

PDS/SE/2018-19/20

25th September, 2018

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

NSE: PDSMFL

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

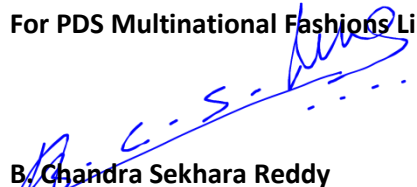
Dear Sir/Madam,

We hereby inform you that the 7th Annual General Meeting ("7th AGM") of the members of the Company was held on Friday, 21st September, 2018; at 11:30 A.M at Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram, Rajajinagar, Bengaluru-560055, Karnataka.

In pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, we herewith attached the copy of Annual Report for Financial Year 2017-18.

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

For PDS Multinational Fashions Limited


B. Chandra Sekhara Reddy
Company Secretary & Head-Legal



Encl: as above

PDS

MULTINATIONAL

"Global Fashion Manufacturing & Sourcing"

7th Annual Report 2017-18



PDS MULTINATIONAL FASHIONS LIMITED

Corporate Information

Board of Directors

Mr. Deepak Seth	-	Chairman
Mr. Pallak Seth	-	Vice-Chairman
Mrs. Payel Seth	-	Managing Director
Dr. Ashutosh Prabhudas Bhupatkar	-	Independent Director
Mr. Ashok Kumar Chhabra	-	Independent Director
Mr. Ashok Kumar Sanghi	-	Independent Director

Chief Financial Officer

Mr. Omprakash Makam S. Setty

Company Secretary

Mr. B. Chandra Sekhara Reddy

Audit Committee

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

Nomination and Remuneration Committee:

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

Stakeholders Relationship Committee:

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

Auditors

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

Registered Office:

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

Bankers

Axis Bank
HSBC Bank

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Route Map

Proxy Form

PDS MULTINATIONAL FASHIONS LIMITED

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

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

CIN: L18101KA2011PLC094125

NOTICE TO MEMBERS

Notice is hereby given that the 7th Annual General Meeting of the Members of PDS Multinational Fashions Limited, will be held on Friday, 21st day of September, 2018 at 11:30 A.M. at Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram, Rajajinagar, Bengaluru - 560055, Karnataka, India, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company prepared as per Indian Accounting Standard ("Ind-AS") on Standalone and Consolidated basis, for the financial year ended 31st March, 2018 including the Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.
2. 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

3. To approve the payment of remuneration to Mrs. Payel Seth, Managing Director of the Company for the period from 1st April, 2018 to 31st October, 2018 and in this regard, pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Pursuant to the provisions of Section 197, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments for time being in force) and subject to the approval of the Central Government, if necessary, and such other approvals, permissions, and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, the consent of the Members of the Company be and is hereby accorded to pay below remuneration to Mrs. Payel Seth (DIN: 00003035), Managing Director for her remaining tenure i.e. from 1st April, 2018 to 31st October, 2018, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limits specified under the Act or any statutory modification or re-enactment thereof:

Salary	: INR 36 lacs Per annum (₹ 3 lacs per month)
Reimbursement of Expenses	: Expenses incurred for the traveling, boarding lodging for business trips and mobile/telephone expenses for official purpose shall be reimbursed on actual and not be considered as part of Salary.
Provident Fund & Gratuity	: As per Company's rules
Car	: A Company maintained car for official purpose

RESOLVED FURTHER THAT if the Company has no profits or inadequate profits in any financial year, the above remuneration will be considered and shall be paid to Mrs. Payel Seth as a minimum remuneration, pursuant to the provisions of and ceiling limit prescribed under Section II of Part II of Schedule V of the Companies Act, 2013, subject to the approval of the Central Government, if required.

RESOLVED FURTHER THAT Mrs. Payel Seth will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof so long as she functions as the Managing Director of the Company.

RESOLVED FURTHER THAT for purpose of giving effect to the foregoing resolution, the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

4. To re-appoint Dr. Ashutosh Prabhudas Bhupatkar (DIN: 00479727) as an Independent Director and in this regard, pass the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the Section 149, 152 r/w Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), Dr. Ashutosh Prabhudas Bhupatkar (DIN: 00479727), who was appointed as an Independent Director and who holds office as an Independent Director upto 31st March, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from 1st April, 2019 to 31st March, 2024."

5. To re-appoint Mr. Ashok Kumar Chhabra (DIN: 06869497) as an Independent Director and in this regard, pass the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the Section 149, 152 r/w Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), Mr. Ashok Kumar Chhabra (DIN: 06869497), who was appointed as an Independent Director and who holds office as an Independent Director upto 31st March, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from 1st April, 2019 to 31st March, 2024."

6. To re-appoint Mr. Ashok Kumar Sanghi (DIN: 00011207) as an Independent Director and in this regard, pass the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of the Section 149, 152 r/w Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), Mr. Ashok Kumar Sanghi (DIN: 00011207), who was appointed as an Independent Director and who holds office as an Independent Director upto 31st March, 2019 and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years from 1st April, 2019 to 31st March, 2024.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder (including any statutory modifications or re-enactments thereof, for the time being in force), upon receipt of a request from a member for delivery of any document through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/ or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in that particular mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member at least 10 days in advance to the Company, before dispatch of such document.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to applicable provisions of Foreign Exchange Management Act, 1999, as amended ("FEMA"), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 as amended up to date and the Companies Act, 2013 and all other applicable acts, rules, regulations, provisions and guidelines (including any statutory modifications or re-enactments thereof for the time being in force), the aggregate ceiling limit of investment in paid-up equity capital (on fully diluted basis) of the Company by a Non-Resident Indians (NRI) or an Overseas Citizen of India (OCI), be and is hereby increased from 10% to 24% of the paid-up equity capital (on fully diluted basis) of the Company on subject to all applicable approvals/permissions, if any, from Foreign Investment

Promotion Board, the Reserve Bank of India, Ministry of Corporate Affairs or any other concerned Statutory Authority and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals/permissions.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the above resolution, including without limitation, intimating the Reserve Bank of India of the increase of aggregate ceiling limits applicable to NRI/OCI and to comply with all other requirements in this regard."

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

Place: Gurugram
Date: 9th August, 2018

(B. Chandra Sekhara Reddy)
Company Secretary

Notes:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.
- A proxy form is enclosed with this Notice. Proxies, in order to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the AGM. Proxies submitted on behalf of companies, societies, etc. must be supported by appropriate resolution or authority, as applicable. Revenue stamp should be affixed on the Proxy Form. Forms which are not stamped are liable to be considered invalid. It is advisable that the Proxy holder's signature may also be furnished in the Proxy form, for identification purposes.
- Members/Proxies are requested to bring their attendance slip to the Meeting and are requested not to bring any article, briefcase, hand bag, carry bag etc., as the same will not be allowed to be taken inside the meeting place for security reasons. Further, the Company or any of its officials shall not be responsible for their articles, bags etc., being misplaced, stolen or damaged at the Meeting place.
- Members/proxies/authorised representatives are requested to bring duly filled Attendance Slip, enclosed herewith, to attend the AGM along with a valid identity proof such as the PAN card/passport/AADHAAR card/driving license etc.
- Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those hold shares in Physical forms are requested to write

their Folio Number in the attendance slip for attending the meeting.

5. The statement pursuant to section 102 of the Companies Act, 2013 (the Act) is annexed hereunder and forms part of the Notice. As required under Secretarial Standard-2 and regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 (Listing Regulations), the relevant information of directors is enclosed as Annexure 1.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Corporate members intending to send their authorised representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 15th day of September, 2018 to 21st day of September, 2018 (both days inclusive).
9. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits Companies to send soft copies of the annual report to all those shareholders who have registered their email address with the Company/RTA/depository Participants. To support this green initiative, the shareholders holding shares both in physical/demat form are requested to register/update their email address with the Company/RTA/Depository Participants. Accordingly, the Annual Report for 2017-18, Notice for annual general meeting etc., are being sent in electronic mode to those shareholders who have registered their email address with the Company/RTA/Depository Participant. For those shareholders who have not opted for the above, the same are being sent in physical form.
10. Members may please note that Securities and Exchange Board of India ("SEBI") has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) as well as transferor(s) to furnish copy of PAN card to the Company/Share Transfer Agents for registration of such transfer of shares. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases, viz. (i) deletion of name of the deceased shareholder(s), (ii) transmission of shares to the legal heir(s) and (iii) transposition of shares.

SEBI has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated 8th June, 2018 and mandated that transfer of securities would be carried out in dematerialized form only w.e.f. 5th December, 2018. Therefore, members are advised to dematerialize shares held by them in physical form for effecting transfers in dematerialized form only post 5th December, 2018. Please refer investor FAQ's page (Dematerialisation of shares) on our website www.pdsmultinational.com.

11. Pursuant to SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, all the listed Companies are

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

12. All relevant documents referred to in the accompanying notice and explanatory statement are available for inspection at the Registered office of the Company during working hours upto the date of Annual General Meeting.
13. Annual Report of the Company circulated to the members of the Company is also available on the Company's website www.pdsmultinational.com.
11. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 7TH ANNUAL GENERAL MEETING OF YOUR COMPANY.**
12. **Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote at the 7th Annual General Meeting (AGM) by electronic means and the business contained herein may be transacted through e-voting Services provided by Central Depository Services India Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Tuesday, 18th September, 2018 at 09:00 AM (IST) and ends on Thursday, 20th September, 2018 at 05:00 PM (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date ("record date") of 14th day of September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders/Members.
- (iv) Now Enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. or
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (EVSU) for the relevant Company Name viz. "PDS MULTINATIONAL FASHIONS LIMITED" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the Apple store and Windows store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date/record date i.e. 14th September, 2018 may follow the same instructions as mentioned for e-voting.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. Mr. R. Hariprasad Reddy, Practicing Company Secretary (Membership No. FCS 8477) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- III. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IV. The Results shall be declared on or after the AGM of the Company. The Results declared along-with the Scrutinizer's Report shall be placed on the Company's website www.pdsmultinational.com and on the website of CDSL i.e. www.evotingindia.com within two(2) days of passing of the resolutions at the AGM of the Company

and communicated to the BSE Limited and National Stock Exchange of India Limited.

EXPLANATORY STATEMENT:

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out the material facts relating to the businesses under Item Nos. 3 to 8 of the accompanying Notice.

Item No. 3:

Mrs. Payel Seth was appointed as a Managing Director of the Company w.e.f. 1st June, 2014 for a period of 5 years i.e. upto 31st May, 2019 and her remuneration was approved for period of 3 years w.e.f. 1st April, 2015 to 31st March, 2018 by the Members of the Company.

Pursuant to the provisions of the Section 197 r/w Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and on recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on 14th February, 2018 has approved the below remuneration of Mrs. Payel Seth for the remaining period (1 year and 2 months) of her tenure w.e.f. from

the 1st April, 2018 to 31st May, 2019, whereas, subsequent to the approval of remuneration by Nomination and Remuneration Committee and Board, Mrs. Payel Seth has submitted her resignation letter on 9th August, 2018 by serving three (3 months) notice, from the position of Managing Director with effect from 1st November, 2018 but she will continue as Non-Executive Director of the Company. The Board has accepted her resignation from position of Managing Director and approved her remuneration for the period 1st April, 2018 to 31st October, 2018 i.e. for seven (7) months subject to the approval of the Members in this Annual General Meeting.

Salary	: INR 3 lacs Per Month
Reimbursement of Expenses	: Expenses incurred for the traveling, boarding lodging for business trips and mobile/ telephone expenses for official purpose shall be reimbursed on actual and not be considered as part of Salary.
Provident Fund & Gratuity	: As per Company's rules.
Car	: A Company maintained car for official purpose.

The Statement pursuant to Section II of Part II of Schedule V of the Companies Act, 2013:

I. General information:		
Nature of industry	PDS Multinational Fashions Limited is engaged in the business of manufacturing, trading, designing, sourcing and distribution of Readymade Garments to its customers worldwide. Textile Industries plays a major role in the economy of the country. Indian textile industry is the largest in the country in terms of employment generation. There are various international brands which source readymade garments from the Indian markets.	
Date or expected date of commencement of commercial production	Not Applicable	
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
Financial performance based on given indicators	Particulars	For the year ended 31st March, 2018 Amount (Rs. in Lacs)
	Revenue from operations	1,819.41
	Other income	686.18
	Total income	2,505.59
	Employee benefits expense	1,036.22
	Finance costs	240.98
	Depreciation and amortization expense	229.98
	Other expenses	564.79
	Total expenses	2,071.98
	Profit before Tax	433.62
	Tax expense	61.14
	Profit for the year	372.48
Foreign investments or collaborations, if any.	The Company has no foreign collaboration. The Company has 100% investment in Multinational Textiles Group Limited, a wholly owned subsidiary Company in Mauritius.	

II. Information about Mr. Payel Seth:	
Background details	Mrs. Payel Seth, 60 years, graduated from the Pearl Academy of Fashion in July 1996. She is associated with the group as a Promoter Director since incorporation and having rich experience in designing and retailing in Indian and Western Garments, Jewellery and Accessories. She is Entrepreneurial by nature and has utilized her skills in field of Designing, General Management, Sales and Marketing/Business Development and Change Management for development of the organization. Her retail initiative includes the establishment of a retail stores in India. She has also been actively involved in the education and Corporate Social Responsibility (CSR) initiatives of the Group.
Past remuneration	INR 36 lacs for FY 2017-18
Recognition or awards	Nil
Job profile and her suitability	Mrs. Payel Seth, Managing Director plays a major role in providing thought leadership and strategic inputs to the Company and also perform such other duties and services as shall from time to time be entrusted to her by the Board of Directors of the Company. Considering the contribution, the Board considered her suitable for this position.
Remuneration proposed	Salary: INR 3.00 Lacs per month. Reimbursement of Expenses: Expenses incurred for the traveling, boarding lodging for business trips and mobile/telephone expenses for official purpose shall be reimbursed on actual and not be considered as part of Salary. Provident Fund & Gratuity: As per Company's rules Car: A Company maintained car for official purpose.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of her origin)	The remuneration payable to the Mrs. Payel Seth has been benchmarked with the remuneration being drawn by similar positions in Garment industry and has been considered by the Nomination and Remuneration Committee of the Company.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Deepak Seth, Director being husband and Mr. Pallak Seth, Director being son are relatives of Mrs. Payel Seth. Mrs. Payel Seth has no pecuniary relationship directly or indirectly with the Company except to the extent of her remuneration and shareholding of 1,38,75,242 equity shares in the Company.
III. Other information:	
Reasons of loss or inadequate profits	The Revenues of the Company has increased compared to last year but the profitability was impaired due to less margins in sourcing services coupled with initial losses in manufacturing business and increased compliance & administrative cost.
Steps taken or proposed to be taken for improvement	The Company has taken necessary steps to improve the profitability by reducing the cost and improving performance and margins. The Company has also embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position.
Expected increase in productivity and profits in measurable terms	The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.
IV. Disclosures:	
Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2017-18: The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2017-18 of the Company.	

Mrs. Payel Seth has attended 2 meetings of Board during the year. She holds directorship on the board of Pearl Apparel Fashions Limited (excluding Foreign Companies Bodies Corporate, Private Companies and Companies under Section 8 of the Companies Act, 2013) and she does not hold position of chairperson/member in any committees.

None of the Directors, except herself, Mr. Deepak Seth and Mr. Pallak Seth being relatives, are interested, whether directly or indirectly, in this Resolution.

The Board recommends the Ordinary Resolution set out at the Item No. 3 of the Notice for approval by the Shareholders.

Item No. 4:

Dr. Ashutosh Prabhudas Bhupatkar (DIN: 00479727) was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to 31st March, 2019 ("First Term").

The Board on the basis of performance evaluation and as per the recommendation of the Nomination and Remuneration Committee considers his background and experience and contributions made by him during his tenure, the continued association of Dr. Bhupatkar would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Dr. Bhupatkar as an Independent Director of the Company, not liable to retire by rotation, for a second term of the 5(five) consecutive years with effect from 1st April, 2019, on the Board of the Company.

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

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

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

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

Save and except Dr. Bhupatkar and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at the Item No. 4 of the Notice.

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

The Board recommends the Special Resolution set out at Item no. 4 of the Notice for the approval of the Members.

Item no. 5

Mr. Ashok Kumar Chhabra (DIN: 06869497) was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to 31st March, 2019 ("First Term").

The Board on the basis of performance evaluation and as per the recommendation of the Nomination and Remuneration Committee considers his background and experience and contributions made by him during his tenure, the continued association of Mr. Ashok Kumar Chhabra would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Ashok Kumar Chhabra as an Independent Director of the Company, not liable to retire by rotation, for a second term of the 5(five) consecutive years with effect from 1st April, 2019, on the Board of the Company.

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

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

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

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

Save and except Mr. Ashok Kumar Chhabra and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at the Item No. 5 of the Notice.

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

The Board recommends the Special Resolution set out at Item no. 5 of the Notice for the approval of the Members.

Item No.6

Mr. Ashok Kumar Sanghi (DIN: 00011207) was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to 31st March, 2019 ("First Term").

The Board on the basis of performance evaluation and as per the recommendation of the Nomination and Remuneration Committee considers his background and experience and contributions made by him during his tenure, the continued association of Mr. Ashok Kumar Sanghi would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Ashok Kumar Sanghi as an Independent Director of the Company, not liable to retire by rotation, for a second term of the 5(five) consecutive years with effect from 1st April, 2019, on the Board of the Company.

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

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

the Board, Mr. Ashok Kumar Sanghi fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company.

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

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

Save and except Mr. Ashok Kumar Sanghi and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at the Item No. 6 of the Notice.

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

The Board recommends the Special Resolution set out at Item no. 6 of the Notice for the approval of the Members.

Item No.7:

In pursuant to section 20 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or re-enactments thereof, for the time being in force) a document may be served on any member by sending it to them by Post or by Registered post or by Speed post or by Courier or by delivering at their office or address or by such electronic or through electronic transmission. It further provides that a member can request for delivery of any document to them through a particular mode for which they shall pay such fees as may be determined by the company in its Annual General Meeting.

Accordingly, consent of the members is sought for passing the Ordinary Resolution as set out in Item No. 7 of the Notice relating to serving the documents to the members of the Company in a requested mode.

None of the Directors and the Key Managerial Personnel of the Company and their relatives are concerned or interested in the passing of the resolution set out at item no.7.

Item No.8:

Pursuant to the provisions made under Foreign Exchange Management Act, 1999, as amended, and Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, a Non-resident Indian (NRI) or an Overseas Citizen of India (OCI) may purchase Capital Instruments of a listed Indian company on a recognised stock exchange on repatriable basis in aggregate upto 10% of the total Paid-up Equity Capital (on fully diluted basis). Further, the total NRI investment on repatriable basis in our Company as on 31st March, 2018 is 9.64% of total Paid-up Equity Capital and only 93738 equity shares i.e. 0.36% of total Paid-up Equity Capital can be further acquired by NRI or OCI.

Keeping in view, the interest of the Stakeholders/members and trading of stocks of the Company in open market through the trading platform provided by BSE Limited and National Stock Exchange of India Limited, the Board proposes to increase the aforesaid aggregate ceiling of 10% to 24% for NRI/OCI investment in the capital of the Company, hence, the Board recommends the Special Resolution set out at Item no.8 as a matter of abundant precaution to ensure the compliance of Foreign Exchange Management Act, 1999 and Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.

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

None of the Directors/Key Managerial Personnel and their relatives are concerned or interested in the resolution set out at item no. 8.

Annexure-1 to Notice:

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

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

Mr. Deepak Seth (DIN:00003021)		
Age	:	67 Years
Qualifications	:	B.A (economics) and Master of Business Administration (MBA)
Experience (including expertise in specific functional area) / Brief resume	:	He is an active member of the Apparel Export Promotion Council of India ("AEPC") 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 & Manufacturers Association (AEMA) and was awarded the "Udyog Ratna" Award by the Haryana Govt. in 2006 for his entrepreneurial skills. His knowledge of the business environment and vast experience in general management has been an asset to the Company.
Date of first appointment on the Board	:	6 th April, 2011
Shareholding in the Company as on 31 st March, 2018	:	3155734 Equity shares
Directorships and Committee memberships held in other companies as on 31 st March, 2018	:	Directorship in:- - Pearl Global Industries Limited - Member of Audit Committee - Member of Stakeholders Committee - Pixel Industries Limited - PS Arts Private Limited - Digital Ecom Techno Private Limited
Inter-se relationships between Directors & Key Managerial Personnel	:	Husband of Mrs. Payel Seth and Father of Mr. Pallak Seth
No. of Board Meetings attended during the Financial year 2017-18	:	2 of 5
Terms and conditions of re-appointment	:	As the Company resolution passed by the shareholders of the Company on 1 st Annual General Meeting held on 19 th September, 2012 Mr. Deepak Seth has been appointed as Non-Executive Director, liable to retire by rotation.
Details of last drawn remuneration and proposed remuneration	:	Nil.

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

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

Dr. Ashutosh Prabhudas Bhupatkar (DIN: 00479727)		
Age	:	67 Years
Qualifications	:	Bachelor in Commerce from Pune University, a Master in Management Studies from Bombay University and a Doctorate in Organizational Studies from Pune University.
Experience (including expertise in specific functional area) / Brief resume	:	He has over 19 years' experience in the textile industry. He was the head of the Institute of Management Development and Research, Pune for 16 years.
Date of first appointment on the Board	:	26 th May, 2014
Shareholding in the Company as on 31 st March, 2018	:	Nil
Directorships and Committee memberships held in other companies as on 31 st March, 2018	:	Directorship in: - Twin Engineers Private Limited - GLO IND Logistics Private Limited
Inter-se relationships between Directors & Key Managerial Personnel	:	Not related to any Director/ Key Managerial Personnel
No. of Board Meetings attended during the Financial year 2017-18	:	3 of 5

Dr. Ashutosh Prabhudas Bhupatkar (DIN: 00479727)	
Terms and conditions of re-appointment	: As per the resolution at Item No.4 of the Notice convening this meeting read with explanatory statement thereto, Dr. Ashutosh Prabhudas Bhupatkar is proposed to be re-appointed as an Independent Director.
Details of last drawn remuneration and proposed remuneration	: Last Drawn Remuneration: Sitting Fees of INR 66,000/- per meeting of Board. Proposed Remuneration: Sitting Fees of INR 66,000/- per meeting of Board.

Mr. Ashok Kumar Chhabra (DIN: 06869497)	
Age	: 66 Years
Qualifications	: Bachelor in Law
Experience (including expertise in specific functional area) / Brief resume	: He is a practicing 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 MMTC, Nestle India and other Corporates during his practice.
Date of first appointment on the Board	: 26 th May, 2014
Shareholding in the Company as on 31 st March, 2018	: Nil
Directorships and Committee memberships held in other companies as on 31 st March, 2018	: Nil
Inter-se relationships between Directors & Key Managerial Personnel	: Not related to any Director/ Key Managerial Personnel
No. of Board Meetings attended during the Financial year 2017-18	: 4 of 5
Terms and conditions of re-appointment	: As per the resolution at Item No.5 of the Notice convening this meeting read with explanatory statement thereto, Mr. Ashok Kumar Chhabra is proposed to be re-appointed as an Independent Director.
Details of last drawn remuneration and proposed remuneration	: Last Drawn Remuneration: Sitting Fees of INR 66,000/- per meeting of Board. Proposed Remuneration: Sitting Fees of INR 66,000/- per meeting of Board.

Mr. Ashok Kumar Sanghi (DIN: 00011207)	
Age	: 68 Years
Qualifications	: Bachelor Degree in Science and Masters in Management from Jamnalal Bajaj Institute of Management, Mumbai.
Experience (including expertise in specific functional area) / Brief resume	: He has rich experience in Project Management Consultancy, which provides services related to Detailed Architectural Engineering Design, Loan Syndication for various infrastructure projects under the Ministry of Textiles and Ministry of Electronics, Government of India. Further, he is also visiting as a professor at Bhartiya Vidya Bhawan, Delhi for MBA classes and Teaching Entrepreneurship, Corporate Social Responsibility and Ethics.
Date of first appointment on the Board	: 26 th May, 2014
Shareholding in the Company as on 31 st March, 2018	: Nil
Directorships and Committee memberships held in other companies as on 31 st March, 2018	: Nil
Inter-se relationships between Directors & Key Managerial Personnel	: Not related to any Director/ Key Managerial Personnel
No. of Board Meetings attended during the Financial year 2017-18	: 5 of 5
Terms and conditions of re-appointment	: As per the resolution at Item No.6 of the Notice convening this meeting read with explanatory statement thereto, Mr. Ashok Kumar Sanghi is proposed to be re-appointed as an Independent Director.
Details of last drawn remuneration and proposed remuneration	: Last Drawn Remuneration: Sitting Fees of INR 66,000/- per meeting of Board. Proposed Remuneration: Sitting Fees of INR 66,000/- per meeting of Board.

DIRECTORS' REPORT

To the Members,

We have pleasure in presenting Seventh Annual Report of PDS Multinational Fashions Limited (the "Company") together with the audited financial statements for the financial year ended March 31st, 2018.

Financial Summary and State of Affairs (Rs. in Crore)

Particulars	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	4923.86	4616.01	18.19	13.39
Other Income	24.36	14.46	6.86	0.09
Total Income	4948.22	4630.46	25.06	13.48
Total Expenses	4924.20	4585.05	20.72	12.70
Profit before Tax	24.02	45.42	4.34	0.78
Provision for Tax	3.18	5.08	0.61	0.24
Profit/(Loss) After Tax	20.84	40.33	3.73	0.54
Share of Associates/Joint Ventures	(1.30)	(1.87)	-	-
Net Profit for the year	19.53	38.46	3.73	0.54

Consolidated

On Consolidated basis, the total income for Financial Year 2017-18 was at Rs. 4948.22 Crore as against Rs. 4630.46 Crore in Financial Year 2016-17.

The Profit after Tax in Financial Year 2017-18 was at Rs. 19.53 Crore as compared to Rs. 38.46 Crore in Financial Year 2016-17.

Standalone

On Standalone basis, the total income for Financial Year 2017-18 was at Rs. 25.06 Crore as against Rs. 13.48 Crore in Financial Year 2016-17.

The Profit after Tax in Financial Year 2017-18 was at Rs. 3.73 Crore as compared to Rs 0.54 Crore in Financial Year 2016-17.

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

RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2018 and of the profit of the Company for that period;
- the Directors have taken proper and sufficient care for the

maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DIVIDEND & RESERVES

Your Directors did not recommend any dividend for the Financial Year 2017-18 and not proposed to carry any amounts to reserves.

CHANGE IN THE NATURE OF THE BUSINESS

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

However, the Company has altered its objects clause of its Memorandum of Association after obtaining approval of Members by Postal Ballot to explore new opportunities in various fields of business, which has good future prospects and potential by leveraging and optimising the expertise of the management and increasing the shareholders' value and has incorporated the following clauses therein;

- To act as financial consultants, management consultants, and provide advice, services, consultancy in various fields, general, administrative, secretarial, commercial, financial, legal, economic, labour, industrial, public relations, scientific, technical, direct and indirect taxation and other levies, statistical, accountancy, quality control and data processing.
- To act, improve, manage, develop, exchange, lease or otherwise deal with all or any part of the properties and rights of the Company.
- To carry on in India and abroad the E-Commerce business, either on its own or through franchisee arrangements, licensees, agents, stockists, resellers, distributors, contractors or otherwise, of procuring, storing, warehousing, dispatching, promoting, packaging, formulating, buying, selling, exchanging, altering, importing-exporting, assembling, repairing, marketing, advertising, distributing or otherwise dealing in whole or in part, on a wholesale or retail basis or otherwise, all kinds of services, goods and merchandise and generally to carry on business as wholesale or retail merchants, importers and exporter, couriers, warehousing agents, including sourcing, procuring and placing contracts for all or any kinds of services, goods, materials and items whatsoever in nature.

9. To carry on the business as manufacturers, processors, traders, importers, exporters, buyers, sellers, marketers, showroom owners, general commission agents, dealers, distributors, brokers, wholesalers, retailers, exchangers, franchise traders, stockists, jobbers, processors, fabricators or otherwise deal in all kinds of consumer goods.
10. To carry on other business, whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with any business of the Company or calculated directly or indirectly to enhance the value of, or render profitable, any of the Company's property or rights for the time being.
11. To acquire and undertake the whole or any part of the business, property and liabilities of any person or Company carrying on any business which the Company is authorised to carry on, possessed of property suitable for the purpose of this Company.

DEPOSITS

Your Company has not accepted any deposits from the Public or Shareholders during the year, nor has any unclaimed or unpaid deposits at the end of the Financial Year 2017-18.

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

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

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

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

During the year under review, the Board met 5 (five) times. A detailed update on the Board, its composition, detailed charter including terms of reference of Board committees, number of Board and Committee meetings held during the Financial Year 2017-18 and attendance of Directors at each meeting is provided in the report on Corporate Governance, which forms part of Annual Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

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

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

There has been no change to the policy during Financial Year 2017-18.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the evaluation of the annual performance of the Directors/Board/Committees was carried out for the Financial Year, 2017-18.

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year there has been no change in the constitution of your Board which comprises of Six (6) Directors including three (3) Independent Directors, two (2) Non-Executive Directors and an Executive Director (Managing Director). During the financial year 2017-18, your Board met five (5) times details of which are available in Corporate Governance Report forming part of Annual Report.

Mrs. Payel Seth has submitted her resignation letter on 9th August, 2018 by serving three (3) months notice, from the position of Managing Director with effect from 1st November, 2018 but she will continue as Non-Executive Director of the Company.

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

Mr. Deepak Seth, Non-executive Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Your Board recommends his appointment.

The Notice of ensuing Annual General Meeting includes a proposal seeking Members approval by way of Special Resolution for re-appointment of Dr. Ashutosh Prabhudas Bhupatkar, Mr. Ashok Kumar Sanghi and Mr. Ashok Kumar Chhabra, as Independent Directors for period of five (5) years from expiry of their current term on 31st March, 2019. Your Company has received a notice from a Member proposing such re-appointment of Dr. Ashutosh

Prabhudas Bhupatkar, Mr. Ashok Kumar Sanghi and Mr. Ashok Kumar Chhabra as Independent Directors for second term of five (5) consecutive years and based on performance evaluation process and consent received from Dr. Ashutosh Prabhudas Bhupatkar, Mr. Ashok Kumar Sanghi and Mr. Ashok Kumar Chhabra that they meet the criteria of independence, your Board recommends their re-appointment as Independent Directors for the second term of five (5) consecutive years upon expiry of current term on 31st March, 2019.

Details of Directors proposed for re-appointment at the ensuing Annual General Meeting is provided in Annexure -1 to the Notice convening 7th Annual General Meeting.

AUDITORS

Statutory Auditors

At the 3rd Annual general Meeting held on 26th September, 2014, the Shareholders have approved the appointment of M/s S. R. Dinodia & Co. LLP, Chartered Accountants, (Regn. No. 001478N/N500005), New Delhi, as Statutory Auditors of the Company until the conclusion of 8th Annual General Meeting to be held in the year 2019 subject to ratification by the shareholders every year.

Pursuant to recent amendment to Section 139 of the Companies Act, 2013 effective from 7th May, 2018, ratification by Shareholders every year for the appointment of Statutory Auditors is no longer required and accordingly the Notice of the 7th Annual General Meeting does not include the proposal for seeking Shareholders approval for ratification of Statutory Auditors appointment. The Company has received certificate of eligibility from M/s S. R. Dinodia & Co. LLP, in accordance with the provisions of the Companies Act, 2013 and rules made thereunder and a confirmation that they continue to hold valid peer review certificate as required under Listing Regulations.

The Auditors' Report for financial year 2017-18 does not contain any qualification, reservation or adverse remark or disclaimer. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Auditor

The Board has appointed Mr. R. Hariprasad Reddy, Practicing Company Secretary (Membership No. FCS 8477), proprietor of M/s. RHR & Associates, to conduct Secretarial Audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer. The Secretarial Audit Report for the Financial Year 2017-18 is annexed as 'Annexure-II' to this Report.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

As required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate on corporate governance is annexed as 'Annexure-III' to this Report.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY

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

reviews the adequacy and effectiveness of internal control systems commensurate with the nature of the business.

RISK MANAGEMENT

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

CORPORATE GOVERNANCE AND POLICIES

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

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

In Compliance with requirement of the Companies Act, 2013 and Listing Regulations, your Board has approved various policies including Code of Conduct of Directors and Senior Management, Related Party Transaction Policy, Material Subsidiary Policy, Code of Practices and Procedure for Fair Disclosures, Policies for Determination of Materiality of Events, Policy for Preservation of documents and Archival, Nomination and Remuneration Policy and Vigil Mechanism Policy. These policies and codes along with the Directors Familiarization Program and terms and conditions for appointment of Independent Directors have been uploaded on Companies website and same can be viewed on www.pdsmultinational.com under investor relations.

COST AUDIT

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

Hence, the Constitution of CSR Committee and amount required to be spent under CSR is not applicable to your company for financial year 2017-18.

PREVENTION OF SEXUAL HARASSMENT POLICY

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

PDS Multinational Fashions Limited

Committee supervising various locations to redress complaints regarding sexual harassment.

During the Financial Year 2017-18, the Company has not received any complaints of alleged sexual harassment.

CONSOLIDATED FINANCIAL STATEMENT

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

Companies which have become Subsidiaries, Joint Ventures or Associates during the financial year 2017-18.

1. PDS Far East USA Inc
2. Smart Notch Industrial Limited
3. Fabric & Trims Limited
4. Sourcing East West Limited
5. Parc Designs Pvt Ltd

No Companies have ceased to be subsidiaries during the financial year 2017-18.

A statement containing the salient features of the financial statement of our subsidiaries, associates and joint venture companies as per the Companies Act, 2013 in the prescribed Form **AOC-1** is annexed as 'Annexure-IV' to this report.

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

There were no material changes and commitments affecting Financial Position between the end of the financial year and Date of the Report.

EXTRACTS OF ANNUAL RETURN

The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Companies

(Management & Administration) Rules, 2014 is annexed as 'Annexure-V' to this Report and copy of such annual return is placed at www.pdsmultinational.com.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18:

Except the remuneration paid to Managing Director and sitting fees paid to the Independent Directors, none of the other directors drawing remuneration from the Company.

The ratio of the remuneration of Mrs. Payel Seth, Managing Director to the median remuneration of the employees is 5.14:1

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18 are as under:

(₹ in Lacs)

Sl. No.	Name of Director/KMP and Designation	Remuneration for FY 2017-18	% Increase in remuneration in 2017-18
1.	Mrs. Payel Seth – Managing Director	36.00	0.00
2.	Mr. Omprakash Makam S. Setty – Chief Financial Officer	81.91	0.00
3.	Mr. B. Chandra Sekhara Reddy – Company Secretary	44.55	10%

(iii) The percentage increase in the median remuneration of employees of the Company for the Financial Year 2017-18.

The median remuneration of the employees in the Financial Year 2017-18 was increased by 5.71% as compared to the Financial Year 2016-17.

(iv) The number of permanent employees on the rolls of company as on 31st March, 2018.

There were 68 permanent employees on the rolls of the Company as on 31st March, 2018.

(v) The average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2017-18 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentile increase in the Salaries of employees excluding the managerial personnel for Financial Year 2017-18 was 10%.

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

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

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

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

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

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

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

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

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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

REGISTRAR AND SHARE TRANSFER AGENT

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

GREEN INITIATIVES

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

Electronic copies of the Annual Report 2017-18 along with Notice of the 7th Annual General Meeting are sent to all members whose email addresses are registered with the Company/RTA/Depository Participant(s). For members who have not registered their email addresses, physical copies of Annual Report 2017-18 and Notice of 7th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

ACKNOWLEDGEMENT

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

For and on behalf of the Board
PDS MULTINATIONAL FASHIONS LIMITED

(DEEPAK SETH)
DIRECTOR
DIN:00003021

(PAYEL SETH)
MANAGING DIRECTOR
DIN:00003035

Place: Gurugram
Date: 09th August, 2018

Annexure-I to the Directors' Report

Nomination and Remuneration Policy

1. OBJECTIVE

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

- 1.1.** To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2.** To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3.** To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity.
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

2. DEFINITIONS

- 2.1. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2. **Board** means Board of Directors of the Company.
- 2.3. **Directors** mean Directors of the Company.
- 2.4. **Key Managerial Personnel** means
 - 2.4.1. Chief Executive Officer or the Managing Director or the Manager;
 - 2.4.2. Whole-time director;
 - 2.4.3. Chief Financial Officer;
 - 2.4.4. Company Secretary; and
 - 2.4.5. such other officer as may be prescribed.
- 2.5. **Senior Management** means Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors.

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

3.1. Appointment criteria and qualifications:

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

3.2. Term / Tenure

a) Managing Director/Whole-time Director:

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

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

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

3.3. Evaluation

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

3.4. Removal

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

3.5. Retirement

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

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

4.1. General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee or as per policies framed by the committee. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- c) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

- a) **Fixed pay:**
The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board or the Committee.
- b) **Minimum Remuneration:**
If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- c) **Provisions for excess remuneration:**
If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

4.3. Remuneration to Non- Executive / Independent Director:

- a) **Sitting Fees:**
The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- b) **Stock Options:**
An Independent Director shall not be entitled to any stock option of the Company.

5. MEMBERSHIP

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

6. CHAIRPERSON

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

7. FREQUENCY OF MEETINGS

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

8. COMMITTEE MEMBERS' INTERESTS

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

9. **SECRETARY**

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

10. **VOTING**

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

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

11. **NOMINATION DUTIES**

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

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

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

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

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

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

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

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

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

12. **REMUNERATION DUTIES**

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

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

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

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

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

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

Annexure-II to the Directors' Report

FORM NO-MR 3 SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2018

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

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

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

Based on our verification the PDS Multinational Fashions Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by PDS Multinational Fashions Limited ("the Company") for the financial year ended on 31st March, 2018, according to the provisions of:

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

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in composition of the Board of Directors during the audit period.

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

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

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

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

For RHR & ASSOCIATES

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

Place : Bangalore

Date : 21.05.2018

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

'Annexure A'

To,
The Members

PDS Multinational Fashions Limited

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

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

For RHR & ASSOCIATES

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

Place: Bangalore
Date: 21.05.2018

Annexure-III to the Directors' Report

AUDITORS' CERTIFICATE

To

The Members of **PDS Multinational Fashions Limited**

We have examined the compliance of conditions of Corporate Governance by PDS Multinational Fashions Limited for the year ended on 31st March 2018 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and best to 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 in the provisions specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing Agreement of the said Company with stock exchanges.

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 S. R. Dinodia & Co. LLP.

Chartered Accountants,
Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner
Membership Number 083689

Place: New Delhi
Date : 09.08.2018

Annexure-IV to the Directors' Report

Form AOC- 1

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

Part A-Subsidiaries

Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting currency & Exchange rate as on the last date of Financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding	Contribution to overall performance of the Company (based on total revenue)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Norwest Industries Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	2,578.83	27,045.96	66,008.06	36,383.26	19,403.58	73,953.19	2,962.79	1.10	2,963.90	715.62	85.00%	15.02%
Simple Approach Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	1,586.97	1,673.23	13,227.63	9,967.43	-	55,451.75	463.43	(82.75)	380.68	-	75.00%	11.26%
Nor Lanka Manufacturing Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	0.82	6,510.63	14,990.65	8,479.19	385.87	51,702.56	571.90	-	571.90	-	85.00%	10.50%
Spring Near East Manufacturing Co. Ltd.	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	128.94	1,973.18	9,185.39	7,083.27	-	49,454.54	738.47	-	738.47	584.63	55.25%	10.04%
Poetigem International Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	29.24	(483.18)	12,298.68	12,752.62	-	40,682.49	(335.10)	-	(335.10)	-	100.00%	8.26%
Twins Asia Limited (Formerly Known as 6Degree Manufacturing Ltd.)	27.07.2015	NA	HKD(1HKD= ₹ 8.36)	64.47	1,108.63	7,059.25	5,886.14	-	34,391.35	1,192.68	-	1,192.68	-	72.25%	6.98%
PDS Asia Star Corporation Ltd.	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	195.12	(1,049.48)	8,984.50	9,838.87	-	32,540.79	128.29	-	128.29	-	60.00%	6.61%
Zamira Fashion Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	162.60	1,116.63	5,953.97	4,674.74	-	23,899.68	529.98	(99.49)	430.48	149.25	67.00%	4.85%
PG Group Limited	13.05.2014	NA	USD(1USD= ₹ 65.04)	650.40	1,202.50	5,873.15	4,020.24	-	19,374.62	771.64	-	771.64	456.58	51.00%	3.93%
Design Arc Asia Limited (formerly known as Nor France Manufacturing Co. Limited/ Design ARC Limited)	27.06.2016	NA	HKD(1HKD= ₹ 8.36)	64.47	519.43	5,513.79	4,929.89	-	14,388.63	1,014.54	-	1,014.54	-	72.25%	2.92%
Krayon Sourcing Limited (Formerly Known as Sourcing Solutions HK Ltd.)	16.12.2014	NA	HKD(1HKD= ₹ 8.36)	6.44	684.45	2,332.64	1,641.74	-	8,853.43	500.55	-	500.55	296.55	68.00%	1.70%
FX Import Hong Kong Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	0.83	301.00	1,382.75	1,080.90	-	7,010.78	76.65	-	76.65	-	100.00%	1.42%
Poetigem Limited	13.05.2014	NA	GBP(1GBP= ₹ 91.05)	56.56	9,768.87	12,134.87	2,309.43	3,238.53	5,045.18	159.51	-	159.51	-	100.00%	1.02%
Techno Design GmbH	14.02.2014	NA	EUR(1EUR= ₹ 80.13)	90.10	(338.09)	2,067.54	2,315.53	-	4,038.84	53.16	-	53.16	-	55.00%	0.82%
Fareast Vogue Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	6.44	(177.77)	1,033.10	1,210.42	316.7	3,982.45	(5.47)	-	(5.47)	-	51.00%	0.81%
Nor Lanka Manufacturing Colombo Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	337.53	(346.62)	3,513.43	3,522.52	-	3,763.24	(282.74)	0.97	(281.76)	-	85.00%	0.76%
Design Arc Europe Limited (Formerly known as Nor Europe Manufacturing Co. Limited)	13.05.2015	NA	HKD(1HKD= ₹ 8.36)	64.47	(1,474.73)	1,444.13	2,854.39	2.47	2,902.06	(248.66)	-	(248.66)	-	59.50%	0.59%
Blueprint Design Limited	30.06.2016	NA	HKD(1HKD= ₹ 8.36)	6.50	(536.85)	1,208.74	1,739.09	-	2,776.80	(542.50)	-	(542.50)	-	100.00%	0.56%
Progress Manufacturing Group Limited	17.07.2015	NA	HKD(1HKD= ₹ 8.36)	6.50	(1,161.95)	10,101.26	11,256.71	33.82	2,590.53	(777.85)	-	(777.85)	-	100.00%	0.53%
Poetic Brands Limited	15.01.2015	NA	GBP(1GBP= ₹ 91.05)	49.38	(67.96)	1,856.88	1,875.46	-	2,519.81	113.87	-	113.87	-	100.00%	0.51%

Name of the subsidiary	Date since subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting currency & Exchange rate as on the last date of Financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding	Contribution to overall performance of the Company (based on total revenue)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Grupo Sourcing Limited (Hongkong)	15.03.2016	NA	HKD(1HKD= ₹ 8.36)	65.04	0.19	1,308.41	1,243.17	-	2,508.30	107.63	(8.46)	99.16	-	51.00%	0.51%
Green Apparel Industries Limited	15.03.2016	NA	HKD(1HKD= ₹ 8.36)	130.08	(1,989.03)	7,664.96	9,523.91	-	2,450.33	(1,622.14)	-	(1,622.14)	-	75.00%	0.50%
Styleberry Limited	13.09.2016	NA	HKD(1HKD= ₹ 8.36)	6.44	156.52	599.76	436.79	-	1,965.77	138.97	3.83	142.81	-	72.25%	0.40%
Techno Design HK Limited (formerly known as DPOD manufacturing ltd)	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	65.04	(276.29)	3,041.53	3,252.79	-	1,958.25	(68.66)	-	(68.66)	-	55.00%	0.40%
Grupo Sourcing Limited	15.03.2016	NA	BDT(1BDT= ₹ 0.78)	10772	(25.04)	711.31	551.38	-	784.53	22.99	(4.58)	18.41	-	50.98%	0.16%
FX Import Co. Limited	13.05.2014	NA	GBP(1GBP= ₹ 91.05)	32.66	(283.10)	661.20	911.65	0.83	711.50	(121.56)	1.66	(119.90)	-	100.00%	0.14%
Nor India Manufacturing Co. Ltd.	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	6.44	1,159.44	1,168.13	2.24	-	511.48	10.78	-	10.78	-	85.00%	0.10%
Zamira Fashion Limited	26.06.2015	NA	HKD(1HKD= ₹ 8.36)	302.19	(75.87)	367.74	141.42	-	230.92	(32.37)	-	(32.37)	-	67.00%	0.05%
Zhongshan	23.08.2016	NA	HKD(1HKD= ₹ 8.36)	0.64	(200.86)	66.16	266.38	-	201.35	(197.26)	-	(197.26)	-	85.00%	0.04%
PDS Far-east Limited	31.07.2015	NA	HKD(1HKD= ₹ 8.36)	64.47	(1,581.69)	519.21	2,036.43	-	8727	(57.88)	-	(57.88)	-	85.00%	0.02%
360 Notch Limited (formerly known as Poetigem Australia Limited/Gem Australia Manufacturing Company)															
Rising Asia Star Hong Kong Ltd. (Formerly Known as Techno Manufacturing Limited/Sino West Manufacturing Co. Limited)	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	6.44	(1,253.72)	52.04	1,299.32	-	42.52	27.82	-	27.82	-	85.00%	0.01%
PDS Trading (Shanghai) Co. Ltd.	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	616.78	(407.29)	223.82	14.33	-	5.79	(93.95)	-	(93.95)	-	60.00%	0.00%
Multinational Textiles Group Ltd.	13.05.2014	NA	USD(1USD= ₹ 65.04)	14,275.15	3,999.55	19,059.26	784.56	10,529.74	-	641.94	(49.60)	592.34	650.40	100.00%	0.00%
Global Textiles Group Limited	13.05.2014	NA	USD(1USD= ₹ 65.04)	2,593.31	(82.82)	2,817.53	307.04	1,709.81	-	(96.06)	-	(96.06)	-	100.00%	0.00%
Casa Forma Limited	13.05.2014	NA	GBP(1GBP= ₹ 91.05)	252.77	(731.03)	54.85	533.10	-	-	(68.67)	-	(68.67)	-	100.00%	0.00%
SACOB Holding Limited	13.05.2014	NA	USD(1USD= ₹ 65.04)	32.52	(61.63)	1,374.55	1,403.67	520.36	-	(9.57)	-	(9.57)	-	51.00%	0.00%
Multinational OSG Services	13.05.2014	NA	BDT(1BDT= ₹ 0.78)	751.30	(37.53)	714.12	0.35	-	-	(4.83)	-	(4.83)	-	97.00%	0.00%
Bangladesh Ltd.	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	167.67	5.63	326.12	152.81	-	-	(1.81)	-	(1.81)	-	100.00%	0.00%
Nor Delhi Manufacturing Limited	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	-	4,063.90	4,665.07	601.16	4,371.96	-	(204.82)	-	(204.82)	-	85.00%	0.00%
Razamiaz Limited															
Clover Collections Limited (Formerly Known as DS Manufacturing Limited/Design and Source Ltd.)	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	128.94	(1,777.51)	12.01	1,660.58	-	-	3.81	-	3.81	-	85.00%	0.00%
Poetic Knitwear Limited	13.05.2014	NA	GBP(1GBP= ₹ 91.05)	0.09	(639.79)	2.68	642.39	-	-	(1.76)	-	(1.76)	-	100.00%	0.00%
Pacific Logistics Limited	13.05.2014	NA	GBP(1GBP= ₹ 91.05)	11.01	(357.37)	2.02	348.37	-	-	(6.12)	-	(6.12)	-	100.00%	0.00%
Nor Europe SPA	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	2.47	(82.53)	75.35	155.41	-	-	(23.29)	-	(23.29)	-	59.50%	0.00%
MultiTech Venture Limited	25.11.2015	NA	USD(1USD= ₹ 65.04)	520.32	(28.47)	499.80	7.95	-	-	(9.56)	-	(9.56)	-	100.00%	0.00%

Name of the subsidiary	Date since subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Reporting currency & Exchange rate as on the last date of Financial year in the case of foreign subsidiaries.	Share capital	Reserves and surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of shareholding	Contribution to overall performance of the Company (based on total revenue)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Progress Apparels (Bangladesh) Limited	12.07.2015	NA	BDT(1BDT= ₹ 0.78)	1,246.89	(3,118.17)	7875.61	9,746.89	-	-	(2,680.78)	-	(2,680.78)	-	99.99%	0.00%
Norlanka Progress Pvt. Limited	20.10.2015	NA	HKD(1HKD= ₹ 8.36)	-	-	-	-	-	-	-	-	-	-	85.00%	0.00%
Sure Investments Limited	13.10.2016	NA	USD(1USD= ₹ 65.04)	-	-	-	-	-	-	4.26	-	4.26	-	100.00%	0.00%
Casa Forma London Limited	14.04.2016	NA	GBP(1GBP= ₹ 91.05)	91.15	(91.15)	-	-	-	-	(5.57)	-	(5.57)	-	100.00%	0.00%
Design Arc UK Limited	21.10.2016	NA	GBP(1GBP= ₹ 91.05)	40.49	(120.44)	314.15	394.10	-	-	(94.15)	-	(94.15)	-	85.00%	0.00%
Kindred Brands Limited (Formerly known as Nw Far East Limited)	23.08.2016	NA	HKD(1HKD= ₹ 8.36)	0.64	(4.78)	6.07	10.21	-	-	(1.77)	-	(1.77)	-	51.00%	0.00%
PDS Global Investments Ltd.	21.12.2016	NA	HKD(1HKD= ₹ 8.36)	32.23	(1.95)	30.28	-	-	-	(1.94)	-	(1.94)	-	100.00%	0.00%
Green Smart Shirts Limited	04.05.2016	NA	BDT(1BDT= ₹ 0.78)	396.67	(1,008.13)	6,518.89	905.04	-	-	(873.21)	-	(873.21)	-	74.99%	0.00%
PDS Far East USA Inc	11.07.2017	NA	USD(1USD= ₹ 65.04)	32.23	(764)	24.58	-	-	-	(761)	-	(761)	-	85.00%	0.00%
PG Shanghai MFG Co. Ltd.	13.05.2014	NA	HKD(1HKD= ₹ 8.36)	129.54	(65.72)	100.29	36.47	-	-	(4.46)	-	(4.46)	-	51.00%	0.00%

Note: Dividend paid by foreign subsidiaries have been declared and paid during the financial year 2017-18.

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

Name of Associates or Joint Ventures	Latest audited Balance Sheet Date	Date on which the Associate or JV was associated or acquired	Shares of Associate or Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/ Joint venture is not consolidated	Network attributable to shareholding as per latest audited Balance sheet	Profit or Loss for the year	
			No.	Amount of Investment in Associates or Joint Venture	Extent of Holding (in percentage)				Considered in Consolidation	Not Considered in Consolidation
(1)	(2)	(3)	(4)			(5)	(6)	(7)	(8)	
PG Home Group Limited	31.03.2018	13.05.2014	114,750	74.63	45.90	PG Group holds 90% hence consolidated	-	4.31	367.03	-
Sourcing Solutions Limited	31.03.2018	12.03.2015	5,000	3.25	42.50	50% joint venture	Refer Note 1	(592.35)	(117.23)	(117.23)
Kleider Sourcing Hong Kong Limited	31.03.2018	13.05.2014	4,335	2.81	43.35	Norwest holds 51% hence consolidated	-	478.57	2,084.26	-
Kleider Sourcing Limited	31.03.2018	10.08.2014	5,628	3.66	43.34	Norwest holds 50.98% hence consolidated	-	39.62	(97.81)	-
PG Home Group SPA	31.03.2018	13.05.2014	1,377	1.48	45.90	Norwest holds 50.98% hence consolidated	-	(254.49)	0.80	-
Redwood Internet Ventures Limited	31.03.2018	09.12.2015	5,000	3.25	50.00	50% joint venture	Refer Note 1	(16.98)	-	(8.79)
Digital Internet Technologies Limited	31.03.2018	25.02.2016	5,000	3.25	50.00	50% joint venture	Refer Note 1	(48.84)	-	(88.20)
Digital Ecom Techno Private Limited	31.03.2018	17.06.2016	2,075,186	207.51	50.00	50% joint venture	Refer Note 1	120.07	-	(185.04)
Parc Designs Pvt Ltd	31.03.2018	09.10.2017	327,600	32.76	36.00	PDS holds 36%	Refer Note 1	20.07	(12.69)	(22.53)
JJ Star Industrial Limited	31.03.2018	28.04.2015	24,437	15.89	48.87	Norwest holds 57.5% hence consolidated	-	1,355.90	380.92	-

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

Annexure-V to the Directors' Report

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2018

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L18101KA2011PLC094125
2	Registration Date	6 th April, 2011
3	Name of the Company	PDS Multinational Fashions Limited
4	Category/Sub-category of the Company	Public Limited Company
5	Address of the Registered office & contact details	No. 758 & 759, 2 nd Floor, 19 th Main, Sector-2, HSR Layout, Bengaluru-560102 Tel : +91-80-67653000, E-mail: investors@pdsmultinational.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd, 44, Community Centre, 2 nd Floor, Naraina Industrial Area, Phase-1, New Delhi-110028 Contact Person: Mr. V. M. Joshi, General Manager Tel: 011-41410592-94, Email: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of sharehold	Applicable Section
1	Multinational Textiles Group Limited	NA	Subsidiary	100	2(87)(ii)
2	Global Textiles Group Limited	NA	Subsidiary	100	2(87)(ii)
3	Casa Forma Limited	NA	Subsidiary	100	2(87)(ii)
4	PDS Asia Star Corporation Limited	NA	Subsidiary	60	2(87)(ii)
5	Simple Approach Limited	NA	Subsidiary	75	2(87)(ii)
6	Zamira Fashion Limited Zhongshan	NA	Subsidiary	67	2(87)(ii)
7	PG Group Limited	NA	Subsidiary	51	2(87)(ii)
8	Techno Design HK Limited (formerly known as DPOD manufacturing ltd,)	NA	Subsidiary	55	2(87)(ii)
9	Norwest Industries Limited	NA	Subsidiary	85	2(87)(ii)
10	Poeticgem International Limited	NA	Subsidiary	100	2(87)(ii)
11	SACB Holding Limited	NA	Subsidiary	51	2(87)(ii)
12	Multinational OSG Services Bangladesh Ltd.	NA	Subsidiary	97	2(87)(ii)
13	Nor Delhi Manufacturing Limited	NA	Subsidiary	100	2(87)(ii)
14	Techno Design GmbH	NA	Subsidiary	55	2(87)(ii)
15	Poetic Brands Limited	NA	Subsidiary	100	2(87)(ii)
16	Poeticgem Limited	NA	Subsidiary	100	2(87)(ii)
17	PDS Trading (Shanghai) Co. Ltd.	NA	Subsidiary	60	2(87)(ii)
18	Simple Approach (Canada) Limited	NA	Subsidiary	75	2(87)(ii)
19	Zamira Denim Lab Ltd.	NA	Subsidiary	67	2(87)(ii)
20	PG Home Group Limited	NA	Associate	45.9	2(6)
21	PG Shanghai MFG Co. Limited	NA	Subsidiary	51	2(87)(ii)

PDS Multinational Fashions Limited

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of sharehold	Applicable Section
22	360 Notch Limited (formerly Known as Poeticgem Australia Limited/Gem Australia Manufacturing Company)	NA	Subsidiary	85	2(87)(ii)
23	Sourcing Solutions Limited	NA	Associate	42.5	2(6)
24	Razamtazz Limited	NA	Subsidiary	85	2(87)(ii)
25	Krayon Sourcing Limited (Formerly Known as Sourcing Solutions HK Ltd.)	NA	Subsidiary	68	2(87)(ii)
26	Design Arc Asia Limited (formerly known as Nor France Manufacturing Co. Limited/ Design ARC Limited)	NA	Subsidiary	72.25	2(87)(ii)
27	Nor Lanka Manufacturing Limited	NA	Subsidiary	85	2(87)(ii)
28	Design Arc Europe Limited (Formerly known as Nor Europe Manufacturing Co. Limited)	NA	Subsidiary	59.5	2(87)(ii)
29	Kleider Sourcing Hong Kong Limited	NA	Associate	43.35	2(6)
30	Kleider Sourcing Limited	NA	Associate	43.34	2(6)
31	Rising Asia Star Hong Kong Limited (Formerly Known as Techno Manufacturing Limited/ Sino West Manufacuting Co. Limited	NA	Subsidiary	85	2(87)(ii)
32	Nor India Manufacturing Co. Limited	NA	Subsidiary	85	2(87)(ii)
33	Spring Near East Manufacturing Co. Ltd.	NA	Subsidiary	55.25	2(87)(ii)
34	Clover Collections Limited (Formerly Known as DS Manufacturing Limited/Design and Source Ltd.)	NA	Subsidiary	85	2(87)(ii)
35	FX Import Co. Limited	NA	Subsidiary	100	2(87)(ii)
36	Poetic Knitwear Limited	NA	Subsidiary	100	2(87)(ii)
37	Pacific Logistics Limited	NA	Subsidiary	100	2(87)(ii)
38	PG Home Group SPA	NA	Associate	45.9	2(6)
39	Nor Lanka Manufacturing Colombo Limited	NA	Subsidiary	85	2(87)(ii)
40	Nor Europe SPA	NA	Subsidiary	59.5	2(87)(ii)
41	FX Import Hong Kong Limited	NA	Subsidiary	100	2(87)(ii)
42	MultiTech Venture Limited	NA	Subsidiary	100	2(87)(ii)
43	Progress Manufacturing Group Limited	NA	Subsidiary	100	2(87)(ii)
44	Progress Apparels (Bangladesh) Limited	NA	Subsidiary	99.99	2(87)(ii)
45	Redwood Internet Ventures Limited	NA	Associate	50	2(6)
46	Digital Internet Technologies Limited	NA	Associate	50	2(6)
47	Green Apparel Industries Limited	NA	Subsidiary	75	2(87)(ii)
48	Grupo Sourcing Limited (hongkong)	NA	Subsidiary	51	2(87)(ii)
49	JJ Star Industrial Limited	NA	Associate	48.87	2(6)
50	Twins Asia Limited (Formely Known as 6Degree Manufacturing Ltd.)	NA	Subsidiary	72.25	2(87)(ii)
51	Norlanka Progress Pvt. Limited	NA	Subsidiary	85	2(87)(ii)
52	Sure Investments Limited	NA	Subsidiary	100	2(87)(ii)
53	Casa Forma London Limited	NA	Subsidiary	100	2(87)(ii)
54	Blueprint Design Limited	NA	Subsidiary	100	2(87)(ii)
55	Design Arc UK Limited	NA	Subsidiary	85	2(87)(ii)
56	Grupo Sourcing Limited	NA	Subsidiary	50.98	2(87)(ii)
57	Fareast Vogue Limited	NA	Subsidiary	51	2(87)(ii)
58	PDS Far-east Limited	NA	Subsidiary	85	2(87)(ii)

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of sharehold	Applicable Section
59	Kindred Brands Limited (formerly Known as Nw Far East Limited)	NA	Subsidiary	51	2(87)(ii)
60	Styleberry Limited	NA	Subsidiary	72.25	2(87)(ii)
61	PDS Global Investments Limited	NA	Subsidiary	100	2(87)(ii)
62	Green Smart Shirts Limited	NA	Subsidiary	74.98	2(87)(ii)
63	Zamira Fashions Limited	NA	Subsidiary	67	2(87)(ii)
64	PDS Far East USA Inc	NA	Subsidiary	85	2(87)(ii)
65	Smart Notch Industrial Limited	NA	Subsidiary	85	2(87)(ii)
66	Fabric & Trims Limited	NA	Subsidiary	85	2(87)(ii)
67	Sourcing East West Limited	NA	Associate	25.50	2(6)
68	Digital Ecom Techno Private Limited	U52609KA 2016PTC0 94215	Associate	50	2(6)
69	Parc Designs Pvt Ltd	U18209KA 2017PTC 107035	Associate	36	2(6)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	13,875,279	-	13,875,279	53.27%	13,875,279	-	13,875,279	53.27%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	50,035	-	50,035	0.19%	50,035	-	50,035	0.19%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	13,925,314	-	13,925,314	53.46%	13,925,314	-	13,925,314	53.46%	0.00%
(2) Foreign									
a) NRI Individuals	3,434,572	-	3,434,572	13.19%	3,434,572	-	3,434,572	13.19%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	3,434,572	-	3,434,572	13.19%	3,434,572	-	3,434,572	13.19%	0.00%
TOTAL (A)	17,359,886	-	17,359,886	66.65%	17,359,886	-	17,359,886	66.65%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,034,677	-	1,034,677	3.97%	-	-	-	0.00%	-3.97%
b) Banks / FI	494,973	79	495,052	1.90%	230,864	79	230,943	0.89%	-1.01%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change in Shareholding during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	886,628	-	886,628	3.40%	1,038,511	-	1,038,511	3.99%	0.58%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify): Alternante Investment Fund	-	-	-	0.00%	145,000	-	145,000	0.56%	0.56%
Sub-total (B)(1):-	2,416,278	79	2,416,357	9.28%	1,414,375	79	1,414,454	5.43%	-3.85%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	304981	1,033	306,014	1.17%	1190240	634	1,190,874	4.57%	3.40%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1532404	159622	1692026	6.50%	1632386	155725	1,788,111	6.87%	0.37%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3181588	-	3,181,588	12.21%	2960073	-	2,960,073	11.36%	-0.85%
c) Others (specify)									
Non Resident Indians	138667	27,824	166,491	0.64%	438532	27425	465,957	1.79%	1.15%
Overseas Corporate Bodies	-	390,727	390,727	1.50%	390,727	-	390,727	1.50%	1.15%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	105609	-	105,609	0.41%	10703	-	10,703	0.04%	-0.36%
Trusts	192	-	192	0.00%	192	-	192	0.00%	0.00%
Hindu Undivided Family	427834	-	427,834	1.64%	465747	-	465,747	1.79%	0.15%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	5,691,275	579,206	6,270,481	24.07%	7,088,600	183,784	7,272,384	27.92%	3.85%
Total Public (B)	8,107,553	579,285	8,686,838	33.35%	8,502,975	183,863	8,686,838	33.35%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	25,467,439	579,285	26,046,724	100.00%	25,862,861	183,863	26,046,724	100.00%	0.00%

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Mrs. Payel Seth	13,875,242	53.27%	0.00%	13,875,242	53.27%	0.00%	0.00%
2	Mr. Deepak Seth	1,853,398	7.12%	0.00%	3,155,734	12.12%	0.00%	5.00%
3	Mr. Pallak Seth	1,581,174	6.07%	0.00%	278,838	1.07%	0.00%	-5.00%
4	Mr. Pulkit Seth*	1	0.00%	0.00%	1	0.00%	0.00%	0.00%
5	Mrs. Shefali Seth	36	0.00%	0.00%	36	0.00%	0.00%	0.00%
6	Pearl Global Industries Limited	49,999	0.19%	0.00%	49,999	0.19%	0.00%	0.00%
7	Nim International Commercial LLP	36	0.00%	0.00%	36	0.00%	0.00%	0.00%

*As a Nominee Shareholder of Pearl Global Industries Limited

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

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

(iv) Shareholding Pattern of top ten Shareholders

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

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Sanjiv Dhiresbhai Shah						
	At the beginning of the year	01.04.2017		774,728	2.97%	774,728	2.97%
	Changes during the year	22.09.2017	Transfer	(63)	0.00%	774,665	2.97%
		09.02.2018	Transfer	15,048	0.06%	789,713	3.03%
		16.02.2018	Transfer	(10,759)	-0.04%	778,954	2.99%
		23.02.2018	Transfer	37,489	0.14%	816,443	3.13%
		02.03.2018	Transfer	594	0.00%	817,037	3.14%
	At the end of the year	31.03.2018		-	0.00%	817,037	3.14%
2	Chetan Dhiresbhai Shah						
	At the beginning of the year	01.04.2017		490,119	1.88%	490,119	1.88%
	Changes during the year	07.04.2017	Transfer	1,080	0.00%	491,199	1.89%
		14.04.2017	Transfer	1,490	0.01%	492,689	1.89%
		21.04.2017	Transfer	823	0.00%	493,512	1.89%
		28.04.2017	Transfer	12,768	0.05%	506,280	1.94%
		12.05.2017	Transfer	105	0.00%	506,385	1.94%
		19.05.2017	Transfer	9,659	0.04%	516,044	1.98%
	At the end of the year	31.03.2018		-	0.00%	516,044	1.98%
3	Mukul Agrawal						
	At the beginning of the year	01.04.2017			0.00%	-	0.00%
	Changes during the year	26.01.2018	Transfer	425,000	1.63%	425,000	1.63%
	At the end of the year	31.03.2018			0.00%	425,000	1.63%
4	Premier Investment Fund Ltd.						
	At the beginning of the year	01.04.2017		375,676	1.44%	375,676	1.44%
	Changes during the year	21.04.2017	Transfer	24,841	0.10%	400,517	1.54%
		28.04.2017	Transfer	8,000	0.03%	408,517	1.57%
		19.05.2017	Transfer	10,000	0.04%	418,517	1.61%
		31.03.2018	Transfer	(8,346)	-0.03%	410,171	1.57%
	At the end of the year	31.03.2018		-	0.00%	410,171	1.57%
5	Lesing Mauritius Ltd.						
	At the beginning of the year	01.04.2017		390,727	1.50%	390,727	1.50%
	Changes during the year		Transfer	-	0.00%	-	0.00%
	At the end of the year	31.03.2018		-		390,727	1.50%

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S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
6	Lts Investment Fund Ltd						
	At the beginning of the year	01.04.2017		510,952	1.96%	510,952	1.96%
	Changes during the year	12.05.2017	Transfer	(3,000)	-0.01%	507,952	1.95%
		19.05.2017	Transfer	(6,000)	-0.02%	501,952	1.93%
		26.05.2017	Transfer	(18,000)	-0.07%	483,952	1.86%
		02.06.2017	Transfer	(23,000)	-0.09%	460,952	1.77%
		09.06.2017	Transfer	(6,000)	-0.02%	454,952	1.75%
		16.06.2017	Transfer	(5,211)	-0.02%	449,741	1.73%
		23.06.2017	Transfer	(5,397)	-0.02%	444,344	1.71%
		30.06.2017	Transfer	(3,716)	-0.01%	440,628	1.69%
		07.07.2017	Transfer	(6,000)	-0.02%	434,628	1.67%
		14.07.2017	Transfer	(4,000)	-0.02%	430,628	1.65%
		21.07.2017	Transfer	(4,000)	-0.02%	426,628	1.64%
		28.07.2017	Transfer	(7,551)	-0.03%	419,077	1.61%
		04.08.2017	Transfer	(3,893)	-0.01%	415,184	1.59%
		11.08.2017	Transfer	(2,000)	-0.01%	413,184	1.59%
		18.08.2017	Transfer	(3,000)	-0.01%	410,184	1.57%
		25.08.2017	Transfer	(2,301)	-0.01%	407,883	1.57%
		01.09.2017	Transfer	(13,536)	-0.05%	394,347	1.51%
		08.09.2017	Transfer	(2,992)	-0.01%	391,355	1.50%
		15.09.2017	Transfer	(4,246)	-0.02%	387,109	1.49%
		06.10.2017	Transfer	(7,596)	-0.03%	379,513	1.46%
		13.10.2017	Transfer	(2,706)	-0.01%	376,807	1.45%
		20.10.2017	Transfer	(1,402)	-0.01%	375,405	1.44%
		27.10.2017	Transfer	(405)	0.00%	375,000	1.44%
		10.11.2017	Transfer	(7,000)	-0.03%	368,000	1.41%
		17.11.2017	Transfer	(2,000)	-0.01%	366,000	1.41%
		24.11.2017	Transfer	(2,000)	-0.01%	364,000	1.40%
		01.12.2017	Transfer	(3,500)	-0.01%	360,500	1.38%
		08.12.2017	Transfer	(4,500)	-0.02%	356,000	1.37%
		15.12.2017	Transfer	(4,000)	-0.02%	352,000	1.35%
		22.12.2017	Transfer	(1,700)	-0.01%	350,300	1.34%
		29.12.2017	Transfer	(2,000)	-0.01%	348,300	1.34%
		05.01.2018	Transfer	(2,000)	-0.01%	346,300	1.33%
		12.01.2018	Transfer	(3,000)	-0.01%	343,300	1.32%
		19.01.2018	Transfer	(8,000)	-0.03%	335,300	1.29%
		26.01.2018	Transfer	(3,000)	-0.01%	332,300	1.28%
		02.02.2018	Transfer	(1,685)	-0.01%	330,615	1.27%
		09.02.2018	Transfer	(2,569)	-0.01%	328,046	1.26%
		16.02.2018	Transfer	(1,000)	0.00%	327,046	1.26%
		23.02.2018	Transfer	(3,000)	-0.01%	324,046	1.24%
		02.03.2018	Transfer	(1,697)	-0.01%	322,349	1.24%

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		09.03.2018	Transfer	(312)	0.00%	322,037	1.24%
		16.03.2018	Transfer	(416)	0.00%	321,621	1.23%
	At the end of the year	31.03.2018			0.00%	321,621	1.23%
7	Stewart and Mackertich Wealth Management Limited						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year	17.11.2017	Transfer	1,100	0.00%	1,100	0.00%
		24.11.2018	Transfer	(875)	0.00%	225	0.00%
		01.12.2017	Transfer	(105)	0.00%	120	0.00%
		08.12.2017	Transfer	(2)	0.00%	118	0.00%
		15.12.2017	Transfer	(118)	0.00%	-	0.00%
		09.03.2018	Transfer	227,000	0.87%	227,000	0.87%
	At the end of the year	31.03.2018		-	0.00%	227,000	0.87%
8	Sanblue Corporation Limited						
	At the beginning of the year	01.04.2017		30,175	0.12%	30,175	0.12%
	Changes during the year	28.04.2017	Transfer	77,524	0.30%	107,699	0.41%
		05.05.2017	Transfer	13,359	0.05%	121,058	0.46%
		12.05.2017	Transfer	5,942	0.02%	127,000	0.49%
		19.05.2017	Transfer	1,122	0.00%	128,122	0.49%
		26.05.2017	Transfer	5,068	0.02%	133,190	0.51%
		02.06.2017	Transfer	10,888	0.04%	144,078	0.55%
		09.06.2018	Transfer	591	0.00%	144,669	0.56%
		16.06.2017	Transfer	752	0.00%	145,421	0.56%
		23.06.2017	Transfer	22	0.00%	145,443	0.56%
		30.06.2017	Transfer	6,575	0.03%	152,018	0.58%
		07.07.2017	Transfer	1,110	0.00%	153,128	0.59%
		14.07.2017	Transfer	32	0.00%	153,160	0.59%
		28.07.2017	Transfer	150	0.00%	153,310	0.59%
		11.08.2017	Transfer	61	0.00%	153,371	0.59%
		25.10.2017	Transfer	1,796	0.01%	155,167	0.60%
		01.09.2017	Transfer	4,345	0.02%	159,512	0.61%
		15.09.2017	Transfer	1,096	0.00%	160,608	0.62%
		22.09.2018	Transfer	430	0.00%	161,038	0.62%
		13.10.2017	Transfer	20	0.00%	161,058	0.62%
		20.10.2017	Transfer	680	0.00%	161,738	0.62%
		27.10.2017	Transfer	12,260	0.05%	173,998	0.67%
		03.11.2017	Transfer	10,258	0.04%	184,256	0.71%
		17.11.2017	Transfer	23,775	0.09%	208,031	0.80%
		24.11.2017	Transfer	2,422	0.01%	210,453	0.81%
		01.12.2017	Transfer	6,844	0.03%	217,297	0.83%
	At the end of the year	31.03.2018		-	0.00%	217,297	0.83%

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S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
9	Chetan D Shah HUF						
	At the beginning of the year	01.04.2017		255,100	0.98%	255,100	0.98%
	Changes during the year	21.04.2017	Transfer	(2,620)	-0.01%	252,480	0.97%
		14.07.2017	Transfer	(25,000)	-0.10%	227,480	0.87%
		21.07.2017	Transfer	(8,000)	-0.03%	219,480	0.84%
		04.10.2017	Transfer	(35,000)	-0.13%	184,480	0.71%
		24.11.2017	Transfer	(37,000)	-0.14%	147,480	0.57%
		29.12.2017	Transfer	68,000	0.26%	215,480	0.83%
	At the end of the year	31.03.2018		-	0.00%	215,480	0.83%
10	Life Insurance Corporation of India						
	At the beginning of the year	01.04.2017		299,519	1.15%	299,519	1.15%
	Changes during the year	01.12.2017	Transfer	(1,341)	-0.01%	298,178	1.14%
		08.12.2017	Transfer	(32,739)	-0.13%	265,439	1.02%
		15.12.2017	Transfer	(39,430)	-0.15%	226,009	0.87%
		22.12.2017	Transfer	(26,490)	-0.10%	199,519	0.77%
	At the end of the year	31.03.2018		-	0.00%	199,519	0.77%
11	Reliance Capital Trustee Co Ltd- A/C Reliance Mid & Small Cap Fund*						
	At the beginning of the year	01.04.2017		1,034,677	3.97%	1,034,677	3.97%
	Changes during the year	13.10.2017	Transfer	(1,178)	0.00%	1,033,499	3.97%
		20.10.2017	Transfer	(14,367)	-0.06%	1,019,132	3.91%
		27.10.2017	Transfer	(22,104)	-0.08%	997,028	3.83%
		03.11.2017	Transfer	(28,506)	-0.11%	968,522	3.72%
		10.11.2017	Transfer	(968,522)	-3.72%	-	0.00%
	At the end of the year	31.03.2018		-	0.00%	-	0.00%
12	Kalpesh B Patel*						
	At the beginning of the year	01.04.2017		231,382	0.89%	231,382	0.89%
	Changes during the year	02.06.2017	Transfer	(1,000)	0.00%	230,382	0.88%
		09.06.2017	Transfer	1,000	0.00%	231,382	0.89%
		23.06.2017	Transfer	(811)	0.00%	230,571	0.89%
		30.06.2017	Transfer	(628)	0.00%	229,943	0.88%
		11.08.2017	Transfer	(2,000)	-0.01%	227,943	0.88%
		01.09.2017	Transfer	(500)	0.00%	227,443	0.87%
		15.09.2017	Transfer	(1,000)	0.00%	226,443	0.87%
		06.10.2017	Transfer	(2,750)	-0.01%	223,693	0.86%
		13.10.2017	Transfer	708	0.00%	224,401	0.86%
		24.11.2017	Transfer	(200)	0.00%	224,201	0.86%
		15.12.2017	Transfer	(5,250)	-0.02%	218,951	0.84%
		12.01.2018	Transfer	(200)	0.00%	218,751	0.84%
		19.01.2018	Transfer	(218,751)	-0.84%	-	0.00%
	At the end of the year	31.03.2018		-	0.00%	-	0.00%

*Ceased to be in the list of top ten shareholders as on 31st March, 2018. The same is reflected above since the shareholder was one of the top ten shareholder as on 1st April, 2017

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Deepak Seth (Chairman)						
	At the beginning of the year	01.04.2017		1,853,398	7.12%	1,853,398	7.12%
	Changes during the year	27.03.2018	Transfer	1,302,336	5.00%	3,155,734	12.12%
	At the end of the year	31.03.2018		-	0.00%	3,155,734	12.12%
2	Mr. Pallak Seth (Vice-Chariman)						
	At the beginning of the year	01.04.2017		1,581,174	6.07%	1,581,174	6.07%
	Changes during the year	27.03.2018	Transfer	(1,302,336)	-5.00%	278,838	1.07%
	At the end of the year	31.03.2018		-	0.00%	278,838	1.07%
3	Mrs. Payel Seth (Managing Director)						
	At the beginning of the year	01.04.2017		13,875,242	53.27%	13,875,242	53.27%
	Changes during the year		-	-	-	-	0.00%
	At the end of the year	31.03.2018		-	0.00%	13,875,242	53.27%
4	Dr. A.P. Bhupatkar(Director)						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year		-	-	0.00%	-	0.00%
	At the end of the year	31.03.2018		-	0.00%	-	0.00%
5	Mr. Ashok Kumar Sanghi (Director)						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year		-	-	0.00%	-	0.00%
	At the end of the year	31.03.2018		-	0.00%	-	0.00%
6	Mr. Ashok Kumar Chhabra(Director)						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year		-	-	0.00%	-	0.00%
	At the end of the year	31.03.2018		-	0.00%	-	0.00%
7	Mr. Omprakash Makam S. Setty (Chief Financial Officer)						
	At the beginning of the year	01.04.2017		-	0.00%	-	0.00%
	Changes during the year		-	-	0.00%	-	0.00%
	At the end of the year	31.03.2018		-	0.00%	-	0.00%
8	Mr. B. Chandra Sekhara Reddy (Company Secretary)						
	At the beginning of the year	01.04.2017		1	0.00%	1	0.00%
	Changes during the year		-	-	0.00%	-	0.00%
	At the end of the year	31.03.2018		1	0.00%	1	0.00%

V. INDEBTEDNESS

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,039,256.00	242,356,912.00	-	245,396,168.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,039,256.00	242,356,912.00	-	245,396,168.00
Change in Indebtedness during the financial year				
*Addition	-	-	-	-
*Reduction	2,863,516.00	30,169,741.76	-	-
Net Change	2,863,516.00	30,169,741.76	-	33,033,257.76
Indebtedness at the end of the financial year				
i) Principal Amount	175,740.00	212,187,170.68	-	212,362,910.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	3,709,809.00	-	3,709,809.00
Total (i+ii+iii)	175,740.00	215,896,979.68	-	216,072,719.68

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Name	Mrs. Payel Seth	(Rs.)
2	Designation	Managing Director	
3	Gross salary	3,600,000	3,600,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
4	Stock Option	-	-
5	Sweat Equity	-	-
6	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
7	Others, please specify	-	-
	Total (A)	3,600,000	-
	Remuneration Ceiling as per the Act		6,000,000.00

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs)
1	Independent Directors	Dr. A. P. Bhupatkar	Mr. Ashok Kumar Sanghi	Mr. Ashok Kumar Chhabra	
	Fee for attending board meetings	198,000.00	330,000.00	264,000.00	792,000.00
	Commission	-	-	-	-
	Total (1)	198,000.00	330,000.00	264,000.00	792,000.00
2	Other Non-Executive Directors	Mr. Deepak Seth	Mr. Pallak Seth		
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	198,000.00	330,000.00	264,000.00	792,000.00
	Total Managerial Remuneration				792,000.00
	Overall Ceiling as per the Act				Sitting Fees paid is within the limits

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

S.No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total
	Name	Mr. Omprakash Makam S. Setty	Mr. B. Chandra Sekhara Reddy	Amount in (Rs)
	Designation	Chief Financial Officer	Company Secretary	
1	Gross salary	8,191,008	4,454,663	12,645,671
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	-
2	Stock Option	0	0	-
3	Sweat Equity	0	0	-
4	Commission	0	0	-
	- as % of profit	0	0	-
	- others, specify	0	0	-
5	Others, please specify	0	0	-
	Total	8,191,008	4,454,663	12,645,671.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure-VI to the Directors' Report**Form No. AOC-2**

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

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

Sl. No.	Name of the related party	Nature of the relationship	Nature of Contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Value (Amount in Rs./ Lacs)	Date of approval of the Board, if any	Amount paid as advances, if any
1.	Multinational Textile Group Limited (MTGL)	Wholly owned Subsidiary	Sale of Services	01-04-2017 to 31-03-2018	Providing various corporate services to MTGL and its subsidiaries	1690.21	13-02-2017	
			Advance received towards services			426.11		
			Advance repaid			559.10		
			Closing Balance (Payable)			733.90		
2.	Norwest Industries Limited	Subsidiary	Leasing of property	01-04-2017 to 31-03-2018	Receiving rent & other income on Leasing of property at Plot No. 222, Phase-I, Udyog Vihar, Gurugram	106.91	13-02-2017	
3.	Digital Ecom Techno Private Limited	Associate	Leasing of property	15-06-2017 to 14-06-2020	Receiving rent & other income on Leasing of property at Plot No. 222, Phase-I, Udyog Vihar, Gurugram	21.53	13-02-2017	

Annexure-VII to the Directors' Report

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

Details of Top 10 employees in terms of remuneration drawn

Sl. No.	Name of Employee	Designation	Educational qualification	Age	Experience (in years)	Date of Joining	Remuneration paid (Gross)	Nature of Employment, Whether Contractual or otherwise	Last Employment	% of equity share held	Whether employee is relative of any Director or Manager
1	Omprakash Makam S. Setty	Group -COO	CA, ICWAI	51	26	01/Jul/ 2012	8,191,008	Permanent	Levis India Pvt. Limited	0	NO
2	Swaminathan KN	Chief Technology officer	ICWA	55	30	07/May/ 2015	7,796,250	Permanent	TVS Motors Limited	0	NO
3	Rajeev Sharma	Executive Director-Global Compliance	B com, SA 8000 Certified Auditor	46	23	07/Aug/ 2017	5,136,600	Permanent	VR Brand India Pvt Ltd	0	NO
4	Swaminathan Natarajan	Corporate Controller	CA, ICWAI	49	22	14/Jun/ 2012	5,073,978	Permanent	Norwest Industries Ltd. Hongkong	0	NO
5	Chandra Sekhara Reddy Battula	Head of Legal & Secretarial	CS,LLB	44	19	12/Mar/ 2015	4,454,663	Permanent	Bharat Hotels Limited	0	NO
6	Payal Seth	Managing Director	Graduation	60	26	01/Jan/13	3,600,000	Permanent	Not Applicable	53.27	Yes*
7	Nitin Narendra Sevak	Senior Manager-Internal Audit	Bcom,ICAI	36	13	20/Jul/ 2016	3,276,000	Permanent	Herbalife India Pvt Ltd.	0	NO
8	Ankur Mehrotra	Corporate Controller	ICWA	44	19	15/Jan/ 2013	3,130,780	Permanent	Reid & Taylor India Ltd.	0	NO
9	Mayank Vimal Agarwal	Finance Controller	CA,CFA(US)	30	2.6	11/Jul/ 2016	3,000,000	Permanent	Citibank	0	NO
10	Rachana Patil	General Manager	B.com	46	25	1/Jul/15	2,800,004	Permanent	Kaufland India Liaison Office	0	NO

*Mr. Deepak Seth being husband and Mr. Pallak Seth being son are relatives of Mrs. Payal Seth.

Annexure-VIII to the Directors' Report

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

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

A. CONSERVATION OF ENERGY :

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

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

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

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

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

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

B. TECHNOLOGY ABSORPTION :

(i) The efforts made towards technology absorption:

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

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

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

(iii) The expenditure incurred on Research & Development:

(Amount in Rs./Lac)

Expenditure on R & D	2017-18	2016-17
a)	-	-
b)	-	-
c) Total	Nil	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings

(Amount in Rs./Lac)

Particulars	2017-18	2016-17
Export of Services - FOB basis	1690.21	1338.67
Dividend received	644.00	0.00
Advance received	426.11	547.13
Total	2760.32	1338.67

Foreign Exchange Outgo

(Amount in Rs./Lac)

Particulars	2017-18	2016-17
Foreign Travelling	1.80	1.59
Repayment of Advance	559.10	0.0
Total	560.90	1.59

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

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

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

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

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

Your Company is committed to all its Customers, Suppliers, Employees, Banks and financial institutions, government

agencies and statutory authorities which are directly or indirectly concerned with the Company.

2. BOARD OF DIRECTORS

2.1 The Company has a balanced Board with combination of Executive and Non-Executive Directors. The Board currently comprises of 6 (Six) Directors including 1 (One) Women Executive Director, 2 (Two) Non-Executive Directors and 3 (Three) Independent Directors. The current composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations as well as the Companies Act, 2013.

2.2 None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2018 have been made by the Directors.

2.3 Independent Directors of the Company provide appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations.

2.4 Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2017-18 and also their other Directorships/ Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as on 31st March, 2018 are as under:

Composition and Category of the Board as on 31st March, 2018 and their attendance in the Board and Annual General Meetings are as hereunder:

S. No.	Name of Directors	Category	No. of outside Directorships*	No. of Committees		Attendance	
				Member	Chairperson	Board Meetings	Annual General Meeting
1	Mr. Deepak Seth (DIN: 00003021)	Promoter, Non-Executive	2	3	—	2	Yes
2	Mr. Pallak Seth (DIN: 00003040)	Promoter, Non-Executive	—	—	—	1	No
3	Mrs. Payel Seth (DIN: 00003035)	Promoter, Executive	1	—	—	2	No
4	Dr. A.P.Bhupatkar (DIN: 00479727)	Non-executive Independent	—	2	1	3	Yes
5	Mr. Ashok Kumar Sanghi (DIN: 00011207)	Non-executive Independent	—	3	1	5	Yes
6	Mr. Ashok Kumar Chhabra (DIN: 06869497)	Non-executive Independent	—	3	1	4	Yes

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

Mr. Deepak Seth, Chairman, Mr. Pallak Seth, Vice Chairman and Mrs. Payel Seth, Managing Director are relatives. There is no Nominee or Institutional Directors on the Board of the

Company. Independent Directors does not hold any shares of the Company.

During the Financial Year 2017-18, five (5) Board Meetings were held on 29th May, 2017, 12th September, 2017, 13th December, 2017, 14th February, 2018 and 31st March, 2018.

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

Appointment of Directors

As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum five years each and shall not be liable to retire by rotation.

The Company has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. At the time of appointment of Independent Director, the Company issues a formal letter of appointment outlining their role, functions, duties and responsibilities as a Director.

Details of Directors proposed for re-appointment at the ensuing Annual General Meeting is provided in the Board's Report and in Annexure-1 to Notice convening 7th Annual General Meeting.

Details of familiarization programmes imparted to Independent Directors are disclosed at Company's website at www.pdsmultinational.com.

Board Meeting and Procedures

The Board meets at least once in a quarter to review the quarterly financial results and operations of the Company. Apart from the above, additional Board Meetings are convened to address the specific needs of the Company. There is a structured manner in which the agenda items are prepared and presented. The Company Secretary in consultation with the Chairman prepares the detailed agenda for the meetings. All the agenda items are backed by comprehensive agenda notes and relevant supporting papers containing all the vital information, so as to enable the Directors to have focused discussion at the meeting and take informed decisions. The agenda and agenda notes are circulated to all the Directors well in advance, usually a week before the Meeting. In case of sensitive agenda matters, where it is not practical to circulate the relevant information as part of the agenda papers, the same is tabled at the meeting. Further, the Board has complete access to all information with the company. The minimum information required to be made available to the Board under Regulations 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is followed by the Company.

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

Independent Directors Meeting & Board Evaluation Process:

In compliance with the requirements of Regulation 25 of SEBI

Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company met on 14th February, 2018 to review performance of the Chairman, Managing Director and other Non-Independent Director, to evaluate performance of the Board and review flow of information between the management and the Board.

The evaluation process was carried out based on an assessment sheet structured in line with ICSI guidance note and the guidance note issued by SEBI in this regard.

The Independent Directors met once during Financial Year 2017-18 without the presence of Non-Independent Directors and the management; and discussed, inter-alia, on matters pertaining to evaluation of the performance of the Board as a whole, evaluation of the performance of the Chairman and Executive Director. They also assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors, which is necessary for the Board to effectively and reasonably perform their duties etc. The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board as a whole.

3. COMMITTEES OF THE BOARD

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

3.1 AUDIT COMMITTEE

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

The terms of reference of the Audit Committee includes:-

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

- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Scrutiny of inter-corporate loans and investments.

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

Composition, Meeting and Attendance

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. As on 31st March, 2018, the Audit Committee comprises of four members, of which three members, including the Chairperson, are Independent Directors and one Member is a Non-Executive Director. The Company Secretary acts as a secretary to the Committee. During the Financial Year 2017-18, five (5) meetings of the Audit Committee were held on 29th May, 2017, 12th September, 2017, 13th December, 2017, 14th February, 2018 and 31st March, 2018. The intervening gap between two Meetings did not exceed 120 days.

During the year 2017-18, the members of the Audit Committee and their attendance are as under:

Composition	Total no. of Meetings held	No. of Meetings attended
Dr. A. P. Bhupatkar - Chairman	5	3
Mr. Deepak Seth - Member Director	5	2
Mr. Ashok Kumar Sanghi - Member Director	5	5
Mr. Ashok Kumar Chhabra - Member Director	5	4

3.2 NOMINATION AND REMUNERATION COMMITTEE

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

Terms of Reference of the Nomination and Remuneration Committee includes:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 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.

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

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

The Nomination and Remuneration Committee has laid down the criteria for evaluation of performance of Independent Directors and the Board.

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

Composition, Meeting and Attendance

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

Meetings of the Nomination and Remuneration Committee were held on 29th May, 2017 and 14th February, 2018 during the Financial Year 2017-18. Details of meeting of the members of Nomination and Remuneration Committee and their attendance are as under:

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

REMUNERATION OF DIRECTORS

Details of remuneration paid to all the Directors for the Financial Year 2017-18 are as under:

Name of the Director(s)	Mr. Deepak Seth	Mrs. Payel Seth	Mr. Pallak Seth	Dr. A.P. Bhupatkar	Mr. Ashok Kumar Sanghi	Mr. Ashok Kumar Chhabra
Designation	Chairman	Managing Director	Director	Director	Director	Director
Salary	—	36,00,000	—	—	—	—
Benefits	—	—	—	—	—	—
HRA	—	—	—	—	—	—
SPL. Allowance	—	—	—	—	—	—
Medical	—	—	—	—	—	—
Bonus	—	—	—	—	—	—
Commission	—	—	—	—	—	—
Pension	—	—	—	—	—	—
Others (Provident Fund)	—	—	—	—	—	—
Break up of fixed components and Performance linked incentives with performance criteria	—	—	—	—	—	—
Performance Incentive	—	—	—	—	—	—
Service Contract	—	5 years	—	—	—	—
Notice Period, Severance fees	Nil	3 Months	Nil	Nil	Nil	Nil
Stock Options details (if any): Whether issued at discount. Period over which it is accrued and is exercisable	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	—	—	—	1,98,000	3,30,000	2,64,000
Total	—	36,00,000	—	1,98,000	3,30,000	2,64,000

A sitting fee of Rs. 66,000/- is payable to Independent Directors for attending each Board Meeting. The Company does not pay any other commission or remuneration to its Directors. The Company has no policy of stock option, pension or severance fee for its Directors. Notice period of Managing Director is as per Company policy, i.e. 3 months. The Company does not have any separate service contract with Managing Director apart from resolution of Board/shareholders.

3.3 STAKEHOLDER RELATIONSHIP COMMITTEE

The composition of Stakeholders' Relationship Committee is in conformity with the provisions of Companies Act, 2013 and Regulation 20 of the Listing Regulations. As on 31st March, 2018, the Committee comprises the below three members:

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

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

Status of Shareholders Complaints during the year:

Complaints at the beginning of the year. 1 st April 2017	Complaints received during the year. 1 st April 2017 – 31 st March 2018	Complaints settled during the year. 1 st April 2017 – 31 st March 2018	Complaints pending at the ending of the year. 31 st March 2018
Nil	2	2	Nil

4. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location
2014-15	22.09.2015	12.30 P.M.	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003
2015-16	28.09.2016	12.15 P.M.	Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru, Karnataka.
2016-17	27.09.2017	12:15 P.M.	Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru, Karnataka.

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

Financial Year	Particulars of Special Resolution	Date
2016-17	Nil	27 th September, 2017
2015-16	Nil	28 th September, 2016
2014-15	Payment of Remuneration to Mrs. Payel Seth (DIN: 00003035) Managing Director of the Company.	22 nd September, 2015

EXTRA-ORDINARY GENERAL MEETING

During the Financial Year 2017-18, no Extra-ordinary General Meeting was held.

POSTAL BALLOT

During the year, the Company has passed a Special Resolution through Postal Ballot and a snap shot of the voting results is given below:

Date of Postal Ballot Notice: 14th February, 2018

Voting Period: 24th February, 2018 to 25th March, 2018

Date of Declaration of results: 27th March, 2018

Date of Approval: 27th March, 2018

Particulars of Resolution	No. of Members voted	No. of Votes polled	Votes cast in favour		Votes cast against	
			No. of Votes	% of total votes polled	No. of votes	% of total votes polled
To alter the Main Object Clause of the Memorandum of Association of the Company.	79	17452726	17451798	99.995	928	0.005

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

5. MEANS OF COMMUNICATION

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

6. GENERAL SHAREHOLDERS' INFORMATION

- 7th Annual General Meeting is scheduled as under:-**
Date: 21st September, 2018
Time: 11:30 A.M.
Venue: Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram, Rajajinagar, Bengaluru-560055, Karnataka, India,
- Financial year:**
The financial year covers the period 1st April, 2017 to 31st March, 2018.
- Financial Calendar, 2018-19 (Tentative)**
First Quarter Results: Second week of August, 2018
Second Quarter & Half Yearly Results: Second week of September, 2018
Third Quarter Results: Second week of February, 2019
Fourth Quarter & Annual Results: Last week of May, 2019
- Date of Book Closure:** 15th September, 2018 to 21st September, 2018 (both days inclusive)

(v) Listing on Stock Exchanges and their Stock Code

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

Stock Exchange	Stock Code
BSE LIMITED 1 ST FLOOR, NEW TRADING RING, ROTUNDA BUILDING, P. J. TOWERS DALAL STREET, FORT, MUMBAI – 400 001	538730
NATIONAL STOCK EXCHANGE OF INDIA LTD. "EXCHANGE PLAZA", PLOT NO. C- 1, G-BLOCK, BANDRA - KURLA COMPLEX, BANDRA (E), MUMBAI - 400 051	PDSMFL

The Annual Listing Fee for the financial year 2017-18 has been paid to the Stock Exchanges within stipulated time.

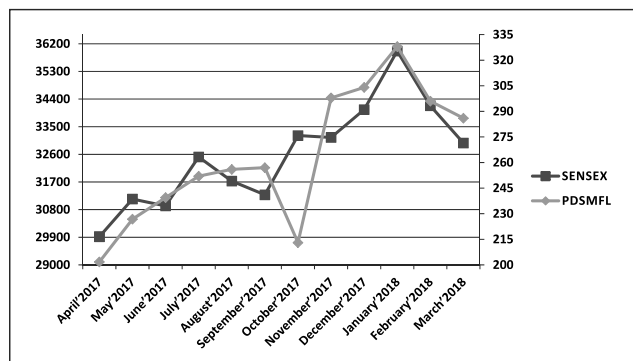
(vi) Market Price Data: High, Low during each month in financial year 2017-18:

MONTH(S)	BOMBAY STOCK EXCHANGE Stock Code: 538730		NATIONAL STOCK EXCHANGE Stock Code: PDSMFL	
	HIGH	LOW	HIGH	LOW
April'2017	211	170	206	169
May'2017	227	199	229	195.05
June'2017	256	220	252	224
July'2017	259	239.1	268.8	239.2
August'2017	261.9	243	270	243
September'2017	261	251	262	241.65
October'2017	270	213	269.8	200
November'2017	312	213	313	213
December'2017	320	280.4	318	279.45
January'2018	365	300	365	295
February'2018	325	279	333.9	272
March'2018	301	280	322.5	284

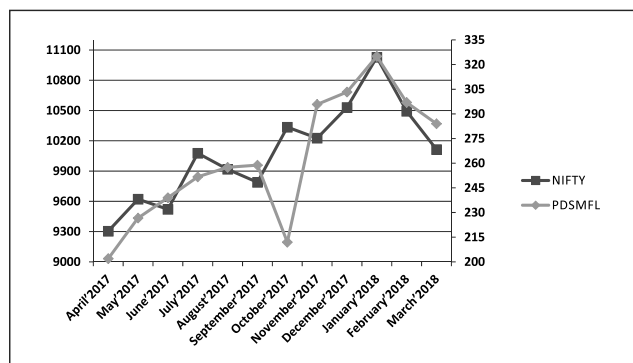
(vii) Share price performance in comparison to BSE Sensex and NSE Nifty:

MONTH(S) (As on end of last trading day of the month)	SHARE PRICE COMPARISON			
	PDSMFL	BSE (Sensex)	PDSMFL	NSE (Nifty)
April'2017	201.75	29918.4	201.95	9304.05
May'2017	226.8	31145.8	226.65	9621.25
June'2017	239.45	30921.61	239	9520.9
July'2017	252	32514.94	251.7	10077.1
August'2017	256	31730.49	257.5	9917.9
September'2017	257	31283.72	258.85	9788.6
October'2017	213.05	33213.13	211.95	10335.3
November'2017	297.9	33149.35	295.8	10226.55
December'2017	304.05	34056.83	303.3	10530.7
January'2018	328	35965.02	325	11027.7
February'2018	296	34184.04	296.95	10492.85
March'2018	286	32968.68	284	10113.7

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



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



(viii) Registrar and Share Transfer Agent

Link Intime India Pvt. Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Area,
Phase – I, Near PVR Naraina
New Delhi - 110 028.
Tel. No. : 011 - 41410592 - 94
Fax No. : 011 - 41410591
E-mail : delhi@linkintime.co.in

(ix) Share Transfer System

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

SEBI has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide Gazette notification dated 8th June, 2018 and mandated that transfer of securities would be carried out in dematerialized form only w.e.f. 5th December, 2018. Therefore, members are advised to dematerialize shares held by them in physical form for effecting transfers in dematerialized form only post 5th December, 2018. Please refer investor FAQ's page (Dematerialisation of shares) on our website www.pdsmultinational.com.

(x) Distribution Schedule

(a) Distribution of Equity Shareholding of the Company as on 31st March 2018

Number of Equity Shares* held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
1 - 500	15385	95.8209	1148416	4.4091
501 - 1000	275	1.7128	199881	0.7674
1001 - 2000	181	1.1273	259268	0.9954
2001 - 3000	59	0.3675	148992	0.5720
3001 - 4000	29	0.1806	100026	0.3840
4001 - 5000	13	0.0810	59846	0.2298
5001 - 10000	40	0.2491	293876	1.1283
10001 and above	74	0.4609	23836419	91.5141
Total	16056	100	26046724	100

(c) Categories of Shareholders as on 31st March 2018

	No. of Folio's	No. of Shares Held*	% to total Shares
PROMOTERS & PROMOTER GROUP			
Indian	4	13875279	53.27
Body Corporate	2	50035	0.19
Foreign	4	3434572	13.19
TOTAL (A)	10	17359886	66.65
PUBLIC			
Alternate Investment Funds	1	145000	0.56
Foreign Portfolio Investors	16	1038511	3.99
Financial Institutions/Banks	7	230943	0.89
NRI's/Foreign Companies	193	856684	3.29
Bodies Corporate	135	1190874	4.57
Individual	15071	4748184	18.23
Hindu Undivided Family	577	465747	1.79
Trusts	1	192	0.00
Clearing Members	55	10703	0.04
TOTAL (B)	16056	8686838	33.35
TOTAL (A)+(B)		26046724	100

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

(xi) Dematerialization of Shares and liquidity

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

As on 31st March, 2018, 99.29 % of our shares were held in dematerialized form and the rest in physical form.

Shares held in demat and physical modes as on March 31st, 2018 are as follows:

Category	Shareholders	Shares	% of total equity
Demat Mode			
NSDL	9715	22757506	87.37%
CDSL	4574	3105355	11.92%
Total	14289	25862861	99.29%
Physical Mode	1767	183863	0.71%
Grand total	16056	26046724	100%

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

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

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

(xiii) Plant locations:

The Company doesn't have plant till date

(xiv) Registered Office of the Company:

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

(xv) Pursuant to SEBI circular no. SEBI/HO/MIRSD/DOP1/ CIR/P/2018/73 dated 20th April, 2018, all the listed Companies are directed to record the PAN and BANK ACCOUNT details of all shareholders holding shares in physical mode through their Registrar and Share Transfer Agent ("RTA"). Accordingly, the Company has initiated steps and has sent initial letter along with KYC forms through its RTA to its shareholders holding shares in physical mode for registering their PAN and Bank Account details (including joint holders, if any). The shareholders are requested to utilize this opportunity for updating PAN and/or Bank details with the RTA.

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

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

7. UNCLAIMED SHARES AND SALE PROCEEDS OF FRACTIONAL SHARES.

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

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

Particulars	No. of cases	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year i.e. as on 1 st April, 2017.	20	504
Number of shareholders who approached to the Issuer / Registrar for transfer of shares from suspense account during the Financial Year 2017-18.	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2017-18	Nil	Nil
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year i.e. as on 31 st March, 2018.	20	504

The voting rights on the shares in the suspense account as on 31st March, 2018 shall remain frozen till the rightful owners of such shares claim the shares. The Company sends periodic reminders to the concerned shareholders advising them to lodge their claims with respect to unclaimed shares.

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

b) Unclaimed sale proceeds of fractional shares

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

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

8. OTHER DISCLOSURES

- a) All transactions entered into by the Company with related parties during the financial year 2017-18 were in ordinary course of business and at arm's-length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.
There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives, having any potential conflict with interests of the Company at large.
- b) There has been no non-compliance, penalties/strictures imposed on the company by Stock Exchange(s) or SEBI or any other Statutory Authority, on any matter related to capital markets, during the last three years.
- c) The Company has a Whistle Blower Policy and Vigil Mechanism. No personnel of the Company have been denied access to the Audit Committee.
- d) The Company has complied with all the mandatory requirements including Regulations 17 to 27 and 46 (2)

(b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- e) The Company has also ensured the implementation of non-mandatory items such as:
 - Separate post of Chairman and CEO or MD.
 - Unmodified audit opinion/reporting
- f) Policy for determining 'material' subsidiaries is disclosed at Company's website at www.pdsmultinational.com.
- g) Policy on dealing with related party transactions is disclosed at Company's website at www.pdsmultinational.com.

COMPLIANCE WITH THE CODE OF CONDUCT

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

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

CEO/CFO CERTIFICATION

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

Electronic Clearing Service (ECS)

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

Depository Services

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

National Securities Depository Ltd.

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

Central Depository Services (India) Ltd.

Phiroze Jeejeebhoy Towers
28th Floor, Dalal Street, Mumbai-400023
Telephone : 022-22723333/3224
Facsimile : 022-22723199
E-Mail : investors@cdslindia.com
Website : www.cdslindia.com

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

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

We, Payel Seth, Managing Director and Omprakash Makam S. Setty, Chief Financial Officer of **PDS Multinational Fashions Limited**, to the best of our knowledge and belief, certify that;

- A.** We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018, 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 Indian Accounting Standards ('Ind-AS'), applicable laws and regulations.
- B.** we also certify that to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2018 which 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 that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D.** We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the period;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) that there are no instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the Company's internal control system over financial reporting.

(Payel Seth)
Managing Director
DIN:00003035

(Omprakash Makam S. Setty)
Chief Financial Officer

Place: Gurugram
Date: 9th August, 2018

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

This is to certify that as per the provisions of Regulation 26 and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board Members and Senior Management personnel have affirmed compliances with the Code of conduct for the financial year ended 31st March, 2018.

For PDS Multinational Fashions Limited

(Payel Seth)
Managing Director
DIN:00003035

Place : Gurugram
Date : 9th August, 2018

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

After witnessing a stalling economic growth in the past two years, the World GDP growth is estimated to have risen to 3.6% in calendar year 2017, with higher growth clocked across emerging markets and developing economies. Ground-breaking tax reforms, accommodative policies, rising confidence and firming commodity prices were some of the top economic trends that shaped both the advanced and developing economies in calendar year 2017.

For the advanced economies, an overall uptick in capital infusion, resilient demand-supply ratio and strengthened external demand translated to a healthy growth rate in calendar year 2017. The US economy's 2.3% growth was largely supported by strengthening private investment. In addition, reduction in the US corporate tax rate is further expected to help drive economic growth while also enabling manufacturing reshoring in the medium term. The Euro region as well saw a strong uptick in calendar year 2017 on the back of policy stimulus and strengthening global demand. This is likely to sustain over the coming year, although at a moderated pace. Growth in developing economies is expected to have accelerated to 4.3 percent in calendar year 2017 reflecting upon a rebound in commodity exporters and continued progress driven by the commodity importers.

According to the latest projections by the World Bank, global economic growth is expected to inch up to 3.1 percent in calendar year 2018 after a much stronger-than-expected calendar year 2017, as the recovery in investment, manufacturing, and trade continues. The latest reports suggest that the growth in advanced economies is expected to moderate slightly to 2.2 percent in calendar year 2018, as central banks gradually remove their post-crisis accommodation and the upturn in investment growth stabilizes. Growth in emerging market and developing economies as a whole is projected to strengthen to 4.5 percent in calendar year 2018, as activity in commodity exporters continues to recover amid firming prices.

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

INDIAN ECONOMY

Despite a global slowdown, the Indian economy in FY18 remained fairly resilient underpinned by a host of domestic and policy-driven factors such as robust private consumption, lower inflation, and improved current account balance amongst others. Although the year began with the economy in the midst of uncertainty, the second half of the fiscal staged a strong V-shaped recovery as it emerged from the shadows of demonetization and the temporary rollout issues linked to the implementation of GST.

In addition to the introduction of GST, the year also witnessed significant steps towards strengthening the momentum of reforms. Resolution of problems associated with the non-performing assets of the banks, enhancing health and education, encouraging private and public investment, and improving the efficiency of the banking and financial system were some of the pro-growth reforms undertaken by the government during FY18. This, further helped India substantially improve its position in the World Bank's 'Ease of Doing Business' rankings.

The Indian economy grew at 6.6 % for the year, helping it retain its tag of fastest growing major economy in the world. The momentum is expected to be maintained with IMF expecting the economy to deliver 7.4% and 7.8% growth in FY19 and FY20 respectively.

COMPANY PERFORMANCE

The first half of the fiscal was slightly challenging for the retail landscape with a slow recovery witnessed in the consumer sentiment, sustained volatility in most key markets and an overall subdued operating landscape. Pricing pressures across the key sourcing markets further resulted in an adverse impact on trade across the globe. Against such a moderated demand environment, the Company reported a stable operational and financial performance in FY18.

Total net income during the fiscal stood at Rs. 4,948 crore, higher by 7% Y-o-Y. Healthy growth in both the mature and emerging markets, mainly driven by an uptick in demand from the European and American markets supported the overall performance during the period under review. On the profitability front, the EBITDA stood at Rs. 62 crore as against Rs. 71 crore in FY17. Higher strategic investments towards establishing the Company's manufacturing business initiative impacted profitability performance. PAT during the year stood at Rs. 21 crore in FY18 as against Rs. 40 crore in FY17. The Company's established and growth businesses mapped a steady growth trend during the fiscal.

Apparel revenues, which stood at Rs. 4,817.85 crore, contributed to 99% of the overall revenues. Home Product revenues during the fiscal stood at Rs. 48.70 crore. In terms of geography, turnover of the UK & Europe business amounted to 88.4% for FY18, America at 7.2% followed by Asia and Middle East at 3.1% and Australia at 1.3% respectively. With volatile fluctuation in raw material and commodity prices, increased labour and conversion cost during the year the overall costs of goods stood at Rs. 4,249.24 crore.

The Company saw a strong contribution from the top 10 customers, which contributed to 67% of sales for FY18. New customer additions during the fiscal stood strong at 20. Contribution from new customers and existing accounts led to a stable sales during FY18.

On the operational front, the Established business delivered a strong traction during the year, driven by a combination of enhanced manufacturing capabilities, strengthened supplier network and a gradually expanding customer base. Higher focus was driven towards growing the Company's foothold across targeted high-potential geographies such as the BRIC region, US, Middle East, Australia and LATAM, while also strengthening distribution roots in the established markets of UK & Europe.

Amidst a muted retail environment, new emerging businesses picked up pace underpinned by higher number of new-customer relations and better sourcing infrastructure.

Last year, the Company embarked on a new journey as it unveiled its 'own-manufacturing' division by establishing two 'Accord and Alliance'-compliant factories in Bangladesh. In FY18, the Company commissioned both these facilities – the GSSL manufacturing facility was commissioned in the month of January 2018 and Progress Apparels in October 2017. The Progress Group factory is spread across 400,000 square feet of facility area at Adamjee Export Processing Zone near Dhaka and operates 1400 machines across 32 lines to produce Woven-School wear, Formal trouser, Chino, Denim Jeans. The facility has 15 million units a year at full capacity. Under Green Smart Shirts Limited (GSSL) Group, the factory spans across 250,000 sq ft of space and operates 550 machines and 30 lines producing formal and casual shirts for men, women's blouses, and shirts for boys and girls. These two new in-house apparel manufacturing factories are marking a healthy progress and will help create a fully integrated supply chain in the next few months. The facilities will not only help cushion the Company's widespread

sourcing business, but will also further enhance the Company's competitiveness and brand awareness in the markets.

On the operational front, the Company increased its total employee strength during the year, which resulted in increased employee cost of Rs. 46.43 crore. The Company operates a Design Hub in the UK, which is supported by over 150 highly qualified in-house designers and product development teams across geographies.

The Company's core commitment towards higher Compliance and stringent Ethical Sourcing practices continues to be rock solid. PDS' network of factories is audited every three to six months, thereby ensuring that the highest level of transparency, ethics, and social compliance is followed across the supply chain system. The Company's vast retail customer base is attended by dedicated teams across an array of operations of Sourcing, Manufacturing and Design & Development to deliver premium quality and confidentiality in services. Further, in order to mitigate the inventory risk associated with the business model, the Company ensures that certain checkpoints are met before commencing order production, which essentially includes pre-selling all orders before processing production, securing credit payment terms and partnering with only AAA+ rated customers.

On the balance sheet front the overall net worth improved marginally from Rs.539.89 crore to Rs. 543.84 crore in FY18. With streamlined debtors and balanced capital structure Company continued to enjoy a healthy cash position at Rs. 225 crore as on March 31, 2018. The receivables as on March 31, 2018 stood at Rs. 783 crore. Total debt stood at Rs. 552 crore, with long-term debt at Rs. 60 crore and short-term debt at Rs. 492 crore. Long-term debt-to-equity position was healthy at 0.13 as on March 31, 2018.

On a whole, the year in retrospect witnessed a challenging operating retail environment. The geopolitical and trade uncertainties may continue to impact PDS' key markets and could pose some challenges to the business in the near term. However, the opportunities that sit at hand are large and the Company remains very confident in its ability to fuel growth in all its business verticals. The fundamentally strong business model and focus on operational excellence has helped maintain, if not grow the Company's market share across existing and new geographies. The endeavor remains on further ramping up the established and growth business lines and position ourselves as a preferred strategic manufacturing partner across the global markets.

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

STRENGTHS

Strong Brand Recall

PDS Multinational Fashions, a leading global strategic manufacturing partner to major brands and retailers has carved a niche for itself in the global market by offering quality products across price points. The Company operated on a global scale covering over 31 offices & 18 countries and has an employee base in excess of 4000. With presence spanning across two decades, the Company has grown leaps and bounds achieving multiple milestones in its journey. Today, the PDS brand is resonated across global markets for its quality product offerings, higher transparency of service and reliability of operations.

Augmented manufacturing business

PDS Multinational Fashions, transformed into an integrated player following setting up of two manufacturing factories in Bangladesh. Captive units not only help the business retain the incremental value

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

Aristocratic management, the driving force behind Company operations

The Company has a strong and a balanced management team comprising promoter family and senior professionals with vast experience in areas ranging from design, manufacturing, sourcing and distribution. The Company also supports a wide network of partner factories that run their own business units within the cultural and financial framework of the group.

Strong sourcing and distribution Capabilities

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

Deep Expertise

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

WEAKNESSES

Large concentration

PDS accrues bulk of its business from developed regions of EU & UK. For FY18, 88% of the Company's overall revenues came from these markets. Given that more than 88% of the Company's revenue is derived from EU & UK, it exposes the company to a large degree of concentration risk. As a means to lower its risk, the Company is consciously working towards diversifying its revenue mix both in terms of product mix and geographical presence. The Company has been gradually increasing its presence in untapped markets of Asia, Australia and Middle East by strengthening its distribution network and augmenting brand awareness activities. A combination of the above measures has enabled the Company to lower its dependence over its established markets in recent years.

Capacity Expansion

The Company recently undertook an expansion program by setting up dedicated factories in Bangladesh under Progress Group and Green Smart Shirts Limited (GSSL) Group. PDS would be able to better meet the growing demand of its clients post commissioning of these units, which in turn will help the business to deliver healthy profitability in medium to longer term. However, the immediate impact of the expansion program has impacted the financial position of the Company in the short term.

Business Seasonality

The industry experiences seasonal demand wherein sales volumes

PDS Multinational Fashions Limited

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

OPPORTUNITIES

Heterogeneous Markets

Consumers taste, preference and pattern vary with time. The market keeps evolving and the Company needs to be in tune with the latest consumer trend. The Company has been successful in staying abreast with the changing demand over the years. PDS' unparalleled passion and desire to meet its customer's requirement has enabled it to stay ahead of its peers. The Company is well positioned to meet the growing demand fueled by increasing consumerism, emerging lifestyles, rising incomes.

Underserved Emerging Markets

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

A range of scalable businesses

Your Company is cognizant of the benefits the business accrues from a budding entrepreneurial activities and as such has been consistently working towards creating a fertile environment for emerging businesses to blossom. Of the total, the ones who turn out to be successful are then brought under the PDS umbrella wherein they are offered requisite financial support & other managerial guidance. While the decision to supporting newer business ventures involves certain degree of risk, the overall payoff turns out to be viable and in a way has contributed positively towards the businesses growth positively over the years.

Mature Businesses showing results

Most of the Company's investment is presently in the early growth phase. Based on past experience, the Company has seen a non-linear growth in the performance of its businesses post attainment of certain stage, 24 months post which the businesses achieve stability and deliver strong growth and profitability on a sustained basis. As many of our growth businesses cross the two year hurdle, your Company can be expected to show improved profitable growth.

THREATS

Cyclical Nature of the Industry

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

Current Market Conditions

The Company's overall operational and financial performance is

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

OUTLOOK

The year in retrospect witnessed some ongoing challenging conditions across the retail environment, whilst the consumption trend, in general, saw a dip during the first half of the fiscal. Despite these specific challenges, the Company delivered a steady performance, a clear reflection of PDS' strong business foundation. The Company has undertaken a number of strategic initiatives to further drive revenue growth across its established business, align its new manufacturing business to a positive profitability trajectory and is simultaneously working towards consolidating PDS' leadership position across geographies.

The year saw the Company making a big push in its journey towards being one of the leading high street firms in global supply chain management market by improving customer relationships, driving higher value from matured businesses, deriving growth in the manufacturing business and fueling new growth businesses.

As we look ahead in the future, there is significant opportunity for the Company to grow and we will be taking several steps in reinforcing our competitive advantages, while simultaneously adding substantial value to our resilient business model. The fundamentals of our business remain rock solid and our internal initiatives of the last few quarters will also bear fruit in the medium term.

To sum up, the Company performed well during the fiscal 2018. The many initiatives undertaken during the year such as expanding customer base, strengthening sourcing business, commissioning of the two manufacturing facilities in Bangladesh, focus on enhancing contribution pie from untapped and high potential markets, which further supported by a solid business model will buoy a strong performance and will allow us to create a compelling long-term shareholder value proposition for our investors, going forward.

Independent Auditor's Report

To The Members of PDS Multinational Fashions Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **PDS Multinational Fashions Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2018, 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.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with the companies (Indian accounting Standards) Rule 2015 as amended.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018 and its **Profit** (including other comprehensive income), its cash flows and the changes in the equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Companies (Indian Accounting Standards) specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-A'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. On the basis of written representations received from the management of the Company, the Company has no pending litigations which could impact its financial position in its financial statements- *refer Note No. 40 to the financial statements*
 - ii. According to the information provide and explanation provided to us, the company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- 'B', a statement on the matters specified in the paragraph 3 and 4 of the order.

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

Place of Signature: Gurugram
Date: 29th May, 2018

(Sandeep Dinodia)
Partner
Membership Number 083689

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

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

We have audited the internal financial controls over financial reporting of **PDS Multinational Fashions Limited ("the Company")** as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date: 29th May, 2018

Annexure 'B' To the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the PDS Multinational Fashions Limited on the standalone Ind AS financial statements for the year ended March 31, 2018; we report that:

- i) In respect of fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. In accordance with this programme for the year, no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) According to the Information and explanation given to us, the records examined by us and based on examination of related documents, we report that, the title deeds, comprising all the immovable properties of land and building which are freehold, are held in the name of the Company as at reporting date.
- ii) The Company do not carry any inventory as at reporting date & during the year, hence the provisions of paragraph 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) (a) to (c) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has complied with provisions of section 185 and 186 of the Companies Act, 2013 for the investments made during the year. Further according to the information and explanation given to us, Company has no loans, guarantees, and security covered under the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3 (iv) of the Companies (Auditor's Report) Order, 2016 w.r.t loans, guarantees and security are not applicable to the Company.
- v) In our opinion and according to the information and explanation given to us, since the Company has not accepted any deposits therefore the question of the compliance of any directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under does not arise.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2016 dated July 14, 2016 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) In respect of Statutory Dues:

- a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Goods and Service Tax, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. However the provisions of duty of Customs and duty of Excise are not applicable to the Company. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Value Added Tax, Cess and any other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of Income Tax or Sales Tax or Goods and Service Tax or Service Tax or Value Added Tax which have not been deposited on account of any dispute except for the following:

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

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

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date : 29th May, 2018

Balance Sheet as at March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I. Assets				
Non-Current Assets				
(a) Property, Plant and Equipment	4	1,284.04	299.06	161.36
(b) Capital Work-in-Progress	5	-	867.74	409.50
(c) Investment Property	6	2,449.51	2,481.17	2,107.03
(d) Intangible Assets	7	93.99	93.48	60.40
(e) Intangible Assets under Development	8	4.53	-	-
(f) Financial Assets				
(i) Investments	9	10,083.01	10,050.25	10,050.25
(ii) Other Financial Assets	10	41.95	27.35	23.51
(g) Deferred Tax Assets (Net)	23	13.18	7.84	31.75
(h) Non Current Tax Asset (Net)	11	43.86	0.01	0.24
(i) Other Non Current Assets	12	12.27	15.97	144.33
Total Non-Current Assets		14,026.33	13,842.86	12,988.38
Current Assets				
(a) Financial assets				
(i) Trade Receivables	13	3.88	-	-
(ii) Cash and Cash Equivalents	14	25.11	333.44	45.35
(iii) Bank Balances other than (ii) above	15	-	-	100.00
(iv) Other Financial Assets	10	0.76	0.32	4.29
(b) Other Current Assets	12	101.51	65.92	110.11
Total Current Assets		131.26	399.68	259.75
Total Assets		14,157.59	14,242.55	13,248.13
II. Equity And Liabilities				
Equity				
(a) Equity Share Capital	16	2,604.67	2,604.67	2,604.67
(b) Other Equity	17	8,131.41	7,748.97	7,696.86
Total Equity		10,736.08	10,353.64	10,301.53
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	1,019.31	1,339.39	1,331.92
(ii) Other Financial Liabilities	19	8.33	-	-
(b) Provisions	20	91.26	70.38	35.22
(c) Other Non-Current Liabilities	22	3.12	-	-
Total non- current liabilities		1,122.02	1,409.78	1,367.14
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	1,104.32	1,114.57	942.90
(ii) Trade Payables	21	-	-	-
- Total Outstanding Dues to Micro and Small Enterprises		-	-	-
- Total Outstanding Dues to Parties Other than Micro and Small Enterprises		164.90	164.38	116.36
(iii) Other Financial Liabilities	19	265.72	293.75	176.32
(b) Other Current Liabilities	22	761.12	900.06	340.21
(c) Provisions	20	3.42	6.38	3.67
Total Current Liabilities		2,299.49	2,479.13	1,579.46
Total Equity and Liabilities		14,157.59	14,242.55	13,248.13
Summary of Significant Accounting Policies	3			

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date: 29th May, 2018

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

(Payel Seth)

Managing Director

DIN : 00003035

(Omprakash M.S. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN : 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

PDS Multinational Fashions Limited

Statement of Profit and Loss for the Year Ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from Operations	24	1,819.41	1,338.67
II Other Income	25	686.18	9.21
III Total Income (I+II)		2,505.59	1,347.87
IV Expenses			
(a) Employee Benefits Expense	26	1,036.22	769.24
(b) Finance Costs	27	240.98	4.23
(c) Depreciation and Amortization Expense	28	229.98	76.86
(d) Other Expenses	29	564.79	419.22
Total Expenses		2,071.98	1,269.54
V Profit/ (loss) before exceptional items and tax (III-IV)		433.62	78.34
VI Exceptional Items		-	-
VII Profit/ (loss) before tax (V-VI)		433.62	78.34
VIII Tax expense:	31		
(a) Current tax		70.26	-
Less: Mat Credit Entitlement		(70.26)	-
(b) Deferred Tax		61.14	24.63
Total tax expense		61.14	24.63
IX Profit/(loss) for the year (VII-VIII)		372.48	53.71
X Other Comprehensive Income			
(A) (i) Items that will not be reclassified subsequently to statement of profit and loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		13.75	(2.31)
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		(3.79)	0.72
(B) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
Other comprehensive income for the year, net of tax		9.96	(1.60)
XI Total comprehensive income for the year, net of tax		382.44	52.11
XII Earnings per share: (Face value ₹ 10 per share)	30		
1) Basic (amount in ₹)		1.43	0.21
2) Diluted (amount in ₹)		1.43	0.21
Summary of Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date: 29th May, 2018

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

(Payel Seth)

Managing Director

DIN : 00003035

(Omprakash M.S. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN : 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

Statement of changes in equity for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity Share Capital	Amount
Opening Balance as at April 01, 2016	2,604.67
Changes during the year	-
Closing Balance as at March 31, 2017	2,604.67
Changes during the year	-
Closing Balance as at March 31, 2018	2,604.67

B. Other Equity

	Reserve & Surplus		Item of OCI	Total equity
	Capital Reserve	Retained earnings	Remeasurements of net defined benefit plans	
Balance As At April 01, 2016	8,078.07	(381.02)	(0.18)	7,696.86
Profit for the year	-	53.71	-	53.71
Add: Other comprehensive income	-	-	(1.60)	(1.60)
Balance As At March 31, 2017	8,078.07	(327.32)	(1.78)	7,748.97
Profit for the year	-	372.48	-	372.48
Add: Other comprehensive income	-	-	9.96	9.96
Balance As At March 31, 2018	8,078.07	45.16	8.18	8,131.41

Summary of Significant Accounting Policies

3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

For & on behalf of Board of Directors of

PDS Multinational Fashions Limited

(Sandeep Dinodia)

Partner

Membership Number 083689

(Payel Seth)

Managing Director

DIN : 00003035

(Deepak Seth)

Director

DIN : 00003021

Place of Signature: Gurugram

Date: 29th May, 2018

(Omprakash M.S. Setty)

Chief Financial Officer

(B. Chandra Sekhara Reddy)

Company Secretary

Cash Flow Statement for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flows From Operating Activities		
Profit Before Tax	433.62	78.34
Adjustments for:		
Depreciation and amortization	229.98	76.86
Interest Paid	239.89	4.23
Loss/(Gain) on sale of fixed assets	5.30	0.03
Interest Income	(0.46)	(0.12)
Impact of effective interest rate adjustment on borrowings	1.10	-
Re-measurement gains/ (losses) on defined benefit plans	13.75	(2.31)
Unwinding of discount on security deposits	(2.90)	(1.72)
Amortisation of deferred asset - security deposit paid	2.23	(0.35)
Provision for doubtful Advance	1.37	-
Sundry Balances Written Back	-	(2.11)
Operating Profit Before Working Capital Changes	923.88	152.84
Movement In Working Capital:		
Increase/(Decrease) in Trade Payables & Other Current Liabilities	(138.15)	610.02
Increase/(Decrease) in Other Current Financial Liabilities	(25.91)	117.43
Increase/(Decrease) in Other Long Term Liabilities	3.12	-
Increase/(Decrease) in Other Non Current Financial Liabilities	8.33	-
Increase/(Decrease) in Provisions	17.92	38.07
(Increase)/Decrease in Trade Receivables	(3.88)	-
(Increase)/Decrease in Non-Current Financial Assets	(14.60)	(1.78)
(Increase)/Decrease in Other Current Assets and other bank balances	(35.59)	144.19
(Increase)/Decrease in Other Current Financial Assets	(0.44)	3.97
(Increase)/Decrease in Other Non-Current Assets	(1.64)	128.36
Cash Generated From Operations	733.04	1,193.10
Direct Tax paid (Net of Refunds)	(116.56)	(0.01)
Net Cash Inflow From/(Used In) Operating Activities (A)	616.48	1,193.09
Cash Flows From Investing Activities		
Purchase of Property, Plant and Equipment	(352.56)	(1080.04)
Sale Proceeds of Property, Plant and Equipment	26.63	-
(Increase)/Decrease in Investments	(32.76)	-
Interest Income	0.46	0.12
Net Cash From/ (Used In) Investing Activities (B)	(358.23)	(1079.29)
Cash Flows From Financing Activities		
Proceeds from Borrowings (Net of Repayments)	(330.33)	179.14
Interest paid (Net)	(236.25)	(4.23)
Net cash inflow from/(used in) Financing Activities (C)	(566.58)	174.92
Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)	(308.34)	288.09
Opening Balance of Cash and Cash Equivalents	333.44	45.35
Total Cash And Cash Equivalent (Note No. 14)	25.11	333.44
Components Of Cash And Cash Equivalents		
Cash on hand	0.02	0.22
With banks - on current account and deposits with banks	25.09	333.22
Total Cash and Cash equivalent (Note No. 14)	25.11	333.44
Summary of Significant Accounting Policies	3	

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date: 29th May, 2018

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

(Payel Seth)

Managing Director

DIN : 00003035

(Deepak Seth)

Director

DIN : 00003021

(Omprakash M.S. Setty)

Chief Financial Officer

(B. Chandra Sekhara Reddy)

Company Secretary

Notes to financial statements for the year ended March 31, 2018

Note 1: Corporate Information

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

Note 2: Statement of Compliance

The Financial Statements are prepared on an accrual basis under historical cost Convention except for certain financial instruments which are measured at fair value. These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013, as applicable. The financial statements up to the year ended March 31, 2017 were prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act ('Previous GAAP'). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 38 for an explanation of the transition from previous GAAP to Ind AS.

Basis of Preparation and presentation

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

Going Concern

The board of directors have considered the financial position of the Company at 31st March, 2018 and the projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course. The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Recent Accounting Pronouncement

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12 'Income Taxes', Ind AS 21, 'The effects of changes in foreign exchange rates and also introduced new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Company from April 1, 2018.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)

Ministry of Corporate Affairs ('MCA') has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 - Revenue. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue

recognition:

- (i) Identification of the contracts with the customer
- (ii) Identification of the performance obligations in the contract
- (iii) Determination of the transaction price
- (iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- (v) Recognition of revenue when performance obligation is satisfied.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The management is yet to assess the impact of this new standard on the Company's financial statements.

Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 21

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability) for recognising related expense/income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

Note 3: Significant accounting policies

a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

Judgements:

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

Revenue recognition and presentation

The Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the

rendering of services, in order to determine if it is acting as a principal or as an agent. The Company has concluded that 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 Company and its business partners are reviewed to determine each party's respective role in the transaction.

Useful lives of property, plant and equipment

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

Estimates and Assumptions:

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

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. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

b) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

- 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.

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

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

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal

proceeds and the carrying amount of the asset) is included in the statement of profit and loss within other income or expense (as applicable).

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

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

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

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

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

Investment Property

(i) Recognition and measurement

Investment Property comprise of Freehold Land and Building.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company 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 Standalone Statement of Profit and Loss in the period of derecognition.

(ii) Depreciation

Depreciation on Investment Property is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

d) Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Company are

measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 5 years or license period whichever is earlier.

Transition to Ind AS

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

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

e) Borrowing costs

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

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

f) Foreign Currency Transaction

Functional and presentational currency

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

Transactions and Balances

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment

and excluding taxes or duties collected on behalf of the government.

- i) Revenue from sale of service is recognized on cost plus method; when services are rendered and same becomes chargeable. Service Income comprises of amounts billed for providing services such as Corporate Strategic/ Management and support services rendered to inter-company affiliate(s) in accordance with terms of agreements entered into with them.
- ii) Revenue from sale of traded goods (including samples) is recognised on accrual basis and when all the significant risk and rewards of ownership have been passed to the buyer. The sales are accounted for net of trade discount, sales tax/value added tax as applicable and sales return.
- iii) Revenue relating to interest income is recognised on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.
- iv) Revenue relating to 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.
- v) Dividend income is recognized when the right to receive payment is established.

h) **Inventories**

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

i) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All the lease other than Finance lease are classified as operating lease. For arrangements entered into prior to the Ind AS transition date i.e. April 01, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance lease

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

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

Operating lease

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

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

j) **Employee's Benefits**

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages 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 Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities. Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the Statement of Profit and Loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other Long term Benefits

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

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

k) Provisions, Contingent liabilities and Contingent assets
General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

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

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

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

l) Financial instruments

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

(i) Initial recognition and measurement

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

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

(ii) Classification and Subsequent measurement

(a) Financial Assets

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

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

• **Financial Asset carried at amortised cost**

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

• **Financial Asset at fair value through other comprehensive income (FVTOCI)**

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

• **Financial Asset at fair value through profit and loss (FVTPL)**

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

• **Equity investment**

Investments representing equity interest in associates 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 and loss (FVTPL)

Financial liabilities at Amortized cost

Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Income and Expense are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

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

(c) Offsetting of Financial Instruments

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

m) Impairment of Financial Assets

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

n) Impairment of Non-Financial Assets

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

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

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

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

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

o) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

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

p) Taxes on Income

Current Income Tax

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

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items

are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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.

Minimum Alternate Tax

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

credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

q) Investment in Subsidiary and Associates

Investment in subsidiaries

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

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

The Company has decided to use the previous GAAP carrying values to value its investments in its subsidiaries as on the date of transition, April 01, 2016.

r) Cash and Cash Equivalents

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

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

s) 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.

t) Segment Reporting

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

PDS Multinational Fashions Limited

Note 4 : Property, Plant and Equipment

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Land-Free hold	Buildings	Furniture and Fixures (Refer Note 'c' Below)	Leasehold Improve-ment	Vehicles	Office Equip-ment	Electrical Installations & Equipment (Refer Note 'c' Below)	Compu-ters	Total
Gross Carrying Value									
Deemed Cost As at April 01, 2016 (Refer Note 'a' below)	-	-	27.08	41.91	24.54	8.81	48.75	10.27	161.36
Add: Additions made during the year	-	-	6.14	-	45.38	3.85	4.72	125.04	185.12
Less: Disposals/adjustments during the year	-	-	-	-	-	0.13	-	-	0.13
Balance As at March 31, 2017	-	-	33.22	41.91	69.91	12.53	53.48	135.31	346.35
Add: Additions made during the year	-	-	395.70	-	-	14.20	743.46	20.74	1,174.10
Less: Disposals/adjustments during the year (Refer Note 'c' Below)	-	-	-	-	(37.38)	(0.21)	-	-	(37.58)
Balance As at March 31, 2018	-	-	428.92	41.91	32.54	26.52	796.94	156.05	1,482.87
Depreciation									
Balance As at April 01, 2016	-	-	-	-	-	-	-	-	-
Add: Depreciation charge for the year	-	-	2.94	4.16	9.06	3.69	4.98	22.56	47.39
Less: Disposals/adjustments during the year	-	-	-	-	-	0.10	-	-	0.10
Balance As at March 31, 2017	-	-	2.94	4.16	9.06	3.59	4.98	22.56	47.29
Add: Depreciation charge for the year	-	-	36.76	4.16	6.38	5.71	74.74	29.45	157.19
Less: Disposals/adjustments during the year	-	-	-	-	(5.53)	(0.11)	-	-	(5.65)
Balance As at March 31, 2018	-	-	39.70	8.32	9.91	9.18	79.72	52.01	198.83
Net Carrying Amount									
As at March 31, 2018	-	-	389.22	33.59	22.63	17.34	717.22	104.04	1,284.04
As at March 31, 2017	-	-	30.28	37.75	60.86	8.94	48.50	112.74	299.06
As at April 01, 2016	-	-	27.08	41.91	24.54	8.81	48.75	10.27	161.36

a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition i.e. April 1, 2016.

b) Deemed Cost of Property, Plant and Equipment

Particulars	Land-Free hold	Buildings	Furniture and Fixures	Leasehold Improve-ment	Vehicles	Office Equip-ment	Electrical Installations & Equipment	Compu-ters	Total
Gross Carrying Value									
Gross Block									
As at April 01, 2016	-	-	29.25	43.88	35.75	16.98	51.02	40.15	217.05
Accumulated Depreciation									
As at April 01, 2016	-	-	2.17	1.97	11.21	8.18	2.27	29.88	55.69
Net Block as at April 01, 2016	-	-	27.08	41.91	24.54	8.81	48.75	10.27	161.36

c) The company has given the following Property, Plant and Equipments on cancellable operating lease and earned lease rental credited to the Statement of Profit and Loss. (Refer Note No. 24). Details are as under: -

Description of Assets given on lease situated at 222. Udyog Vihar, Phase - I, Gurgaon, Haryana	Gross Block (₹)	Accumulated Depreciation as on March 31, 2018	Written Down Value as on March 31, 2018
Electrical Equipments	739.00	69.03	669.97
Furniture & Fixtures	373.72	32.70	341.02

(All amounts in ₹ lakhs, unless otherwise stated)

Note 5 : Capital work in progress

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Capital work in progress (Refer Note 'a' below)	-	867.74	409.50
	-	867.74	409.50

- a) Capital Work in Progress includes interest on borrowing cost amounting to ₹ Nil lakhs (March 31, 2017 : ₹ 103.71 lakhs, April 1, 2016: ₹ 41.38 lakhs), related to borrowed funds in accordance with Indian Accounting Standard-23 "Borrowing Cost".
- b) The Company has elected Ind AS 101 exemption and continue with the carrying value for capital work in progress as its deemed cost as at the date of transition i.e. April 1, 2016.

Note 6 : Investment Property

	Freehold Land	Building	Total
I. Investment Property			
A. Gross Carrying Amount			
Deemed Cost As at April 01, 2016	68.81	145.68	214.49
Add: Additions during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
Balance as at March 31, 2017	68.81	145.68	214.49
Add: Additions during the year	-	2,276.37	2,276.37
Add: Transfer From Property Plant Equipment	-	-	-
Less: Disposals / adjustments during the year	-	-	-
Balance As at March 31, 2018	68.81	2,422.05	2,490.86
B. Depreciation			
Balance as at April 01, 2016	-	-	-
Add: Depreciation Charge for the year	-	2.57	2.57
Less: On disposals/adjustments during the year	-	-	-
Balance As At March 31, 2017	-	2.57	2.57
Add: Depreciation Charge for the year	-	38.78	38.78
Add: Transfer From Property Plant Equipment (pertaining to FY 2016-17)	-	-	-
Less: On disposals / adjustments during the year	-	-	-
Balance As At March 31, 2018	-	41.35	41.35
C. Net Carrying Amount	68.81	2,380.70	2,449.51
II. Capital Work In Progress- Investment Property			
Deemed Cost As at April 01, 2016 (Refer Note 'a' below)	-	1,892.54	1,892.54
Add: Additions during the year	-	376.71	376.71
Balance as at March 31, 2017	-	2,269.25	2,269.25
Add: Additions during the year	-	7.13	7.13
Less: Adjustments during the year	-	2,276.37	2,276.37
Balance As at March 31, 2018	-	0.00	0.00
III. Investment Property			
As at March 31, 2018	68.81	2,380.70	2,449.51
As at March 31, 2017	68.81	2,412.36	2,481.17
As at April 01, 2016	68.81	2,038.22	2,107.03

- a) Capital Work in Progress includes interest on borrowing cost amounting to ₹ Nil lakhs (March 31, 2017 : ₹ 365.63 lakhs, April 1, 2016: ₹ 200.67 lakhs), related to borrowed funds in accordance with Indian Accounting Standard-23 "Borrowing Cost".

Fair Value

As at March 31, 2018	2,980.00	2,140.00	5,120.00
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- a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of its Investment Property as its deemed cost as at the date of transition i.e. April 1, 2016.

(All amounts in ₹ lakhs, unless otherwise stated)

b) Information regarding Income and Expenditure of Investment Property

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Rental Income derived from Investment Property	129.20	-	-
Direct Operating Expenses	484.49	3.09	-
Profit arising from Investment Property before depreciation	(355.28)	(3.09)	-
Less: Depreciation	38.78	-	-
Profit arising from Investment Property	(394.06)	(3.09)	-

- c) The Company Investment Property consist of a property situated at Udyog Vihar, Gurugram, Haryana in India. The Management has determined that the investment property consists of two class of assets - Land and building - based on the nature, characteristics and risks of the property.
- d) The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.
- e) The fair value is based on valuation performed by an accredited independent valuer. Fair valuation of Investment Property is based on Sales comparable method for land and Depreciated replacement cost method for built up structure. The fair value measurement is categorised in level 1 fair value hierarchy.

Note 7 : Intangible assets

Particulars	Trade Marks (A)	Computer Software (B)	Total (A+B)
Gross Carrying Amount			
Deemed Cost As at April 01, 2016 (Refer Note 'a' below)	-	60.40	60.40
Add: Additions during the year	0.90	59.07	59.97
Less: Disposals / adjustments during the year	-	-	-
Balance as at March 31, 2017	0.90	119.47	120.37
Add: Additions during the year	-	34.52	34.52
Less: Disposals / adjustments during the year	-	-	-
Balance as at March 31, 2018	0.90	153.99	154.89
Amortisation			
Balance As at April 01, 2016	-	-	-
Add: Amortisation Charge for the year	0.08	26.82	26.90
Less: On disposals/adjustments during the year	-	-	-
Balance As at March 31, 2017	0.08	26.82	26.90
Add: Amortisation Charge for the year	0.18	33.83	34.01
Less: On disposals / adjustments during the year	-	-	-
Balance As at March 31, 2018	0.26	60.64	60.91
Net Carrying value			
Balance as at March 31, 2018	0.64	93.35	93.99
Balance as at March 31, 2017	0.82	92.66	93.48
Balance as at April 01, 2016	-	60.40	60.40

- a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of Intangible Assets as its deemed cost as at the date of transition.

b) Deemed Cost of Tangible Assets

(All amounts in ₹ lakhs, unless otherwise stated)

	Computer Software	Total
Gross Block		
As at April 01, 2016	1,031.25	1,031.25
Accumulaed Depreciation		
As at April 01, 2016	970.84	970.84
Net Block as at April 01, 2016	60.40	60.40

Note 8 : Intangible Assets under development

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Intangible Assets Under Development	4.53	-	-
	<u>4.53</u>	<u>-</u>	<u>-</u>

Note 9 : Non Current Investments

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Investment in wholly owned Subsidiary			
Unquoted			
21,948,270 (March 31, 2017 : 21,948,270, April 1, 2016: 21,948,270) Equity Shares of Multinational Textiles Group Limited, Mauritius of USD 1 each fully paid up	10,050.25	10,050.25	10,050.25
Investment in Associate			
Unquoted			
327,600 (March 31, 2017 : Nil, April 1, 2016: Nil) Equity Shares of Parc Designs Private Limited of ₹ 10 each fully paid up.	32.76	-	-
	<u>10,083.01</u>	<u>10,050.25</u>	<u>10,050.25</u>
Aggregate Book Value of Investments	10,083.01	10,050.25	10,050.25

- a) The Company has elected Ind AS 101 exemption and adopted the fair value of ₹ 10 of its investment in equity shares of its wholly owned subsidiary as its deemed cost as at the date of transition.

b) **Information about Investments**

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Multinational Textile Group Limited, Mauritius, holding of Investments and Provision of Consultancy services	100.00%	100.00%	100.00%
Parc Design Private Limited, India, Manufacturing of Readymade Garments	36.00%	-	-

Note 10 : Other Financial Assets

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Security Deposits (Unsecured, considered good)	40.74	26.22	22.45
Deposits with original maturity of more than 12 months (Refer to note 'a' below)	1.00	1.00	1.00
Interest accrued but not due on fixed deposits	0.21	0.13	0.05
Total (A)	<u>41.95</u>	<u>27.35</u>	<u>23.51</u>
Current			
Other Advances	0.41	-	3.00
Deposits with original maturity of more than 12 months (Refer to note 'a' below)	0.25	0.25	0.25
Interest accrued but not due on fixed deposits	0.09	0.07	1.04
Total (B)	<u>0.76</u>	<u>0.32</u>	<u>4.29</u>
Total (A+B)	<u>42.71</u>	<u>27.67</u>	<u>27.79</u>

- a) Fixed Deposits with a carrying amount of ₹ 1.25 lakhs (March 31, 2017: ₹ 1.25 lakhs, April 01, 2016 : ₹ 1.25 lakhs) are pledged with the Government Authorities.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 11 : Non Current Tax Asset	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Advance Income Tax	43.86	0.01	0.24
(Net of provision of ₹ 70.26 lakhs (March 31, 2017 : ₹ Nil, April 01, 2016: ₹ Nil)			
	43.86	0.01	0.24

Note 12 : Other Assets	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(Unsecured, considered good, unless otherwise stated)			
Non- Current			
Capital Advances	8.70	4.61	136.31
Less: Provision for Doubtful advance	(1.37)	-	-
	7.33	4.61	136.31
Balance with Government Authorities	0.50	6.11	-
Deferred Payment asset	3.48	4.69	6.31
Prepaid Expenses	0.96	0.56	1.71
Total (A)	12.27	15.97	144.33
Current			
Balance with Government Authorities	38.99	-	-
Other advances (Net of provision for doubtful debts ₹ 11.98 lakhs (March 31, 2017 : ₹ 11.98 lakhs; March 31, 2016 : ₹ 11.98 lakhs)	1.60	0.82	60.50
Deferred Payment asset	2.40	1.99	1.84
Prepaid Expenses	58.52	63.12	47.78
Total (B)	101.51	65.92	110.11
Total (A+B)	113.78	81.89	254.44

Note 13 : Trade receivables	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Unsecured, Considered Good	3.88	-	-
Unsecured, Considered Doubtful	42.04	42.04	42.04
	45.92	42.04	42.04
Less: Allowance for Expected Credit Loss	42.04	42.04	42.04
	3.88	-	-

- a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
- b) Trade receivables due from related parties as at March 31, 2018 amounts to ₹ 3.88 lakh (March 31, 2017 : ₹ Nil lakh, April 1, 2016 : ₹ Nil lakh).
- c) Trade receivables are generally on terms of not more than 60 days.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 14 : Cash and cash equivalents	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- Current account	25.09	333.22	45.33
Cash on hand	0.02	0.22	0.03
	25.11	333.44	45.35

a) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- Current account	25.09	333.22	45.33
Cash on hand	0.02	0.22	0.03
	25.11	333.44	45.35

Note 15 : Other Bank Balance	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deposits with original maturity of more than 3 months but less than 12 months	-	-	100.00
	-	-	100.00

Note 16 : Share Capital	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Authorised			
27,000,000 (March 31, 2017: 27,000,000, April 01, 2016 : 27,000,000) equity shares of ₹ 10 each*	2,700.00	2,700.00	2,700.00
	2,700.00	2,700.00	2,700.00
Issued, subscribed and paid up			
26,046,724 (March 31, 2017: 26,046,724 April 01, 2016 : 26,046,724) equity shares of ₹ 10 each*	2,604.67	2,604.67	2,604.67
	2,604.67	2,604.67	2,604.67

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

	No. of shares*	Amount
Balance as at April 1, 2016	26,046,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2017	26,046,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2018	26,046,724	2,604.67

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

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

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2018, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil per share (March 31, 2017: ₹ Nil per share; March 31, 2016: ₹ Nil per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(All amounts in ₹ lakhs, unless otherwise stated)

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

	March 31, 2018		March 31, 2017		March 31, 2016	
	No of shares*	Holding %	No of shares*	Holding %	No of shares*	Holding %
Mrs. Payal Seth	13,875,242	53.27	13,875,242	53.27	13,875,242	53.27
Mr. Deepak Seth	3,155,734	12.12	1,853,398	7.12	1,853,398	7.12
Mr. Pallak Seth	278,838	1.07	1,581,174	6.07	1,581,174	6.07

* The Number of Shares are given in absolute numbers.

Note 17 : Other Equity	Amount
a) Capital Reserve	
Balance as at April 1, 2016	8,078.07
Changes during the year	-
Balance as at March 31, 2017	8,078.07
Changes during the year	-
Balance as at March 31, 2018	8,078.07
b) Retained Earnings	
Balance as at April 1, 2016	(381.02)
Add:- Profit for the year	53.71
Balance as at March 31, 2017	(327.32)
Add:- Profit for the year	372.48
Balance as at March 31, 2018	45.16
c) Remeasurment of Defined Benefit Plan	
Balance as at April 1, 2016	(0.18)
Add:- Profit for the year-OCI	(1.60)
Balance as at March 31, 2017	(1.78)
Add:- Profit for the year-OCI	9.96
Balance as at March 31, 2018	8.18
Total Other Equity	
As at March 31, 2018	8,131.41
As at March 31, 2017	7,748.97
As at April 1, 2016	7,696.86

Nature and Purpose of Other Reserves

a) Capital Reserves

Capital Reserve was carried forward under the previous GAAP from the books of Demerged company at the time of Demerger.

b) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. (if any and as applicable)

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 18 : Borrowings	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non Current			
Secured Loan			
- Vehicle loan from financial Institution	-	16.98	8.35
Secured Loan			
- From Banks	1,019.31	1,322.42	1,323.57
Total (A)	1,019.31	1,339.39	1,331.92
Current			
Secured Loan			
- Vehicle loan from financial Institution	1.76	13.41	5.94
Unsecured Loans			
- From Banks	302.56	301.15	136.96
- From Related Parties	300.00	300.00	300.00
- From Unrelated Parties	500.00	500.00	500.00
Total (B)	1,104.32	1,114.57	942.90
Total (A+B)	2,123.63	2,453.96	2,274.82

a) The nature of Security for Secured Loans are :

(i) Vehicle Loan

- Vehicle loan taken from BMW Financial Services is secured against hypothecation of respective vehicle. The applicable rate of interest ranges between 10 to 11 % per annum.
- Vehicle loan of ₹ 29 lakhs taken by the Company, from the Kotak Mahindra Prime Limited, during the financial year 2016-17 was secured against hypothecation of respective vehicle. The applicable rate of interest ranges between 9% to 10% per annum. However in the current financial year ending March 31, 2018, Company has foreclosed the aforesaid loans.

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

No. of Outstanding EMI as on March 31, 2018	3
Particulars	BMW Car Loan
Amount repayable in	Amount (₹)
FY 2018-19	1.76

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

- (i) Term Loan of ₹ 15 crores taken by the Company is guaranteed by Stand by Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 7 years with 1 year moratorium period and it is repayable in equal quarterly installments over the said tenor.
- (ii) Term Loan of ₹ 3 Crore taken by the Company during the financial year 2016-17 is also guaranteed by Stand by Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 6 years and it is repayable in equal quarterly installments over the said tenor.
- (iii) Term Loan carries rate of interest ranging from 10.9% to 12%

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

No. of Outstanding Quarterly Installments as at March 31, 2018	16	19	19
Amount repayable in	Tranch- I	Tranch- II	Tranch- III
FY 2018-19	15,000,000	10,000,000	5,217,391
FY 2019-20	15,000,000	10,000,000	5,217,391
FY 2020-21	15,000,000	10,000,000	5,217,391
FY 2021-22	15,000,000	10,000,000	5,217,391
FY 2022-23	-	7,500,000	3,913,043

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

(All amounts in ₹ lakhs, unless otherwise stated)

Note 19 : Other Financial Liabilities	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Security Deposit Received	8.33	-	-
Total (A)	8.33	-	-
Current			
Security Deposit Received	48.70	-	-
Creditors for Capital Goods	179.93	228.28	128.94
Interest Accrued and due on borrowings from related parties	13.46	20.27	13.54
Interest Accrued and due on borrowings from others	22.44	45.00	33.79
Interest Accrued but not due on borrowings from bank	1.20	0.20	0.06
Total (B)	265.72	293.75	176.32
Total (A+B)	274.06	293.75	176.32

Note 20 : Provisions*	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Provision for employee benefits			
Provision for Compensated Absenses (Refer to note 32)	44.54	31.31	14.19
Provision for Gratuity (Refer to note 32)	46.72	39.07	21.03
Total (A)	91.26	70.38	35.22
Current			
Provision for employee benefits			
Provision for Compensated Absenses (Refer to note 32)	2.87	6.05	3.53
Provision for gratuity (Refer to note 32)	0.55	0.33	0.14
Total (B)	3.42	6.38	3.67
Total (A+B)	94.68	76.76	38.89

* For Movement in Provision Refer Note 41.

Note 21 : Trade Payable	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
- Outstanding Dues to Micro, Small and Medium Enterprises (Refer Note 'c' below)	-	-	-
- Others (Refer Note 'a', 'b' & 'd' below)	164.90	164.38	116.36
	164.90	164.38	116.36

- Trade payables are non-interest bearing and are normally settled on 60-day terms, except for Micro, Small and Medium Enterprises (if any) which are settled within 45 days
- Trade payables to related parties amounts to ₹ Nil lakhs as at March 31, 2018 (March 31, 2017 : ₹ Nil in lakhs, April 01, 2016 : ₹ Nil in lakhs)
- As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the management, the amount due to Micro, small & medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(All amounts in ₹ lakhs, unless otherwise stated)

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
- The amount of interest paid by the Company as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-	-
- The amounts of the payments made to micro and small suppliers 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 MSMED Act, 2006.	-	-	-
- The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
- The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-	-

(d) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

Note 22 : Other Liabilities	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non-Current			
Deferred Income	3.12	-	-
	3.12	-	-
Current			
Deferred Income	0.97	-	-
Statutory Dues	26.25	33.16	20.44
Advance from Customers (Refer Note 'a' below)	733.90	866.89	319.76
	761.12	900.06	340.21
	764.24	900.06	340.21

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

Note 23: Deferred Tax Assets (Net)	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Gross Deferred Tax Assets	45.65	51.77	50.96
Minimum Alternate Tax Credit Entitlement	70.26	-	-
Gross Deferred Tax Liabilities	102.73	43.94	19.21
	13.18	7.84	31.75

Movement in Deferred Tax Liabilities (Net)	As At April 01, 2016	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2017
Deferred tax assets relates to the following:				
Provision for employee benefits	12.02	10.99	0.72	23.72
Provision for Doubtful Debts and Advances	16.69	-	-	16.69
Deferred Assets	2.56	(0.39)	-	2.17
Bought Forward Losses and unabsorbed Depreciation	18.74	(13.83)	-	4.91
Preliminary Expenses	5.24	(1.75)	-	3.50
Others	0.79	-	-	0.79
	56.04	(4.98)	0.72	51.77

(All amounts in ₹ lakhs, unless otherwise stated)

Movement in Deferred Tax Liabilities (Net)	As At April 01, 2016	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2017
Deferred tax liability relates to the following:				
Property, plant and equipment	21.77	20.10	-	41.87
Other	2.52	(0.45)	-	2.06
	24.29	19.65	-	43.94
Total deferred tax assets/(liabilities) (Net)	31.75	(24.63)	0.72	7.84
	As At March 31, 2017	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As At March 31, 2018
Deferred tax assets relates to the following:				
Provision for employee benefits	23.72	6.15	(3.79)	26.08
Provision for Doubtful Debts and Advances	16.69	(1.43)	-	15.26
Deferred Assets	2.17	0.54	-	2.71
Bought Forward Losses and unabsorbed Depreciation	4.91	(4.91)	-	0.00
Preliminary Expenses	3.50	(1.94)	-	1.56
Others	0.79	(0.76)	-	0.03
	51.77	(2.34)	(3.79)	45.64
Deferred tax liability relates to the following:				
Property, plant and equipment	41.87	56.68	-	98.56
Other	2.06	2.10	-	4.17
	43.94	58.79	-	102.72
Minimum Alternate Tax Credit Entitlement	-	70.26	-	70.26
Total deferred tax assets/(liabilities) (Net)	7.84	9.13	(3.79)	13.18

Note 24 : Revenue From Operations	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Services		
- Business Services	1,690.21	1,338.67
Other Operating Income		
- Rental Income	129.20	-
Total	1,819.41	1,338.67

Note 25 : Other Income	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income		
- Fixed deposits	0.46	0.11
- Income tax refund	-	0.01
Excess liability written back	-	2.11
Unwinding of discount on deposits	2.13	1.72
Dividend from Non Trade Investments	644.00	-
Foreign Exchange Fluctuation (Net)	19.71	-
Other Non-operating income	19.89	5.26
	686.18	9.21

(All amounts in ₹ lakhs, unless otherwise stated)

Note 26 : Employee Benefits Expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages & Bonus	973.50	714.96
Compensated Absences*	18.47	25.91
Contribution to Provident and Other fund*	16.21	9.64
Gratuity Expense*	21.61	15.92
Staff Welfare Expenses	6.43	2.81
	1,036.22	769.24

* Refer Note 32

Note 27 : Finance Cost	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense		
- On Term loans	156.07	-
- On Loan from Related Party	80.00	-
- Delayed Payment of Advance Taxes	2.46	-
- On Vehicle loan	2.46	3.72
- On Cash Credit & Working Capital Facilities	-	0.51
	240.98	4.23

Note 28 : Depreciation and Amortization expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of Property Plant and Equipment	157.19	49.96
Depreciation of Investment Property	38.78	-
Amortization of Intangible Assets	34.01	26.90
	229.98	76.86

Note 29 : Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Electricity Charges	54.97	4.31
Rent	55.80	53.24
Rates and taxes	11.42	10.49
Insurance	13.41	5.75
Repair and maintenance		
- Building	23.21	-
- Others	63.95	14.97
Security Expenses	15.88	-
Sampling and Designing	0.79	-
Advertisement and Business Promotion	1.76	2.49
SAP expenses	73.06	52.64
Legal and Professional	57.21	93.48
Postage & Courier	5.73	2.52
Travelling and Conveyance	102.10	104.52
Communication costs	17.14	15.33
Printing & Stationery	6.62	6.79
Auditor's remuneration	24.73	23.09
Provision for doubtful debts	1.37	
Loss on sale of Assets	5.30	0.03
Miscellaneous expenses	30.33	29.58
Total	564.79	419.22

(All amounts in ₹ lakhs, unless otherwise stated)

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

Payment to auditors	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor:		
- Statutory audit fee	10.75	10.75
- Tax audit fee	2.25	2.25
- Other Services	11.73	7.08
- Service Tax	-	3.01
	24.73	23.09

c) Operating Lease

The company has one premises on non-cancellable operating leases. The lease is for five years after which it is at the sole discretion of the company to extend the lease term for five more years. Lease rentals amounting to ₹ 55.80 lakhs (March 31, 2017 : ₹ 53.24 lakhs), has been charged as expense under the head 'Rent' in the Statement of Profit & Loss.

Note 30 : Earnings per share (EPS)

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity holders	372.48	53.71
Weighted average number of equity shares for basic and diluted EPS	26,046,724	26,046,724
Basic and diluted earnings per share(in ₹) (face value ₹ 10 per share)	1.43	0.21

Note 31: Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

Statement of profit and loss:

	As at March 31, 2018	As at March 31, 2017
Tax Expense:		
a) Current tax	70.26	-
b) Mat Credit Entitlement	(70.26)	-
c) Deferred tax	61.14	24.63
Income tax expense reported in the statement of profit or loss	61.14	24.63

OCI section

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

	As at March 31, 2018	As at March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	3.79	(0.72)
Net amount charged to OCI	3.79	(0.72)

(All amounts in ₹ lakhs, unless otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017.

	As at March 31, 2018	As at March 31, 2017
Accounting profit before income tax	433.62	78.34
At India's statutory income tax rate of 15.45% (March 31, 2017: 30.90%)	66.99	24.20
Deferred Tax Impact due to change in tax rate	0.07	
Employee Benefit Expense	(3.79)	(0.23)
Bought Forward Business Loss	1.39	-
Interest due to shortfall in payment of Advance Tax	0.38	-
Others	(0.12)	(0.06)
At the effective income tax rate	64.92	23.91
Represented by		
- Tax Expenses	61.14	24.63
- Tax Component on other Comprehensive Income	3.79	(0.72)
	64.92	23.91

Note 32 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

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

	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's Contribution to Provident Fund/ Pension Fund	16.07	9.61
Employer's Contribution to Employee State Insurance	0.14	0.03
Total	16.21	9.64

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 asset/ Liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

ii) Compensated absences

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

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

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Change in benefit obligation						
1) Opening defined benefit obligation	39.40	37.36	21.17	17.72	9.83	12.43
2) Acquisition Adjustment	-	-	-	-	-	-
3) Add: Interest cost	2.90	2.75	1.69	1.42	0.76	0.96
4) Add: Current service cost	16.37	17.53	14.22	13.26	10.32	5.48
5) Add: Past Service cost	2.33	-	-	-	-	-
6) Less: Benefits paid	-	(8.42)	-	(6.28)	-	(1.09)
7) Add: Actuarial (gain) / loss	(13.75)	(1.82)	2.31	11.23	0.27	(0.06)
Present value of obligation as at the end of the year	47.27	47.41	39.40	37.36	21.17	17.72

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Cost for the year included under employee benefit						
Service Cost	18.71	17.53	14.22	13.26	10.32	5.48
Interest Cost	2.90	2.75	1.69	1.42	0.76	0.96
Remeasurement	-	(1.82)	-	11.23	0.27*	(0.06)
Net cost	21.61	18.47	15.92	25.91	11.08	6.39

* Transferred to OCI in Retained Earning as at 01 April 2016

e) Detail of Actuarial (Gain)/loss Recognised in OCI is as Follows:

Particulars	As at March 31, 2018	As at March 31, 2017
1) Amount recognised in OCI, Gain / (Loss) Beginning of year	(2.31)	-
2) Remeasurement Due to:		
Effect of Change in Financial Assumptions	1.52	(1.82)
Effect of Change in Demographic Assumption	12.23	(0.49)
Effect of Experience Adjustment	-	-
(Gain)/Loss on Curtailments/Settlements	-	-
Return on Plan Assets (Excluding Interest)	-	-
Changes in Asset Ceiling	-	-
Total amount recognised in OCI (Gain)/Loss, End of Year	13.75	(2.31)

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Economic assumptions						
1 Discount rate	7.71%	7.71%	7.37%	7.37%	8.00%	8.00%
2 Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Demographic assumptions						
1) Retirement Age (years)	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
2 Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Employee Turnover / Attrition Rate						
1) Ages up to 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2) Ages from 30-44	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
3) Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Present value of obligation	47.27	47.41	39.40	37.36	21.17	17.72
Less: Fair value of plan assets	-	-	-	-	-	-
Net (assets) / liability	47.27	47.41	39.40	37.36	21.17	17.72

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
A. Discount rate				
Effect on DBO due to 0.5% increase in Discount Rate	(2.31)	(2.22)	(1.62)	(0.55)
Effect on DBO due to 0.5% decrease in Discount Rate	2.49	2.39	1.74	0.57
B. Salary escalation rate				
Effect on DBO due to 0.5% increase in Salary Escalation Rate	2.16	2.43	1.76	0.56
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(2.11)	(2.28)	(1.66)	(0.54)

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 mortality and withdrawals are insignificant and hence ignored.

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

i) Risk (All amounts in ₹ lakhs, unless otherwise stated)

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

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
1 year	0.55	2.87	0.33	6.05
2 to 6 years	8.53	11.46	14.61	6.56
More than 6 years	38.19	33.08	24.46	24.75

Note 33 : Related Party Transactions

a) List of related parties

Name of Related Party	Nature of relationship
Multinational Textiles Group Limited	Wholly owned Subsidiary Company
Norwest Industries Limited - India Branch Office	Step Down Subsidiary Company
Parc Designs Private Limited	Associate Company
Digital Ecom Techno Private Limited	Enterprise over which KMP exercise Control and Significant Influence
Pearl Global Industries Limited	
Mrs. Payal Seth (Managing Director)	Key Managerial Personnel
Mr. Deepak Seth (Director)	
Mr. Pallak Seth (Director)	
Mr. Ashok Kumar Sanghi (Independent Director)	
Dr. Ashutosh Prabhudas Bhupatkar (Independent Director)	
Mr. Ashok Kumar Chhabra (Independent Director)	
Mr. Chandra Kishore Jha (Company Secretary Till upto September 29, 2016)	
Mr. Chandra Shekhar Reddy (Company Secretary From November 14, 2016 onwards)	
Mr. Omprakash Makam Suryanarayan Setty (Chief Financial Officer)	

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Multinational Textiles Group Limited	Subsidiary Company	Service Income	1,690.21	1,338.67
		Repayments of Advance	559.11	-
		Advance received for service to be rendered	2,136.03	1,880.81

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Interest Expenses	30.00	30.00
Parc Designs Private Limited	Associate Company	Investment in Equity Shares	32.76	-
Norwest Industries Limited - India Branch Office	Step Down Subsidiary Company	Rental Income	106.91	-
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives	Rental Income	21.53	-
Mrs. Payal Seth (under Special resolution and pursuant to Section 197 read with Schedule V of the Companies Act, 2013)	Key Managerial Personnel	Salary Paid	36.00	36.00
Mr. Ashok Kumar Sanghi	Key Managerial Personnel	Director Sitting Fees	3.30	3.00
Dr. Ashutosh Prabhudas Bhupatkar	Key Managerial Personnel	Director Sitting Fees	1.98	1.80
Mr. Ashok Kumar Chhabra	Key Managerial Personnel	Director Sitting Fees	2.64	3.00
Mr. Chandra Kishore Jha	Key Managerial Personnel	Salary Paid	-	4.26
Mr. Chandra Shekar Reddy	Key Managerial Personnel	Salary Paid	44.55	23.90
		Other Employee Benefits	6.20	3.68
Mr. Omprakash Makam Suryanarayana Setty	Key Managerial Personnel	Salary Paid	81.91	82.20
		Other Employee Benefits	17.03	16.51

Note: Figures are excluding service tax/GST wherever applicable.

c) Year end payable balances of related parties

Name of Related Party	Relationship	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Multinational Textile Group Limited	Subsidiary Company	733.90	866.89	319.76
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives.	313.46	320.27	313.54

d) Year end receivable balances of related parties

Name of Related Party	Relationship	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Norwest Industries Limited - India Branch Office	Enterprises owned or significantly influenced by KMP or their relatives.	0.99	-	-
Digital Ecom Techno Private Limited		2.89	-	-

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. Outstanding balances at the year-end are unsecured and carried interest rate, wherever applicable.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 34: Capital Management

For the purpose of Company's capital management, capital includes issued equity capital, Share Premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustment to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate. The Company monitors capital using a gearing ratio, which is net debt divided by total capital as under:

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Borrowings (Refer Note 18)	2,123.63	2,453.96	2,274.82
Trade Payables (Refer Note 21)	164.90	164.38	116.36
Other Payables (Refer Note 22)	764.24	900.06	340.21
Less: Cash and Cash Equivalents (Refer Note 14)	(25.11)	(333.44)	(45.35)
Net debt	3,392.98	3,549.09	2,897.57
Equity Share Capital (Refer Note 16)	2,604.67	2,604.67	2,604.67
Other Equity (Refer Note 17)	8,131.41	7,748.97	7,696.86
Total Capital	10,736.08	10,353.64	10,301.53
Capital and Net Debt	14,129.06	13,902.73	13,199.11
Gearing Ratio	24.01%	25.53%	21.95%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The above analysis indicates that the company has improved upon the financial leverage and has lower debt to service as on March 31, 2018.

Note 35 : Fair values Disclosure

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

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

a) Fair Value of Financial Assets:

Particular	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Financial assets measured at amortised cost						
Security Deposits	40.74	26.22	22.45	40.74	26.22	22.45
Deposits with original maturity of more than 12 months	1.25	1.25	1.25	1.25	1.25	1.25
Other Advances	0.41	-	3.00	0.41	-	3.00
Interest accrued but not due on Fixed Deposit	0.31	0.20	1.09	0.31	0.20	1.09
Trade Receivable	3.88	-	-	3.88	-	-
Cash and Cash Equivalents	25.11	333.44	45.35	25.11	333.44	45.35
Other Bank Balances	-	-	100.00	-	-	100.00
	71.69	361.12	173.15	71.69	361.12	173.15

b) Fair value of financial liabilities:

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Financial liabilities measured at amortised cost						
Borrowings	2,123.63	2,453.96	2,274.82	2,123.63	2,453.96	2,274.82
Trade Payables	164.90	164.38	116.36	164.90	164.38	116.36
Security Deposit Received	57.03	-	-	57.03	-	-
Interest Accrued and due on borrowings from related parties	13.46	20.27	13.54	13.46	20.27	13.54
Interest Accrued and due on borrowings from others	22.44	45.00	33.79	22.44	45.00	33.79
Interest Accrued but not due on borrowings from bank	1.20	0.20	0.06	1.20	0.20	0.06
Creditor for Capital Goods	179.93	228.28	128.94	179.93	228.28	128.94
	2,562.59	2,912.09	2,567.50	2,562.59	2,912.09	2,567.50

Note 36 : Fair Value hierarchy

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities. Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly. Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

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

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

	As At March 31, 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured at Amortised Cost				
Security Deposits	40.74	-	-	40.74
Deposits with original maturity of more than 12 months	1.25	-	-	1.25
Interest accrued but not due on Fixed Deposit	0.31	-	-	0.31
Other Advances	0.41	-	-	0.41
Trade Receivable	3.88	-	-	3.88
Cash and Cash Equivalents	25.11	-	-	25.11
Other Bank Balances	-	-	-	-
Total	71.69	-	-	71.69

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

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

(All amounts in ₹ lakhs, unless otherwise stated)

c) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

	As At March 31, 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at amortised cost				
Security Deposits	26.22	-	-	26.22
Deposits with original maturity of more than 12 months	1.25	-	-	1.25
Interest accrued but not due on Fixed Deposit	0.20	-	-	0.20
Cash and Cash Equivalents	333.44	-	-	333.44
Total	361.12	-	-	361.12

d) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2017:

	As At March 31, 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost				
Borrowings	2,453.96	-	-	2,453.96
Trade Payables	164.38	-	-	164.38
Interest Accrued but not due on borrowings from related parties	20.27	-	-	20.27
Interest Accrued but not due on borrowings from others	45.00	-	-	45.00
Creditor for Capital Goods	228.28	-	-	228.28
	2,911.89	-	-	2,911.89

e) Quantitative disclosures fair value measurement hierarchy for assets as at April 01, 2016:

	As At April 01, 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at amortised cost				
Security Deposits	22.45	-	-	22.45
Deposits with original maturity of more than 12 months	1.25	-	-	1.25
Interest accrued but not due on Fixed Deposit	1.09	-	-	1.09
Other Advances	3.00	-	-	3.00
Cash and Cash Equivalents	45.35	-	-	45.35
Other Bank Balances	100.00	-	-	100.00
Total	173.15	-	-	173.15

f) Quantitative disclosures fair value measurement hierarchy for liabilities as at April 01, 2016:

	As At April 01, 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost				
Borrowings	2,274.82	-	-	2,274.82
Trade Payables	116.36	-	-	116.36
Interest Accrued but not due on borrowings from related parties	13.54	-	-	13.54
Interest Accrued but not due on borrowings from others	33.79	-	-	33.79
Creditor for Capital Goods	128.94	-	-	128.94
	2,567.44	-	-	2,567.44

(All amounts in ₹ lakhs, unless otherwise stated)

Valuation technique used to determine fair value:

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

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

Note 37: Financial risk management objectives and policies

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

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

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 debt obligations with floating interest rates.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk.

	Increase or decrease in basis points	Effect on profit before tax
31-Mar-18		
INR	+50	(7.44)
INR	-50	7.44
31-Mar-17		
INR	+50	(7.82)
INR	-50	7.82

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

ii) Foreign currency risk

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

Particulars	Financial Year	Changes in USD rate	Effect on profit before tax
Advance from Customer	31-Mar-18	+5% -5%	(36.69) 36.69
Advance from Customer	31-Mar-17	+5% -5%	(43.34) 43.34

B. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

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:

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	Neither past due	Less than 30 days	30 to 90 days	90 to 180 days	More than 180 days
Trade Receivables as of April 01, 2016	-	-	-	-	-
Trade Receivables as of March 31, 2017	-	-	-	-	-
Trade Receivables as of March 31, 2018	-	3.88	-	-	-

C. Liquidity risk

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

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

As at March 31, 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
Borrowings	800.00	77.30	227.02	1,019.31	-
Trade Payables	-	150.06	14.84	-	-
Other Financial Liabilities	-	37.10	-	-	-
Creditor For Capital Goods	-	5.91	174.02	-	-
Total	800.00	270.37	415.88	1,019.31	-

As at March 31, 2017	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
Borrowings	800.00	78.73	235.85	1,339.39	-
Trade payables	-	105.80	58.58	-	-
Other Financial Liabilities	-	65.47	-	-	-
Creditor For Capital Goods	-	9.46	218.82	-	-
Total	800.00	259.46	513.25	1,339.39	-

As at April 01, 2016	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
Borrowings	800.00	1.43	140.58	1,257.91	75.00
Trade payables	-	116.36	-	-	-
Other Financial Liabilities	-	47.38	-	-	-
Creditor For Capital Goods	-	3.68	125.26	-	-
Total	800.00	168.84	265.85	1,257.91	75.00

Note 38: First time adoption of Ind AS

As stated in note 2 (a), the financial statements for the year ended March 31, 2018 would be the first annual financial statements prepared in accordance with Ind AS. For year up to and including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ended March 31, 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

(All amounts in ₹ lakhs, unless otherwise stated)

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Mandatory exceptions

i) Estimates

The estimates at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies, if any).

ii) De-recognition of financial assets:

The company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

iii) Classification and measurement of financial assets:

i. Financial Instruments:

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

b) Optional exemptions

i. Deemed Cost-Previous GAAP Carrying Amount: (PPE and Intangible Assets) :

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP (Indian GAAP) and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible Assets. Accordingly, the company has elected to measure all of its property, plant and equipment, capital work in progress and intangible assets at their previous GAAP carrying value as deemed cost.

ii. Leases :

Appendix C to Ind AS 17 requires the first-time adopter to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

iii. Investment in Subsidiary:

Ind AS 101 permits a first-time adopter to elect to continue Previous GAAP carrying value for its investments in equity instruments of Subsidiary. Accordingly, the Company has elected to apply the said exemption.

iv. Business combinations:

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree.

c) Reconciliation of Total Equity as at March 31, 2017 and April 01, 2016 :

Particular	Footnotes	March 31, 2017	April 01, 2016
Total Equity (Shareholder's Fund) as per Previous GAAP		10,350.81	10,300.20
Reversal of Lease Equilisation Reserve	ii	4.47	2.76
Prior period Expenses	iii	-	(0.56)
Impact of Fair Valuation of Security Deposits Paid	i	(0.33)	(0.14)
Impact of Balance Sheet Approach for measurement of Deferred Tax Liability	v	(1.31)	(0.72)
Total Adjustments		2.83	1.34
Total Equity (Shareholder's Fund) as per Ind AS		10,353.64	10,301.53

(All amounts in ₹ lakhs, unless otherwise stated)

d) Reconciliation of Total Comprehensive Income for the Year Ended March 31, 2017 :

Particular	Footnotes	March 31, 2017
Net Profit as per Previous GAAP		50.62
Reversal of Lease Equalisation Reserve	ii	1.71
Prior period Expenses	iii	0.56
Amortisation of Deferred Assets (Security Deposit)	i	(0.20)
Re-measurement impact of Retirement Benefits	iv	2.31
Impact of Balance Sheet Approach for measurement of Deferred Tax Liability	v	(1.30)
Total Adjustments		3.09
Net Profit as per Ind AS		53.71
Other Comprehensive Income (Net of Tax)		(1.60)
Total Comprehensive Income for the Year under Ind AS		52.11

e) Reconciliation of Statement of Cash Flow for the year ended 31st March, 2017

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net Cash flow from/(used in) operating activities	962.05	231.04	1,193.09
Net Cash flow from/(used in) investing activities	(848.33)	145.12	(703)
Net Cash flow from/(used in) financing activities	174.37	0.54	174.92
Net Increase/(Decrease) in cash and cash equivalents	288.09	-	664.79
Cash and Cash equivalents at the beginning of the period	45.35	-	45.35
Cash and Cash equivalents at the end of the period	333.44	-	710.15

f) Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and Statement of Profit & Loss for the year ended March 31, 2018:

i. Security Deposit

Under Previous GAAP, the security deposits paid for lease rent are shown at the transaction value whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as deferred asset and is amortized over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for lease rent.

ii. Lease Equalisation Reserve

Under Previous GAAP, operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Whereas under Ind AS, lease equalisation reserve is derecognised as operating lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

iii. Prior Period Expenses

Under previous GAAP, prior period items was required to be disclosed separately in the financial statements. However, as per Ind AS, Company is required to adjust material prior period errors retrospectively by restating the comparative amounts for the earliest prior period presented. Further, where the amount of prior period pertains to the period before the earliest prior period presented, opening balances of the earliest period presented are restated.

iv. Employee benefits

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and Loss. Under Ind AS, re-measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the books with a corresponding debit or credit to retained earnings through OCI.

v. Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings as a separate component in equity.

(All amounts in ₹ lakhs, unless otherwise stated)

vi. Other comprehensive income

Items of income and expense that are not recognised in profit and loss but are shown in 'other comprehensive income' includes re-measurements gain/(loss) of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. As a consequence, re-measurement gain/(loss) of defined benefit plans has been regrouped from employee benefit expense to other comprehensive income.

vii. Reclassification Adjustment

The company has reclassified previous year figures to conform to Ind AS Classification.

Note 39 : Segment Reporting

(a) Primary Segment Information:

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

- i) **Corporate Services** - The Company provides Corporate services for its overseas Subsidiaries. Corporate Service Income comprises of amounts billed for providing services such as Corporate Strategic/Management and support services rendered to inter-company affiliate(s) in accordance with terms of agreements entered into with them.
- ii) **Others-Renting of Properties** - Company has during the year completed the construction of immovable property situated at Udyog Vihar, Gurgaon. Two out of seven floors of the property has been let out, during the year, to the entities with in the same group. Service Income comprises amounts billed for leasing out the property and other support services rendered to entities, within the same group, in accordance with terms of agreements entered into with them. a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocated".

(b) Segment details are as below:

Particulars	Corporate Services		Others-Renting of Properties		Unallocated		Total	
	For the year ended		For the year ended		For the year ended		For the year ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Segment Revenue	1,690.21	1,338.67	129.20	-	-	-	1,819.41	1,338.67
Other income	39.59	5.26	2.59	1.84	644.00	2.11	686.18	9.21
Segment Result	143.96	141.89	(155.54)	(2.58)	-	(65.95)	(11.58)	73.36
Finance Cost	2.46	3.72	238.52	0.51	-	-	240.98	4.23
Deferred Tax	-	-	-	-	61.14	24.63	61.14	24.63
Profit for the year							372.48	53.71
Segment Assets	533.96	642.94	3,483.51	3,529.52	10,140.14	10,070.08	14,157.60	14,242.55
Segment Assets as a percentage of total assets of all segments	3.77	4.51	24.61	24.78	71.62	70.70	100.00	100.00
Segment Liabilities	889.48	1,031.27	2,411.09	2,747.71	120.93	109.92	3,421.50	3,888.91
Segment Liabilities as a percentage of total liabilities of all segments	26.00	26.52	70.47	70.66	3.53	2.83	100.00	100.00
Segment Capital Employed	(355.52)	(388.33)	1,072.42	781.81	10,019.20	9,960.16	10,736.10	10,353.64
Segment Capital Employed as a percentage of total capital employed of all segments	(3.31)	(3.75)	9.99	7.55	93.32	96.20	100.00	100.00

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

Reportable Segment	Amount of Revenue (in million)	Total No. of Customers
Corporate Services	1,690.21	1
Others - Renting of Properties	129.20	2

PDS Multinational Fashions Limited

Note 40 : Commitments and Contingencies

(All amounts in ₹ lakhs, unless otherwise stated)

a) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ Nil lakhs (March 31, 2017: ₹ 119.60 lakhs, April 1, 2016: ₹ 279.98 lakhs).

b) Contingent Liabilities

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Claims against company not acknowledged as debt:			
- On account of stamp duty on demerger	148.20	148.20	148.20
- On account of claim filed by supplier	126.66	114.66	102.66
Other money for which the Company is contingently liable:			
Disputed liability under Income Tax (Net of ₹ 50,379 paid under protest) (A.Y. 2014-15)	2.85	2.85	-
	277.72	265.72	250.86

- (i) Pending resolution of the respective proceedings, it is difficult for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.
- (ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 41 : Disclosure of movement in Provision during the year as per Ind AS- 37

Particulars	Balance as on March 31, 2017	Provided During the Year	Paid / Adjusted during the year	Other Comprehensive Income	Balance as on March 31, 2018
Compensated Absences	37.36	18.47	8.42	-	47.41
Gratuity	39.40	21.61	-	(13.75)	47.27
	76.76	40.08	8.42	(13.75)	94.68

Note 42: The Company has not spent any amount towards Corporate Social Responsibility during the financial year 2017-18. As certified by the Management and as per sub-section (1) of Section 135 of the Companies Act, 2013 read with Rule 3 of Companies (Corporate Social Responsibility Policy) Rules, 2014; the Company is not required to spend any amount towards CSR activities during the financial year 2017-18.

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 financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 44: Figures have been rounded off to the nearest ₹ lakhs except otherwise stated.

Note 45 : The financial statements of the Company for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 29, 2018.

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date: 29th May, 2018

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

(Payel Seth)

Managing Director

DIN : 00003035

(Omprakash M.S. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN : 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

Independent Auditor's Report

To The Members of PDS Multinational Fashions Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of **PDS Multinational Fashions Limited** ("the Holding Company") and its Subsidiary (collectively referred to as "the Group") which comprises the Consolidated Balance Sheet as at March 31, 2018, and 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 prepared based on the relevant records (hereinafter referred as 'the consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for preparation of these Consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and Statement of changes in Equity of the Group including its Subsidiaries in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with the companies (Indian accounting Standards) Rule 2015 as amended.

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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding Company as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit.

While conducting audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other Auditor in terms of their reports referred to in para of the "Other Matters" below, is sufficient and appropriate to provide a basis for our audit opinion on Consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, read with paras contained in Other Matters paragraphs below and based on consideration of the reports of other auditors of wholly owned foreign subsidiary on separate financial statements, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (financial position) of the Holding Company and its Subsidiary as at March 31, 2018 and their consolidated **Profit** (including other comprehensive income), its Consolidated cash flows and the changes in the equity for the year ended on that date.

Other Matters

We did not audit the financial statements of a wholly owned foreign subsidiary included in the consolidated financial results, whose consolidated financial results reflect total assets of ₹ 162,781.96 Lakhs as at March 31, 2018 and total revenue of ₹ 494,763.79 Lakhs for the year then ended. The financial statements of a wholly owned foreign subsidiary have been audited by other auditors, whose reports have been furnished to us and relied upon by us. We have relied on the audited and the converted financial statements. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the reports of other auditors. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by other auditors and independent expert.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- (a) *Except for the matters described in the Other Matters paragraphs above*, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) *Except for the matters described in the Other Matters paragraphs above*, in our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statement have been kept so far as it appears from our examination of those books and report of other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statement.
- (d) *Except for the possible effects of the matters as described in the Other Matters paragraphs above*, in our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Companies (Indian Accounting Standards) specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of statutory auditors of its Subsidiary company, which is a company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) As the subsidiary of the Holding Company is incorporated outside India and is not a company incorporated under Companies Act, 2013, report on internal financial controls over financial reporting and the operating effectiveness of such controls of its subsidiary is not required.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations which could impact its consolidated financial position in its financial statements *except for the cases which are disclosed under Note No. 44 "Commitments and Contingencies" in the consolidated financial statements.*
 - ii. The Company has made provisions in the consolidated financial statement as required under the applicable law, or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts. *Refer Note 39 to the Consolidated Financial Statements for the details.*
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date: 29th May, 2018

Consolidated Balance Sheet as at March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
I. Assets				
Non-Current Assets				
(a) Property, plant and equipment	4	8,399.98	2,433.27	4,056.87
(b) Capital work in progress	5	3,042.01	1,954.17	409.50
(c) Investment Property	6	14,176.95	13,831.07	12,692.32
(d) Intangible assets	7	4,742.85	4,749.11	4,650.17
(e) Intangible assets under development	8	4.53	-	-
(f) Financial assets				
(i) Investments	9	7,333.35	6,255.93	3,845.46
(ii) Others	10	121.97	103.85	71.85
(e) Deferred Tax Assets (Net)	24	29.39	19.66	454.99
(f) Non Current Tax Asset (Net)		-	-	-
(g) Other Non Current Assets	11	440.93	210.50	346.32
Total Non-Current Assets		38,291.97	29,557.56	26,527.48
Current Assets				
(a) Inventories	12	6,473.30	3,462.84	5,026.92
(b) Financial Assets				
(i) Investments	9	2,494.30	517.31	504.89
(ii) Trade Receivables	13	78,256.18	72,849.25	77,522.96
(iii) Cash and Cash Equivalents	14	11,155.85	13,461.16	6,845.69
(iv) Other Bank Balances	15	11,385.21	11,372.07	13,028.90
(v) Others	10	703.49	431.26	299.45
(b) Other Current Assets	11	17,244.61	12,085.26	14,698.56
Total Current Assets		127,712.96	114,179.15	117,927.37
Total Assets		166,004.92	143,736.72	144,454.85
II. Equity And Liabilities				
Equity				
(a) Equity Share Capital	16	2,604.67	2,604.67	2,604.67
(b) Other Equity	17	43,857.17	43,695.13	45,506.04
Equity Attributable to the Owners of the Parent		46,461.84	46,299.80	48,110.71
Non Controlling Interest(NCI)		7,922.72	7,690.04	6,392.95
		54,384.56	53,989.84	54,503.66
Liabilities				
Non- Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	6,046.53	3,806.48	1,331.92
(ii) Others	19	8.33	-	-
(b) Provisions	20	91.26	70.38	35.22
(c) Other Non-Current Liabilities	22	3.12	-	-
Total Non- Current Liabilities		6,149.24	3,876.86	1,367.14
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18	49,165.88	42,681.73	44,718.89
(ii) Trade Payables	21			
- Total outstanding dues to Micro and Small Enterprises		-	-	-
- Total outstanding dues to parties other than Micro and Small Enterprises		47,974.55	37,620.30	38,522.91
(iii) Others	19	217.02	293.75	176.32
(b) Other Current Liabilities	22	5,775.04	2,912.08	2,317.79
(c) Provisions	20	3.42	6.38	3.67
(d) Current Tax Liabilities (Net)	23	2,335.20	2,355.77	2,844.45
Total Current Liabilities		105,471.11	85,870.02	88,584.03
Total Equity and Liabilities		166,004.92	143,736.72	144,454.85
Summary of Significant Accounting Policies	3			

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date : 29th May, 2018

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

(Payel Seth)

Managing Director

DIN: 00003035

(Omprakash M.S. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN: 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

Consolidated Statement of Profit and Loss for the Year Ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from Operations	25	492,385.76	461,600.90
II Other Income	26	2,435.79	1,445.58
III Total Income (I+II)		494,821.54	463,046.48
IV Expenses			
(a) Purchases of Stock-in-Trade	27	406,396.37	388,407.31
(b) Cost of Material Consumed	28	19,834.14	12,158.58
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	29	(1,305.89)	(171.84)
(d) Employee Benefits Expense	30	30,638.27	25,995.36
(e) Finance Costs	31	2,172.75	1,309.16
(f) Depreciation and Amortization Expense	32	1,640.26	1,287.24
(g) Other Expenses	33	33,043.76	29,518.89
Total Expenses		492,419.67	458,504.70
V Profit/ (Loss) before Exceptional Items and Tax (III-IV)		2,401.87	4,541.79
VI Exceptional Items		-	-
VII Profit/ (Loss) Before Tax (V-VI)		2,401.87	4,541.79
VIII Tax expense:	35		
(a) Current Tax		256.98	115.65
(b) Deferred Tax		61.14	392.66
Total Tax Expense		318.12	508.31
IX Profit/(Loss) before share of Profit/(loss) of Associates & Joint Venture (VII-VIII)		2,083.76	4,033.47
Add: Share of Profit/(Loss) of Associates & Joint Venture		(130.48)	(187.0)
X Profit/(loss) for the year (IX-X)		1,953.28	3,846.44
XI Other Comprehensive Income			
(A) (i) Items that will not be reclassified subsequently to statement of profit and loss			
(a) Re-measurement gains/ (losses) on defined benefit plans		13.75	(2.31)
(ii) Income tax on items that will not be reclassified subsequently to statement of profit and loss		(3.79)	0.72
(B) (i) Items that will be reclassified subsequently to statement of profit and loss		-	-
Net Loss on cash flow hedges		(175.18)	(644.00)
Foreign Currency Translation Differences for foreign operations		(505.55)	(572.32)
Net Movement in exchange reserves		650.99	(918.67)
Net movement in available for sale investment reserves		(140.99)	(373.66)
Foreign Currency Translation Reserve - Current year transaction impact		76.69	115.29
(ii) Income tax on items that will be reclassified subsequently to statement of profit and loss		-	-
Other comprehensive income for the Year, Net of Tax		(84.08)	(2,394.94)
XII Total comprehensive income for the year, net of tax		1,869.20	1,451.51
Net Profit for the period attributable to			
- Owners of the Company		(784.25)	1,433.37
- Non Controlling Interest		2,737.53	2,413.08
		1,953.28	3,846.44
Total Comprehensive income for the year, net of tax			
- Owners of the Company		(906.83)	(604.32)
- Non Controlling Interest		2,776.02	2,055.82
		1,869.20	1,451.51
XIII Earnings per share: (Face value ₹ 10 per share)	34		
1) Basic (amount in ₹)		(3.01)	5.50
2) Diluted (amount in ₹)		(3.01)	5.50

Summary of Significant Accounting Policies 3

The accompanying notes form an integral part of these financial statements

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date : 29th May, 2018

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

(Payel Seth)

Managing Director

DIN: 00003035

(Omprakash M.S. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN: 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

Consolidated Statement of changes in equity for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity Share Capital		Items of other Comprehensive Income										Total Equity	
		Capital Reserve	Retained earnings	Foreign Currency Translation Reserve	Hedging Reserve	Investment Reserve- Available for Sale	Change in investment through other comprehensive income	Hedging Reserve	Re-measurement net defined benefit plans	Currency Translation Reserve	Total equity before Non Controlling Interest	Non-Controlling Interest	Total Equity
As at April 01, 2016													2,604.67
Changes during the year													-
As at March 31, 2017													2,604.67
Changes during the year													-
As at March 31, 2018													2,604.67
B. Other Equity													
		Capital Reserve	Retained earnings	Foreign Currency Translation Reserve	Hedging Reserve	Investment Reserve- Available for Sale	Change in investment through other comprehensive income	Hedging Reserve	Re-measurement net defined benefit plans	Currency Translation Reserve	Total equity before Non Controlling Interest	Non-Controlling Interest	Total Equity
Balance as at April 01, 2017		26,182.09	12,479.96	7,078.79	(14.90)	7.07	(317.61)	(546.74)	(1.77)	(1,171.74)	43,695.14	7,690.03	51,385.17
Net Income/ (Loss) for the year		-	(784.25)	-	-	-	-	-	-	-	(784.25)	2,737.53	1,953.28
Net Movement in available for sale investment reserve		-	-	-	-	-	(120.41)	-	-	-	(120.41)	(20.58)	(140.99)
Net Movement in exchange reserve		-	-	-	-	-	-	-	-	489.19	489.19	161.80	650.99
Foreign Currency Translation Differences on foreign operations		-	-	-	-	-	-	-	-	(429.10)	(429.10)	(76.46)	(505.55)
Net gain on cash flow hedges		-	-	-	-	-	-	(148.91)	-	-	(148.91)	(26.28)	(175.18)
Adjustment during the year		3.83	(166.98)	1,237.71	(3.65)	(2.05)	-	-	-	76.69	1,145.55	(1,049.55)	96.00
Remeasurement of Defined Benefit Plan		-	-	-	-	-	-	-	9.96	-	9.96	-	9.96
Total Comprehensive Income		26,185.91	11,528.73	8,316.50	(18.55)	5.02	(438.02)	(695.65)	8.19	(1,034.96)	43,857.17	9,416.50	53,273.67
Dividend		-	-	-	-	-	-	-	-	-	-	(1,493.78)	(1,493.78)
Dividend Distribution Tax		-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2018		26,185.91	11,528.73	8,316.50	(18.55)	5.02	(438.02)	(695.65)	8.19	(1,034.96)	43,857.17	7,922.72	51,779.89

(All amounts in ₹ lakhs, unless otherwise stated)

	Reserve & Surplus			Items of other Comprehensive Income				Total equity before Non Controlling Interest	Non-Controlling Interest	Total Equity
	Capital Reserve	Retained earnings	Foreign Currency Translation Reserve	Hedging Reserve	Investment Reserve- Available for Sale	Change in investment through other comprehensive income	Hedging Reserve	Re-measurement net defined benefit plans	Currency Translation Reserve	
Balance as at April 01, 2016	26,197.06	11,205.08	8,145.64	(38.13)	(3.59)	-	-	(0.18)	-	51,899.00
Net Income/ (Loss) for the year	-	1,433.37	-	-	-	-	-	-	-	3,846.44
Net Movement in available for sale investment reserve	-	-	-	-	-	(317.61)	-	-	-	(373.66)
Net Movement in exchange reserve	-	-	-	-	-	-	-	-	(774.92)	(918.67)
Foreign Currency Translation Differences on foreign operations	-	-	-	-	-	-	-	-	(512.12)	(572.32)
Net gain on cash flow hedges	-	-	-	-	-	-	(546.74)	-	-	(644.00)
Adjustment during the year	(14.97)	(158.67)	(1,066.85)	23.24	10.66	-	-	-	115.29	(1,222.84)
Remeasurement of Defined Benefit Plan	-	-	-	-	-	-	-	(159)	-	(159)
Total Comprehensive Income	26,182.09	12,479.78	7,078.79	(14.90)	7.07	(317.61)	(546.74)	(1.77)	(1,171.74)	52,012.37
Employee Stock Option Scheme	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	(627.21)
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	26,182.09	12,479.78	7,078.79	(14.90)	7.07	(317.61)	(546.74)	(1.77)	(1,171.74)	51,385.17

Summary of Significant Accounting Policies

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

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date : 29th May, 2018

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

(Payel Seth)

Managing Director

DIN: 00003035

(Omprakash M.S. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN: 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash Flows From Operating Activities		
Profit Before Tax	2,401.87	4,541.79
Adjustments for:		
Depreciation and amortization	1,640.26	1,287.24
Interest Paid	2,172.75	1,309.16
Provision for employee benefit	-	-
Loss/(Gain) on sale of fixed assets	5.31	18.93
Foreign Currency Translation Reserve	1,374.50	(2,238.59)
Interest Income	(179.96)	(242.25)
Lease Rent Received	(2.13)	(1.72)
Operating Profit Before Working Capital Changes	7,412.59	4,674.54
Movement In Working Capital:		
Increase/(Decrease) in Trade Payables & Other Current Liabilities	12,589.52	(1,500.39)
Increase/(Decrease) in Other Current Financial Liabilities	(76.73)	117.43
Increase/(Decrease) in Other Long Term Liabilities	12.85	(435.33)
Increase/(Decrease) in Other Non Current Financial Liabilities	8.33	-
Increase/(Decrease) in Provisions	17.92	37.87
(Increase)/Decrease in Trade Receivables	(5,406.93)	4,673.71
(Increase)/Decrease in Loans and advances	(18.12)	(32.00)
(Increase)/Decrease in Inventories	(3,010.44)	1,564.05
(Increase)/Decrease in Other Current Assets and other bank balances	(5,159.35)	2,613.30
(Increase)/Decrease in Other Current Financial Assets	(272.23)	(131.81)
(Increase)/Decrease in Other Non-Current Assets	(240.17)	571.15
Cash Generated From Operations	5,857.23	12,152.52
Direct Tax paid (Net of Refunds)	(30.31)	(53.34)
Net Cash Inflow From/(Used In) Operating Activities (A)	5,826.92	12,099.18
Cash Flows From Investing Activities		
Purchase of CWIP and Fixed Assets (Including investment property)	(8,745.88)	(3,995.87)
Foreign Exchange Adjustment	(355.27)	1,402.15
Sale of Fixed Assets	66.67	130.51
Investment In Bank Deposits	(13.15)	1,656.83
Repayment (to)/ from Minority interest	(2,504.85)	(1,115.99)
(Increase)/Decrease in Investments	(3,180.71)	(2,744.82)
Interest Income	179.96	242.25
Share in Profit/(Loss) of Associates & Joint Ventures	(130.48)	(187.03)
Net Cash From/ (Used In) Investing Activities (B)	(14,683.69)	(4,611.96)
Cash Flows From Financing Activities		
Increase/ (Decrease) in Long Term & Short Term Borrowings	8,724.20	437.40
Interest paid (Net)	(2,172.75)	(1,309.16)
Net cash inflow from/(used in) Financing Activities (C)	6,551.45	(871.75)
Net Increase (Decrease) In Cash And Cash Equivalents (A+B+C)	(2,305.32)	6,615.46
Opening Balance of Cash and Cash Equivalents	13,461.16	6,845.69
Total Cash And Cash Equivalent (Note No. 14)	11,155.85	13,461.16
Components Of Cash And Cash Equivalents		
Cash on hand	0.02	0.22
With banks - on current account and deposits with banks	11,155.83	13,460.94
Total Cash and Cash equivalent (Note No. 14)	11,155.85	13,461.16

Summary of Significant Accounting Policies

3

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

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date : 29th May, 2018

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

(Payel Seth)

Managing Director

DIN: 00003035

(Omprakash M.S. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN: 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

Notes to Consolidated financial statements for the year ended March 31, 2018

Note 1: Corporate Information

PDS Multinational Fashions Limited is a Public Limited Company (Hereinafter referred as 'the Company') domiciled in India and has its registered office at 758 & 759, 2nd Floor, 19th Main, HSR Layout, Sector-II, Bangalore -560102, Karnataka. The company along with its subsidiary (collectively referred to as "the Group"), is engaged in trading of garments, investment holding, design, development, marketing, sourcing and distribution of readymade garments of all kinds and other consumer products worldwide. The Company is also engaged in the business of holding, owning, leasing or licensing real estate. The Company has its primary listings on Bombay Stock Exchange and National Stock Exchange in India.

Note 2: Statement of Compliance

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

The financial statements up to the year ended March 31, 2017 were prepared in accordance with Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act ('Previous GAAP'). These are Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 42 for an explanation of the transition from previous GAAP to Ind AS.

Basis of Preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned.

The principal accounting policies are set out below.

The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs except otherwise stated.

Recent Accounting Pronouncement

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12 'Income Taxes', Ind AS 21, 'The effects of changes in foreign exchange rates and also introduced new revenue recognition standard Ind AS 115 'Revenue from contracts with customers'. These amendments rules are applicable to the Company from April 1, 2018.

Ind AS 115 'Revenue from Contracts with Customers' (Ind AS 115)

Ministry of Corporate Affairs ('MCA') has notified new standard for revenue recognition which overhauls the existing revenue recognition standards including Ind AS 18 - Revenue. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

- (i) Identification of the contracts with the customer
- (ii) Identification of the performance obligations in the contract
- (iii) Determination of the transaction price
- (iv) Allocation of transaction price to the performance obligations in the contract (as identified in step ii)
- (v) Recognition of revenue when performance obligation is satisfied.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch-up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The management is yet to assess the impact of this new standard on the Company's financial statements.

Amendment to Ind AS 12

The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Group is evaluating the requirements of the amendment and its impact on the financial statements.

Amendment to Ind AS 21

The amendment to Ind AS 21 requires the entities to consider exchange rate on the date of initial recognition of advance consideration (asset/liability) for recognising related expense/income on the settlement of said asset/liability. The Company is evaluating the requirements of the amendment and its impact on the financial statements.

In case of Multinational Textiles Group Limited

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after April 1, 2017 and have not been applied in preparing these financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

Effective for the financial year commencing January 1, 2018

IFRS 9 Financial Instruments

Standard available for optimal adoption

IFRS 10 and IAS 28

IFRS 9 Financial Instruments

On July 24, 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement. This standard will have an impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. The standard is effective for annual periods beginning on or after January 1, 2018 with retrospective application, early adoption is permitted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised.

The definition of a business is key to determining the extent of the gain to be recognised. The IASB has decided to defer the effective date for these amendments indefinitely. Adoption is still permitted.

IFRS 15 Revenue from contracts with customers

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

This new standard will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The application of the above adoption did not have significant impact on the Group's financial statements.

Principles of consolidation

The consolidated financial statements relate to the Group. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Wholly Owned Foreign Subsidiary and its Step Down Subsidiaries companies used in the consolidation are drawn up to the same reporting date as that of the group i.e. 31st March, 2018.
- (ii) The financial statements of the group and its subsidiary

companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra group balances, intra group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's standalone financial statements.
- (iv) Non-Controlling Interest in the Equity & Results of the entities that are controlled by the Company is shown as a separate item in the Consolidated Financial Statements.
- (v) The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the date on which the investment in the subsidiary companies where made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary group and such amounts are not set off between different entities.
- (vi) The Details of wholly-owned foreign subsidiary and its step down subsidiary companies that have been considered in the preparation of the consolidated financial statements are as under:

Name of the group	Date of Acquisition (DD.MM.YYYY)	Country of Incorporation	% of voting power held as at 31 st March, 2018	% of voting power held as at 31 st March, 2017	% of voting power held as at 1 st April, 2016
Multinational Textile Group Limited	13.05.2014	Mauritius	100.00%	100.00%	100.00%
(i) Multinational Textiles Group Limited holds the following subsidiaries:					
Global Textiles Group Limited	31.03.2006	Mauritius	100.00%	100.00%	100.00%
Norwest Industries Limited	31.05.2006	Hong Kong	85.00%	85.00%	85.00%
Zamira Fashions Limited	20.09.2007	Hong Kong	67.00%	67.00%	67.00%
PG Group Limited	13.05.2008	Hong Kong	51.00%	51.00%	51.00%
Simple Approach Limited	30.11.2008	Hong Kong	75.00%	75.00%	75.00%
Nor Delhi Manufacturing Limited	19.01.2009	Hong Kong	100.00%	100.00%	100.00%
Casa Forma Limited	01.01.2012	UK	100.00%	100.00%	100.00%
SACB Holdings Limited	24.03.2011	Mauritius	51.00%	51.00%	51.00%
PDS Asia Star Corporation Limited	24.10.2012	Hong Kong	60.00%	60.00%	60.00%
Techno Design HK Limited	02.11.2012	Hong Kong	55.00%	55.00%	55.00%
Poeticgem International Limited	27.09.2013	Hong Kong	83.00%	83.00%	83.00%
Multinational OSG Services Bangladesh Ltd	02.02.2014	Bangladesh	97.00%	97.00%	97.00%
Casa Forma London Limited	14.04.2016	UK	100.00%	100.00%	-
Progress Apparels Bangladesh Limited	12.07.2015	Bangladesh	-	99.99%	99.99%
Green Apparel Industries Limited	15.03.2016	Hong Kong	75.00%	75.00%	75.00%
Grupo Sourcing Limited	15.03.2016	Hong Kong	51.00%	51.00%	51.00%
MultiTech Ventures Limited	25.11.2015	Mauritius	100.00%	100.00%	100.00%
Techno Design GMBH	14.02.2014	Germany	55.00%	55.00%	55.00%
Progress Manufacturing Group Limited	17.07.2015	Hong Kong	100.00%	100.00%	100.00%
Sure Investments Limited	13.10.2016	Mauritius	100.00%	100.00%	-
Blueprint Design Limited	30.06.2016	Hong Kong	100.00%	100.00%	-

PDS Multinational Fashions Limited

Name of the group	Date of Acquisition (DD.MM.YYYY)	Country of Incorporation	% of voting power held as at 31 st March, 2018	% of voting power held as at 31 st March, 2017	% of voting power held as at 1 st April, 2016
(ii) Norwest Industries Ltd, holds the following subsidiaries:					
Nor Lanka Manufacturing Limited	22.10.2008	Hong Kong	100.00%	100.00%	100.00%
Nor India Manufacturing Co. Ltd., Hongkong	17.12.2010	Hong Kong	100.00%	100.00%	100.00%
Design Arc Europe Limited	04.11.2011	Hong Kong	70.00%	70.00%	70.00%
Rising Asia Star HongKong Kimited (Formerly Known as Techno Manufacturing Co. Ltd.)	03.01.2012	Hong Kong	100.00%	100.00%	100.00%
Spring Near East Manufacturing Co. Ltd.	17.12.2010	Hong Kong	65.00%	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%	100.00%
360 Notch Limited (Formerly known as PoeticGem Australia Ltd/ Gem Australia Manufacturing Company Ltd)	06.06.2012	Hong Kong	100.00%	100.00%	100.00%
Design Arc Asia Limited (Formerly Known as Nor France)	18.12.2012	Hong Kong	85.00%	85.00%	85.00%
Kleider Sourcing Hong Kong Limited	24.10.2013	Hong Kong	51.00%	51.00%	51.00%
Razamtazz Limited	23.03.2011	UK	100.00%	100.00%	100.00%
Twins Asia Limited	27.07.2015	Hong Kong	85.00%	85.00%	85.00%
JJ Star Industrial Limited	28.04.2015	Hong Kong	57.50%	57.50%	57.50%
Krayon Sourcing Limited	16.12.2014	Hong Kong	80.00%	80.00%	80.00%
Fareast Vogue Limited	26.07.2012	Hong Kong	60.00%	60.00%	60.00%
PDS Far-east Limited	23.08.2016	Hong Kong	100.00%	100.00%	-
Kindred Brands Limited (Formerly known as Norwest Fareast Limited)	23.08.2016	Hong Kong	60.00%	60.00%	-
Styleberry Limited	13.09.2016	Hong Kong	85.00%	85.00%	-
PDS Global Investments Limited	21.12.2016	Hong Kong	100.00%	100.00%	-
PDS Fareast USA Inc	11.07.2017	USA	100.00%	-	-
Smart Notch Industrial Limited	28.12.2017	Hong Kong	100.00%	-	-
Fabric and Trims Limited	28.12.2017	Hong Kong	100.00%	-	-
(iii) Design Arc Europe Limited holds the following subsidiary:					
Nor Europe SPA	17.11.2011	Spain	100.00%	100.00%	100.00%
(iv) Nor Lanka Manufacturing Co. Ltd. holds the following subsidiary:					
Nor Lanka Progress Private Limited	20.10.2015	Sri Lanka	100.00%	100.00%	100.00%
Nor Lanka Manufacturing colombo Limited	13.08.2012	Sri Lanka	100.00%	100.00%	100.00%
(v) Global Textiles Group Limited holds the following subsidiaries:					
Poeticgem Limited	30.03.2006	UK	100.00%	100.00%	100.00%
Poetic Brands Limited	15.01.2015	UK	100.00%	100.00%	100.00%
Design Arc UK Limited	21.10.2016	UK	85.00%	85.00%	0.00%
(vi) Poeticgem Limited holds the following subsidiaries:					
Pacific Logistics Limited	27.10.2003	UK	100.00%	100.00%	100.00%
FX Imports Company Limited	26.03.2008	UK	100.00%	100.00%	100.00%
Poetic Knitwear Limited	31.03.2009	UK	100.00%	100.00%	100.00%
(vii) PG Group Limited holds the following subsidiary:					
PG Home Group Limited	13.05.2008	Hong Kong	90.00%	90.00%	90.00%
PG Shanghai Manufacturing Co Limited	08.06.2012	China	100.00%	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%	100.00%

Name of the group	Date of Acquisition (DD.MM.YYYY)	Country of Incorporation	% of voting power held as at 31 st March, 2018	% of voting power held as at 31 st March, 2017	% of voting power held as at 1 st April, 2016
(ix) FX Imports Company Limited holds the following subsidiary:					
FX Import Hong Kong Limited	04.05.2009	Hong Kong	100.00%	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%	100.00%
(xi) Simple Approach Limited holds the following subsidiary:					
Simple Approach (Canada) Limited	02.05.2013	Canada	100.00%	100.00%	100.00%
(xii) Kleider Sourcing HongKong Limited holds the following subsidiary:					
Kleider Souricng Limited	10.08.2014	Bangladesh	99.97%	99.97%	99.97%
(xiii) Zamira Fashions Limited holds the following subsidiary:					
Zamira Denim Lab Limited	24.10.2014	Hong Kong	100.00%	100.00%	100.00%
Zamira Fashion Limited Zhongshan	26.06.2015	China	100.00%	100.00%	100.00%
(xiv) Grupo Sourcing Limited holds the following subsidiary:					
Grupo Sourcing Limited	02.05.2016	Bangladesh	99.98%	99.98%	-
(xv) Green Apparel Industries Limited holds the following subsidiary:					
Green Smart Shirts Limited	04.05.2016	Bangladesh	99.98%	99.98%	-
(xvi) Norwest Industries Limited holds the following Joint venture:					
Sourcing Solution Limited	12.03.2015	Hong Kong	50.00%	50.00%	50.00%
(xvii) Multitech Ventures Ltd holds the following Joint venture:					
Redwood Internet ventures Limited	09.12.2015	Hong Kong	50.00%	50.00%	50.00%
(xviii) Redwood Internet Ventures Limited holds the following subsidiary:					
Digital Internet Technologies Limited	25.02.2016	Hong Kong	100.00%	100.00%	100.00%
(xix) Digital Internet Technologies Limited holds the following subsidiary:					
Digital Ecom Techno Private Limited	17.06.2016	India	100.00%	100.00%	-
(xx) Fareast Vogue Limited holds the following Joint Venture:					
Sourcing East West	19.01.2018	HongKong	50.00%	-	-
(xxi) Progress Manufacturing Group Ltd holds the following Subsidiary:					
Progress Apparels Bangladesh Limited	12.07.2015	Bangladesh	99.99%	-	-

Note 3: Significant accounting policies

a) Significant accounting judgements, estimates and assumptions

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

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

Judgements:

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

Revenue recognition and presentation

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

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

When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

Useful lives of property, plant and equipment

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

Estimates and Assumptions:

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

the Company. Such changes are reflected in the assumptions when they occur.

i) Income taxes

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

In Case of Multinational Textile Group Limited

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.

ii) Contingencies

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

iii) Recoverability of deferred taxes

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

In Case of Multinational Textile Group Limited

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) 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. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

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.

Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31st March, 2018 was ₹ 4608.72 lakhs.

Foreign payables and foreign receivables

Certain foreign payables and foreign receivables are not translated at the rates prevailing on the balance sheet date, because in the directors' opinion the payables are covered by the forward exchange contracts and the receivables will be collected at the sterling amount in the consolidated financial statements. Any net overstatement or net understatement of foreign exchange differences is not considered to be material.

Impairment of property, plant and equipment

Items of property, plant and equipment are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the relevant cash-generating unit and a suitable discount rate is used in order to calculate the present value.

Impairment of trade and other receivables

The Group maintains an allowance for estimated loss arising from the inability of its customers to make the required payments. The Group makes its estimates based on the ageing of its trade and bills receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers was to deteriorate so that the actual impairment loss might be higher than expected, the Group would be required to revise the basis

of making the allowance and its future results would be affected.

b) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

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

All other assets are classified as non-current.

Liabilities:

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

c) Property, Plant and Equipment (PPE)

Property, plant and equipment and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset. In the case of Multinational Textile Group Limited and its Subsidiaries cost include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of fixed assets.

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 Group and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of the expected cost for the decommissioning of an asset 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.

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

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

When parts of an item of an asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

Depreciation is recognised on a straight line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased Assets are depreciated over the shorter of the lease term and their useful lives; it is reasonably certain that the Group will obtain the ownership by the end of the lease term

The estimated useful lives are as under:

Leasehold land and buildings	Lower of the lease term and 33.33%
Infrastructure	20%
Computer and equipment	10% - 33.33%
Fixtures, fittings and equipments	10% - 33.33%
Motor vehicles	14% - 33.33%
Plant & Machinery	20% - 25%

- Cost of Leasehold land is amortized over the period of lease.

d) Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Group are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life. Specialized softwares are amortized over a period of 5 years or license period whichever is earlier.

Transition to Ind AS

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed.

Where the recoverable amount of the cash generating unit is less than the carrying amount, a goodwill impairment loss is recognised.

f) Investment Property

(i) Recognition and measurement

Investment Property comprise of Freehold Land and

Building.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

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

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

(ii) Depreciation

Depreciation on Investment Property is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013.

In case of Multinational Textile Group Limited:-

Depreciation is calculated on the straight line basis to write off the cost of each investment property, which is shorter of 50 years and the terms of the lease.

g) Borrowing costs

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

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.

h) Foreign currencies

Functional and presentational currency

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

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

- Revenue is recognized when significant risk and rewards of ownership of goods are transferred to the buyer. Sales are shown net of sales return/rejection & trade discounts and include freight & insurance recovered from buyers as per terms of sales.
- Export Sales is recognized on the basis of date of Airway Bill/Bill of Lading/Forwarder Cargo receipt.
- Interest income is recognized on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of financial asset.
- Investment income is recognized as and when the right to receive the same is established.
- Handling Fee income is recognized in the period in which the services are rendered.
- Commission Income is recognized when the services are rendered.
- Dividend Income is recognized when the right to receive is established.
- Other Income is recognized on accrual basis.

j) Inventories

- i) Inventories of Traded Goods are valued at lower of cost and net realizable value. Cost includes purchase price, duties, non refundable taxes and all other costs incurred in bringing the inventories to their present location. Cost is calculated on First in First out (FIFO) method.
- ii) In case of foreign subsidiary work in progress includes an appropriate share of production overheads based on normal operating capacity. Net Realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

k) Leases

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

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

For arrangements entered into prior to the Ind AS transition date i.e. April 01, 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Finance lease

Finance leases are capitalised at the commencement of the lease at the lower of present value of minimum lease payments or inception date fair value of the leased property. Lease payments are apportioned between finance charges and reduction of the

lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

Operating lease

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

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

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

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined benefit plan

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

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

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

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if

applicable), is reflected immediately in Other Comprehensive Income in the Statement of Profit and Loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/losses, if any, are recognised immediately in the Statement of Profit and Loss.

- In case of foreign subsidiaries

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the projected unit credit method.

m) 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.

o) Investments

The investments are classified as follows:

Held for Trading : Trading securities are those (both debt & equity) that are bought and held principally for the purpose of selling them in near term, such securities are valued at fair value and gain/loss is recognized in the Statement of Profit & Loss.

Held to Maturity : Investment in debt & capital guard products are classified as held to maturity only if the company has the positive intent and ability to hold these securities to maturity, such securities are held at historical cost.

Available-for-sale financial assets: Available-for-sale financial assets are non-derivative financial investment in listed and unlisted equity & debt instruments that are designated as available for sale or are not classified in any of the other categories. Subsequent to initial recognition, available-for-sale

financial assets are measured at fair value, with gains or loss recognized as a separate component of equity as "Investment Revaluation Reserve" until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the Statement of Profit & Loss.

When the fair value of unlisted equity securities cannot be reliably measured because of significant variability in the range of fair value estimates or, where the probabilities of the various estimates within the range cannot be reasonably assessed, such securities are stated at cost less any impairment.

Fair value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date.

p) Financial instruments and Hedging

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

(i) Initial recognition and measurement

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

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

(ii) Classification and Subsequent measurement

(a) Financial Assets

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

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

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- **Financial Asset carried at amortised cost**

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

- **Financial Asset at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose

objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- **Financial Asset at fair value through profit and loss (FVTPL)**

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

- **Equity investment in Associates**

Investments representing equity interest in associates are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

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

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

(b) Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, security deposits received etc.

Subsequent measurement

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

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

Financial liabilities at Amortized cost

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. 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

In case of Foreign Subsidiaries: -

(d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Fair value hedges: A hedge of the exposure to changes in the fair value of recognized asset or liability or an unrecognized firm commitment (except for foreign risk); or identified portion of such asset, liability or firm commitment (except for foreign risk), or an identified portion of such asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss.

Cash flow hedges: A hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, and could affect profit or loss.

The effective portion of the gain or loss on the hedging instrument is recognized directly in the equity, while the ineffective portion is recognized in the Statement of Profit & Loss.

q) Impairment of financial assets

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

r) 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.

s) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

t) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the

amount are those that are enacted or substantively enacted, at the reporting date.

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

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

Deferred tax

Deferred tax 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 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.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company

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

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

u) Cash and cash equivalents

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

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

v) Earnings per share (EPS)

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

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

w) Segment Reporting

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

Note 4 : Property, Plant and Equipment

(All amounts in ₹ lakhs, unless otherwise stated)

The following table presents the reconciliation of changes in the carrying value of PPE and capital work-in-progress for the year ended March 31, 2018 and 2017

Particulars	Land- Freehold	Buildings	Furniture and Fixtures	Leasehold Improvement	Vehicles	Office Equipment	Electrical Installations & Equipment	Computers	Plant & Machinery	Total
Gross Carrying Value										
(At cost or Deemed Cost)										
Deemed Cost As at April 01, 2016 (Refer Note 'a' below)	(0.00)	4,031.81	5,997.29	43.88	735.81	55.71	51.02	35.07	934.97	11,885.55
Add: Additions made during the year	-	-	95.98	142.41	102.12	336.10	4.72	149.52	894.77	1,725.62
Less: Disposals/adjustments during the year	-	(5,080.29)	(30.10)	(0.50)	-	(5.85)	-	(51.16)	(5.08)	(5,172.98)
Add: Foreign exchange fluctuation	-	1,101.85	(3,792.00)	959.69	(26.80)	3,188.99	-	156.41	(196.95)	1,391.19
As at March 31, 2017	(0.00)	53.37	2,271.18	1,145.47	811.12	3,574.95	55.75	289.84	1,627.70	9,829.38
Add: Additions made during the year	740.90	580.32	1,367.81	133.35	9.53	728.64	743.46	682.44	2,754.26	7,740.71
Less: Disposals/adjustments during the year	-	(58.75)	(17.18)	-	37.38	1.18	-	14.64	136.25	113.52
Add: Foreign exchange fluctuation	2.99	(371.43)	(57.84)	(2.47)	(1.07)	(38.66)	-	29.97	200.10	(238.40)
As at March 31, 2018	743.89	203.52	3,563.98	1,276.35	856.96	4,266.11	799.21	1,016.88	4,718.31	17,445.20
Depreciation										
As at April 01, 2016	-	1,662.33	4,848.69	1.97	469.61	40.70	2.27	21.89	781.23	7,828.68
Add: Depreciation charge for the year	-	-	228.47	87.64	142.58	378.97	4.98	40.25	59.52	942.41
Less: Disposals/adjustments during the year	-	(1,655.99)	(19.06)	-	-	(1.16)	-	(47.46)	-	(1,723.67)
Add: Foreign exchange fluctuation	-	58.84	(3,134.20)	790.72	(18.66)	2,665.20	-	126.33	(139.54)	348.69
As at March 31, 2017	-	65.17	1,923.90	880.33	593.54	3,083.71	7.25	141.01	701.20	7,396.11
Add: Depreciation charge for the year	-	88.99	271.89	98.51	116.10	302.22	74.74	104.81	226.99	1,284.25
Less: Disposals/adjustments during the year	-	2.57	15.82	-	5.58	0.11	-	1.39	4.48	29.94
Add: Foreign exchange fluctuation	-	(2.18)	138.17	(3.58)	(5.36)	63.10	-	3.74	141.03	334.92
As at March 31, 2018	-	154.56	2,349.79	975.25	709.86	3,449.14	81.99	250.94	1,073.69	9,045.23
Net book value										
As at March 31, 2018	743.89	48.96	1,214.19	301.10	147.10	816.96	717.22	765.94	3,644.62	8,399.98
As at March 31, 2017	(0.00)	11.80	347.28	265.14	217.59	491.24	48.50	148.83	926.50	2,433.27
As at April 01, 2016	(0.00)	2,369.48	1,148.60	41.91	266.20	15.01	48.75	13.19	153.74	4,056.87

a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all property plant and Equipments as its deemed cost as at the date of transition.

b) **Deemed Cost of Property, Plant and Equipment - in case of Standalone Entity**

Particulars	Land- Freehold	Buildings	Furniture and Fixtures	Leasehold Improvement	Vehicles	Office Equipment	Electrical Installations & Equipment	Computers	Plant & Machinery	Total
Gross Block										
As at April 01, 2016	-	-	29.25	43.88	35.75	16.98	51.02	40.15	-	217.05
Accumulated Depreciation										
As at April 01, 2016	-	-	2.17	1.97	11.21	8.18	2.27	29.88	-	55.69
Net Block as at April 01, 2016	-	-	27.08	41.91	24.54	8.81	48.75	10.27	-	161.36

(All amounts in ₹ lakhs, unless otherwise stated)

Note 5 : Capital work in progress	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Capital work in progress	3,042.01	1,954.17	409.50
	3,042.01	1,954.17	409.50

- a) Capital Work in Progress includes interest on borrowing cost amounting to ₹ Nil lakhs (March 31, 2017 : ₹ 103.71 lakhs, April 1, 2016: ₹ 41.38 lakhs), related to borrowed funds in accordance with Indian Accounting Standard-23 "Borrowing Cost".
- b) The Company has elected Ind AS 101 exemption and continue with the carrying value for capital work in progress as its deemed cost as at the date of transition.

Note 6 : Investment Property	Freehold Land	Building	Total
I. Investment Property			
Gross Carrying Amount			
Deemed Cost As at April 01, 2016 (Refer Note 'a' below)	68.81	12,918.96	12,987.77
Add: Additions during the year	-	381.39	381.39
Add: Transfer/ Adjustment during the year	-	1,927.24	1,927.24
Less: Disposals / Adjustments during the year	-	-	-
Add: Foreign exchange fluctuation	-	(1,102.19)	(1,102.19)
Balance as at March 31, 2017	68.81	14,125.40	14,194.21
Add: Additions during the year	-	2,295.32	2,295.32
Less: Disposals / adjustments during the year	-	-	-
Add: Foreign exchange fluctuation	-	600.82	600.82
As at March 31, 2018	68.81	17,021.54	17,090.35
Amortisation			
Balance as at April 01, 2016	-	2,187.99	2,187.99
Add: Depreciation Charge for the year	-	291.39	291.39
Add: Transfer/ Adjustment during the year	-	211.84	211.84
Less: Disposals / Adjustments during the year	-	-	-
Add: Foreign exchange fluctuation	-	(58.84)	(58.84)
Balance as at March 31, 2017	-	2,632.38	2,632.38
Add: Depreciation Charge for the year	-	303.81	303.81
Less: On disposals / adjustments during the year	-	-	-
Add: Foreign exchange fluctuation	-	(22.78)	(22.78)
Balance as at March 31, 2018	-	2,913.41	2,913.41
II. Capital Work In Progress- Investment Property			
Deemed Cost As at April 01, 2016 (Refer Note 'a' below)	-	1,892.54	1,892.54
Add: Additions during the year	-	376.71	376.71
Balance as at March 31, 2017	-	2,269.25	2,269.25
Add: Additions during the year	-	7.13	7.13
Less: Adjustments during the year	-	2,276.37	2,276.37
Balance As at March 31, 2018	-	0.00	0.00
III. Investment Property			
As at March 31, 2018	68.81	14,108.14	14,176.95
As at March 31, 2017	68.81	13,762.26	13,831.07
As at April 01, 2016	68.81	12,623.51	12,692.32
a) Capital Work in Progress includes interest on borrowing cost amounting to ₹ Nil lakhs (March 31, 2017 : ₹ 365.63 lakhs, April 1, 2016: ₹ 200.67 lakhs), related to borrowed funds in accordance with Indian Accounting Standard-23 "Borrowing Cost".			
Fair Value			
As at March 31, 2018	2,980.00	21,122.55	24,102.55

Information regarding Income and Expenditure of Investment Property

(All amounts in ₹ lakhs, unless otherwise stated)

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Rental Income derived from Investment Property	437.46	314.95	228.99
Direct Operating Expenses	541.86	115.86	107.30
Profit arising from Investment Property before depreciation	(104.39)	199.09	121.69
Less: Depreciation	303.81	291.39	271.85
Profit arising from Investment Property	(408.20)	(92.30)	(150.16)

- b) The Investment Property consist of a property situated at Udyog Vihar, Gurugram, Haryana in India. The Management has determined that the investment property consists of two class of assets - Land and building - based on the nature, characteristics and risks of the property.
- c) The investment properties are one residential property in the United Kingdom and two industrial properties in Hong Kong. The investment properties consist of two classes of asset, i.e., residential and industrial, based on the nature, characteristics, risks of each property. The investment properties are measured initially at cost less accumulated depreciation and provision for any impairment in value.
- d) The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, demand, age of building and trend of fair market rent in the location of the property.
- e) The fair value is based on valuation performed by an accredited independent valuer. Fair valuation of Investment Property is based on Sales Comparable Method for land and Depreciated replacement cost method for built up structure. The fair value measurement is categorised in level 1 fair value hierarchy.
- f) At March 31, 2018, the investment properties in one of the Subsidiaries Norwest Industries Limited were pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries.

Note 7 : Intangible assets

The following Table present reconcialation of changes in the carrying value of goodwill, other intangible assets and intangible assets under development.

Particulars	Goodwill	Computer Software	Trade marks	Design and Developments	Total
Gross Carrying Amount					
Deemed Cost As at April 01, 2016 (Refer Note 'a' below)	4443.66	60.40	139.68	119.26	4,763.00
Add: Additions during the year	244.70	59.07	50.53	1.55	355.85
Less: Disposals / adjustments during the year	-	-	-	(122.56)	(122.56)
Add: Foreign exchange fluctuation	(93.13)	-	(4.80)	3.24	(94.69)
Balance as at March 31, 2017	4,595.22	119.48	185.41	1.50	4,901.61
Add: Additions during the year	-	34.52	0.99	-	35.51
Less: Disposals / adjustments during the year	15.74	-	(2.70)	-	13.04
Add: Foreign exchange fluctuation	(2.23)	-	0.17	0.00	(2.06)
Balance as at March 31, 2018	4,608.73	154.00	183.87	1.51	4,948.10
Amortisation					
Balance As at April 01, 2016	-	-	112.83	-	112.83
Add: Amortisation Charge for the year	-	26.82	14.28	1.20	42.30
Less: On disposals/adjustments during the year	-	-	-	-	-
Add: Foreign exchange fluctuation	-	-	(2.93)	0.30	(2.64)
Balance As at March 31, 2017	-	26.82	124.18	1.50	152.50
Add: Amortisation Charge for the year	-	33.83	18.37	-	52.20
Less: On disposals / adjustments during the year	-	-	-	-	-
Add: Foreign exchange fluctuation	-	-	0.55	0.00	0.55
Balance As at March 31, 2018	-	60.64	143.10	1.51	205.25
Net Carrying value					
Balance as at March 31, 2018	4,608.73	93.35	40.77	(0.00)	4,742.85
Balance as at March 31, 2017	4,595.22	92.66	61.23	(0.00)	4,749.11
Balance as at April 01, 2016	4,443.66	60.40	26.85	119.26	4,650.17

PDS Multinational Fashions Limited

a) Deemed Cost of Tangible Assets

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Goodwill	Computer Software	Trade marks	Design and Developments	Total
Gross Block	-	1,031.25	-	-	1,031.25
As at April 01, 2016					
Accumulaed Depreciation					
As at April 01, 2016	-	970.84	-	-	970.84
Net Block as at April 01, 2016	-	60.40	-	-	60.40

a) The Company has elected Ind AS 101 exemption and continue with the carrying value for all of intangibles as its deemed cost as at the date of transition.

Note 8 : Intangible Assets under development	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Intangible Assets Under Development	4.53	-	-
	<u>4.53</u>	<u>-</u>	<u>-</u>

Note 9 : Investments	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Fair Value through Other Comprehensive Income			
Investment in equity shares	868.85	801.34	819.76
Available For sale Investments	317.78	796.37	876.10
Investment in Bonds	2,563.85	1,970.04	2,149.60
Investment in Unit trusts	2,010.84	1,955.14	-
Investment in Associates	20.07	-	-
Investment in Joint Venture	1,551.96	733.04	-
Total (A)	7,333.35	6,255.93	3,845.46
Current			
Available For sale Investments	2,494.30	517.31	504.89
Total (B)	2,494.30	517.31	504.89
Total (A+B)	9,827.66	6,773.24	4,350.34

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
a) Breakup of investments is as follows:			
Non Current Investments			
Investment in unquoted equity shares			
GWD Enterprises (100 A Shares/ 25 B Shares of GBP 1 each)	520.37	518.77	530.69
Juhu Exchange Limited (200,000 Preference Shares of GBP 1 each)	208.78	208.14	212.92
Flying Jamon Limited (3,286 Preference Shares of GBP 1 each)	74.67	74.44	76.15
Laborvoices INC (579,264 Equity shares of USD 0.17 each)	65.04	-	-
Total (A)	868.85	801.34	819.76
Investment in bonds			
Held to Maturity Investments (Bonds)	2,563.85	1,970.04	2,149.60
Total (B)	2,563.85	1,970.04	2,149.60
Investment in Associate	20.07	-	-
Total (C)	20.07	-	-
Investment in Joint Venture	1,551.96	733.04	-
Total (D)	1,551.96	733.04	-

(All amounts in ₹ lakhs, unless otherwise stated)

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Investment Unit Trust			
Investment Unit Trust	2,010.84	1,955.14	-
Total (E)	2,010.84	1,955.14	-
Available for sale investments			
Available for sale investments	317.78	796.37	876.10
Total (F)	317.78	796.37	876.10
Total Non Current Investments (A+B+C+D+E+F)	7,333.35	6,255.93	3,845.46
Current Investments			
Available For sale Investments	2,494.30	517.31	504.89
Total Current Investments	2,494.30	517.31	504.89
Total Investment	9,827.66	6,773.24	4,350.34

Information about Investment in Joint Ventures

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Sourcing Solutions Limited, Hong Kong, Trading of Garments Products	50.00%	50.00%	-
Sourcing East West Limited, Hong Kong.	50.00%	50.00%	-
(a) Aggregate Book Value of Unquoted Investments	9,827.66	6,773.24	4,350.34

Note 10 : Other financial assets	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non-current			
Security Deposits (Unsecured, considered good)	120.76	102.72	70.80
Deposits with original maturity of more than 12 months(Refer to note 'a' below)	1.00	1.00	1.00
Interest accrued but not due on fixed deposits	0.21	0.13	0.05
Total (A)	121.97	103.85	71.85
Current			
Security Deposits (Unsecured, considered good)	703.15	430.94	298.16
Deposits with original maturity of more than 12 months(Refer to note 'a' below)	0.25	0.25	0.25
Interest accrued but not due on fixed deposits	0.09	0.07	1.04
Total (B)	703.49	431.26	299.45
Total (A+B)	825.46	535.11	371.30

- a) Fixed Deposits with a carrying amount of ₹ 1.25 lakhs (March 31, 2017: ₹ 1.25 lakhs, April 01, 2016 : ₹ 1.25 lakhs) are pledged with the Government Authorities.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 11 : Other Assets	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(Unsecured, considered good, unless otherwise stated)			
Non- Current			
Capital Advances	8.70	4.62	136.31
Less: Provision for Doubtful advance	(1.37)	-	-
	7.33	4.62	136.31
Prepaid Expenses	0.96	0.56	1.71
Deferred Payment asset	3.48	4.69	6.31
Balance with Government Authorities	0.50	6.11	-
Advances recoverable in cash or in Kind			
- From Others	118.86	-	3.00
- From Related Parties	309.81	194.52	198.99
Total (A)	440.93	210.50	346.32
Current			
Balance with Government Authorities	38.99	-	-
Prepaid Expenses	3,439.09	1,384.99	69.05
Deferred Payment asset	2.40	1.99	1.84
Advances to Employees	275.08	77.55	20.17
Advances recoverable in cash or in Kind			
- From Others	6,624.96	6,303.48	9,635.23
- From Related Parties	807.71	744.00	287.48
	11,188.23	8,512.01	10,013.76
Advances to Suppliers	6,068.36	3,585.23	4,696.78
Less: Provision for doubtful advances	(11.98)	(11.98)	(11.98)
Total (B)	17,244.61	12,085.26	14,698.56
Total (A+B)	17,685.54	12,295.76	15,044.88

Note 12 : Inventories	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
(As taken, valued & certified by management)			
Raw Materials	4,351.59	2,647.02	4,382.95
Work In Progress	397.61	-	-
Finished Goods	1,724.10	815.82	643.98
	6,473.30	3,462.84	5,026.92

Note 13 : Trade Receivables	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Unsecured, Considered Good	78,256.18	72,849.25	77,522.96
Unsecured, Considered Doubtful	42.04	42.04	42.04
	78,298.22	72,891.29	77,565.00
Less: Allowance for Bad and Doubtful Debts	42.04	42.04	42.04
	78,256.18	72,849.25	77,522.96

- a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
b) Trade receivables are generally on terms of not more than 60 days.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 14 : Cash and Cash Equivalents	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- Current account	11,155.83	13,460.94	6,845.66
- Cash on hand	0.02	0.22	0.03
	11,155.85	13,461.16	6,845.69

a) For the purpose of the statement of cash flow, cash and cash equivalents comprise of the following:

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Balances with banks:			
- Current account	11,155.83	13,460.94	6,845.66
- Cash on hand	0.02	0.22	0.03
	11,155.85	13,461.16	6,845.69

Note 15 : Other bank balance	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deposits with original maturity of more than 3 months but less than 12 months	11,385.21	11,372.07	13,028.90
	11,385.21	11,372.07	13,028.90

Note 16 : Share Capital	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Authorised Share Capital			
27,000,000 (March 31, 2017: 27,000,000, April 01, 2016 : 27,000,000) equity shares of ₹ 10 each*	2,700.00	2,700.00	2,700.00
	2,700.00	2,700.00	2,700.00
Issued, subscribed and paid up			
26,046,724 (March 31, 2017: 26,046,724 April 01, 2016 : 26,046,724) equity shares of ₹ 10 each*	2,604.67	2,604.67	2,604.67
	2,604.67	2,604.67	2,604.67

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

	No. of shares*	Amount
Balance as at April 1, 2016	26,046,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2017	26,046,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2018	26,046,724	2,604.67

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

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

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended March 31, 2018, the amount of per share dividend recognized as distributions to equity shareholders was ₹ Nil per share (March 31, 2017: ₹ Nil per share; March 31, 2016: ₹ Nil per share). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(All amounts in ₹ lakhs, unless otherwise stated)

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

	March 31, 2018		March 31, 2017		March 31, 2016	
	No of shares*	Holding %	No of shares*	Holding %	No of shares*	Holding %
Mrs. Payal Seth	13,875,242	53.27	13,875,242	53.27	13,875,242	53.27
Mr. Deepak Seth	3,155,734	12.12	1,853,398	7.12	1,853,398	7.12
Mr. Pallak Seth	278,838	1.07	1,581,174	6.07	1,581,174	6.07

* The Number of Shares are given in absolute numbers.

Note 17 : Other Equity	Amount
a) Capital Reserve	
Balance as at April 1, 2016	26,197.06
Add:- Addition during the year	-
Less:- Deletion / Utilise during the year	14.97
Balance as at March 31, 2017	26,182.09
Add:- Addition during the year	3.83
Less:- Deletion / Utilise during the year	-
Balance as at March 31, 2018	26,185.91
b) Retained Earnings	
Balance as at April 1, 2016	11,205.27
Add:- Profit for the year	1,433.37
Less: Adjustment during the year	81.32
Less: Exchange	77.35
Less: Transfer to General Reserve	-
Balance as at March 31, 2017	12,479.97
Add:- Profit for the year	(784.25)
Less: Adjustment during the year	1.01
Less: Exchange	165.96
Less: Transfer to General Reserve	-
Balance as at March 31, 2018	11,528.74
c) Foreign Currency Translation Reserve	
Balance as at April 1, 2016	8,145.63
Add:- Addition during the year	-
Less:- Deletion / Utilise during the year	1,066.85
Add/(Less): Other Comprehensive Income	(1,171.74)
Balance as at March 31, 2017	5,907.04
Capital Reserve on Consolidation	-
Balances at the begning of the reporting period	-
Add:- Addition during the year	1,237.71
Add/(Less): Other Comprehensive Income	136.78
Balance as at March 31, 2018	7,281.53
d) Hedging Reserve	
Balance as at April 1, 2016	(38.14)
Add:- Addition during the year	23.24
Add/(Less): Other Comprehensive Income	(546.74)
Balance as at March 31, 2017	(561.64)
Add:- Addition during the year	-
Less:- Deletion / Utilise during the year	3.65
Add/(Less): Other Comprehensive Income	(148.91)
Balance as at March 31, 2018	(714.20)

(All amounts in ₹ lakhs, unless otherwise stated)

Note 17 : Other Equity (Contd...)	Amount
e) Investment Reserve- Available for Sale	
Balance as at April 1, 2016	(3.59)
Add:- Addition during the year	10.66
Add/(Less): Other Comprehensive Income	(317.61)
Balance as at March 31, 2017	(310.55)
Add:- Addition during the year	-
Less:- Deletion / Utilise during the year	2.05
Add/(Less): Other Comprehensive Income	(120.41)
Balance as at March 31, 2018	(433.01)
f) Remeasurment of Defined Benefit Plan	
Balance as at April 1, 2016	(0.18)
Add:- Profit for the year-OCI	(1.59)
Balance as at March 31, 2017	(1.77)
Add:- Profit for the year-OCI	9.96
Balance as at March 31, 2018	8.19
Total Other Equity	
As at March 31, 2018	43,857.17
As at March 31, 2017	43,695.13
As at April 1, 2016	45,506.04

Nature and Purpose of Other Reserves

- a) Retained Earnings**
Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. (if any and as applicable)
All the profits made by the Company are transferred to retained earnings from statement of profit and loss.
- b) Foreign Currency Translation Reserve**
The Translation reserve comprises all foreign currency differences arising from the translation of the consolidated financial statements of foreign operations as well as from the translation of liabilities that hedge the Group's net investment in a foreign subsidiary.
- c) Hedging Reserve**
The Hedging Reserves comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.
- d) Available for sale Investment Reserve**
The reserve has been created on account of change in fair value of investment,
- e) Capital Reserve**
Capital Reserve was carried forward under the previous GAAP from the books of Demerged company at the time of Demerger.

Note 18 : Borrowings	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non Current			
Secured Loan			
- From Banks	5,027.23	2,467.09	-
- From Financial Institution	-	16.98	8.35
Unsecured Loan			
- From Bank	1,019.31	1,322.42	1,323.57
Total (A)	6,046.53	3,806.48	1,331.92

(All amounts in ₹ lakhs, unless otherwise stated)

Note 18 : Borrowings (Contd...)	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Current			
Secured Loan			
- From Banks	47,722.51	41,050.36	43,271.85
- From Financial Institution	1.76	13.41	5.94
Unsecured Loan			
- From Banks	302.56	301.15	136.96
- From Directors	330.65	381.42	234.23
- From Related Parties	300.00	300.00	300.00
- From Others	508.40	635.39	769.92
Total (B)	49,165.88	42,681.73	44,718.89
Total (A+B)	55,212.42	46,488.22	46,050.82

a) The nature of Security for Secured Loans are :

(i) Vehicle Loan

- Vehicle loan taken from BMW Financial Services is secured against hypothecation of respective vehicle. The applicable rate of interest ranges between 10 to 11 % per annum.
- Vehicle loan of ₹ 29 lakhs taken from the Kotak Mahindra Prime Limited, during the financial year 2016-17 was secured against hypothecation of respective vehicle. The applicable rate of interest ranges between 9% to 10% per annum. However in the current financial year ending March 31, 2018, the aforesaid loan has been foreclosed.

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

No. of Outstanding EMI as on March 31, 2018	3
Particulars	BMW Car Loan
Amount repayable in	Amount (₹)
FY 2018-19	1.76
FY 2019-20	-

b) In case of unsecured loans the terms of loan are: -

- Term Loan of ₹ 1,500 lakhs is guaranteed by Stand by Documentary Credit (SBDC) documents of Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 7 years with 1 year moratorium period and it is repayable in equal quarterly installments over the said tenor.
- Term Loan of ₹ 300 lakhs taken during the financial year 2016-17 is also guaranteed by Stand by Documentary Credit (SBDC) documents of Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 6 years and it is repayable in equal quarterly installments over the said tenor.
- Term Loan carries rate of interest ranging from 10.9% to 12%

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

No. of Outstanding Quarterly Installments as at March 31, 2018	16	19	19
Amount repayable in	Tranch- I	Tranch- II	Tranch- III
FY 2018-19	15,000,000	10,000,000	5,217,391
FY 2019-20	15,000,000	10,000,000	5,217,391
FY 2020-21	15,000,000	10,000,000	5,217,391
FY 2021-22	15,000,000	10,000,000	5,217,391
FY 2022-23	-	7,500,000	3,913,043

(c) In case of other Short Term Secured Loans the nature of Security are :-

For the loan taken by Norwest Industries Limited, the banking facilities are secured by way of pledge of Company's time deposit and marketable securities, bank guarantees aggregating ₹ 1,160.38 lakhs (March 31, 2017 : ₹ 1168.62 lakhs, March 31, 2016: ₹ 1197.33 lakhs) guarantees from its holding company, a fellow subsidiary, companys' insurance deposits, directors of the Group including a related party.

(All amounts in ₹ lakhs, unless otherwise stated)

Secured Mortgage loan taken by Norwest Industries Limited bears interest at 2% below the Hongkong and Shanghai Banking Corporation Limited's best lending rate and is repayable by 120 equal monthly instalments commencing on 30th September, 2007.

- d) The Bank Loan is secured by the Group's Investment Properties, interest bearing at 2% over LIBOR per annum and repayable on August 11, 2020.

iii) Simple Approach Limited, Zamira Fashion Limited, Peotigem International Limited, PDS Asia Star Corporation Limited, Green Apparel Limited and Progress Manufacturing HK.

The bank facilities were secured by corporate guarantee from its holding and fellow subsidiary companies, personal guarantee from promoter directors and certain properties of fellow subsidiary companies.

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

Note 19 : Other Financial Liabilities	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- current			
Security Deposit Received	8.33		
Total (A)	8.33	-	-
Current			
Creditors for Capital goods	179.93	228.28	128.94
Interest Accrued but not due on borrowings from related parties	22.44	20.27	13.54
Interest Accrued but not due on borrowings from others	13.46	45.00	33.79
Interest Accrued but not due on borrowings from bank	1.20	0.20	0.06
Total (B)	217.02	293.75	176.32
Total (A+B)	225.36	293.75	176.32

Note 20 : Provisions	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non- Current			
Provision for Employee Benefits			
Provision for Compensated Absences (Refer to note 36)	44.54	31.31	14.19
Provision for Gratuity (Refer to note 36)	46.72	39.07	21.03
Total (A)	91.26	70.38	35.22
Current			
Provision for Employee Benefits			
Provision for Compensated Absences (Refer to note 36)	2.87	6.05	3.53
Provision for gratuity (Refer to note 36)	0.55	0.33	0.14
Total (B)	3.42	6.38	3.67
Total (A+B)	94.68	76.76	38.89

Note 21 : Trade Payable	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
- Outstanding dues to Micro and Small Enterprises	-	-	-
- Others	47,974.55	37,620.30	38,522.91
	47,974.55	37,620.30	38,522.91

(All amounts in ₹ lakhs, unless otherwise stated)

Note 22 : Other Liabilities	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Non-Current			
Deferred Income	3.12	-	-
Total (A)	3.12	-	-
Current			
Deferred Income	0.97	-	-
Statutory dues	26.25	33.16	20.44
Other Payables	5,747.81	2,878.91	2,297.34
Total (B)	5,775.04	2,912.08	2,317.79
Total (A + B)	5,778.15	2,912.08	2,317.79

Note 23 : Liabilities for Current Tax (Net)	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Provision for Income Tax [Net of Advance Tax ₹ 43.86 lakhs (March 31, 2017 ₹ 0.01 lakhs; March 31, 2016 ₹ 0.25 lakhs)]	2,335.20	2,355.77	2,844.45
	2,335.20	2,355.77	2,844.45

	Balance sheet		
Note 24 : Deferred tax	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Deferred tax assets relates to the following:			
Provision for employee benefits	26.08	23.72	12.02
Provision for Doubtful Debts and Advances	15.26	16.69	16.69
Deferred Assets	2.71	2.17	2.56
Bought Forward Losses and unabsorbed Depreciation	0.00	4.91	18.74
Preliminary Expenses	1.56	3.50	5.24
Depreciation	16.21	11.83	380.57
Cashflow hedges	-	-	44.16
Others	0.03	0.79	0.79
MAT Credit	70.26		
	132.11	63.60	480.78
Deferred tax liability relates to the following:			
Property, plant and equipment	98.55	41.87	21.77
Others	4.17	2.06	4.01
	102.72	43.94	25.78
Total deferred tax assets/(liabilities) (Net)	29.39	19.66	454.99

	Statement of profit and loss	
Deferred tax expense/income:	As At March 31, 2018	As At March 31, 2017
Deferred tax assets relates to the following :		
Provision for employee benefits	2.36	11.70
Provision for Doubtful Debts and Advances	(1.43)	-
Deferred Assets	0.54	(0.39)
Bought Forward Losses and unabsorbed Depreciation	(4.91)	(13.83)
Preliminary Expenses	(1.94)	(1.75)
Depreciation		(368.75)
Cashflow hedges	-	
Others	(0.76)	-
MAT Credit		-
	(6.13)	(373.02)

(All amounts in ₹ lakhs, unless otherwise stated)

Deferred tax expense/income:	Statement of profit and loss	
	As At March 31, 2018	As At March 31, 2017
Deferred tax		
Deferred tax liability relates to the following :		
Property, plant and equipment	56.68	20.10
Borrowing (EIR)	2.10	(1.95)
	58.78	18.15
Net deferred tax charge	64.91	391.17
Recognised in statement of profit and loss	61.14	392.66
Recognised in other comprehensive income	3.79	(0.72)
The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.		

Note 25 : Revenue from operations	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products	486,654.80	455,713.62
Other operating revenues		
- Others	5,730.95	5,887.28
Revenue From Operations (Gross)	492,385.76	461,600.90

Note 26 : Other income	For the year ended March 31, 2018	For the year ended March 31, 2017
Rental Income	230.05	221.03
Interest Income		
- On Fixed deposits	107.09	120.55
- On bonds	1.94	1.83
- Others	70.94	119.88
Foreign Exchange Fluctuation (Net)	864.66	-
Unwinding of discount on deposits	2.13	1.72
Miscellaneous Income	1,158.98	980.58
	2,435.79	1,445.58

Note 27 : Purchase of Stock in Trade	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchases	406,396.37	388,407.31
	406,396.37	388,407.31

Note 28 : Cost of Raw Material Consumed	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	2,647.02	4,382.95
Add: Purchases	21,538.71	10,422.66
Less: inventory at the end of the year	4,351.59	2,647.02
	19,834.14	12,158.58

(All amounts in ₹ lakhs, unless otherwise stated)

Note 29 : Changes in Inventories of finished Goods Work in Progress and Stock in trade	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the beginning of the year		
- Finished goods	815.82	643.98
(A)	815.82	643.98
Inventories at the end of the year		
- Finished goods	1,724.10	815.82
- Work-in-progress	397.61	-
(B)	2,121.71	815.82
(Increase) / Decrease in Inventory (A-B)	(1,305.89)	(171.84)
Note 30 : Employee benefits expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages & Bonus	27,376.42	23,352.30
Contribution to Provident and Other fund	2,419.91	1,974.58
Gratuity Expense (Refer Note 36)	21.61	15.92
Compensated absences (Refer Note 36)	18.47	25.91
Staff Welfare Expenses	801.86	626.66
	30,638.27	25,995.36
Note 31 : Finance cost	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense		
- On Term loans	289.41	70.26
- On Loan from Related Party	80.00	-
- Delayed Payment of Advance Taxes	2.46	-
- On Vehicle loan	2.46	3.72
- On Others	188.80	6.87
- On Cash Credit & Working Capital Facilities	1,609.62	1,228.31
	2,172.75	1,309.2
Note 32 : Depreciation and amortization expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of Property Plant and Equipment	1,284.25	942.41
Depreciation of Investment Property	303.81	302.53
Amortization of Intangible assets	52.20	42.30
	1,640.26	1,287.24
Note 33 : Other expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Electricity Charges	249.66	73.29
Rent	2,305.94	1,864.52
Rates And Taxes	430.12	162.38
Repair and Maintenance	1,512.39	963.80
Legal & Professional	8,343.02	7,695.98
Travelling and Conveyance	4,226.85	3,626.98
Selling and Marketing	2,237.98	3,295.28
Postage & Courier	1,623.75	1,301.00
Payment To Auditors (Refer Note 'a' Below)	309.63	290.52
Commission and Brokerage	3,992.90	3,762.23
Provision for doubtful debts	29.45	181.91
Miscellaneous Expenses	7,782.05	6,488.03
Total	33,043.76	29,705.92

(All amounts in ₹ lakhs, unless otherwise stated)

Payment of Auditors	For the year ended March 31, 2018	For the year ended March 31, 2017
As auditor:		
- Statutory audit fee	295.66	282.77
- Tax audit fee	2.25	2.25
- Other Services	11.73	5.50
	309.63	290.52

Note 34 : Earnings per share (EPS)

Earnings 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 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.

	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity holders of the parent	(784.25)	1,433.37
Number of Equity Shares for Basic and Diluted EPS	26,046,724	26,046,724
Basic and diluted earnings per share (in ₹) (face value ₹ 10 per share)	(3.01)	5.50

Note 35: Income Tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

Statement of profit and loss:

	As at March 31, 2018	As at March 31, 2017
Tax Expense:		
a) Current tax	327.24	115.65
b) Mat Credit Entitlement	(70.26)	-
c) Deferred tax	61.14	392.66
Income tax expense reported in the statement of profit or loss	318.12	508.31

OCI section

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

	As at March 31, 2018	As at March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	3.79	(0.72)
Net amount charged to OCI	3.79	(0.72)

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2018 and March 31, 2017.

	As at March 31, 2018	As at March 31, 2017
Accounting profit before income tax	2,401.87	4,541.79
At Statutory income tax rate (Applicable Rate)	379.40	1,131.38
Effect of tax rates in foreign jurisdictions	95.80	79.08
Non-deductible expenses	523.45	539.60
Tax exempt income	(1,598.42)	(1,200.39)
Group relief surrendered	4.47	(21.60)
Deemed tax credit	(25.47)	(332.66)
Tax losses utilised	(11.30)	(24.69)
Current year losses for which no deferred tax asset recognised	(133.58)	168.57
Under/ (over) provided in prior years	(101.06)	(379.08)
Deferred Tax Impact due to change in tax rate	0.07	0.07
Employee Benefit Expense	(3.79)	(0.23)
Bought Forward Business Loss	1.39	-
Interest due to shortfall in payment of Advance Tax	0.38	-
Others	1,190.57	547.53
At the effective income tax rate	321.90	507.60

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017
Represented by		
- Tax Expenses	318.12	508.31
- Tax Component on other Comprehensive Income	3.79	(0.72)
	321.90	507.60

Note 36 : Gratuity and other post-employment benefit plans

a) Defined contribution plans

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

	For the year ended March 31, 2018	For the year ended March 31, 2018
Employer's Contribution to Provident Fund/ Pension Fund	16.07	9.61
Employer's Contribution to Employee State Insurance	0.14	0.03
Total	16.21	9.64

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. "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 build up the final obligation.

i) Gratuity scheme

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

ii) Compensated absences

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

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Change in benefit obligation						
1) Opening defined benefit obligation	39.40	37.36	21.17	17.72	9.83	12.43
2) Acquisition Adjustment	-	-	-	-	-	-
3) Add: Interest cost	2.90	2.75	1.69	1.42	0.76	0.96
4) Add: Current service cost	16.37	17.53	14.22	13.26	10.32	5.48
5) Add: Past Service cost	2.33	-	-	-	-	-
6) Less: Benefits paid	-	(8.42)	-	(6.28)	-	(1.09)
7) Add: Actuarial (gain) / loss	(13.75)	(1.82)	2.31	11.23	0.27	(0.06)
Present value of obligation as at the end of the year	47.27	47.41	39.40	37.36	21.17	17.72

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Cost for the year included under employee benefit						
Service Cost	18.71	17.53	14.22	13.26	10.32	5.48
Interest Cost	2.90	2.75	1.69	1.42	0.76	0.96
Remeasurement	-	(1.82)	-	11.23	0.27*	(0.06)
Net cost	21.61	18.47	15.92	25.91	11.08	6.39

*Transferred to OCI in Retained Earning as at April 1, 2016

e) Detail of Actuarial (Gain)/loss Recognised in OCI is as Follows:

Particular	As at March 31, 2018	As at March 31, 2017
1) Amount recognised in OCI, Gain / (Loss) Beginning of year	(2.31)	-
2) Remeasurement Due to:		
Effect of Change in Financial Assumptions	1.52	(1.82)
Effect of Change in Demographic Assumption	12.23	(0.49)
Total amount recognised in OCI (Gain)/Loss, End of Year	13.75	(2.31)

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Economic assumptions						
1) Discount rate	7.71%	7.71%	7.37%	7.37%	8.00%	8.00%
2) Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Demographic assumptions						
1) Retirement Age (years)	58 Years	58 Years	58 Years	58 Years	58 Years	58 Years
2) Mortality Rate	Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate		Indian Assured Lives Mortality (2006-08) (modified) ultimate	
Employee Turnover / Attrition Rate						
1) Ages up to 30 Years	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
2) Ages from 30-44	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
3) Above 44 years	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
Present value of obligation	47.27	47.41	39.40	37.36	21.17	17.72
Less: Fair value of plan assets	-	-	-	-	-	-
Net (assets) / liability	47.27	47.41	39.40	37.36	21.17	17.72

(All amounts in ₹ lakhs, unless otherwise stated)

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
A. Discount rate				
Effect on DBO due to 0.5% increase in Discount Rate	(2.31)	(2.22)	(1.62)	(0.55)
Effect on DBO due to 0.5% decrease in Discount Rate	2.49	2.39	1.74	0.57
B. Salary escalation rate				
Effect on DBO due to 0.5% increase in Salary Escalation Rate	2.16	2.43	1.76	0.56
Effect on DBO due to 0.5% decrease in Salary Escalation Rate	(2.11)	(2.28)	(1.66)	(0.54)

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 insignificant and hence ignored.

Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

i) Risk

Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations will 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, 2018		As at March 31, 2017	
	Gratuity (Unfunded)	Earned leave (Unfunded)	Gratuity (Unfunded)	Earned leave (Unfunded)
1 year	0.55	2.87	0.33	6.05
2 to 6 years	8.53	11.46	14.61	6.56
More than 6 years	38.19	33.08	24.46	24.75

Note 37 : Related party transactions

a) List of related parties

Name of Related Party	Nature of relationship
Digital Ecom Techno Private Limited	Enterprise over which KMP exercise Control and/or Significant Influence
Pallas Holdings Limited	
Transnational Textile Group Limited.	
Redwood Internet Ventures Limited	
JJ Star Industries Limited	
JSM Trading Limited	
Grupo Extremo SUR S.A.	
Frou Holdings Limited	
Norp Knit Industries Limited	
Pearl Global (HK) Limited	
Pearl Global Fareast Limited	
Pearl Global Industries Limited	

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Nature of relationship
Mrs. Payal Seth (Managing Director)	Key Managerial Personnel
Mr. Deepak Seth (Director)	
Mr. Pallak Seth (Director)	
Mr. Ashok Kumar Sanghi (Independent Director)	
Dr. Ashutosh Prabhudas Bhupatkar (Independent Director)	
Mr. Ashok Kumar Chhabra (Independent Director)	
Mr. Chandra Kishore Jha (Company Secretary Till upto September 29, 2016)	
Mr. Chandra Shekhar Reddy (Company Secretary From November 14, 2016 onwards)	
Mr. Omprakash Makam Suryanarayan Setty (Chief Financial Officer)	

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2018	For the Year ended March 31, 2017
JJ Star Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Advance Given	156.10	629.55
JJ Star Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Advance Recovered	631.49	-
Other Related Parties	Enterprises owned or significantly influenced by KMP or their relatives	Advance Given	900.30	237.13
Grupo Extremo SUR S.A.	Enterprises owned or significantly influenced by KMP or their relatives	Advance Recovered	765.10	220.03
Pearl Global (HK) Limited	Enterprises owned or significantly influenced by KMP or their relatives	SAP Fees Incurred	-	27.90
Pearl Global (HK) Limited	Enterprises owned or significantly influenced by KMP or their relatives	SAP Fees paid	-	62.01
Other Related Parties	Enterprises owned or significantly influenced by KMP or their relatives	Advance Recovered	332.50	112.54
Sourcing Solution Limited	Enterprises owned or significantly influenced by KMP or their relatives	Management Fees Accrued	21.00	-
Sourcing Solution Limited	Enterprises owned or significantly influenced by KMP or their relatives	Advance Given	318.69	-
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Advance Recovered	15.38	-
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Advance Given	-	9.73
JSM Trading Limited	Enterprises owned or significantly influenced by KMP or their relatives	Consultancy Fees Incurred	1,967.46	2,360.82
JSM Trading Limited	Enterprises owned or significantly influenced by KMP or their relatives	Consultancy Fees Paid	1,724.04	2,360.82

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	Nature of Transaction	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Interest Expenses	30.00	30.00
Parc Designs Private Limited	Associate Company	Investment	20.07	-
Digital Internet Technologies Limited	Enterprises owned or significantly influenced by KMP or their relatives	Amount Recovered	23.16	-
Digital Internet Technologies Limited	Enterprises owned or significantly influenced by KMP or their relatives	Advance Given	-	0.57
Digital Internet Technologies Limited	Enterprises owned or significantly influenced by KMP or their relatives	Management Fees Incurred	-	25.68
Redwood Internet Ventures Limited	Enterprises owned or significantly influenced by KMP or their relatives	Management Fees Incurred	7.54	-
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives	Rental Income	20.77	-
Mrs. Payal Seth (under Special resolution and pursuant to Section II of Part II of Schedule V of the Companies Act, 2013)	Key Managerial Personnel	Salary Paid	36.00	36.00
Mr. Ashok Kumar Sanghi	Key Managerial Personnel	Director Sitting Fees	3.30	3.00
Dr. Ashutosh Prabhudas Bhupatkar	Key Managerial Personnel	Director Sitting Fees	1.98	1.80
Mr. Ashok Kumar Chhabra	Key Managerial Personnel	Director Sitting Fees	2.64	3.00
Mr. Chandra Kishore Jha	Key Managerial Personnel	Salary Paid	-	4.26
Mr. Chandra Shekar Reddy	Key Managerial Personnel	Salary Paid	44.55	23.90
		Other Employee Benefits	6.20	3.68
Mr. Omprakash Makam Suryanarayan Setty	Key Managerial Personnel	Salary Paid	81.91	82.20
		Other Employee Benefits	17.03	16.51

Note: Figures are excluding service tax/GST wherever applicable.

c) Year end Receivable balances of related parties

Name of Related Party	Relationship	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Grupo Extremo SUR S.A.	Enterprises owned or significantly influenced by KMP or their relatives.		-	137.86
Frou Holding Limited	Enterprises owned or significantly influenced by KMP or their relatives.	309.27	308.32	315.41
Redwood Internet Ventures Limited	Enterprises owned or significantly influenced by KMP or their relatives.	481.30	-	-
Sourcing Solution Limited	Enterprises owned or significantly influenced by KMP or their relatives.	318.69	-	-

(All amounts in ₹ lakhs, unless otherwise stated)

Name of Related Party	Relationship	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
JJ Star Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives.	-	629.55	-
Other Related Parties	Enterprises owned or significantly influenced by KMP or their relatives.	1,611.20	708.71	482.42
Digital Internet Technologies Limited	Enterprises owned or significantly influenced by KMP or their relatives.	3.25	26.25	-
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives.	-	15.21	5.60

d) Year end Payable balances of related parties

Name of Related Party	Relationship	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
JJ Star Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives.	-	155.62	159.19
Sourcing Solution Limited	Enterprises owned or significantly influenced by KMP or their relatives.	21.00	-	-
Pearl Global (HK) Limited	Enterprises owned or significantly influenced by KMP or their relatives.	6.31	6.29	41.13
JSM Trading Limited	Enterprises owned or significantly influenced by KMP or their relatives	227.64	-	-
Other Related Parties	Enterprises owned or significantly influenced by KMP or their relatives.	100.99	432.16	326.96
Grupo Extremo SUR S.A.	Enterprises owned or significantly influenced by KMP or their relatives.	679.57	85.27	-
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives.	313.46	320.27	313.54

e) Other Transactions

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

f) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate, wherever applicable.

Note 38: Capital Management

For the purpose of Group's capital management, capital includes issued equity capital, Share Premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

(All amounts in ₹ lakhs, unless otherwise stated)

The Group manages its capital structure and makes adjustment to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate. The Group monitors capital using a gearing ratio, which is net debt divided by total capital as under:

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Borrowings (Refer to note 18)	55,212.42	46,488.22	46,050.82
Trade payables (Refer to note 21)	47,974.55	37,620.30	38,522.91
Other payables (Refer to note 22)	5,775.04	2,912.08	2,317.79
Less: Cash and Cash equivalents (Refer to note 14)	(11,155.85)	(13,461.16)	(6,845.69)
Net debt	97,806.15	73,559.43	80,045.82
Equity share capital (Refer to note 16)	2,604.67	2,604.67	2,604.67
Other equity (Refer to note 17)	43,857.17	43,695.13	45,506.04
Total Capital	46,461.84	46,299.80	48,110.71
Capital and net debt	144,267.99	119,859.24	128,156.54
Gearing ratio	67.79%	61.37%	62.46%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The above analysis indicates that the group has increased exposure of debt to service as on March 31, 2018.

The management of the Group's capital position is undertaken by the management team of the Group. The management team ensures that the Group is adequately capitalised to meet economic and regulatory requirements. Capital injections and repatriations are executed in a timely manner, working closely with the business and infrastructure groups. The management team meets on a regular basis and manages capital by taking into account key considerations which may include business developments, regulatory requirements, profitability and market movements such as foreign exchange and interest rate.

Note 39: Currency Derivative

- (i) One of the Sub-subsidiaries, Poeticgem Limited utilises currency derivatives to hedge significant future transactions and cash flows. The Sub-subsidiary is a party to a variety of foreign currency contracts and options in the management of its exchange rate exposures

Particulars	Asset	Liabilities	Asset	Liabilities	Asset	Liabilities
	2018	2018	2017	2017	2016	2016
	USD	USD	USD	USD	USD	USD
Forward Contract Exchange Fair Value*	-	14,245	-	3,923	-	7,440
		(Equivalent to ₹ 926,495)		(Equivalent to ₹ 254,367)		(Equivalent to ₹ 493,495)

The terms of the forward foreign exchange contracts have been negotiated to match the terms of the commitments referred below. The cash flow hedges of the expected future purchase were assessed to be highly effective and as at March 31, 2018, a recognised loss of ₹ (March 31, 2018 : ₹ 926,495, March 31, 2017 : ₹ 254,367, March 31, 2016: ₹ 493,495) was included in the hedging reserves in respect of these contracts. At the reporting date, the total notional amounts of outstanding forward foreign exchange contracts that the Sub-subsidiary has committed to are as below:

Particulars	As At March 31, 2018	As At March 31, 2017	As At March 31, 2016
	USD	USD	USD
Forward Contract Exchange Fair Value*	4,618,565	1,328,947	6,319,993
	(Equivalent to ₹ 300,391,468)	(Equivalent to ₹ 86,168,923)	(Equivalent to ₹ 419,205,136)

These commitments have been entered into to hedge against future payments to suppliers and receipts from customers in the ordinary course of business that will fall due in the year ending March 31 2017.

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) In case of Norwest Industries Limited, the foreign currency contracts:

One of the subsidiaries, Norwest Industries Limited, utilises Foreign Currency contracts:

Particulars	Asset	Liabilities	Asset	Liabilities	Asset	Liabilities
	2018	2018	2017	2017	2016	2016
	USD	USD	USD	USD	USD	USD
Forward Contract Exchange Fair Value*	95,548	263,471	158,017	53,074	58,351	461,870
	(Equivalent to ₹ 6,214,442)	(Equivalent to ₹ 17,136,154)	(Equivalent to ₹ 10,245,822)	(Equivalent to ₹ 3,441,318)	(Equivalent to ₹ 3,870,422)	(Equivalent to ₹ 30,635,837)

* The fair value of Forward Exchange Contract are in absolute numbers

(iii) Forward currency contracts – cash flow hedges

At 31 March 2018, the Subsidiary Norwest Industries Limited and its subsidiaries as a group held 72 forward currency contracts (March 31, 2017: 38) and they are designate 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 2018 and July 2018 were assessed to be highly effective and a (net losses of March 31, 2018 : ₹ 176.79 lakhs), (net gain March 31, 2017 : ₹ 296.10 lakhs), (March 31, 2016: a net loss of ₹ 9,020.01 lakhs) was included in the hedging reserve for the year.

Note 40 : Fair values Disclosure

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

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

a) Fair Value of Financial Assets:

Particulars	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Financial assets measured at fair value through other comprehensive income						
Investment in equity shares	868.85	801.34	819.76	868.85	801.34	819.76
Investment in Bonds	2,563.85	1,970.04	2,149.60	2,563.85	1,970.04	2,149.60
Investment in Unit trusts	2,010.84	1,955.14	-	2,010.84	1,955.14	-
Investment in Associate	20.07	-	-	20.07	-	-
Investment in Joint Venture	1,551.96	733.04	-	1,551.96	733.04	-
Available For sale Investments	2,812.08	1,313.67	1,380.99	2,812.08	1,313.67	1,380.99
	9,827.66	6,773.24	4,350.34	9,827.66	6,773.24	4,350.34
Financial assets measured at amortised cost						
Security deposits	823.91	533.66	368.96	823.91	533.66	368.96
Interest accrued on fixed deposits	0.31	0.20	1.09	0.31	0.20	1.09
Deposits with original maturity of more than 12 months	1.25	1.25	1.25	1.25	1.25	1.25
Trade receivable	78,256.18	72,849.25	77,522.96	78,256.18	72,849.25	77,522.96
Cash and cash equivalents	11,155.85	13,461.16	6,845.69	11,155.85	13,461.16	6,845.69
Other bank balances	11,385.21	11,372.07	13,028.90	11,385.21	11,372.07	13,028.90
	101,622.72	98,217.59	97,768.85	101,622.72	98,217.59	97,768.85

(All amounts in ₹ lakhs, unless otherwise stated)

b) Fair value of financial liabilities:

Particulars	Carrying values			Fair values		
	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Financial liabilities measured at amortised cost						
Borrowings	55,212.42	46,488.22	46,050.82	55,212.42	46,488.22	46,050.82
Trade payables	47,974.55	37,620.30	38,522.91	47,974.55	37,620.30	38,522.91
Interest accrued but not due on borrowings	37.10	65.27	47.32	37.10	65.27	47.32
Security Deposit Received	8.33	-	-	8.33	-	-
Creditors for capital expenditure	179.93	228.28	128.94	179.93	228.28	128.94
	103,412.32	84,402.08	84,749.99	103,412.32	84,402.08	84,749.99

c) Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings and in case of financial asset is the average market rate of similar credit rated instrument. The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair values of the interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the rate as at the end of the reporting period.
- Fair value for security deposits paid & received (other than perpetual security deposits) has been presented based on the discounting factor as at the reporting date.
- Fair value for all other non-current assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 41 : Fair Value hierarchy

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

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

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

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

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

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

	As At March 31, 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured At Fair Value Through Other Comprehensive Income				
Investment in equity shares	868.85	-	-	868.85
Available For sale Investments	2,812.08	-	-	2,812.08
Investment in Bonds	2,563.85	-	-	2,563.85
Investment in Associate	20.07	-	-	20.07
Investment in Joint Venture	1,551.96	-	-	1,551.96
Investment in Unit trusts	2,010.84	-	-	2,010.84
Total A	9,827.66	-	-	9,827.66

(All amounts in ₹ lakhs, unless otherwise stated)

	As At March 31, 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at amortised cost				
Security deposits	823.91	-	-	823.91
Interest accrued on fixed deposits	0.31	-	-	0.31
Deposits with original maturity of more than 12 months	1.25	-	-	1.25
Trade receivable	78,256.18	-	-	78,256.18
Cash and cash equivalents	11,155.85	-	-	11,155.85
Other bank balances	11,385.21	-	-	11,385.21
Total A	101,622.72	-	-	101,622.72
Total (A+B)	111,450.37	-	-	111,450.37

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

	As At March 31, 2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost				
Borrowings	55,212.42	-	-	55,212.42
Trade payables	47,974.55	-	-	47,974.55
Security Deposit Received	8.33	-	-	8.33
Interest accrued but not due on borrowings	37.10	-	-	37.10
Creditors for capital expenditure	179.93	-	-	179.93
	103,412.32	-	-	103,412.32

c) Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

	As At March 31, 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured At Fair Value Through Other Comprehensive Income				
Investment in equity shares	801.34	-	-	801.34
Available For sale Investments	1,313.67	-	-	1,313.67
Investment in Bonds	1,970.04	-	-	1,970.04
Investment in Associate	-	-	-	-
Investment in Joint Venture	733.04	-	-	733.04
Investment in Unit trusts	1,955.14	-	-	1,955.14
Total A	6,773.24	-	-	6,773.24
Financial assets measured at amortised cost				
Security deposits	533.66	-	-	533.66
Interest accrued on fixed deposits	0.20	-	-	0.20
Deposits with original maturity of more than 12 months	1.25	-	-	1.25
Trade receivable	72,849.25	-	-	72,849.25
Cash and cash equivalents	13,461.16	-	-	13,461.16
Other bank balances	11,372.07	-	-	11,372.07
Total B	98,217.59	-	-	98,217.59
Total (A+B)	104,990.83	-	-	104,990.83

(All amounts in ₹ lakhs, unless otherwise stated)

d) Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2017:

	As At March 31, 2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost				
Borrowings	46,488.22	-	-	46,488.22
Trade payables	37,620.30	-	-	37,620.30
Interest accrued but not due on borrowings	65.27	-	-	65.27
Creditors for capital expenditure	228.28	-	-	228.28
	84,402.08	-	-	84,402.08

e) Quantitative disclosures fair value measurement hierarchy for assets as at April 01, 2016:

	As At April 01, 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets Measured At Fair Value Through Other Comprehensive Income				
Investment in equity shares	819.76	-	-	819.76
Available For sale Investments	1,380.99	-	-	1,380.99
Investment in Bonds	2,149.60	-	-	2,149.60
Total A	4,350.34	-	-	4,350.34
Financial assets measured at amortised cost				
Security deposits	368.96	-	-	368.96
Interest accrued on fixed deposits	1.09	-	-	1.09
Deposits with original maturity of more than 12 months	1.25	-	-	1.25
Trade receivable	77,522.96	-	-	77,522.96
Cash and cash equivalents	6,845.69	-	-	6,845.69
Other bank balances	13,028.90	-	-	13,028.90
Total B	97,768.85	-	-	97,768.85
Total (A+B)	102,119.19	-	-	102,119.19

f) Quantitative disclosures fair value measurement hierarchy for liabilities as at April 01, 2016:

	As At April 01, 2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortised cost				
Borrowings	46,050.82	-	-	46,050.82
Trade payables	38,522.91	-	-	38,522.91
Interest accrued but not due on borrowings	47.32	-	-	47.32
Creditors for capital expenditure	128.94	-	-	128.94
	84,749.99	-	-	84,749.99

Valuation technique used to determine fair value:

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

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

(All amounts in ₹ lakhs, unless otherwise stated)

Note 42: Financial risk management objectives and policies

The Group principal financial liabilities comprise trade and other payables, borrowings, current maturity of borrowings, interest accrued and capital creditors. The main purpose of these financial liabilities is to finance the Group operations and to provide guarantees to support its operations. The Group principal financial assets includes, Security Deposits, Trade Receivables, Cash and Cash equivalents, Other Bank Balances. The Group is exposed to credit risk, liquidity risk and market risk. The Group senior level management of these risks and is supported by Treasury department that advises on the appropriate financial risk governance framework.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk borrowings, short term deposits and derivative financial instruments.

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. However the risk is very low due to negligible borrowings by the Group. The Group main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to interest rate risk.

	Increase or decrease in basis points	Effect on profit before tax
31-Mar-18		
INR	+50	(243.89)
INR	-50	243.89
31-Mar-17		
INR	+50	(220.04)
INR	-50	220.04

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

ii) Foreign currency risk

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

	Changes in USD rate	Effect on profit before tax
31-Mar-18	+10%	522.32
	-10%	(522.32)
31-Mar-17	+10%	1,286.56
	-10%	(1,286.56)

B. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. Credit risk arise from Cash and cash equivalents, deposit with banks, trade receivables and other financial assets measure at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control.

The Group also limits its exposure to credit risk by dealing only with counterparties that has a good credit rating and management does not expect counter party to fail to meet its obligations. In addition, in some areas companies also take credit risk insurance to mitigate any future losses.

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.

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Group's reputation.

(All amounts in ₹ lakhs, unless otherwise stated)

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

As at March 31, 2018	On demand	< 1 year	1 to 5 years	> 5 years
Borrowings	800.00	48,308.01	6,104.42	-
Trade payables	-	47,974.75	0.50	-
Other financial liabilities	-	37.10	-	-
Creditors for Capital Goods	-	32.24	147.68	-
Total	800.00	96,351.40	6,252.60	-

As at March 31, 2017	On demand	< 1 year	1 to 5 years	> 5 years
Borrowings	800.00	41,831.28	3,856.94	-
Trade payables	-	37,620.80	-	-
Other financial liabilities	-	65.47	-	-
Creditors for Capital Goods	-	228.28	-	-
Total	800.00	79,745.83	3,856.94	-

As at April 01, 2016	On demand	< 1 year	1 to 5 years	> 5 years
Borrowings	800.00	43,858.92	1,316.89	75.00
Trade payables	-	38,522.91	-	-
Other financial liabilities	-	47.38	-	-
Creditors for Capital Goods	-	128.94	-	-
Total	800.00	82,558.15	1,316.89	75.00

Note 43: First time adoption of Ind AS

As stated in note 2 (a), the financial statements for the year ended March 31, 2018 would be the first annual financial statements prepared in accordance with Ind AS. For year up to and including the year ended March 31, 2017, the Group has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013 and other relevant provisions of the Act ('previous GAAP').

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ended March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Group date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Mandatory exceptions

i) Estimates

The estimates at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies, if any).

ii) De-recognition of financial assets:

The Group has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

iii) Classification and measurement of financial assets:

i. Financial Instruments:

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Group to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

(All amounts in ₹ lakhs, unless otherwise stated)

b) Optional exemptions

i. Deemed Cost-Previous GAAP Carrying Amount (PPE and Intangible Assets) :

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP (Indian GAAP) and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment, capital work in progress and intangible assets at their previous GAAP carrying value as deemed cost.

ii. Leases :

Appendix C to Ind AS 17 requires the first-time adopter to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

iii. Business combinations:

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree.

c) Reconciliation of Total Equity as at March 31, 2017 and April 01, 2016 :

Particular	Footnotes	March 31, 2017	April 01, 2016
Total Equity (Shareholder's Fund) as per Previous GAAP		46,296.98	48,109.38
Reversal of Lease Equilisation Reserve	ii	4.47	2.76
Prior period Expense	iii	-	(0.56)
Impact of Fair Valuation of Security Deposits Paid	i	(0.34)	(0.14)
Impact of Balance Sheet Approach for measurement of Deferred Tax Liability	v	(1.31)	(0.72)
Total Adjustments		2.82	1.34
Total Equity (Shareholder's Fund) as per Ind AS		46,299.80	48,110.72

d) Reconciliation of Total Comprehensive Income for the Year Ended March 31, 2017 :

Particular	Footnotes	March 31, 2017
Net Profit as per Previous GAAP		3,843.35
Reversal of Lease Equalisation Reserve	ii	1.71
Prior period Expense	iii	0.56
Amortisation of Deferred Assets (Security Deposit)	i	(0.20)
Re-measurement impact of Retirement Benefits	iv	2.31
Impact of Balance Sheet Approach for measurement of Deferred Tax Liability	v	(1.30)
Total Adjustments		3.09
Net Profit as per Ind AS		3,846.44
Other Comprehensive Income (Net of Tax)		(2,394.94)
Total Comprehensive Income for the Year under Ind AS		1,451.51

e) Reconciliation of Statement of Cash Flow for the year ended March 31, 2018

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net Cash flow from/(used in) operating activities	11,391.32	707.86	12,099.18
Net Cash flow from/(used in) investing activities	(2,980.24)	(1,631.72)	(4,612)
Net Cash flow from/(used in) financing activities	(1,706.67)	834.91	(871.75)
Net Increase/(Decrease) in cash and cash equivalents	6,704.41	(88.95)	6,615.46
Cash and Cash equivalents at the beginning of the period	6,756.75	-	6,845.69
Cash and Cash equivalents at the end of the period	13,461.16	-	13,461.16

(All amounts in ₹ lakhs, unless otherwise stated)

f) Footnotes to the reconciliation of equity as at April 01, 2016 and March 31, 2017 and Statement of Profit & Loss for the year ended March 31, 2018:

i. Security Deposit

Under Previous GAAP, the security deposits paid for lease rent are shown at the transaction value whereas under Ind AS, the same are initially discounted and subsequently recorded at amortized cost at the end of every financial reporting period. Accordingly, the difference between the transaction and discounted value of the security deposits paid is recognized as deferred asset and is amortized over the period of the lease term. Further, interest is accreted on the present value of the security deposits paid for lease rent.

ii. Lease Equalisation Reserve

Under Previous GAAP, operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. Whereas under Ind AS, lease equalisation reserve is derecognised as operating lease payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

iii. Prior Period Expenses

Under previous GAAP, prior period items was required to be disclosed separately in the financial statements. However, as per Ind AS, Group is required to adjust material prior period errors retrospectively by restating the comparative amounts for the earliest prior period presented. Further, where the amount of prior period pertains to the period before the earliest prior period presented, opening balances of the earliest period presented are restated.

iv. Employee benefits

Both under Previous GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and Loss. Under Ind AS, re-measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the books with a corresponding debit or credit to retained earnings through OCI.

v. Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings as a separate component in equity.

vi. Other comprehensive income

Items of income and expense that are not recognised in profit and loss but are shown in 'other comprehensive income' includes re-measurements gain/(loss) of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. As a consequence, re-measurement gain/(loss) of defined benefit plans has been regrouped from employee benefit expense to other comprehensive income.

vii. Reclassification Adjustment

The company has reclassified previous year figures to conform to Ind AS Classification.

Note 44 : Commitments and Contingencies

a) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements, amounts to ₹ Nil lakhs (March 31, 2017: ₹ 119.60 lakhs, April 1, 2016: ₹ 279.98 lakhs).

b) Operating Lease

The Group has one premises on non-cancellable operating leases. The lease is for five years after which it is at the sole discretion of the company to extend the lease term for five more years. Lease rentals amounting to ₹ 55.80 lakhs (March 31, 2017 : ₹ 53.24 lakhs), has been charged as expense under the head 'Rent' in the Statement of Profit & Loss.

In case of Multinational Textile Group Limited and its subsidiaries;

Operating Lease Commitments

The subsidiaries Norwest industries and its subsidiaries, Simple Approach Limited, Zamira Fashion Limited, PG Group, Casa Forma Limited and PDS Asia Star Corporation Limited and Sub-subsidiaries Poeticgem Limited, Peoticgem International Limited, FX Import Company Limited and FX Import Hong Kong Limited had outstanding commitments for future minimum lease payments under its non-cancellable operating leases, which fall due as follows

(All amounts in ₹ lakhs, unless otherwise stated)

In case of Poeticgem Limited, Pacific Logistics Limited, Norwest Industries Limited and FX Imports Company Limited

Particulars	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Minimum lease payments under operating lease recognized in the consolidated statement of profit & loss for the year	283.91	249.18

The subsidiaries Norwest industries and its subsidiaries, Simple Approach Limited, Zamira Fashion Limited, PG Group, Casa Forma Limited and PDS Asia Star Corporation Limited and Sub-subsidiaries Poeticgem Limited, Poeticgem International Limited, FX Import Company Limited and FX Import Hong Kong Limited had outstanding commitments for future minimum lease payments under its non-cancellable operating leases, which fall due as follows:

	Land & Buildings	Others	Land & Buildings	Others
	As At March 31, 2018	As At March 31, 2018	As At March 31, 2017	As At March 31, 2017
Within one year	865.28	52.15	1,131.12	57.20
In the second to fifth years	730.38	15.94	820.31	56.82
More than 5 years	-	-	5.77	-
Total	1,595.66	68.10	1,957.21	114

Operating lease payments represent rent payable by the subsidiaries and sub-subsidiaries for its rented premises. Leases are negotiated for an average term of one to four years.

Norwest Industries Limited and its subsidiaries lease certain of its staff quarters and office properties under operating lease commitments. Leases for these properties are negotiated for terms ranging from "one to four" years.

Norwest Industries Limited and its subsidiaries leased part of its investment property under an operating lease commitments with the lease negotiated for a term of four years. At March 31, 2018, the Group and the Company had a total future minimum lease receivables of ₹ 18.28 lakhs (March 31, 2017: ₹ 27.93 lakhs) under a non-cancellable operating lease falling within a year.

b) Contingent Liabilities

	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Claims against company not acknowledged as debt*			
- On account of stamp duty on Demerger	148.20	148.20	148.20
- On account of claim filed by Supplier	126.66	114.66	102.66
Other money for which the Company is contingently liable*			
Disputed liability under Income Tax (Net of ₹ 50,379 paid under protest) (A.Y. 2014-15)	2.85	2.85	-
	277.72	265.72	250.86

- i) Pending resolution of the respective proceedings, it is difficult for the Group 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 Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.
- a) In case of Poeticgem Limited bankers, HSBC plc have given a guarantee to H M Revenue & Customs amounting to ₹ 455.93 lakhs (March 31, 2017 : ₹ 406.61 lakhs, March 31, 2016 : ₹ 476.51 lakhs) and to Royal Bank of Scotland PLC amounting to ₹ 33.68 lakhs (March 31, 2017 : ₹ 30.03 lakhs, March 31, 2016 : ₹ 35.20 lakhs) on behalf of the Sub-subsidiaries.
- b) Poeticgem Limited has extended an Unlimited Multilateral Guarantee to HSBC on behalf of its subsidiaries, Pacific Logistics Limited and FX Import Company Limited.
- c) The bank has a fixed and floating charge over the assets of Sub-subsidiary which is supported by a debenture.
- d) In case of Progress Apparels, Contingent Liability on account of various LC's opened by the bank in favour of supplier of raw materials, which were not yet received, as at March 31, 2018 was ₹ 472.22 lakhs and ₹ 2.15 lakhs on account of unconditional and continuous bank guarantees issued in favour of Commissioner, Custom House, Chittagong in relationship with exemption of import/custom duty towards import of capital machineries in AEPZ.

(All amounts in ₹ lakhs, unless otherwise stated)

- e) In case of Norwest Industries Limited, Guarantee given to banks in connection with facilities granted to subsidiaries and fellow subsidiaries and third parties ₹ 28,743.34 lakhs (March 31, 2017 : ₹ 45,545.50 lakhs, March 31, 2016 : ₹ 27,104.05 lakhs).
At March 31, 2018, the banking facilities guaranteed by Norwest Industries Limited to its fellow subsidiaries were utilised to the extent of approximately ₹ 35,161.72 lakhs (March 31, 2017 : ₹ 38,373.82 lakhs, March 31, 2016: ₹ 21,755.50 lakhs).
- f) In case of FX Import Company Limited, HSBC Bank PLC, has provided a guarantee to H M Revenue and Customs amounting to ₹ 136.78 lakhs (March 31, 2017 : ₹ 121.98 lakhs, March 31, 2016 : ₹ 142.95 lakhs). Under this guarantee the maximum liability as at March 31, 2017 is ₹ 136.78 lakhs (March 31, 2017 : ₹ 121.98 lakhs, March 31, 2016 : ₹ 142.95 lakhs). FX Import Company Limited has extended an Unlimited Multilateral Guarantee to HMRC on behalf of its Parent Company Poeticgem Limited and fellow subsidiaries Pacific Logistics Limited.
The bank has a fixed charge over the assets of FX Import Company Limited which is supported by a debenture.
- g) Pacific Logistics Limited has extended an Unlimited Multilateral Guarantee to HSBC on behalf of its parent company Poeticgem Limited and fellow subsidiaries FX Import Company Limited. The bank has a fixed and floating charge over the assets of Pacific Logistics Limited as security.
- h) In case of Simple Approach Limited, Poeticgem International Limited and Techno Design HK Limited - Contingent Liabilities related to Irrevocable letters of credit as at March 31, 2018 is ₹ 11,737.13 lakhs (March 31, 2017 : ₹ 17,432.33 lakhs, March 31, 2016 : ₹ 31,227.62 lakhs).

Note 45 : Segment Reporting

(a) Primary Segment Information:

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment eg Sourcing, Manufacturing and others), or in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business segments. The Group's primary format for segment reporting is based on business segments.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Other items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Group's headquarters) and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Management Identify the Operating Segments as per below mentioned details.

(b) Segment details are as below:

Particulars	Sourcing		Manufacturing		Others		Adjustment / Elimination		Total	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Segment Revenue	501,685.11	476,602.34	8,869.82	405.09	6,848.17	12,447.94	(25,017.34)	(27,854.49)	492,385.76	461,600.90
Segment Result	10,337.64	7,760.33	(5,262.02)	(1,053.87)	573.44	1,896.35	(1,074.44)	(2,751.87)	4,574.62	5,850.93
Finance Cost	-	-	-	-	-	-	-	-	(2,172.75)	(1,309.16)
Profit for the year	-	-	-	-	-	-	-	-	2,401.87	4,541.78
Segment Assets	128,474.91	116,988.47	15,829.72	2,759.43	21,700.28	23,988.84	-	-	166,004.91	143,736.73
Segment Assets as a percentage of total assets of all segments	77.39	81.39	9.54	1.92	13.07	16.69	-	-	100.00	100.00
Segment Liabilities	99,791.84	81,735.14	8,157.22	3,035.78	3,671.27	4,975.95	-	-	111,620.33	89,746.87
Segment Liabilities as a percentage of total liabilities of all segments	89.40	91.07	7.31	3.38	3.29	5.54	-	-	100.00	100.00
Segment Capital Employed	28,683.08	35,253.33	7,672.50	(276.36)	18,029.00	19,012.89	-	-	54,384.57	53,989.86
Segment Capital Employed as a percentage of total capital employed of all segments	52.74	65.30	14.11	(0.51)	33.15	35.22	-	-	100.00	100.00

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

Reportable Segment	Amount of Revenue (in million)	Total No. of Customers
Sourcing	138,459.71	2
Manufacturing	3,659.97	1

Note 46 : Disclosure of movement in Provision during the year as per Ind AS- 37

Particulars	Balance as on March 31, 2017	Provided During the Year	Paid / Adjusted during the year	Other Comprehensive Income	Balance as on March 31, 2018
Compensated Absences	37.36	18.47	8.42	-	47.41
Gratuity	39.40	21.61	-	13.75	47.27
	76.76	40.08	8.42	13.75	94.68

Note 47 : Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures.

Name of Enterprises	Net Assets i.e. total assets minus total liability and Minority Interest		Share in profit or loss		Share in other Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other Comprehensive Income	Amount
Parent						
PDS Multinational Fashions Limited	20%	10,736.08	19%	372.48	-11.85%	9.96
Foreign Subsidiary						
Multinational Textile Group Limited	80%	43,648.47	88%	1,711.28	111.85%	(94.04)
Associate						
Parc Design Private Limited	-	-	-1%	(12.69)	-	-
Joint Venture						
Sourcing Solution Limited	-	-	-6%	(117.79)	-	-
Total	100%	54,384.56	100%	1,953.28	100%	(84.08)

Note 48: Figures have been rounded off to the nearest Lakhs except otherwise stated.

Note 49: The financial statements of the Group for the year ended March 31, 2018 were approved by the Board of Directors and authorised for issue on May 29, 2018.

As per our Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

Place of Signature: Gurugram

Date : 29th May, 2018

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

(Payel Seth)

Managing Director

DIN: 00003035

(Omprakash M.S. Setty)

Chief Financial Officer

(Deepak Seth)

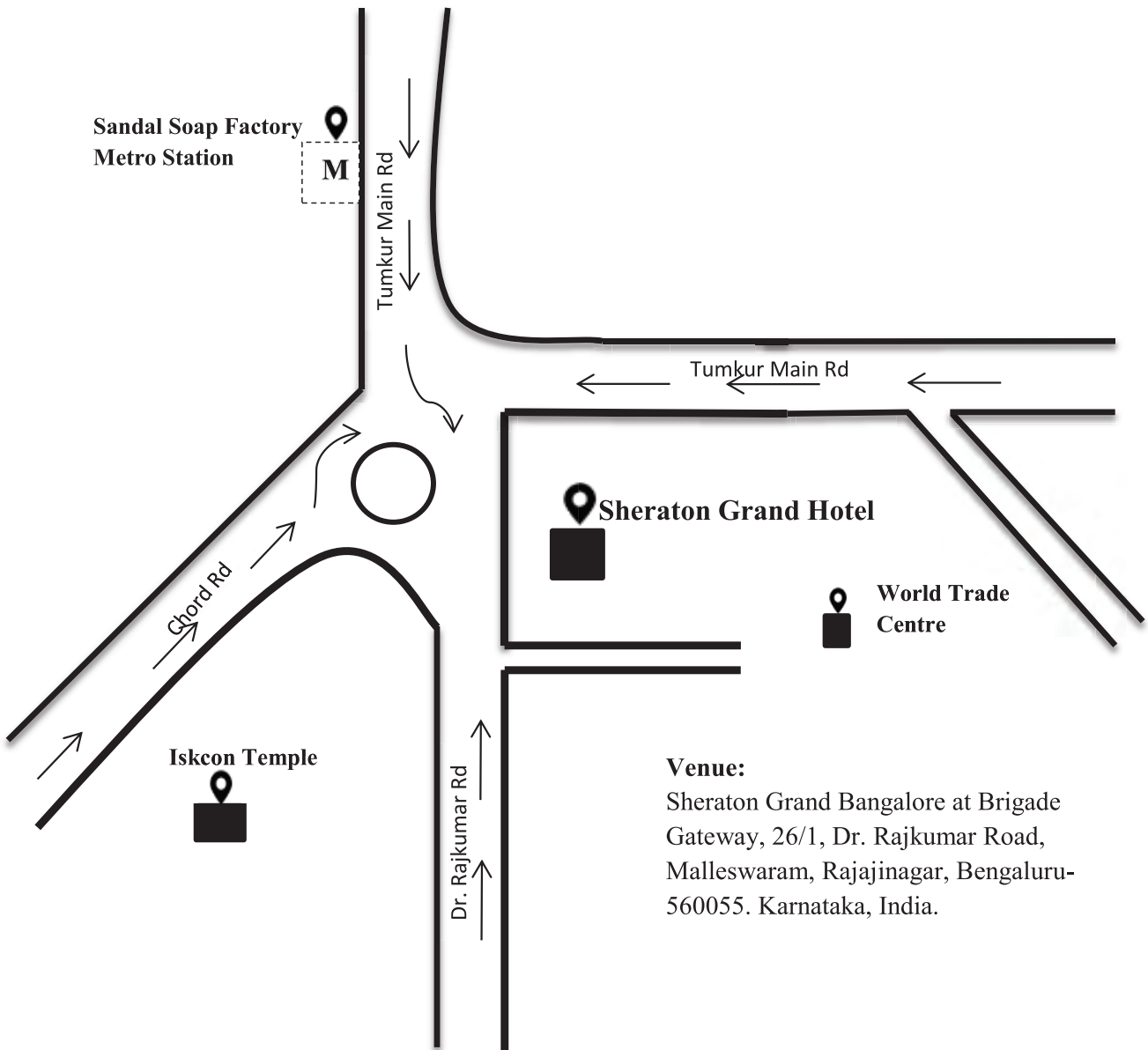
Director

DIN: 00003021

(B. Chandra Sekhara Reddy)

Company Secretary

Route Map



PDS MULTINATIONAL FASHIONS LIMITED

CIN: L18101KA2011PLC094125

Registered Office: No. 758 & 759, 2nd Floor, 19th Main, HSR Layout,

Sector-II, Bengaluru-560102, Karnataka, India

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

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No./DP ID & Client ID :

I/We, being the member(s) of.....equity shares of ₹ 10/- each of the Company, hereby appoint

I. Name:.....Address:

Email ID :Signature:or failing him/her

II. Name:.....Address:

Email ID :Signature:or failing him/her

III. Name:.....Address:

Email ID :Signature:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the Company, to be held on Friday, 21st September, 2018 at 11:30 A.M. at Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram, Rajajinagar, Bengaluru - 560055, Karnataka, India and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution Number	Description	No of Shares held by me	Optional*	
			I assent to the resolution (For)	I dissent from the resolution (Against)
Ordinary Business:				
1.	To receive, consider and adopt the Audited Financial Statement of the Company prepared as per Indian Accounting Standard ("Ind-AS") on Standalone and Consolidated basis, for the financial year ended 31 st March, 2018 including the Balance Sheet as at 31 st March, 2018, the Statement of Profit & Loss for the financial year ended on that date, and the Reports of the Auditors and Directors thereon.			
2.	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:				
3.	To approve the payment of remuneration to Mrs. Payel Seth, Managing Director of the Company for the period from 1 st April, 2018 to 31 st October, 2018.			
4.	To re-appoint Dr. Ashutosh Prabhudas Bhupatkar (DIN: 00479727) as an Independent Director.			
5.	To re-appoint Mr. Ashok Kumar Chhabra (DIN: 06869497) as an Independent Director.			
6.	To re-appoint Mr. Ashok Kumar Sanghi (DIN: 00011207) as an Independent Director			
7.	To authorise Company to charge for service of documents through particular mode as requested by members of the Company under Section 20 of the Companies Act, 2013.			
8.	To increase ceiling limit of investment by NRI/OCI from 10% to 24% under FEMA.			

Signed this.....day of.....2018

Signature of the Shareholder(s) :

Affix
Revenue
Stamp

.....
(Signature of 1st Proxy holder)

.....
(Signature of 2nd Proxy holder)

.....
(Signature of 3rd Proxy holder)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the Commencement of the Meeting.
2. *It is optional to put "X" in the appropriate column blank against any or all resolutions indicated in the Box. If you leave the 'For' or 'Against' for any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. A proxy need not be a member of the Company. Pursuant to the provisions of section 105 of the Companies Act, 2013 read with the Companies (Management and Administration Rules), 2014, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In the case of joint-holders, the signature of any one holder will be sufficient, but names of all the joint-holders should be stated.



PDS
MULTINATIONAL
"Global Fashion Manufacturing & Sourcing"

PDS Multinational Fashions Limited

Registered Office:

No. 758 & 759, 2nd Floor, 19th Main,
HSR Layout, Sector-II, Bengaluru - 560102, Karnataka
CIN : L18101KA2011PLC094125
Website: www.pdsmultinational.com