Options and the exercise price paid by the Employee.

12. Whether the Scheme is to be implemented and administered directly by the Company or through a Trust

The PDS ESOP (A) 2021 will be implemented through direct route for extending the benefits to the eligible Employees by the way of fresh allotment and will follow cash mechanism.

The PDS ESOP (A) 2021 shall be administered by the Nomination and Remuneration Committee which may delegate some or all of its power to any other Committee or Persons for proper administration.

13. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both

The PDS ESOP (A) 2021 will only entail new issue of shares by the Company.

14. The amount of loan to be provided for implementation of the scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.

Not Applicable

15. Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the Scheme

Not Applicable

16. The method which the Company shall use to value the Options

Fair Value Method or any other method as per applicable statutory provisions from time to time.

In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors report and also the impact of this difference on profits and on earnings per share (EPS) of the Company shall also be disclosed in the Directors' report.

17. The conditions under which Options vested in employees may lapse

The vested options which are not exercised within the time period set out in PDS ESOP (A) 2021 or the grant letters (as the case may be), shall lapse and stand cancelled.

18. Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee

Time periods within which the employee is required to exercise vested options in the event of a termination or resignation shall be as set out in the PDS ESOP (A) 2021 or as determined by the Nomination and Remuneration Committee.

19. Statement relating to the accounting policies as specified in Regulation 15 of SEBI SBEB Regulations

The Company shall follow the relevant accounting standards, accounting policies and guidance note on accounting for employees share based payments as may be prescribed from time to time under applicable law.

Regulation 6(1) of the SEBI SBEB Regulations requires that every employee stock option scheme shall be approved by the Members of the Company by passing a Special Resolution. Further, as PDS ESOP (A) 2021 will entail further issue of shares, consent of the members is required by way of a Special Resolution pursuant to Section 62(1)(b) of the Act. Accordingly, the Special Resolution for the subject matter as set out in this Notice is proposed for approval by Members.

As per Regulation 6(3) of the SEBI SBEB Regulations, a separate Special Resolution is required to be passed if the benefits of an employee stock option scheme are to be extended to employees of the subsidiary companies. Accordingly, separate special resolution seeking the approval of the members for extending the benefits of the Scheme to the employees of subsidiary companies if and when be decided by the Board from time to time, is proposed for approval.

The Options to be granted under the PDS ESOP (A) 2021 shall not be treated as an offer or invitation made to public for subscription of securities of the Company. The PDS ESOP (A) 2021 conforms to the applicable provisions of the SEBI SBEB Regulations / applicable laws.

Copy of the PDS ESOP (A) 2021 will be made available for inspection or provided to the Members on written request to the Company Secretary at the Registered Office of the Company. The copy of the draft PDS ESOP (A) 2021 is also being posted on website of the Company under Investors section.

The word "**Board**" shall be read and included the Compensation Committee / Nomination and Remuneration Committee and accordingly powers granted to, or exercisable by, the Board as referred in the resolutions and Explanatory Statement or otherwise, shall be exercisable by the aforesaid Committee, unless context requires otherwise or the Board resolve so.

Notwithstanding anything contained in the Resolutions as set forth in Item No. 7 and Item No. 8 and the Explanatory Statement thereto, the Compensation Committee /

Nomination and Remuneration Committee would have the absolute discretion to determine the employees eligible to be granted the Options under the PDS ESOP (A) 2021 and the quantum of options to be granted to any one or more Eligible Employees.

The Board recommends the above referred Special Resolutions as set forth in Item No. 7 and Item No. 8 of the accompanying Notice for your approval.

Directors / Key Managerial Personnel of the Company / their relatives who may be granted Options and allotted Shares under the Scheme may be considered as concerned or interested in the Special Resolutions. Save as aforesaid, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolutions.

ITEM NO. 9 TO 11: APPROVAL OF THE PDS MULTINATIONAL FASHIONS LIMITED - EMPLOYEE STOCK OPTION PLAN 2021 - PLAN B FOR THE EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES AND AUTHORIZATION TO THE PDS MULTINATIONAL FASHIONS ESOP TRUST TO ACQUIRE EQUITY SHARES OF THE COMPANY FROM THE SECONDARY MARKET

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/ plan. Your Company believes in rewarding its employees as well as that of its subsidiaries for their continuous hard work, dedication and support.

Accordingly, the Company intends to implement PDS Multinational Fashions Limited - Employees Stock Option Plan 2021 – Plan B [**"PDS ESOP (B) 2021"**] for the employees of the Company and its subsidiaries, with a view to attract and retain key talent, by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The PDS ESOP (B) 2021 is proposed to be implemented by way of an irrevocable trust to be set up by the Company in the name of PDS Multinational Fashions ESOP Trust ("**Trust**"). For the purposes of PDS ESOP (B) 2021, up to 1,01,348 Equity Shares shall be issued and allotted to the Trust by the Company and up to 1,01,348 Equity Shares shall be acquired from the secondary market by the Trust.

The Company seeks approval of the Shareholders in respect of PDS ESOP (B) 2021 and for grant of stock options to the eligible employees, if any, as may be decided by Board and / or the Nomination and Remuneration Committee from time to time in due compliance with Companies, Act, 2013 (the "**Act**"), Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"), SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("**SEBI Listing Regulations**") and other applicable laws and regulations.

The salient features and other details of the Scheme as required under applicable laws are as under:

1. Brief Description of Scheme

This Scheme shall be called the "PDS Multinational Fashions Limited – Employee Stock Option Plan 2021 – Plan B" or "PDS ESOP (B) 2021".

The objective of the PDS ESOP (B) 2021 is to reward employees of the Company, its subsidiaries and its holding company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company views the PDS ESOP (B) 2021 as an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share-based compensation scheme/plan.

2. Total number of Options to be Granted

The total number of Options that may in aggregate be granted shall be 1,01,348 with 1 (One) Option being exercisable into 1 (One) fully Paid-up Equity Share each i.e. 1,01,348 Employee Stock Options being exercisable into 1,01,348 fully Paid-up Equity Shares of the Company, of which up to 1,01,348 Equity Shares shall be issued and allotted to the Trust by the Company and up to 1,01,348 Equity Shares shall be acquired from the secondary market by the Trust.

3. Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

The following employees will be eligible to participate in the PDS ESOP (B) 2021 ("**Eligible Employee**");

- a permanent employee of the Company working in India or outside of India;
- a director of the Company; or
- an employee, as defined in sub-clauses (i) or (ii) of a subsidiary, in India or outside of India

but excludes - (a) an individual who is a Promoter or belongs to the Promoter Group; (b) a director who either by himself or through his relatives or through a body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares; and (c) an independent director (within the meaning of the Act and SEBI Listing Regulations, as applicable).

4. Appraisal process for determining the eligibility of employees for the Scheme

The eligibility criteria for granting the Options to the Eligible Employees shall be determined by the Nomination and Remuneration Committee in accordance with the conditions prescribed under applicable law and the PDS ESOP (B) 2021 which may include the following:

- **Loyalty:** It will be determined on the basis of tenure of employment of an Employee / Grantee in the Company.
- **Performance of Employee / Grantee:** Employee's / Grantee's performance during the financial year on

the basis of the parameters decided by the Board of Directors.

- **Performance of Company:** Performance of the Company as per the standards set by the Board of Directors.
- Any other criteria as decided by the Nomination and Remuneration Committee in consultation with the Board of Directors from time to time.

5. Requirements of vesting and period of vesting

Options granted under PDS ESOP (B) 2021 would Vest, no earlier than 1 (One) Year from the Date of Grant (or such shorter period as permitted under Applicable Law) and no later than 4 (Four) Years from the Date of Grant of such Options.

The Nomination and Remuneration Committee may specify certain vesting conditions pursuant to which the Options may vest with the relevant Eligible Employee. The specific vesting schedule and vesting conditions would be determined by the Nomination and Remuneration Committee and identified in the grant letter issued to the Option grantee.

Note: Option Grantee means an Employee who has been granted an Employee Stock Option in pursuance of the PDS ESOP (B) 2021

6. Maximum period within which the Options shall be vested

Options granted under PDS ESOP (B) 2021 would vest, no earlier than 1 (One) Year from the date of grant (or such shorter period as permitted under Applicable Law) and no later than 4 (Four) Years from the date of grant of such Options. The specific vesting schedule would be determined by the Nomination and Remuneration Committee and identified in the grant letter issued to the Option grantee.

7. Exercise price or pricing formula

The Exercise price in respect of the Option shall be determined by the Nomination and Remuneration Committee and shall be notified to the Option grantee in the grant letter. The Exercise Price may be equal to or less than the market price of the Equity Shares of the Company one date prior to the date of Grant, as determined by the Nomination and Remuneration Committee from time to time but shall not be less than the face value of the underlying Equity Share.

8. Exercise period and process of exercise

The Exercise period in respect of the Options shall be determined by the Nomination and Remuneration Committee and shall not be more than 4 (Four) Years from the date of vesting of the Options. Payment of the exercise price shall be made by a crossed cheque or a demand draft drawn or through electronic funds transfer in favour of the Company, or in such other manner as the Nomination and Remuneration Committee may permit. On payment of the exercise price, the Company shall issue and allot to the relevant Eligible Employee, the fully-paid equity shares (corresponding to the number of Options being exercised),

and take all other steps may be necessary to obtain listing and trading approvals for such shares.

After vesting, Options can be immediately exercised within the exercise period, either wholly or in part, through cash mechanism after submitting the exercise application along with payment of the exercise price, applicable taxes and other charges, if any.

9. Lock-in Period (if any)

The Shares issued upon Exercise of Options shall be freely transferable and will not be subject to any lock - in restrictions.

10. Maximum number of Options to be issued per employee and in aggregate

The maximum number of Options that may be granted in aggregate shall not exceed 1,01,348. The maximum number of Options that may be granted per Eligible Employees shall be determined by the Nomination and Remuneration Committee in accordance with the conditions prescribed under applicable law and the PDS ESOP (B) 2021.

Further, the maximum number of Options that can be granted to any eligible Employee during any one year shall not be less than 1% of the issued share capital of the Company at the time of grant. The Committee may decide to grant such number of Options equal to or exceeding 1% of the issued share capital of the Company to any eligible Employee as the case may be, subject to the separate approval of the Shareholders in a general meeting.

11. Maximum quantum of benefits to be provided per employee

The maximum quantum of benefits that will be provided to every eligible Employee under the Scheme will be the difference between the market value of Company's Share on the Stock Exchanges as on the date of Exercise of Options and the exercise price paid by the Employee.

12. Whether the Scheme is to be implemented and administered directly by the Company or through a Trust

The PDS ESOP (B) 2021 shall be implemented through trust route wherein an irrevocable Trust by the name PDS Multinational Fashions ESOP Trust, shall acquire the Equity Shares either by way of secondary acquisition from the market and/or Direct allotment of the Company.

The Scheme shall be administered by the Nomination and Remuneration Committee which shall delegate some or all of its power to the Trust or any other Committee or Persons for proper administration of the Scheme.

13. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both

The PDS ESOP (B) 2021 will entail both new issue of shares by the Company and secondary acquisition by the Trust.

Upto 1,01,348 Equity Shares may be issued and allotted to the Trust by the Company and up to 1,01,348 Equity Shares may be acquired from the secondary market by the Trust.

14. The amount of loan to be provided for implementation of the scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.

The Company proposed to provide financial assistance to the Trust for subscribing to and acquiring from the secondary market the Equity Shares of the Company, for implementation of PDS ESOP (B) 2021. The terms of such loan shall inter alia include the following:

- (i) **Amount:** The maximum amount of loan to be sanctioned to the Trust and outstanding at any point of time shall not exceed ₹5,80,00,000 (Rupees Five Crores Eighty Lakhs Only).
- (ii) **Tenure:** The tenure of such loan shall be until the earlier of (a) the date on which the objects of the Trust are accomplished or, and (b) the date upon which the loan is repaid in full by the Trust.
- (iii) **Utilization:** The loan may be utilized by the Trust only for acquisition of the Equity Shares of the Company for the purposes of implementation and administration of the PDS ESOP (B) 2021.
- (iv) **Interest:** The rate of interest shall be mutually agreed between the Company and the Trust.

It is noted that the aforementioned loan amount of ₹5,80,00,000 (Rupees Five Crores Eighty Lakhs Only) does not exceed 5% of the Paid-up Equity Capital and Free Reserves as provided in the Act. The Trust shall repay the loan to the Company by utilizing the proceeds realized from exercise of Options by the Employees and the accruals of the Trust at the time of termination of PDS ESOP (B) 2021.

15. Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the Scheme

The Trust may acquire up to 1,01,348 Equity Shares from the secondary market for the purposes of PDS ESOP (B) 2021.

However, the total number of Shares under secondary acquisition held by the Trust shall at no time exceed 5 (Five) Percent of Paid-up Equity Capital as at the end of the financial year immediately prior to the year in which the Shareholder approval is obtained for such secondary acquisition.

Further, the secondary acquisition in a financial year by the Trust shall not exceed 2 (Two) Percent of the Paid-up Equity Capital as at the end of the previous financial year.

16. The method which the company shall use to value the Options

Fair Value Method or any other method as per applicable statutory provisions from time to time.

In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Directors report and also the impact of this difference on profits and on earnings per share (EPS) of the Company shall also be disclosed in the Directors' report.

17. The conditions under which Options vested in employees may lapse

The vested options which are not exercised within the time period set out in PDS ESOP (B) 2021 or the grant letters (as the case may be), shall lapse and stand cancelled.

18. Specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee

Time periods within which the employee is required to exercise vested options in the event of a termination or resignation shall be as set out in the PDS ESOP (B) 2021 or as determined by the Nomination and Remuneration Committee.

19. Statement relating to the accounting policies as specified in Regulation 15 of SEBI SBEB Regulations

The Company shall follow the relevant accounting standards, accounting policies and guidance note on accounting for employees share based payments as may be prescribed from time to time under applicable law.

20. Details about exercise of voting rights in respect of the Equity Shares of the Company held by the Trust pursuant to PDS ESOP (B) 2021

Neither the Trust nor the trustees shall be entitled to exercise voting rights in respect of the Equity Shares of the Company held by the Trust pursuant to PDS ESOP (B) 2021.

21. Interest of the promoters, directors, or key managerial personnel in the PDS ESOP (B) 2021 or the Trust and the effect thereof

The directors and key managerial personnel are interested in the PDS ESOP (B) 2021 only to the extent of the Options that may be granted to them under the PDS ESOP (B) 2021. The promoters and independent directors are not entitled to any benefits under the PDS ESOP (B) 2021.

Regulation 6(1) of the SEBI SBEB Regulations requires that every employee stock option scheme shall be approved by the Members of the Company by passing a Special Resolution. Further, as PDS ESOP (B) 2021 will entail further issue of shares, consent of the members is required by way of a Special Resolution pursuant to Section 62(1) (b) of the Act. Accordingly, the Special Resolution for the

subject matter as set out in this Notice is proposed for approval by Members.

As per Regulation 6(3) of the SEBI SBEB Regulations, a separate Special Resolution is required to be passed if the benefits of an employee stock option scheme are to be extended to employees of the subsidiary companies. Accordingly, separate special resolution seeking the approval of the members for extending the benefits of the Scheme to the employees of subsidiary companies if and when be decided by the Board from time to time, is proposed for approval.

The Options to be granted under the PDS ESOP (B) 2021 shall not be treated as an offer or invitation made to public for subscription of securities of the Company. The PDS ESOP (B) 2021 conforms to the applicable provisions of the SEBI SBEB Regulations / applicable laws.

Copy of the PDS ESOP (B) 2021 will be made available for inspection or provided to the Members on written request to the Company Secretary at the Registered Office of the Company. The copy of the draft PDS ESOP (B) 2021 is also being posted on website of the Company under Investors section.

The word "Board" shall be read and included the Compensation Committee / Nomination and Remuneration Committee and accordingly powers granted to, or exercisable by, the Board as referred in the resolutions and Explanatory Statement or otherwise, shall be exercisable by the aforesaid Committee, unless context requires otherwise or the Board resolve so.

Notwithstanding anything contained in the Resolutions as set forth in Item No. 9 to Item No. 11 and the Explanatory Statement thereto, the Compensation Committee / Nomination and Remuneration Committee would have the absolute discretion to determine the employees eligible to be granted the Options under the PDS ESOP (B) 2021 and the quantum of options to be granted to any one or more Eligible Employees.

The Board recommends the above referred Special Resolutions as set forth in Item No. 9 to Item No. 11 of the accompanying Notice for your approval.

Directors / Key Managerial Personnel of the Company / their relatives who may be granted Options and allotted Shares under the Scheme may be considered as concerned or interested in the Special Resolutions. Save as aforesaid, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolutions.

ITEM NO. 12: AUTHORIZATION TO THE COMPANY TO GRANT A LOAN TO THE PDS MULTINATIONAL FASHIONS ESOP TRUST TO ACQUIRE EQUITY SHARES OF THE COMPANY FOR IMPLEMENTATION OF THE PDS MULTINATIONAL FASHIONS LIMITED - EMPLOYEE STOCK OPTION 2021 - PLAN B

In order to execute PDS Multinational Fashions Limited - Employees Stock Option Plan 2021 – Plan B ["PDS ESOP (B) 2021"] through Trust Route, the company needs to make provisioning of funds to the Trust so as to enable it to purchase the Shares of the Company. Accordingly, Item No. 12 which is proposed for approval of the Shareholders is set out in this Notice.

The disclosures as per Rule 16 of the Chapter IV of the Companies Act, 2013 ("the Act"), are as under:

1. The class of Employees for whose benefit the Scheme is being implemented and money is being provided for purchase of or subscription to Shares.	The class of Employees for whose benefit the PDS Multinational Fashions Limited - Employees Stock Option Plan 2021 – Plan B ["PDS ESOP (B) 2021"] is being implemented and money is being provided for purchase of or subscription to Shares is as follow: (i) a permanent employee of the Company working in India or out of India; (ii) a Director of the Company or (iii) an employee, as defined in sub-clauses (i) or (ii) of a Subsidiary of the Company, in India or out of India, or of a holding company of the Company, but excludes – (a) an individual who is a Promoter or belongs to the Promoter Group; (b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares; and (c) an independent director (within the meaning of the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable).
2. The particulars of the Trustee or Employees in whose favor such Shares are to be registered.	Name of the Trustees: 1. Vistra ITCL (India) Limited
3. Particulars of Trust.	Name of the Trust: PDS Multinational Fashions ESOP Trust Address of the Trust: Unit No.971, Solitaire Corporate Park, Andheri – Ghatkopar Link Road, Andheri (East), Mumbai – 400093, Maharashtra (India).
4. Name, Address, Occupation and Nationality of Trustees.	Name: Vistra ITCL (India) Limited Address: The IL&FS Financial Center Plot No. C-22, G Block, 7th Floor Bandra Kurla Complex Bandra (East), Mumbai 400051 Occupation: NA Nationality: NA
5. Relationship of Trustees with Promoters, Directors or Key Managerial Personnel, if any.	None
6. Any interest of Key Managerial Personnel, Directors or Promoters in such Scheme or Trust and effect thereof.	The Key Managerial personnel and Directors are interested in the PDS ESOP (B) 2021 only to the extent, to the Options that may be granted to them, if any, under the Scheme.
7. The detailed particulars of benefits which will accrue to the Employees from the implementation of the Scheme	Other than the Options granted in accordance with PDS ESOP (B) 2021 through trust route, the employees are not being granted any other benefits under the PDS ESOP (B) 2021.
8. The details about who would exercise and how the voting rights in respect of the shares to be purchased or subscribed under the scheme would be exercised	The Trust would be considered as the registered shareholder of the Equity Shares of the Company acquired by the Trust pursuant to the PDS ESOP (B) 2021 till the date of transfer of the Equity Shares to the employees, upon exercise of the option by the relevant employee(s). However, the trustees of the Trust will not have any right to vote on the Equity Shares held by the Trust. Upon transfer of the Equity Shares to the employee(s) upon exercise of the Options, the relevant employees will be treated as the Shareholder of the Company and shall exercise the right to vote in respect of such shares.

In terms of the Act, read with Rule 16 of Chapter IV of the Act, the approval of the Shareholders is sought by way of Special Resolution for the approval for the provisioning of money to the Trust to fulfil the requirements of PDS ESOP (B) 2021.

Therefore, your Directors recommend the Resolutions as set out at Item No. 12 for your approval by way of Special Resolution.

The word "Board" shall be read and included the Compensation Committee / Nomination and Remuneration Committee and accordingly powers granted to, or exercisable by, the Board as referred in the resolutions and Explanatory Statement or

otherwise, shall be exercisable by the aforesaid Committee, unless context requires otherwise or the Board resolve so.

Directors / Key Managerial Personnel of the Company / their relatives who may be granted Options and allotted Shares under the Scheme may be considered as concerned or interested in the Special Resolutions. Save as aforesaid, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolutions.

ITEM NO. 13 & 14: APPROVAL OF PDS MULTINATIONAL FASHIONS LIMITED - PHANTOM STOCK UNITS PLAN 2021 FOR THE EMPLOYEES OF THE COMPANY AND ITS SUBSIDIARIES

In order to reward and further incentivize the employees of the Company and its subsidiaries, the Company intends to implement a phantom stock units plan called "PDS Multinational Fashions Limited – Phantom Stock Units Plan 2021" (the "**PDS PSU 2021**"). The PDS PSU 2021 is envisaged as a cash-settled stock appreciation rights scheme and does not involve subscribing, purchasing, selling or dealing in the shares of the Company, whether directly or indirectly, in any manner. However, as a matter of good order, the Board has recommended that approval of the shareholders be sought for implementation of the PDS PSU 2021. In furtherance of the same and pursuant to provisions of applicable laws; the key details and salient features are set out below.

1. Brief Description of Scheme

Stock appreciation based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the market performance of the Company through a cash-settled stock appreciation rights scheme/ plan. Your Company believes in rewarding its employees as well as that of its subsidiaries for their continuous hard work, dedication and support.

Accordingly, the Company intends to implement PDS PSU 2021 for the employees of the Company and its subsidiaries, with a view to attract and retain key talent, by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The Company seeks approval of the Shareholders in respect of PDS PSU 2021 and for grant of phantom stock units (the "**Units**") to the eligible employees, if any, as may be decided by Board and / or the Nomination and Remuneration Committee from time to time in due compliance with Companies, Act, 2013 (the "Act"), if and only to the extent applicable, and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI SBEB Regulations**"), if and only to the extent applicable, the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("**SEBI Listing Regulations**"), if and only to the extent applicable, and other applicable laws and regulations.

2. Total number of Units to be Granted

The total number of Units that may be granted shall not exceed 1,72,283 in number in aggregate.

3. Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

The following employees will be eligible to participate in the PDS PSU 2021 ("**Eligible Employee**"):

- a permanent employee of the Company working in India or outside of India;
- a director of the Company; or

- an employee, as defined in sub-clauses (i) or (ii) of a subsidiary, in India or outside of India

but excludes - (a) an individual who is a Promoter or belongs to the Promoter Group; (b) a director who either by himself or through his relatives or through a body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares; and (c) an independent director (within the meaning of the Act and SEBI Listing Regulations, as applicable).

4. Appraisal process for determining the eligibility of employees for the Scheme

The eligibility criteria for granting the Units to the Eligible Employees shall be determined by the Nomination and Remuneration Committee in accordance with the conditions prescribed under applicable law and the PDS PSU 2021.

5. Requirements of vesting and period of vesting

The Nomination and Remuneration Committee may specify certain vesting conditions pursuant to which the Units may vest with the relevant Eligible Employee. The specific vesting schedule and vesting conditions would be determined by the Nomination and Remuneration Committee and identified in the grant letter issued to the Unit grantee.

Maximum period within which the Units shall be vested Units granted under PDS PSU 2021 would vest, no earlier than 1 (One) Year from the date of grant (or such shorter period as permitted under Applicable Law) and no later than 4 (Four) Years from the date of grant of such Units. The specific vesting schedule would be determined by the Nomination and Remuneration Committee and identified in the grant letter issued to the Unit grantee.

6. Exercise price or pricing formula

The Exercise price in respect of the Units shall be determined by the Nomination and Remuneration Committee and shall be notified to the Unit grantee in the grant letter. The Exercise Price may be equal to or less than the market price of the Equity Shares of the Company, as determined by the Nomination and Remuneration Committee from time to time.

7. Exercise period and process of exercise

The Exercise period in respect of the Units shall be determined by the Nomination and Remuneration Committee and shall not be more than 4 (Four) Years from the date of vesting of the Units.

Upon exercise of Units, the Company shall pay to the relevant employee an amount equivalent to the appreciation in the value of the shares underlying the Units (i.e. the difference between the market price as on the date of exercise and the exercise price) by a crossed cheque or a demand draft drawn or through electronic funds transfer in favour of the Company, or in such other manner as the Nomination and Remuneration Committee may permit.

8. Lock-in Period (if any)

Not applicable, since no shares are being issued or allotted under the PDS PSU 2021.

9. Maximum number of Units to be issued per employee and in aggregate

The total number of Units that may be granted in aggregate shall not exceed 1,72,283. The maximum number of Units that may be granted per Eligible Employees shall be determined by the Nomination and Remuneration Committee in accordance with the conditions prescribed under applicable law and the PDS PSU 2021.

10. Maximum quantum of benefits to be provided per employee

Other than the Units granted in accordance with Serial No. 9 above, the employees are not being granted any other benefits under the PDS PSU 2021.

11. Whether the Scheme is to be implemented and administered directly by the Company or through a Trust

The PDS PSU 2021 will be administered directly by the Company.

12. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both

The PDS PSU 2021 does not involve any new issue, purchase, sale or dealing in the share of the Company.

13. The amount of loan to be provided for implementation of the scheme by the Company to the trust, its tenure, utilization, repayment terms, etc.

Not Applicable

14. Maximum percentage of secondary acquisition that can be made by the trust for the purposes of the Scheme

Not Applicable

15. The method which the company shall use to value the Options

To calculate the employee compensation cost, the Company shall use the intrinsic value method for the valuation of the Units granted.

In case the Company calculates the employee compensation cost using the intrinsic value of the Units, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Units, shall be disclosed in the Directors report and also the impact of this difference on profits and on earnings per share (EPS) of the Company shall also be disclosed in the Directors' report.

16. The conditions under which Units vested in employees may lapse

The vested Units which are not exercised within the time period set out in PDS PSU 2021 or the grant letters (as the case may be), shall lapse and stand cancelled.

17. Specified time period within which the employee shall exercise the vested Units in the event of a proposed termination of employment or resignation of employee

Time periods within which the employee is required to exercise vested Units in the event of a termination or resignation shall be as set out in the PDS PSU 2021 or as determined by the Nomination and Remuneration Committee.

18. Statement relating to the accounting policies as specified in Regulation 15 of SEBI SBEB Regulations

The Company shall follow the relevant accounting standards, accounting policies and guidance note on accounting for employees share based payments as may be prescribed from time to time under applicable law.

The Units to be granted under the PDS PSU 2021 shall not be treated as an offer or invitation made to public for subscription of securities of the Company. The PDS PSU 2021 conforms to the applicable provisions of the SEBI Listing Regulations, SEBI SBEB Regulations, if and only to the extent applicable, and all other applicable laws. Copy of the PDS PSU 2021 will be made available for inspection or provided to the Members on written request to the Company Secretary at the Registered Office of the Company.

The copy of the draft PDS PSU 2021 is also being posted on website of the Company under Investors section.

The word "**Board**" shall be read and included the Compensation Committee / Nomination and Remuneration Committee and accordingly powers granted to, or exercisable by, the Board as referred in the resolutions and Explanatory Statement or otherwise, shall be exercisable by the aforesaid Committee, unless context requires otherwise or the Board resolve so.

Notwithstanding anything contained in the Resolutions as set forth in Item No. 13 and Item No. 14 and the Explanatory Statement thereto, the Compensation Committee / Nomination and Remuneration Committee would have the absolute discretion to determine the employees eligible to be granted the Options under the PDS PSU 2021 and the quantum of options to be granted to any one or more Eligible Employees.

The Board recommends the above referred Special Resolutions as set forth in Item No. 13 and Item No. 14 of the accompanying Notice for your approval.

Directors / Key Managerial Personnel of the Company / their relatives who may be granted Units under the Scheme may be considered as concerned or interested in the Special Resolutions. Save as aforesaid, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolutions.

ITEM NO. 15: APPROVAL TO PROVIDE SECURITY ON CREATION OF CHARGE, MORTGAGE, ETC. UNDER SECTION 180(1)(A) OF THE COMPANIES ACT, 2013.

As per the provisions of Clause (a) of Sub- Section (1) of Section 180 of Companies Act, 2013 ("**the Act**"), the Board of Directors of the Company shall not create charge/ mortgage/ hypothecate the movable and / or immovable properties of the Company unless the same is authorized by the Members of the Company by way of Special Resolution.

Members may note that pursuant to Section 180(1)(a) of the Act, the Shareholders had passed a Special Resolution through postal ballot resolution dated October 16, 2015 for creation of charges/mortgages/hypothecations for an amount not exceeding ₹1,500 Crores under Section 180(1)(a) of the Act.

Accordingly, it is proposed to increase limit under Section 180(1) (a) of the Act upto an amount ₹2,000 Crores (Two Thousand Crores Only) for the approval of Shareholders by way of a Special Resolution.

The Board recommends the above referred Special Resolution as set forth in Item No. 15 of the accompanying Notice for your approval.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item No. 15 of the accompanying notice, except in the ordinary course of business and extent to their shareholding.

ITEM NO. 16: APPROVAL FOR INCREASE IN THE LIMITS FOR MAKING INVESTMENTS / EXTENDING LOANS AND GIVING GUARANTEES OR PROVIDING SECURITIES IN CONNECTION WITH LOANS TO PERSONS / BODIES CORPORATE

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 ("**the Act**"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

The Shareholders of the Company through postal ballot on October 16, 2015 had approved investments and loans made and the amounts for which guarantee or security provided to or in all bodies corporate including subsidiary/ group companies and outstanding at any time does upto an amount of ₹1,500 Crores (Rupees One Thousand Five Hundred Crores Only) or equivalent amount in any other foreign currency.

Accordingly, it is proposed to increase to provide loans, guarantees and make investments up to a sum of ₹2,000 Crores (Rupees Two Thousand Crores Only) over and above the aggregate of free reserves and securities premium account of the Company at any point of time and recommend passing of this resolution by way of a Special Resolution.

The Board recommends the above referred Special Resolution as set forth in Item No. 16 of the accompanying Notice for your approval.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item No. 16 of the accompanying notice, except in the ordinary course of business and extent to their shareholding.

By Order of the Board of Directors
for **PDS Multinational Fashions Limited**

Abhishekh Kanoi
Head of Legal & Company Secretary
ICSI Membership No.: F-9530

Place: Bengaluru, India
Date: May 27, 2021

Regd. Office:
No. 758 & 759, 2nd Floor, 19th Main,
Sector-2, HSR Layout Bengaluru – 560102, Karnataka (India).
E-mail: investors@pdsinternational.com
Website: www.pdsinternational.com

Annexure-II

(for Item No. 3 & 4)

DETAILS OF DIRECTOR(S) SEEKING RE-APPOINTMENT FURNISHED PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF THE SECRETARIAL STANDARD-2

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting

Name of Director	Mr. Deepak Seth	Mr. Parth Gandhi
DIN	00003021	01658253
Date of Birth	22/05/1952	10/04/1971
Nationality	Indian	Indian
Age	70 Years	50 Years
Qualification(s)	Master of Business Administration (MBA) and B.A. (Economics)	MBA from Michigan State University and a BE from University of Mumbai
Experience (including expertise in specific functional area) / Brief Profile	Mr. Deepak Seth is an active member of the Apparel Export Promotion Council of India ("AEPC") and has held the post of "Vice Chairman" of the Eastern Region of AEPC for 2 years. He is also an executive member of the Apparel Exporters & Manufacturers Association (AEMA) and was awarded the "Udyog Ratna" Award by the Haryana Govt. in 2006 for his entrepreneurial skills. His knowledge of the business environment and vast experience in general management has been an asset to the Company.	Mr. Parth Gandhi is a senior investment professional with significant experience in India for over two decades. Previously Mr. Gandhi was a Senior Partner and Managing Director at Apollo Global Managements India JV with ICICI, AION. AION, was one of the largest single India focused Private Equity funds (USD 825 million) and with coinvest capital committed roughly USD 1.25 billion of investments in India. Prior to that Mr. Gandhi was President of Private Equity at ICICI Venture Funds Management Company Limited. At ICICI Venture Mr. Gandhi was responsible for establishing the strategic partnership with Apollo and in developing AION Investment strategy. Mr. Gandhi serves on the International Advisory Board for Michigan State University, is a charter member of TiE Global (The Indus Entrepreneurs) and an active member of The Explorers Club and ASSOCHAM (The Associated Chambers of Commerce and Industry of India). In previous jobs Mr. Gandhi was a Managing Director at Navigator Capital Advisors Limited and prior to that was a Consultant with Ernst and Young.
Date of first Appointment on the Board	April 6, 2011	May 27, 2021
Details of Shareholding the Company as on March 31, 2021	31,55,734 Equity Shares	7,127 Equity Shares
Directorship held in other Companies as on March 31, 2021	Directorships in: 1. Pearl Global Industries Limited 2. Technocian Fashions Private Limited 3. Ps Arts Private Limited 4. Sbuys E-Commerce Limited 5. Digital Ecom Techno Private Limited 6. Pearl Global Kaushal Vikas Limited	Directorships in: 1. Good People's Network Private Limited
Relationship with Directors and Key Managerial Personnel	Husband of Mrs. Payel Seth, Non-Executive Non-Independent Director and Father of Mr. Pallak Seth, Non-Executive Non-Independent Director	None

No. of Board Meetings attended in FY 2020- 21	4 (Four) Meetings	Not Applicable
Terms and conditions of re-appointment	No special perquisites or benefits as a Director. All terms and conditions of appointment as per applicable policies of the Company. As a Director he is liable to retire by rotation	No special perquisites or benefits as a Director. All terms and conditions of appointment as per applicable policies of the Company. As a Director he is liable to retire by rotation.
Details of last drawn remuneration and proposed remuneration	Not Applicable	Not Applicable
Memberships/ Chairmanships of Committees of other companies	Pearl Global Industries Limited - Audit Committee - Member - Stakeholders Relationship Committee – Member	Nil
Number of Stock Options	Not Applicable	Nil

By Order of the Board of Directors
for **PDS Multinational Fashions Limited**

Abhishekh Kanoi
Head of Legal & Company Secretary
ICSI Membership No.: F-9530

Place: Bengaluru, India
Date: May 27, 2021

Regd. Office:
No. 758 & 759, 2nd Floor, 19th Main,
Sector-2, HSR Layout Bengaluru – 560102, Karnataka (India).
E-mail: investors@pdsmultinational.com
Website: www.pdsmultinational.com

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

NOTES

[illegible]

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Corporate Information

BOARD OF DIRECTORS

Mr. Deepak Seth (Chairman)
Non-Executive Non-Independent Director

Mr. Pallak Seth
(Vice-Chairman)
Non-Executive Non-Independent Director

Mrs. Payel Seth
Non-Executive Non-Independent Director

Dr. Ashutosh Bhupatkar
Independent Director

Mr. Ashok Kumar Chhabra
Independent Director

Mr. Ashok Kumar Sanghi
Independent Director

Ms. Saraswathy Venkateswaran
Women Independent Director

Mr. Parth Gandhi
(appointed w.e.f. May 27, 2021)
Additional (Non-Executive Non-Independent)

BOARD COMMITTEES

AUDIT COMMITTEE

Dr. Ashutosh Bhupatkar
Chairman

Mr. Deepak Seth
Member

Mr. Ashok Kumar Sanghi
Member

Mr. Ashok Kumar Chhabra
Member

NOMINATION & REMUNERATION COMMITTEE

Mr. Ashok Kumar Sanghi
Chairman

Ms. Saraswathy Venkateswaran
Member

Dr. Ashutosh Bhupatkar
Member

Mr. Ashok Kumar Chhabra
Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Ashok Kumar Chhabra
Chairman

Mr. Ashok Kumar Sanghi
Member

Mr. Deepak Seth
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (constituted w.e.f. May 27, 2021)

Ms. Saraswathy Venkateswaran
Chairman

Mr. Parth Gandhi
Member

Mr. Pallak Seth
Member

RISK MANAGEMENT COMMITTEE (constituted w.e.f. May 27, 2021)

Mr. Ashok Kumar Chhabra
Chairman

Dr. Ashutosh Bhupatkar
Member

Mr. Deepak Seth
Member

Mr. Pallak Seth
Member

Mr. Sanjay Jain
Member

Mr. Ashish Gupta
Member

Mr. Suresh Punjabi
Member

KEY MANAGERIAL PERSONNEL

Mr. Sanjay Jain
(appointed w.e.f. January 15, 2021)
Chief Executive Officer

Mr. Omprakash Makam Suryanarayana
(resigned at the close of business hours on January 14, 2021)
Chief Executive Officer

Mr. Ajai Singh
(resigned at the close of business hours on May 27, 2021)
Chief Financial Officer

Mr. Ashish Gupta
(appointed w.e.f. May 28, 2021)
Chief Financial Officer

Mr. Abhishekh Kanoi
(appointed w.e.f. January 11, 2021)
Head of Legal & Company Secretary

Mr. B. Chandra Sekhara Reddy
(resigned at the close of business hours on January 10, 2021)
Head of Legal & Company Secretary

CORPORATE IDENTITY NUMBER (CIN)

L18101KA2011PLC094125

REGISTERED OFFICE

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

CORPORATE OFFICE

Unit No.971,
Solitaire Corporate Park,
Andheri – Ghatkopar Link Road
Andheri (East), Mumbai – 400093
Maharashtra, India

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
Noble Heights, 1st Floor, Plot NH 2
C-1 Block LSC, Near Savitri Market
Janakpuri, New Delhi – 110058
Tel.: (011) 41410592, 93, 94
Fax: (011) 41410591
E-mail: delhi@linkintime.co.in

STATUTORY AUDITORS

M/s Walker Chandiok & Co LLP
(Firm Registration No.:
001076N/N500013)

BANKERS

The Hongkong and Shanghai
Banking Corporation Limited
Axis Bank Limited



CORPORATE OFFICE

Unit No.971, Solitaire
Corporate Park,
Andheri – Ghatkopar Link Road
Andheri (East), Mumbai – 400093
Maharashtra, India