





**FORM A**

(Refer: Clause 31(a) of Listing Agreement)

1.	Name of the Company	PDS Multinational Fashions Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NIL
5.	Signed by:	
	 (Payel Seth) Managing Director	 (Omprakash Makam) CFO
	For S.R. Dinodia & Co. LLP Chartered Accountants  (Sandeep Dinodia) Partner	
	 (Ashutosh Prabhudas Bhupatkar) Director (Audit Committee Chairman)	



Revenue in excess of USD 625 million

Presence in 18 Countries

31 Sales, Marketing, Design &  
Sourcing Offices



PDS MULTINATIONAL FASHIONS LIMITED

ANNUAL REPORT  
2014-2015



## 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

### Group Chief Financial Officer

Mr. Omprakash Makam S. Setty

### Company Secretary

Mr. Chandra Kishore Jha

### Audit Committee

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

A-3, Community Centre,  
Naraina Industrial Area, Phase-II  
New Delhi-110028

### Bankers

Axis Bank  
HSBC Bank

### Corporate Office:

No. 2339, II Floor, Krishna Complex  
17th Cross, HSR Layout, Sector-I,  
Bangalore-560102, Karnataka

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## Proxy Form

## PDS MULTINATIONAL FASHIONS LIMITED

Registered Office: A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028  
 Corp. Office: No. 2339, II Floor, Krishna Complex, 17th Cross, HSR Layout, Sector-I,  
 Bangalore-560102 Tel: 080-67653030,  
 Website: www.pdsmultinational.com; E-mail: investors@pdsmultinational.com  
 CIN: L18101DL2011PLC217162

### NOTICE

Notice is hereby given that the 4<sup>th</sup> Annual General Meeting of the Members of the PDS Multinational Fashions Limited, will be held on Tuesday, 22<sup>nd</sup> September, 2015 at 12:30 PM at Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel), Lodhi Road, New Delhi-110 003, to transact the following businesses:

#### ORDINARY BUSINESS

1. To receive, consider and adopt Standalone and Consolidated Audited Financial Statement of the Company for the financial year ended March 31, 2015, together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pallak Seth, who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s S. R. Dinodia & Co. LLP. Chartered Accountants, (Regn. No. 001478N/N500005), New Delhi, as Statutory Auditors of the Company and to fix their remuneration.

#### SPECIAL BUSINESS

4. Payment of Remuneration to Mrs. Payel Seth, (Din: 00003035) Managing Director of the Company

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

"RESOLVED THAT Pursuant to the provisions of Section 197, 200 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof), Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable rules and guidelines for managerial remuneration issued by the Central Government from time to time, including any statutory modifications or re-enactments thereof 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 remuneration to Mrs. Payel Seth (DIN: 00003035), Managing Director commencing from April 1, 2015 on the terms and conditions set out below, 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	:	₹ 3.00 Lacs per month.
Car	:	A Company maintained car for official purpose.
Mobile/Telephone	:	A mobile for official purpose.
Provident Fund & Gratuity	:	As per Company's rules."

"RESOLVED FURTHER THAT where in any financial year, the Company has no profits or inadequate profits, 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 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."

5. To enter into contract or arrangement with related party namely Pearl Global Industries Limited.

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 188 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the consent of the Audit Committee and the Board of Directors, the consent of the Company be and is hereby accorded for entering into contract or arrangement with the related party as defined under the Act and the Rules made there under, namely Pearl Global Industries Limited as per details and terms & conditions as set out under the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegate such authority, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

By order of the Board of Directors  
for PDS Multinational Fashions Limited

Place: Gurgaon

Date : August 14, 2015

(Chandra Kishore Jha)  
Company Secretary

#### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 16<sup>th</sup> September, 2015 to Tuesday, the 22<sup>nd</sup> September 2015 (both days inclusive).
3. The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 and Clause 49 of the Listing Agreement are mentioned in this notice.
4. Members/Proxies are requested to bring their attendance slip along with copy of Annual Report 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 hall 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.
5. 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.
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. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
9. Soft copy of the Annual Report for the financial year 2014-15 is being sent to all the members, whose email IDs are registered with the Company/RTA/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2014-15 is being sent in the permitted mode.

**10. NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 4<sup>TH</sup> ANNUAL GENERAL MEETING OF YOUR COMPANY.**

**11. 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 4<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business contained herein may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL):

The instructions for e-voting are as under:-

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 19<sup>th</sup> September, 2015 at 10.00 AM and ends on 21<sup>st</sup> September, 2015 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15<sup>th</sup> September, 2015 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](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (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](http://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 Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. 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 EVSN for the relevant <Company Name> i.e. PDS Multinational Fashions Limited.
- (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](http://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](mailto: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](mailto: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.
- (ix) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

II. Mr. Deepak Somaiya, Practicing Company Secretary (Membership No. FCS 5845) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

III. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

IV. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed immediately on the Company's website [www.pdsmultinational.com](http://www.pdsmultinational.com) and on the website of CDSL and communicated to the BSE Limited and National Stock Exchange of India Limited simultaneously.

**EXPLANATORY STATEMENT**

(Pursuant to Section 102 of the Companies Act, 2013 and Clause 49 of the Listing Agreement)

A brief Resume of the Director offering himself for re-election is given below:

**Item No. 2**

Mr. Pallak Seth 38 years has a Bachelor of Arts Degree in Economics and International Business and graduated with Magna Cum Laude distinction in 1998 from Northwestern University, in Evanston, Illinois, USA. Pallak heads PDS Multinational Group's strategy and development initiatives. He is currently the Vice Chairperson of the Company. He has launched House of Pearl Fashions' design sourcing and distribution business in 1999 with establishment of Norwest Industries Ltd. in Hong Kong.

Details of other directorship/committee membership held by him in other Companies are as follows:

**Directorship**

**Indian Companies:**

He is neither a Director of an Indian Company nor a Member of any Committee except PDS Multinational Fashions Limited.

**Foreign Companies:**

FX Import Company Limited, FX Imports Hongkong Limited, Multinational Textile Group Limited, Mauritius, Global Textile Group Limited, PG Group Limited, PG Home Group Limited, Nor Lanka Manufacturing Limited, Zamira Fashion Limited, Nor India Manufacturing Co. Ltd., Spring Near East Manufacturing Co. Ltd., Poetic Knitwear Limited, Nor Lanka, Manufacturing Colombo Limited, SACB Holdings Limited, Pallas Holdings Limited, Nor France manufacturing Co. Ltd.,



Verros Moden GmbH, PDS Asia Star Corporation Limited, Designed and Sourced Limited, DPOD Manufacturing Limited, Gem Australia Manufacturing Limited, Kleider Sourcing Hongkong Limited, Nor Europe Manufacturing Co. Limited, Nor Delhi Manufacturing Limited, Poeticgem International Limited, Sino West Manufacturing Co. Limited, Razamtazz Limited, Norp Knit Industries Limited, Norwest Industries Limited, Casa Forma Limited, Transnational Textile Group Ltd, NAFS Limited, Zamira Denim Lab Ltd.

Mr. Pallak Seth holds 6.07% Equity Shares in the Company.

Mr. Pallak Seth, the retiring Director, being eligible, offers himself for re-appointment.

Directors of your Company propose to appoint Mr. Pallak Seth as a Director, liable to retire by rotation and therefore this Resolution is recommended for approval of the Shareholders of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Mr. Pallak Seth, himself, Mr. Deepak and Mrs. Payel Seth, being relatives, are interested, whether directly or indirectly, in this Resolution set out at item No. 2 of the Notice.

**Item No. 4**

Mrs. Payel Seth was appointed as a Managing Director of the Company w.e.f. June 1, 2014 for a period of 5 years by the Members of the Company at their Annual General Meeting held on September 26, 2014.

The remuneration as set out in the resolution was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on May 28, 2015.

**The Statement pursuant to Section II of Part II of Schedule V of the Companies Act, 2013 for Item No. 4**

**I. GENERAL INFORMATION:**

**1. NATURE OF INDUSTRY**

PDS Multinational Fashions Limited is engaged in exports of Readymade Garments. 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.

**2. 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

**3. FINANCIAL PERFORMANCE BASED ON AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	(Rupees in crores)
Revenue from Operations	7.03
Net profit after Tax as per Profit & Loss A/c	(1.84)

**4. FOREIGN INVESTMENTS OR COLLABORATORS, IF ANY**

The Company has no foreign collaboration.

Apart from holding 505647 equity shares of ₹10/- each of your Company by 159 NRI / Foreign Company Members/ Folios representing 1.96 % of the total paid up Capital of the Company as on 31<sup>st</sup> March 2015, there is no other foreign investment in the Company.

**II. INFORMATION ABOUT THE APPOINTEE:**

Information Background Details	Mrs. Payel Seth  Mrs. Payel Seth, 55 years, graduated from the Pearl Academy of Fashion in July 1996. She is associate 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	Nil
Recognition or Awards	NIL
Job Profile and their 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, Board considered her suitable for this position.
Remuneration Proposed	Salary : ₹ 3.00 Lacs per month. Car : A Company maintained car for official purpose. Mobile/ Telephone : A mobile for official purpose. Provident Fund & Gratuity : As per Company's rules
Comparative Remuneration profile with respect to industry, size of the company profile of position and person	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 Compensation/Remuneration Committee of the Company at their meeting held on May 28, 2015.
Pecuniary relationship directly or indirectly with the company or with the managerial personnel, if any	Mrs. Payel Seth has no pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholdings in the Company.

**III. OTHER INFORMATION:**

**1. REASONS OF LOSS OR INADEQUATE PROFITS**

The Readymade Garments Export Industry had yet another tough year where Revenues have grown but profitability was impaired due to higher cost of production coupled with pressure on margins due to recession.

**2. STEPS TAKEN OR PROPOSED TO BE UNDERTAKEN FOR IMPROVEMENTS**

The Company has taken necessary steps to improve the profitability by reducing the cost and improving productivity.

**3. EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS**

With the above measures, the operating efficiencies and profits of the Company are expected to increase.



**IV. DISCLOSURES:**
**Remuneration package of the Managerial Person(s) paid for the year 2014-15:**

(Amount in ₹)

Name of the Director(s)	Mrs. Payel Seth	All other Directors
Designation	Managing Director	
Salary	Nil	—
Others ( Provident Fund )	Nil	—
Service Contract	5 years	—
Notice Period, Severance fees	Nil	Nil
Sitting Fees	Nil	₹ 60,000/- for attending each Board Meeting
<b>Total</b>	<b>Nil</b>	<b>—</b>

The Company has no policy for stock option, pension, and performance linked incentives. The company is not paying any bonus, commission or other benefits except as above, to the Executive Directors. The details of Directors remuneration are also disclosed in Corporate Governance Report.

The above said terms and conditions of payment of remuneration are duly considered, approved and recommended by the Nomination and Remuneration Committee in its Committee Meeting held on 28th May, 2015.

Copies of the resolutions passed by the Board in respect of the above may be inspected at the Corporate Office of your Company between 11:00 a.m. and 1:00 p.m. on all working days except Saturday and holidays.

The payment of remuneration to Mrs. Payel Seth as stated above is subject to the approval of the Members. Except Mrs. Payel Seth, and his relatives, none of the Director's and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at Item no. 4

The Board recommends the resolution for your approval.

**Item No. 5**
**Related Party Transactions**

The Board of Directors of the Company has approved a proposal for entering into the following related party transactions for a maximum amount annually during the year 2015-16:

Name of the related party	Nature of relationship	Name of the Director or Key Managerial Personnel who is related, if any	Nature, material terms, monetary value and particulars of the contract or arrangement	Annual Amount in ₹
Pearl Global Industries Limited (PGIL)	Related party as per Section 2(76)(v) of the Companies Act, 2013	Mr. Deepak Seth, Mr. Pallak Seth, Mrs. Payel Seth are Directors	Sale of Services, SAP Income/ Expense Reimbursement, Temporary advance by PGIL on our behalf for expenses	100000000

None of the Directors / Key Managerial Personnel / their relatives, except Mr. Deepak Seth, Mr. Pallak Seth and Mrs. Payel Seth are interested, whether directly and indirectly in this resolution as set out at item no. 5.

By order of the Board of Directors  
for PDS Multinational Fashions Limited

Place: Gurgaon

Date : August 14, 2015

(Chandra Kishore Jha)  
Company Secretary

## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 4<sup>th</sup> Annual Report and Audited Financial Statements for the year ended 31st March 2015, together with the Auditors' Report thereon.

### Financial Summary

Particulars	Consolidated		Standalone	
	2014-15	2013-14	2014-15	2013-14
Income from operations	3872.35	3687.05	6.93	5.12
Other Income	13.64	61.02	0.10	-
Profit before Tax	33.95	26.58	(2.01)	(1.38)
Provision for Tax	5.41	2.81	0.17	0.42
Minority Interest	(6.75)	(5.40)	-	-
Profit After Tax	21.79	18.37	(1.84)	(0.95)

### Financial Performance and State of the Company's Affairs

#### Consolidated

On Consolidated basis, the Total Revenue was maintained at ₹ 3885.99 Crore as against ₹ 3748.07 Crore in Financial Year 2013-14.

The Profit after Tax in Financial Year 2014-15 was higher at ₹ 21.79 crore as compared to ₹ 18.37 Crore last year

#### Standalone

On Standalone basis, the Total Revenue stood ₹ 7.03 Crore in Financial Year 2014-15, as against ₹ 5.12 Crores in Financial Year 2013-14.

Details of State of the Company's Affairs are given in the Management Discussion and Analysis, forms an integral part of this report.

#### Dividend & Reserves

Your Directors did not recommend any dividend for the financial year 2014-15 and not proposed to carry any amounts to reserves.

#### Change in the Nature of the Business

During the year under review, there was no change in the nature of the business of your Company

#### Change in Share Capital

During the Financial Year 2014-15, the Authorized Share Capital has been increased from ₹ 50,00,000 to ₹ 27,00,00,000 and Paid Up Share Capital of the Company has been increased from ₹ 5,00,000 to Rs. 26,04,67,240, pursuant to allotment of 2,59,96,724 Equity Shares of ₹ 10/- each under the Scheme of Demerger approved by the Hon'ble High Court of Delhi.

#### 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 2014-15.

#### Number of Meetings of the Board

The Board met five times during the financial year, the details of which are given in the Corporate Governance report that forms part of this Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Listing Agreement.

#### Directors' Responsibility Statement

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

- in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31<sup>st</sup> March, 2015 and of the loss 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.

### Declaration from Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### Policy on Directors' Appointment and Remuneration (Sec 178(4))

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, Chairman, Mr. Ashok Kumar Chhabra and 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 annexed as *Annexure-I* with this report.

### Board Evaluation

Clause 49 of the Listing Agreement mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted by the Board based on the criteria and framework generally followed in the industry.

None of the Independent Directors are due for re-appointment.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Appointment:

The Board appointed Mr. Ashok Kumar Sanghi, Mr. Ashok Kumar Chhabra and Dr. Ashutosh Prabhudas Bhupatkar as Independent Directors with effect from 26<sup>th</sup> May, 2014 and Mrs. Payel Seth as Managing Director with effect from 1<sup>st</sup> June, 2014. We thanks to the Shareholders for their support in confirming their appointment at the Annual General Meeting held on 26<sup>th</sup> September, 2014.

The Board appointed Mr. Omprakash Makam Suryanarayan Setty as Chief Financial Officer and Mr. Mukesh Kumar as Company Secretary and Compliance Officer with effect from 26<sup>th</sup> May, 2014.

The Board appointed Mr. Chandra Kishore Jha as Company Secretary and Compliance Officer with effect from 27<sup>th</sup> January, 2015 in place of Mr. Mukesh Kumar, who resigned as Company Secretary with effect from 27<sup>th</sup> January, 2015.

#### Re-appointment:

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Pallak Seth, Directors and Vice-Chairman would retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

#### Auditors

In terms of Section 139 of the Companies Act, 2013, M/s S. R. Dinodia & Co. LLP, Chartered Accountants, (Regn. No. 001478N/N500005), New Delhi, were appointed by the Members in its 3<sup>rd</sup> Annual General Meeting held on 26<sup>th</sup> September, 2014 as Statutory Auditors of the Company for a period of five years. A Resolution for ratification of their appointment as Statutory Auditors is proposed in the Notice calling the Annual General Meeting.

#### Secretarial Auditor

The Board has appointed Mr. Deepak Somaiya, Practicing Company Secretary, proprietor of M/s. Deepak Somaiya & Co., Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year 2014-15 is annexed herewith as *Annexure-II*

#### Explanations or comments on every qualification, reservation or adverse remark or disclaimer:

- Required explanations or comments on every qualification, reservation or adverse remark or disclaimer, if any, made by the Auditors in their report are provided in the financials and notes to accounts.
- Secretarial Audit Report made by Deepak Somaiya & Co do not contain any qualification, reservation or adverse remark or disclaimer and hence no explanations or comments by the Board is required to be disclosed.

#### Internal Auditor

The Board has appointed M/s. Aneja Associates, Chartered Accountants having firm registration number 100404W, as Internal Auditor for the financial year 2014-15.

#### Internal Financial Controls

Your Company has in place adequate internal financial controls with reference to financial statements and such internal financial controls are adequate and are operating effectively.

## 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

The Company is committed to maintain the highest standard of corporate governance and adhere to the corporate governance requirements set out by SEBI. The report on corporate governance as stipulated under the Listing Agreement forms and integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

### Management Discussion and Analysis

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of Listing Agreement with the Stock Exchange in India, is presented in a separate section under the head "Management Discussion and Analysis" forming part of this Report.

### Audit Committee

The Audit Committee comprises two Independent Directors, namely Dr. A P Bhupatkar, Chairman, Mr. Ashok Kumar Sanghi, Member and one non-executive Director, Mr. Deepak Seth, as Member of the Committee. All the recommendations made by the Audit Committee were accepted by the Board.

### Vigil Mechanism

The Company has set up a Vigil Mechanism, which also incorporates a whistle blower policy in terms of the Listing Agreement. Protected disclosures can be made by whistle blower through an e-mail, or dedicated telephone no. or a letter through to the Vigilance Officer or to the Chairman of the Audit Committee. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at [www.pdsmultinational.com](http://www.pdsmultinational.com).

During the year under review, no protected disclosure were made to the Company

### Corporate Social Responsibility

The provisions of Section 135 of the Companies Act, 2013 are not applicable to your Company.

### Consolidated Financial Statement

In accordance with the Companies Act, 2013 and applicable Accounting Standards (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 during the financial year 2014-15

1. Techno Design GmbH
2. Poetic Brands Limited

Companies which ceased to be subsidiaries during the financial year 2014-15

1. Propur Investment Limited

There is no change in status of Associate Company and Joint Venture

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 appended as Annexure-III to this Report.

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

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

### Particulars of Loans, Guarantees and Investments

During the year under review, your Company neither gave any Loans, guarantees nor made investments which are covered under Section 186 of the Companies Act, 2013

### 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

Extract of Annual Return of the Company is annexed herewith as *Annexure-IV* to this Report.

### Particulars of Contracts or Arrangements with Related Parties

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

### Particulars of Employees and Related Disclosures

The 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- VI* to this report.

A Statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of R. 60 lakh or more, or employed for part of the year and in receipt of ₹ 5 lakh or more a month, under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is enclosed as *Annexure-VII* to this report.

### 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) 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.

### Listing

The equity shares of your Company is listed and traded w.e.f 21<sup>st</sup> October, 2014 on the National Stock Exchange of India Limited and BSE Limited under the Scheme of Demerger approved by the Hon'ble High Court of Delhi on 10<sup>th</sup> March, 2014.

The listing fees to the Stock Exchanges for the year 2015-16 have been paid.

### Report On Sexual Harassment

Pursuant to the provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no complaints received during the financial year 2014-15.

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

Electronic copies of the Annual Report 2014-15 along with Notice of the 4<sup>th</sup> 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 2014-15 and Notice of 4<sup>th</sup> 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 their appreciation for the sincere services rendered by the employees at all level.

By order of the Board of Directors  
for PDS Multinational Fashions Limited

(DEEPAK SETH)  
Chairman  
DIN No.00003021

(PAYEL SETH)  
Managing Director  
DIN No.00003035

Place: Gurgaon  
Date : August 14, 2015

## 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 Clause 49 under the Listing Agreement. 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 PF, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board or the Committee.

**b) Minimum Remuneration:**

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

**c) Provisions for excess remuneration:**

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

**4.3. Remuneration to Non- Executive / Independent Director:**

**a) Sitting Fees:**

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

**b) Stock Options:**

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

**5. MEMBERSHIP**

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

5.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.

5.3 Membership of the Committee shall be disclosed in the Annual Report.

5.4 Term of the Committee shall be continued unless terminated by the Board of Directors.

**6. 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.

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## Annexure-II to the Directors' Report

### SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March, 2015

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

To,

PDS Multinational Fashions Limited  
A-3, Community Centre,  
Naraina Industrial Area, Phase-II,  
New Delhi-110028.

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 PDS Multinational Fashions Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 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 there records maintained by PDS Multinational Fashions Limited ("the Company") for the financial year ended on 31<sup>st</sup> March, 2015, according to the provisions of (hereinafter to be referred as "Act" collectively):

- (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;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (There is no stock option scheme issued during the year)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ( Not applicable to the company)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (No such case) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(There is no buyback of Shares during the year)
- (vi) No specific law applicable specifically to the company (like Banking and Insurance).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.  
(As the Secretarial Standards are not notified till 31<sup>st</sup> March 2015 are not applicable)
- (ii) The Listing Agreements entered into by the Company with BSE and NSE Stock Exchange(s),

During the period under review we found that the Company has complied with the various provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above are as follows:

- Company has received the disclosure under Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and intimated to Stock Exchanges also.
- Company has received declaration under Section 149(6) of the Companies Act, 2013 and as per Clause 49 of the listing agreement from all the Independent directors.
- Company has adopted a conflict of interest policy, a code of business conduct setting out the Company's requirements and process to report and deal with non compliance.
- Company has make responsible the Compliance officer for oversight and management of these policies and procedures.
- Company has established various policies as per the Companies Act, 2013 and listing agreement like, Vigil Mechanism policy, Related Party Transaction Policy, Whistle Blower Policy and Directors appointment and remuneration policy.
- Company has composite various committee(s) are as under:
  1. **Audit Committee:**

Dr. Ashutosh Prabhudas Bhupatkar	-	Chairman
Mr. Deepak Seth	-	Member Director
Mr. Ashok Kumar Sanghi	-	Member Director
  2. **Nomination and Remuneration Committee:**

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



**3. Stakeholder Relationship Committee:**

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

**5. Compliance Officer:**

Mr. Chandra Kishore Jha

- The Company's shares are in compulsory demat segment and are available for trading in the depository system of both NSDL and CDSL. As on 31<sup>st</sup> March 2015 the company has 23133283 shares in NSDL A/c, 2319791 shares in CDSL A/c and balance of 593650 are in physical mode.
- The Company's shares in physical form are process by the Registrar and Share Transfer Agent ( Link Intime India Pvt Ltd at 44 Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial Area Phase-1, New Delhi-110028) and approved by the Stakeholders Relationship Committee. Share transfer process also reviewed by the Board.
- Investor's Grievance Report during the Financial year:

No. of Grievances Received	-	1
No. of Grievances Attended	-	1
No. of Grievances Pending	-	0
- As informed to us there is no change in general character or nature of business / disruption of operations due to natural calamity/ dispute with a material impact during year.
- The Company has published quarterly results during the year in time.

**Various Committee meetings and meeting of Independent Directors:**

**Audit Committee:** During the Financial Year 2014-15 Audit Committee met on 26.05.2014, 26.09.2014 and 13.02.2015. The Company has also maintained the proper record of the minutes of the meetings.

**Stakeholders Relationship Committee:** During the Financial Year 2014-15 the committee met on 16.09.2014, 14.10.2014, 27.10.2014, 20.11.2014, 18.12.2014, 19.01.2015, 10.03.2015, 18.03.2015, and 31.03.2015. The Company has also maintain the proper record of the minutes of the meetings.

**Nomination and Remuneration Committee meeting:**

The Committee met on 26.05.2014 and 23.01.2015 during the Financial Year 2014-15

**Independent Directors' meeting:**

During the Financial Year 2014-15 the Independent Directors met on 13.02.2015. The Company has proper record of the minutes of the meetings.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**Composition of the Board:**

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

**The changes in the composition of the Board of Directors took place are as below:**

Mr. Pulkit Seth (Director) has resigned on 26.05.2014 and the Board noted the same in its meeting held on 26.05.2014.

Mr. Ashok Kumar Chhabra, Mr. Ashok Kumar Sanghi and Dr. Ashutosh Prabhudas Bhupatkar have been appointed as Additional Directors on 26<sup>th</sup> May, 2014 of the Company and they were regularized at the Annual General Meeting held on 26<sup>th</sup> September, 2014

Mrs. Payel Seth appointed as a Managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> June, 2014.

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.

**Details of Board Meeting:**

Board has met five times during the Financial Year on 26.05.2014, 05.06.2014, 26.09.2014 and 23.01.2015 and 13.02.2015. The Company has also maintained the proper record of the minutes of the meetings.

Majority decision are carried through the Board (means unanimously) and there is no dissenting members' views are captured and recorded as part of the minutes.

**Annual General Meeting:**

During the Financial Year 2014-15 the Company has called 3<sup>rd</sup> Annual General Meeting for the Financial Year 2013-14 on 26<sup>th</sup> September 2014 at Sri Sathya Sai International Centre, Lodi Road, New Delhi-110003. The Company has kept the date of book Closure on 19<sup>th</sup> September 2014 to 26<sup>th</sup> September 2014 (both days inclusive).

**Maintenance of Statutory Registers:**

The Company has maintained the following Statutory Registers required under the Companies Act 2013.

1. Register of Members
2. Register of Directors and Key Managerial personnel
3. Register of Security held by the Director
4. Register of Loans, Investment and Guarantee
5. Register of Charge





6. Register of Contracts or Arrangements
7. Register of Transfer and Transmission.
8. Register of Renewal and Duplicate Shares Certificate

**Allotment of Shares**

Allotment of 25996724 numbers of equity shares as per the scheme of Demerger between the Company and Pearl Global Industries Limited by the order of Hon'ble High Court of Delhi dated 10<sup>th</sup> March, 2014, effective from 13<sup>th</sup> May, 2014. The Company has paid the Consolidated Stamp Duty as per the Indian Stamp Act, 1899.

**Alteration of Memorandum of Association (Capital Clause)**

The company has altered the Capital Clause- V of the Memorandum of Association by increase of authorized share capital from 50 lacs to 27 Crores at the Extra-Ordinary General Meeting held on 26<sup>th</sup> April, 2014.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines mentioned above at para (i) to (v) and also laws listed herein below:

As the Company Carries on the business of manufacturing, Export and Merchant trade of ready made Garments the various applicable Acts are:

1. The Contract Labour (Regulation and Abolition) Act, 1970.
2. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
3. The Employees' State Insurance Act, 1948.
4. The Equal Remuneration Act, 1976.
5. The Maternity Benefit Act, 1961.
6. The Minimum Wages Act, 1948.
7. The Payment of Bonus Act, 1965.
8. The Payment of Gratuity Act, 1972.
9. The Payment of Wages Act, 1936.
10. The Personal Injuries (Compensation Insurance) Act, 1963.
11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
12. The Weekly Holidays Act, 1942.
13. Indian Stamp Act.
14. Shop and Establishment Act

**Other General Laws Relating to Finance:**

Income Tax Act  
Sales Tax Act  
Service Tax  
Finance Act  
ESI and PF

We have not checked the transactions relating to the above Financial Act, we simply rely on the Report of the Statutory Auditors for Financial Year 2014-15.

Company has established various policy and systems as per the above applicable Acts for all units and work Places are as below:

- ◆ Hiring Policy
- ◆ Sub Contractor and Home working policy
- ◆ Anti Child Labour Policy
- ◆ Prevention of Sexual Harassment Policy
- ◆ Employee Benefit Policy
- ◆ Company Policy
- ◆ Grievance Handling Policy
- ◆ First Aid Facility

Various Register maintained by the Company required under the applicable Acts:

1. Register of Advance
2. Register of Loans to worker and staff
3. Attendance Register.
4. Wage Register / Salary Sheet
5. Bonus Register

We further report that during the audit period the Company has not taken any major matter requiring members' approval.

For Deepak Somaiya & Co.  
Company Secretaries

Place: New Delhi  
Date: May 25, 2015

(CS Deepak Somaiya)  
Proprietor  
FCS: 5845, CP No. 5772

**Annexure-III to the Director's Report**

Statement containing salient features of the financial statement of subsidiary/associate companies/joint ventures

*[ Pursuant to first proviso to Sub-Section (3) of Section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC-1]*

Sl. No.	Name of Subsidiary	Reporting Period	Reporting Currency	Equity Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/Loss before taxation	Provision for taxation	Profit after taxation	Proposed dividend
1	Multinational Textile Group Limited	2014-15	INR	1,373,742,219	150,193,778	1,675,422,370	151,486,373	1,003,151,230	536,625,616	154,273,623	-4,875,673	149,397,950	
	Multinational Textile Group Limited	2014-15	USD	21,948,270	2,399,645	26,768,212	2,420,297	16,027,340	8,775,562	2,522,872	(79,733)	2,443,139	
2	Norwest Industries Limited	2014-15	INR	251,266,303	2,437,164,096	4,897,012,679	2,208,582,280	839,552,038	10,266,546,197	95,963,292	-15,397,586	80,565,706	53,201,500
	Norwest Industries Limited	2014-15	HKD	31,120,000	301,849,256	606,508,046	273,538,790	103,980,753	1,301,482,084	12,165,192	(1,951,940)	10,213,252	850,000
3	Poeticgem Limited	2014-15	INR	5,443,556	930,461,083	1,954,118,455	1,018,213,817	117,843,387	3,283,546,971	149,182,329	-14,633,441	134,548,888	
	Poeticgem Limited	2014-15	USD	86,972	14,865,970	31,220,937	16,267,995	1,882,783	53,696,598	2,439,613	(239,304)	2,200,309	
4	Pacific Logistic Limited	2014-15	INR	1,060,462	-34,014,728	29,751,994	62,706,259	-	-	-9,307,051	-	-9,307,051	
	Pacific Logistic Limited	2014-15	USD	16,943	(543,453)	475,347	1,001,857	-	-	(152,200)	-	(152,200)	
5	Multinational OSG Service Bangladesh	2014-15	INR	838,706	-50,072	789,028	394	-	-	-	-	-	
	Multinational OSG Service Bangladesh	2014-15	USD	13,400	(800)	12,606	6	-	-	-	-	-	
6	Poetic Brands Limited	2014-15	INR	4,752,772	-110,471	4,642,300	-	-	-	-	-	-	
	Poetic Brands Limited	2014-15	USD	75,935	(1,765)	74,170	-	-	-	-	-	-	
7	SACB Holding Limited	2014-15	INR	3,129,500	-3,162,342	111,183,943	111,216,785	50,076,359	-	-888,769	-	-888,769	
	SACB Holding Limited	2014-15	USD	50,000	(50,525)	1,776,385	1,776,910	800,070	-	(14,534)	-	(14,534)	
8	Global Textile	2014-15	INR	249,562,979	15,949,582	271,277,883	5,765,321	161,227,772	236,213,496	-2,481,306	-	-2,481,306	
	Global Textile	2014-15	USD	3,987,266	254,826	4,334,205	92,113	2,575,935	3,862,854	(40,577)	-	(40,577)	
9	Zamira Fashion	2014-15	INR	15,647,500	-56,043,974	798,375,467	838,771,941	-	2,460,922,239	51,814,512	-	51,814,512	
	Zamira Fashion	2014-15	USD	250,000	(895,414)	12,755,639	13,401,054	-	40,244,027	847,335	-	847,335	
10	FX Import Hong Kong	2014-15	INR	80,820	24,953,909	135,593,520	110,558,790	-	838,843,689	1,449,156	-	1,449,156	
	FX Import Hong Kong	2014-15	USD	1,291	398,688	2,166,377	1,766,397	-	13,717,804	23,698	-	23,698	
11	FX Import Limited	2014-15	INR	3,143,337	-28,844,433	125,874,340	151,575,436	80,821	217,281,420	41,460,115	-	41,460,115	
	FX Import Limited	2014-15	USD	50,221	(460,847)	2,011,093	2,421,720	1,291	3,553,253	678,007	-	678,007	
12	PG Group Limited	2014-15	INR	62,590,000	67,250,326	284,901,919	155,061,593	26,602,315	1,145,240,070	29,949,497	-5,264,893	24,684,604	6,384,180
	PG Group Limited	2014-15	USD	1,000,000	1,074,458	4,551,876	2,477,418	425,025	18,728,374	489,771	(86,098)	403,673	102,000
13	Nor Delhi Manufacturing Limited	2014-15	INR	16,135,702	1,518,611	32,546,679	14,892,366	-	68,807,123	-11,841,801	-	-11,841,801	
	Nor Delhi Manufacturing Limited	2014-15	USD	257,800	24,263	519,998	237,935	-	1,125,219	(193,652)	-	(193,652)	
14	DPOD Manufacturing Limited	2014-15	INR	6,259,000	34,949,045	300,565,341	259,357,296	-	977,024,644	31,081,819	-	31,081,819	
	DPOD Manufacturing Limited	2014-15	USD	100,000	558,381	4,802,130	4,143,750	-	15,977,508	508,288	-	508,288	
15	Poeticgem International Limited	2014-15	INR	625,900	-46,164,880	51,498,821	97,037,801	-	36,066,097	-44,465,197	-	-44,465,197	
	Poeticgem International Limited	2014-15	USD	10,000	(737,576)	822,796	1,550,372	-	589,797	(727,150)	-	(727,150)	
16	Poetic Knitwear Limited	2014-15	INR	8,897	-64,569,554	168,606	64,729,264	-	-	-203,423	-	-203,423	
	Poetic Knitwear Limited	2014-15	USD	142	(1,031,627)	2,694	1,034,179	-	-	(3,327)	-	(3,327)	
17	Simple Approach Limited	2014-15	INR	215,309,600	55,368,054	1,274,892,108	1,004,214,455	-	2,666,637,793	1,532,359	-1,091,014	441,345	
	Simple Approach Limited	2014-15	USD	3,440,000	884,615	20,368,942	16,044,327	-	43,608,141	25,059	(17,842)	7,217	
18	PDS Asia Star Corporation Limited	2014-15	INR	18,777,000	-140,138,560	286,949,437	408,310,996	-	1,293,564,346	-48,784,270	-	-48,784,270	
	PDS Asia Star Corporation Limited	2014-15	USD	300,000	(2,238,993)	4,584,589	6,523,582	-	21,153,955	(797,780)	-	(797,780)	
19	Techno Design GMBH	2014-15	INR	8,671,209	-25,869,387	53,152,935	70,351,112	-	24,615,288	-25,997,892	-	-25,997,892	
	Techno Design GMBH	2014-15	USD	138,540	(413,315)	849,224	1,123,999	-	402,539	(425,149)	-	(425,149)	



Continue.....Statement containing salient features of the financial statement of subsidiary/associate companies/join companies

20	CASA Forma Limited	2014-15	INR	24,325,604	-51,471,919	26,355,174	53,501,490	-	-	3,666,279	-	3,666,279	
	CASA Forma Limited	2014-15	USD	388,650	(822,366)	421,076	854,793	-	-	60,283	-	60,283	
21	Propur	2014-15	INR	-	-	-	-	-	-	502,500	-	502,500	
	Propur	2014-15	USD	-	-	-	-	-	-	8,218	-	8,218	
22	Mahidhulu Investment Ltd.	2014-15	INR	-	-	-	-	-	-	462,141	-	462,141	
	Mahidhulu Investment Ltd.	2014-15	USD	-	-	-	-	-	-	7,558	-	7,558	
23	Razamtaaz Limited	2014-15	INR	-	-	-	-	-	-	-28,890,620	-	-28,890,620	
	Razamtaaz Limited	2014-15	USD	-	-	-	-	-	-	(472,455)	-	(472,455)	
24	Designed And Sourced Limited	2014-15	INR	12,563,315	-169,110,223	11,772,270	168,319,179	-	38,030,769	-44,196,729	-	-44,196,729	
	Designed and Sourced Limited	2014-15	HKD	1,556,000	(20,944,751)	1,458,027	20,846,778	-	4,821,131	(5,602,785)	-	(5,602,785)	
25	Gem Australia Manufacturing Company Limited	2014-15	INR	6,281,658	-123,872,495	113,725,713	231,316,550	-	396,046,444	-10,058,309	658,592	-9,398,717	
	Gem Australia Manufacturing Company Limited	2014-15	HKD	778,000	(15,341,938)	14,085,232	28,649,170	-	50,206,500	(1,275,084)	83,616	(1,191,468)	
26	Krayons Sourcing Limited	2014-15	INR	628,166	-121,919	586,988	80,741	-	-	-119,114	-	-119,114	
	Krayons Sourcing Limited	2014-15	HKD	77,800	(15,100)	72,700	10,000	-	-	(15,100)	-	(15,100)	
27	Nor Europe Manufacturing Company Limited	2014-15	INR	6,281,658	-71,199,286	148,751,823	213,669,452	-	558,198,160	-3,139,319	-	-3,139,319	
	Nor Europe Manufacturing Company Limited	2014-15	HKD	778,000	(8,818,221)	18,423,309	26,463,530	-	70,762,347	(397,969)	-	(397,969)	
28	Techno Manufacturing Limited (Formerly Known As Sino West Manufacturing Company Limited)*	2014-15	INR	628,166	-106,441,751	28,381,207	134,194,793	-	40,889,925	-12,520,547	489,953	-12,030,594	
	Techno Manufacturing Limited (Formerly Known As Sino West Manufacturing Company Limited)*	2014-15	HKD	77,800	(13,183,094)	3,515,088	16,620,382	-	5,183,584	(1,587,220)	62,111	(1,525,109)	
29	Spring Near East Manufacturing Company Limited	2014-15	INR	12,563,315	51,350,290	822,604,634	758,691,029	-	5,406,561,979	65,168,499	-9,124,533	56,043,966	
	Spring Near East Manufacturing Company Limited	2014-15	HKD	1,556,000	6,359,870	101,881,772	93,965,902	-	685,385,661	8,261,360	(1,156,710)	7,104,650	
30	Kleider Sourcing Hong Kong Limited	2014-15	INR	628,166	40,127,584	193,564,071	152,808,321	-	1,186,317,739	50,450,692	-8,324,363	42,126,329	
	Kleider Sourcing Hong Kong Limited	2014-15	HKD	77,800	4,969,908	23,973,425	18,925,717	-	150,388,578	6,395,595	(1,055,273)	5,340,322	
31	Nor France Manufacturing Company Limited	2014-15	INR	6,281,658	-47,989,288	1,699,770	43,407,400	-	25,723,176	-816,594	-	-816,594	
	Nor France Manufacturing Company Limited	2014-15	HKD	778,000	(5,943,601)	210,521	5,376,122	-	3,260,907	(103,519)	-	(103,519)	
32	Nor India Manufacturing Company Limited	2014-15	INR	628,166	162,293,252	261,180,656	114,407,458	-	872,951,289	52,225,649	17,545,055	69,770,705	16,148,220
	Nor India Manufacturing Company Limited	2014-15	HKD	77,800	20,100,451	32,347,919	14,169,668	-	110,663,354	6,620,605	2,224,173	8,844,778	2,000,000
33	Nor Lanka Manufacturing Limited	2014-15	INR	80,741	671,682,603	2,254,934,599	1,583,171,255	-	7,246,800,489	118,835,902	-30,928,374	87,907,528	
	Nor Lanka Manufacturing Limited	2014-15	HKD	10,000	83,189,677	279,279,648	196,079,971	-	918,671,267	15,064,735	(3,920,766)	11,143,969	
34	Nor Lanka Manufacturing Colombo Limited	2014-15	INR	32,886,964	-14,481,465	736,481,252	718,075,753	-	1,674,400,253	7,333,925	3,202,110	10,536,035	
	Nor Lanka Manufacturing Colombo Limited	2014-15	HKD	4,073,138	(1,793,568)	91,215,162	88,935,592	-	212,262,419	929,716	405,929	1,335,645	

**Annexure-IV to the Directors' Report**

FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.03.2015

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	L18101DL2011PLC217162
2 Registration Date	06/04/2011
3 Name of the Company	PDS Multinational Fashions Ltd
4 Category/Sub-category of the Company	Public Limited Company/Limited by Shares
5 Address of the Registered office & contact details	A-3,Community CentreNaraina Industrial Area Phase-II, New Delhi-110028
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, 2nd 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)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale trade, except of motor vehicles and motorcycles	46	100

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

Sl. No.	Name and address of the Company	CIN/GLN/FCRN	Holding/ Subsidiary/ Associate	% of sharehold (Controlling Stake)	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	NA	Subsidiary	67	2(87)(ii)
7	PG Group Limited	NA	Subsidiary	51	2(87)(ii)
8	DPOD Manufacturing Limited	NA	Subsidiary	55	2(87)(ii)
9	Norwest Industries Limited	F02587	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	
21	PG Shanghai MFG Co. Limited	NA	Subsidiary	51	2(87)(ii)
22	Gem Australia Manufacturing Company Limited	NA	Subsidiary	85	2(87)(ii)
23	Norwest Inc.	NA	Subsidiary	85	2(87)(ii)
24	Sourcing Solutions Limited	NA	Associate	42.5	
25	Grand Pearl Trading Co. Ltd. (Hangzhou)	NA	Subsidiary	85	2(87)(ii)
26	Razamtazz Limited	NA	Subsidiary	85	2(87)(ii)
27	Krayon Sourcing Limited (Formerly Known as Sourcing Solutions HK Ltd.)	NA	Subsidiary	85	2(87)(ii)
28	Nor France Manufacturing Co. Limited	NA	Subsidiary	72.25	2(87)(ii)
29	Nor Lanka Manufacturing Limited	NA	Subsidiary	85	2(87)(ii)
30	Nor Europe Manufacturing Limited	NA	Subsidiary	59.5	2(87)(ii)
31	Kleider Sourcing Hong Kong Limited	NA	Associate	46.75	2(87)(ii)
32	Techno Manufacturing Co. Limited (Formerly known as Sino West Manufacturing Co. Ltd.)	NA	Subsidiary	85	2(87)(ii)
33	Nor India Manufacturing Co. Limited	NA	Subsidiary	85	2(87)(ii)
34	Spring Near East Manufacturing Co. Ltd.	NA	Subsidiary	55.25	2(87)(ii)
35	Desinged and Sourced Limited	NA	Subsidiary	51	2(87)(ii)
36	FX Import Co. Limited	NA	Subsidiary	75	2(87)(ii)
37	Poetic Knitwear Limited	NA	Subsidiary	100	2(87)(ii)
38	Pacific Logistics Limited	NA	Subsidiary	100	2(87)(ii)
39	PG Home Group SPA	NA	Associate	45.9	2(87)(ii)
40	Nor France SAS	NA	Subsidiary	72.25	2(87)(ii)
41	Nor Lanka Manufacturing Colombo Limited	NA	Subsidiary	85	2(87)(ii)
42	Nor Europe SPA	NA	Subsidiary	59.5	2(87)(ii)
43	FX Import Hong Kong Limited	NA	Subsidiary	75	2(87)(ii)

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	2	2	4	0.01%	13,875,282	–	13,875,282	53.27%	346881950.00%
b) Central Govt			–	0.00%			–	0.00%	0.00%
c) State Govt(s)			–	0.00%			–	0.00%	0.00%
d) Bodies Corp.	49,994		49,994	99.99%	50,030	–	50,030	0.19%	0.07%
e) Banks / FI				0.00%			–	0.00%	0.00%
f) Any other			–	0.00%			–	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>49,996</b>	<b>2</b>	<b>49,998</b>	<b>100.00%</b>	<b>13,925,312</b>	<b>–</b>	<b>13,925,312</b>	<b>53.46%</b>	<b>27751.74%</b>
<b>(2) Foreign</b>									
a) NRI Individuals	2		2	0.00%	3,434,574	–	3,434,574	13.19%	171728600.00%
b) Other Individuals			–	0.00%			–	0.00%	0.00%
c) Bodies Corp.			–	0.00%			–	0.00%	0.00%
d) Any other			–	0.00%			–	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>2</b>	<b>–</b>	<b>2</b>	<b>0.00%</b>	<b>3,434,574</b>	<b>–</b>	<b>3,434,574</b>	<b>13.19%</b>	<b>171728600.00%</b>
<b>TOTAL (A)</b>	<b>49,998</b>	<b>2</b>	<b>50,000</b>	<b>100.00%</b>	<b>17,359,886</b>	<b>–</b>	<b>17,359,886</b>	<b>66.65%</b>	<b>34619.77%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds			–	0.00%	1,034,677	–	1,034,677	3.97%	0.00%
b) Banks / FI			–	0.00%	73,314	79	73,393	0.28%	0.00%
c) Central Govt			–	0.00%			–	0.00%	0.00%
d) State Govt(s)			–	0.00%			–	0.00%	0.00%
e) Venture Capital Funds			–	0.00%			–	0.00%	0.00%
f) Insurance Companies			–	0.00%	615,998	–	615,998	2.36%	0.00%
g) FIs			–	0.00%	911,782	–	911,782	3.50%	0.00%
h) Foreign Venture Capital Funds		–	0.00%			–	0.00%	0.00%	
i) Others (specify)			–	0.00%			–	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.00%</b>	<b>2,635,771</b>	<b>79</b>	<b>2,635,850</b>	<b>10.12%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian			–	0.00%	390661	1033	391,694	1.50%	0.00%
ii) Overseas			–	0.00%			–	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh			–	0.00%	2054987	172870	2,227,857	8.55%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			–	0.00%	2909321		2,909,321	11.17%	0.00%
c) Others (specify)									
Non Resident Indians			–	0.00%	85979	28941	114,920	0.44%	0.00%
Overseas Corporate Bodies			–	0.00%		390,727	390,727	1.50%	0.00%
Foreign Nationals			–	0.00%			–	0.00%	0.00%
Clearing Members			–	0.00%	16277		16,277	0.06%	0.00%
Trusts			–	0.00%	192		192	0.00%	0.00%
Foreign Bodies			–	0.00%			–	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.00%</b>	<b>5,457,417</b>	<b>593,571</b>	<b>6,050,988</b>	<b>23.23%</b>	<b>0.00%</b>
<b>Total Public (B)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.00%</b>	<b>8,093,188</b>	<b>593,650</b>	<b>8,686,838</b>	<b>33.35%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
			–	0.00%				0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>49,998</b>	<b>2</b>	<b>50,000</b>	<b>100.00%</b>	<b>25,453,074</b>	<b>593,650</b>	<b>26,046,724</b>	<b>100.00%</b>	<b>34619.77%</b>



(ii) Shareholding of Promoter

Sl. 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	1*	0.00%	–	11819846**	45.38%	–	1181984500.00%
2	Mr. Deepak Seth	1*	0.00%	–	1,853,399**	7.12%	–	185339800.00%
3	Mr. Pallak Seth	1*	0.00%	–	1,581,175**	6.07%	–	158117400.00%
4	Mr. Pulkit Seth	1*	0.00%	–	1,813,661**	6.96%	–	181366000.00%
5	Mrs. Shefali Seth	–	0.00%	–	36	0.00%	–	0.00%
6	Pearl Global Industries Limited	49,994	99.99%	–	49,994	0.19%	–	0.00%
7	Nim International Commercial LLP	–	0.00%	–	36	0.00%	–	0.00%
8	Dr. A.P. Bhupatkar	1*	0.00%	–	1*	0.00%	–	0.00%
9	Mrs. Kusum Malik	1*	0.00%	–	1*	0.00%	–	0.00%
10	Mr. Sunil Pal Seth	–	0.00%	–	241,737	0.93%	–	0.00%

\* As a Nominee Shareholders of Pearl Global Industries Limited

\*\*Includes One share as nominee shareholders of Pearl Global Industries Limited

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

Sl. No.	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	01.04.2014		50,000	100.00%	50,000	0.19%
	Changes during the year	05.06.2014	Allot		0.00%	17,359,886	66.65%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year	31.03.2015			0.00%	17,359,886	66.65%

(iv) Shareholding Pattern of top ten Shareholders

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

Sl. 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	Cresta Fund Limited						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	307,446	1.18%
	At the end of the year	31.03.2015			0.00%	307,446	1.18%
2	LTS Investment Fund Ltd.						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	212,256	0.81%
	At the end of the year	31.03.2015			0.00%	212,256	0.81%
3	Bhagwanji Manji Patel						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	224,178	0.86%
		22.11.2014	Transfer		0.00%	220,000	0.84%
	At the end of the year	31.03.2015			0.00%	4,178	0.02%
4	Chetan D Shah HUF						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	179,404	0.69%
		31.10.2014	Transfer		0.00%	193,405	0.74%
		19.12.2014	Transfer		0.00%	214,705	0.82%
		31.12.2014	Transfer		0.00%	281,096	1.08%
		02.01.2015	Transfer		0.00%	281,984	1.08%
		09.01.2015	Transfer		0.00%	286,133	1.10%
		16.01.2015	Transfer		0.00%	299,566	1.15%
		06.02.2015	Transfer		0.00%	301,839	1.16%
	At the end of the year	31.03.2015			0.00%	301,839	1.16%

Sl. 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
5	General Insurance Corporation of India						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	307,999	1.18%
	At the end of the year	1.03.2015			0.00%	307,999	1.18%
6	Life Insurance Corporation of India						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	307,999	1.18%
	At the end of the year	31.03.2015			0.00%	307,999	1.18%
7	Leasing Mauritius Ltd.						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	390,727	1.50%
	At the end of the year	31.03.2015			0.00%	390,727	1.50%
8	Reliance Capital Trustee Co Ltd -Reliance Longterm Equity Fund						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	1,034,677	3.97%
		23.01.2015	Transfer		0.00%	–	0.00%
	At the end of the year	31.03.2015			0.00%	–	0.00%
9	Reliance Capital Trustee Co Ltd -Reliance Mid & Small Cap Fund						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	23.01.2015	Transfer		0.00%	1,034,677	3.97%
	At the end of the year	31.03.2015			0.00%	1,034,677	3.97%
10	Sanjiv Dhiresbhai Shah						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	724,322	2.78%
	Changes during the year	16.01.2015	Transfer		0.00%	–	0.00%
	At the end of the year	31.03.2015			0.00%	–	0.00%
11	Premier Investment Fund Ltd.						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	393,580	1.51%
	At the end of the year	31.03.2015			0.00%	393,580	1.51%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. 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	Deepak Seth (Chairman)						
	At the beginning of the year	01.04.2014	Allot	1*	0.00%	1*	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	1,853,399	7.12%
	At the end of the year	31.03.2015			0.00%	1,853,399	7.12%
2	Pallak Seth (Vice-Chairman)						
	At the beginning of the year	01.04.2014	Allot	1*	0.00%	1*	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	1,581,175	6.07%
	At the end of the year	31.03.2015			0.00%	1,581,175	6.07%
3	Payel Seth (Managing Director)						
	At the beginning of the year	01.04.2014	Allot	1*	0.00%	1*	0.00%
	Changes during the year	05.06.2014	Allot		0.00%	11,819,846	45.38%
	At the end of the year	31.03.2015			0.00%	11,819,846	45.38%
4	A.P. Bhupatkar(Director)						
	At the beginning of the year	01.04.2014	Allot	1*	0.00%	1*	0.00%
	Changes during the year	05.06.2014			0.00%		0.00%
	At the end of the year	31.03.2015			0.00%	1*	0.00%

Sl. 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
5	Ashok Kr. Sanghi (Director)						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.03.2015			0.00%	–	0.00%
6	Ashok Kr. Chhabra(Director)						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.03.2015			0.00%	–	0.00%
7	Omprakash Makam (Chief Financial Officer)						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.03.2015			0.00%	–	0.00%
8	Chandra Kishor Jha (Company Secretary)						
	At the beginning of the year	01.04.2014		–	0.00%	–	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.03.2015			0.00%	–	0.00%

\* As a Nominee Shareholders of Pearl Global Industries Limited

#### V. INDEBTEDNESS

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

(Amt. ₹/Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,964,076.00	35,276,455.00		37,240,531.00
ii) Interest due but not paid				–
iii) Interest accrued but not due				–
<b>Total (i+ii+iii)</b>	<b>1,964,076.00</b>	<b>35,276,455.00</b>	<b>–</b>	<b>37,240,531.00</b>
Change in Indebtedness during the financial year				
* Addition		89,016,357.00		89,016,357.00
* Reduction	(534,988.00)			(534,988.00)
Net Change	(534,988.00)	89,016,357.00	–	88,481,369.00
Indebtedness at the end of the financial year				
i) Principal Amount	1,429,088.00	124,248,428.00		125,677,516.00
ii) Interest due but not paid				–
iii) Interest accrued but not due		44,384.00		44,384.00
<b>Total (i+ii+iii)</b>	<b>1,429,088.00</b>	<b>124,292,812.00</b>	<b>–</b>	<b>125,721,900.00</b>



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

(Amount in ₹)

Sl. N o.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Name	Payel Seth	
	Designation	Managing Director		
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission	-		-
	- as % of profit	-		-
	- others, specify	-		-
5	Others, please specify	-		-
	<b>Total (A)</b>			- -
	Ceiling as per the Act			4,200,000.00

**B. Remuneration to other Directors**

(Amount in ₹)

Sl. N o.	Particulars of Remuneration	Name of Directors			Total Amount
		A P Bhupatkar	Ashok Kr. Sanghi	Ashok Kr. Chhabra	
1	Independent Directors				
	Fee for attending board meetings	300,000.00	300,000.00	300,000.00	900,000.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>900,000.00</b>
2	Other Non-Executive Directors	Deepak Seth	Pallak Seth		-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>300,000.00</b>	<b>900,000.00</b>
	Total Managerial Remuneration				900,000.00
	Overall Ceiling as per the Act				4,200,000.00

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

(Amount in ₹)

Sl. N o.	Particulars of Remuneration	Name	Name of Key Management Personnel			Total Amount
			Mr. Omprakash M Setty	Mr. Mukesh Kumar (upto January, 2015)	Mr. Chandra Kishore Jha (From February, 2015)	
	Designation		CFO	CS	CS	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		71,91,000	22,29,435.00	1,58,500.00	95,78,935.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-	-	-
2	Stock Option		-	-	-	-
3	Sweat Equity		-	-	-	-
4	Commission		-	-	-	-
	- as % of profit		-	-	-	-
	- others, specify		-	-	-	-
5	Others, please specify		-	-	-	-
	<b>Total</b>		<b>71,91,000</b>	<b>22,29,435.00</b>	<b>1,58,500.00</b>	<b>95,78,935.00</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**Annexure V 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)*

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

Sl. No.	Name of the related party	Nature of the relationship	Nature of Contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Value (Amount in ₹)	Date of approval of the Board, if any	Amount paid as advances, if any
1	Multinational Textile Group Limited	Subsidiary	Sale of Services	01.04.2014 to 31.03.2015	-	53,194,486	05.06.2014	-
			Advance Received towards Services			21,342,348		-
2	Pearl Global Industries Limited	Enterprise over which KMP can exercise significant influence	Loan Received	01.04.2014 to 31.03.2015	-	30,000,000	05.06.2014	-
			Loan Repaid			117,441,309		-
			Expenditure incurred by them on our behalf			77,829,356		-
			Interest Expense			5,370,230		-

**Annexure VI to the Directors' Report**
*[Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.]*

	Particulars	Disclosures								
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	No remuneration was paid during the financial year to Managing Director and hence this ratio could not be computed.								
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Mrs. Payel Seth (MD) Not Applicable Chief Financial Officer 0.00% Company Secretary 10.00%								
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 16%.								
IV	The number of permanent employees on the rolls of the Company	There were 24 permanent employees as on 31 <sup>st</sup> March, 2015								
V	The explanation on the relationship between average increase in remuneration and Company performance	The increase in remuneration is based on general inflation, performance of employee as well as Company's performance.								
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	For the FY 2014-15, KMPs were paid ₹95,78,935/- against loss of the Company Rs 18351644								
VII	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The Market capitalization of the Company was Rs. 394.60 Crore as of March 31, 2015. Previous year is not applicable. Over the same period, the price to earnings ratio was -176.16								
VIII	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase in the salary of employees other than managerial personnel in the last financial year was 16%.  Average percentile increase in the salary of Managerial personnel in the last financial year was 0.00%. <b>Note:</b> The remuneration of Managerial Personnel in last financial year were nil.								
IX	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under :								
		<table border="1"> <thead> <tr> <th>Particulars</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Managing Director</td> <td>Not Applicable</td> </tr> <tr> <td>Chief Financial Officer</td> <td>For the FY 2014-15, ₹71,91,000/- were paid against loss of the Company ₹ 1,83,51,644</td> </tr> <tr> <td>Company Secretary</td> <td>For the FY 2014-15, ₹23,87,935/- were paid against loss of the Company ₹1,83,51,644</td> </tr> </tbody> </table>	Particulars	Description	Managing Director	Not Applicable	Chief Financial Officer	For the FY 2014-15, ₹71,91,000/- were paid against loss of the Company ₹ 1,83,51,644	Company Secretary	For the FY 2014-15, ₹23,87,935/- were paid against loss of the Company ₹1,83,51,644
Particulars	Description									
Managing Director	Not Applicable									
Chief Financial Officer	For the FY 2014-15, ₹71,91,000/- were paid against loss of the Company ₹ 1,83,51,644									
Company Secretary	For the FY 2014-15, ₹23,87,935/- were paid against loss of the Company ₹1,83,51,644									
X	The key parameters for any variable component of remuneration availed by the Directors	Not applicable								
XI	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	No remuneration was paid during the financial year to Managing Director and hence this ratio could not be computed.								
XII	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration paid to Directors/employees is as per remuneration policy.								

**Annexure-VII to the Directors' Report**
*[Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

Sl. No.	Name of Employee	Designation	Educational qualification	Age	Experience (in years)	Date of Joining	Remuneration paid (in Lacs)	Previous employment	Percentage of equity share held	Whether employee is relative of any Director or Manager
1	Mr. Omprakash M Setty	Group-CFO	CA and CMA	46	25	01.07.2012	71.91	Poeticgem Limited,	NIL	No
2	Mr. Sridhar Thiagarajan	Head-HR & Factory Compliance	PGDBM	50	24	01.08.2014	73.12	Levis India Pvt. Ltd	NIL	No

### Annexure VIII to the Director's Report

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

#### A. CONSERVATION OF ENERGY

- (i) **Steps taken for 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) **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 conservation equipment: NIL**

#### B. TECHNOLOGY ABSORPTION :

- (i) **Efforts made towards technology absorption:**  
 Not Applicable
- (ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:**  
 Not Applicable
- (iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**  
 a Technology Imported : Not Applicable  
 b Year of Import : N.A.  
 c Has technology been fully absorbed? : N.A.  
 d If not fully absorbed, areas where this has not taken place, and the reasons. : N.A.
- (iv) **The expenditure incurred on Research & Development:**

Expenditure on R & D	( ₹ / Lacs)	
	2014-15	2013-14
a)		
b)		
c) Total	Nil	Nil

#### C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings		(Amount in ₹)	
Particulars	2014-15	2013-14	
Export of Goods - FOB basis	-	-	
Sale of Service	53,194,486	37,294,920	
Interest Income	-	-	
IT/SAP Income	-	-	
<b>Total</b>	<b>53,194,486</b>	<b>37,294,920</b>	

Foreign Exchange Outgo		(Amount in ₹)	
Particulars	2014-15	2013-14	
Foreign Travelling	-	-	
EDI Expenses	-	-	
Others -	-	-	
<b>Total -</b>	<b>-</b>	<b>-</b>	

## CORPORATE GOVERNANCE

### 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 is committed to best Corporate Governance and has fully complied with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges. The

Company in its endeavor towards the best Corporate Governance and to provide transparency initiated various measures.

Your Company is committed towards its buyers, institutions/bankers, employees/workers and other government agencies which are directly or indirectly concerned with the Company.

This report along with the chapters on Management Discussion and Analysis reports company's compliance with clause 49 of the listing agreement.

### 2. BOARD OF DIRECTORS

As on 31<sup>st</sup> March 2015, the company's Board of Directors consists of 6 (Six) Directors including One Women Director. The Chairman of the Board is non-executive Promoter Director. Out of the remaining Five Directors, the Board comprises of One Executive Director and Four non-executive Directors, of whom three are Independent Directors.

The composition of the Board is in conformity with the requirements of Clause 49 of the listing agreement. All non-executive independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

5 (Five) Board Meetings were held during the financial year. The dates on which the meetings were held are as follows:

26<sup>th</sup> May 2014, 5<sup>th</sup> June, 2014, 26<sup>th</sup> September, 2014, 23<sup>rd</sup> January, 2015 and 13<sup>th</sup> February, 2015.

Composition and Category of the Board as on 31.03.2015 and their attendance in the Board and Annual General Meetings are as hereunder:							
Sl. No.	Name of Director	Category	No. of outside directorships	No. of Committee		Attendance	
				Member	Chairman	Board Meetings	Annual General Meeting
1	Mr. Deepak Seth(DIN: 00003021)	Non-Executive Chairman	2	3	—	4	Yes
2	Mr. Pallak Seth(DIN: 00003040)	Non-Executive Vice-Chairman	-	-	—	3	No
3	Mrs. Payel Seth(DIN: 00003035)	Managing Director	1	—	—	2	No
4	Mr. Ashok Kumar Sanghi (DIN: 00011207)	Independent Director	1	3	1	3	Yes
5	Mr. Ashok Kumar Chhabra(DIN: 06869497)	Independent Director	-	2	1	4	Yes
6	Dr. A.P. Bhupatkar(DIN: 01854934)	Independent Director	-	2	1	4	Yes

Mr. Deepak Seth, Chairman, Mr. Pallak Seth, Vice Chairman and Mrs. Payel Seth, Managing Director are relatives.

#### Notes:

- The committees considered for the purpose are those prescribed under clause 49 of the Listing Agreement.
- Foreign Companies, Bodies Corporate, Private Companies and Companies under Section 8 of the Companies Act, 2013 are excluded for the above purpose.

As stipulated by Clause 49, none of the Directors was a member of more than 10 committees, or a Chairman of more than 5 committees across all companies in which he was a director.

There is no Nominee or Institutional Directors on the Board of the Company.

#### Meeting of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affair.

One meeting of Independent Directors was held during the year.

#### Information supplied to the Board

The Board has complete access to all information with the company. The minimum information required to be made available to the Board under Clause 49 of the Listing Agreement is followed by the Company.

#### Compliance with the Code of Conduct

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

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

### 3. AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013 and the guidelines set out in Clause 49 of the Listing Agreement. The terms of reference 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 there on.
- Reviewing the adequacy of internal control systems with management, external and internal auditors and reviewing the Company's financial risk and management policies.
- Reviewing the financial statements and quarterly financial results.

During the year, the Audit Committee, met Three times and discharged its responsibilities in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The meetings of the Audit Committee were held on 26<sup>th</sup> May 2014, 26<sup>th</sup> September, 2014 and 13<sup>th</sup> February 2015 during the financial year 2014-15.

During the year 2014-15, the members of the Audit Committee and their attendance are as under:

Audit Committee		
Composition		No. of Meetings attended
Dr. A.P. Bhupatkar	– Chairman	3
Mr. Deepak Seth	– Member	3
Mr. Ashok Kumar Sanghi	– Member	2

All the members of an Audit Committee are Non- Executive Directors and the Chairman of the Committee is Independent Director. All the members of the committee possess financial/accounting expertise.

Mr. Chandra Kishore Jha, Company Secretary acts as Secretary of the Audit Committee.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprised of Mr. Ashok Kumar Sanghi, Chairman, Mr. Ashok Kumar Chhabra and Dr. A.P. Bhupatkar as members.

Terms of Reference of the Nomination and Remuneration Committee include:

- To determine the remuneration, review performance and decide on variable pay of executive Directors.
- To determine the number of stock options to be granted under the company's Employees Stock Option Schemes and administration of the stock option plan.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Remuneration Committee.
- Establishment and administration of employee compensation and benefit plans.

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

Two meetings of the Nomination and Remuneration Committee were held on 26<sup>th</sup> May, 2014 and 23<sup>rd</sup> January, 2015 during the financial year 2014-15.

#### Directors' Remuneration

##### Remuneration policy

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employee is annexes as Annexure I to the Directors' Report.

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- Performance of the Company, its divisions and units
- Track record, potential, past remuneration and performance of individual appointee
- External competitive environment.

Details of remuneration paid to all the Directors for the year 2014-15:

(Amount in ₹)

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

Sitting fee to Independent Directors for attending each Board meeting ₹ 60,000/-. Besides above, 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 Executive Directors are as per Company policy, i.e. 3 months. The Company does not have any separate service contract with executive directors apart from Resolution of Board/Shareholder.

Mr. Deepak Seth, Chairman holds 1853399 equity shares (7.12%), Mr. Pallak Seth, Vice Chairman holds 1581175 equity shares (6.07%) and Mrs. Payel Seth, Managing Director holds 11819846 equity shares (45.38%) of the Company.

As required, a brief profile and other particulars of the Director seeking re-appointment is given in the Notice of the 4<sup>th</sup> Annual General Meeting and forms part of the corporate governance report.

#### 5. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee (SR Committee) was constituted by the Board on 26<sup>th</sup> May, 2014. The SR Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders'/investors'/security holders' complainants. The Committee also monitors implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The SR Committee's composition and the terms of reference meet with the requirements of Clause-49 of the Listing Agreement and provisions of the Companies Act, 2013.

The SR Committee Comprises of;

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

Terms of Reference on the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities

- Approve issue of the Company's duplicate share/debenture certificate
- Consider, resolve and monitor redressal of investors'/ shareholders'/ security holders' grievances related to transfer of securities, non-receipt of Annual Report
- Oversee the performance of the Company's Registrars and Transfer Agents
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time and/or enforced by any statutory notification/amendment or modification as may be applicable
- Perform such other functions as may be necessary or appropriate for the performance of its duties

The Chairman of the Committee is an Independent Director.

The Stakeholder Relationship Committee meetings held on 16<sup>th</sup> September, 2014, 14<sup>th</sup> October, 2014, 27<sup>th</sup> October, 2014, 20<sup>th</sup> November, 2014, 18<sup>th</sup> December, 2014, 19<sup>th</sup> January, 2015, 10<sup>th</sup> March, 2015, 18<sup>th</sup> March, 2015 and 31<sup>st</sup> March, 2015 during the year 2014-15.

Mr. Chandra Kishore Jha, Company Secretary, is the Compliance Officer of the Company for complying with requirements of Securities Laws and Listing Agreement with Stock Exchanges.

#### Prohibition of Insider Trading:

With a view to regulate trading in securities by the Directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

#### Status of Shareholders Complaints during the year

Complaints at the beginning of the year 1 <sup>st</sup> April, 2014	Complaints received during the year 1 <sup>st</sup> April 2014 – 31 <sup>st</sup> March 2015	Complaints settled during the year 1 <sup>st</sup> April 2014 – 31 <sup>st</sup> March 2015	Complaints pending at the ending of the year 31 <sup>st</sup> March 2015
N.A	1	1	Nil

#### 6. CEO/CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in term of Clause 49 of the Listing Agreement. The Managing Director and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in term of Clause 41 of the Listing Agreement. The annual certificate given by Managing Director and the Chief Financial Officer is published in this report.

#### 7. GENERAL BODY MEETINGS

Location and time where last 3 Annual General Meetings were held:

Year	AGM	Location	Date	Time
2011-12	1 <sup>st</sup>	A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028	19.09.2012	4:00 P.M.
2012-13	2 <sup>nd</sup>	A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028	27.09.2013	4:00 P.M.
2013-14	3 <sup>rd</sup>	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	26.09.2014	12.30 P.M.

#### Detail of Special Resolutions Passed during last Three Annual General Meetings:

Sl. No.	Particulars of Special Resolution	Date	Financial Year
1	To consider and approve appointment of Mrs. Payel Seth (DIN0003035) as Managing Director of the Company commencing from 1 <sup>st</sup> June, 2014 for a period of Five years	26.09.2014	2013-14
2	Borrowing powers of Board of Directors under Section 180(1)(C) of the Companies Act, 2013 not exceeding ₹ 500 Crores	26.09.2014	2013-14
3	Pursuant to Section 188 of the Companies Act, 2013 for entering into contract or arrangement with related parties. [Two (2) separate resolutions].	26.09.2014	2013-14
1	To Consider and approved under section 372A of the Companies Act, 1956	27.09.2013	2012-13
1	To Commencement of business specified in Clause 3 of the Other Objects under heading of III(c) of the Memorandum of Association of the Company under Section 149(2A) of the Companies Act, 1956	19.09.2012	2011-12

#### Detail of Special Resolutions Passed during the year through Postal Ballot:

During the Financial Year no any business transacted by means of Postal Ballot.

#### 8. DISCLOSURES

- 1) There had been no materially significant related party transaction that might have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Notes to Financial Statement in the Annual Report.
- 2) 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.
- 3) The Company has a Whistle Blower Policy. No personnel of the Company have been denied access to the Audit Committee.
- 4) The Company has complied with all the mandatory requirements of Clause 49. As regard the non-mandatory requirements, the extent of compliance has been stated in this report against each of them.

#### 9. MEANS OF COMMUNICATION

- (i) The quarterly results of the Company are published in leading and widely circulated English/Hindi National/Regional Newspapers as per the requirements of the Listing Agreement with the Stock Exchanges. The results are also fax /mail and courier to the Stock Exchanges where the Company is listed.
- (ii) The results normally published in Business Standard (English) and Naya India (Hindi).
- (iii) The Company's Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website [www.pdsmultinational.com](http://www.pdsmultinational.com)
- (iv) The Company regularly updates the media, analysts, institutional investors, etc., through a formal presentation on its financials as well as other business developments. Annual Report is sent to all the Stock Exchanges and Members of the Company. The Management Discussion and Analysis forms an integral part of this 4<sup>th</sup> Annual Report.

#### 10. GENERAL SHAREHOLDER INFORMATION

##### (i) Annual General Meeting

4<sup>th</sup> Annual General Meeting is scheduled as under:-

Day	Date	Time	Venue
Tuesday	22 <sup>nd</sup> September, 2015	12.30 P.M	Sri Sathya Sai International Centre, Pragati Vihar (Nr.Pragati Vihar Hostel), Lodhi Road, New Delhi-110 003

##### (ii) Financial Calendar (tentative)

First Quarter Results : Second week of August, 2015  
 Second Quarter & Half Yearly Results : Second week of November, 2015  
 Third Quarter Results : Second week of February, 2016  
 Fourth Quarter & Annual Results : Last week of May, 2016

##### (iii) Financial year

The financial year covers the period 1<sup>st</sup> April to 31<sup>st</sup> March.

##### (iv) Date of Book Closure

: 16<sup>th</sup> September, 2015 to 22<sup>nd</sup> September, 2015 (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 Scrip Code:

Stock Exchange	Scrip Code/Name
BSE Limited, Mumbai	538730
National Stock Exchange of India Ltd., Mumbai	PDSMFL

The Annual Listing Fee for the financial year 2015-2016 has been paid to the Stock Exchanges within stipulated time.

The ISIN of the equity shares of your Company is INE111Q01013.



(vi) Market Price Data: High, Low during each month in financial year 2014-15:

(The Companies equity shares has been listed and traded w.e.f 21<sup>st</sup> October, 2014)

MONTH(S)	BSE LIMITED(BSE) Company Code: 538730		NATIONAL STOCK EXCHANGE OF INDIA LIMITED(NSE) Company Code: PDSMFL	
	HIGH	LOW	HIGH	LOW
October 2014	248.00	173.30	249.00	183.85
November 2014	164.65	124.00	174.70	124.00
December 2014	210.00	158.00	208.35	160.00
January 2015	222.90	171.60	223.95	178.00
February 2015	204.00	180.00	209.00	153.50
March 2015	193.90	151.00	198.90	152.00

(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 PRICES COMPARISON			
	538730	BSE (Sensex)	PDSMFL	NSE (Nifty)
October 2014	173.30	27,865.83	183.85	8322.20
November 2014	161.00	28,693.99	161.15	8588.25
December 2014	204.30	27,499.42	204.90	8282.70
January 2015	201.70	29,182.95	201.80	8808.90
February 2015	181.00	29,361.50	181.20	8844.60
March 2015	151.00	27,957.49	152.00	8491.00

(viii) Registrar and Share Transfer Agent

Link Intime India Pvt. Limited  
44, Community Centre  
2<sup>nd</sup> 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](mailto:delhi@linkintime.co.in)

(ix) Share Transfer System

The Company's shares being in compulsory demat form are transferable through the depository system. The Shares in physical form are processed by the Registrar and Transfer Agents and approved by the Stakeholder Relationship Committee. Share transfer process reviewed by the Board.

(x) Distribution Schedule

(a) Distribution of Equity Shareholding of the Company as on 31<sup>st</sup> March 2015

Number of Equity Shares * held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
Upto 500	21158	97.05	1598889	6.14
501 - 1000	355	1.63	243054	0.93
1001 - 2000	128	0.59	173280	0.67
2001 - 3000	30	0.14	75317	0.29
3001 - 4000	20	0.09	70551	0.27
4001 - 5000	11	0.05	49739	0.19
5001 - 10000	33	0.15	232422	0.89
10001 and above	66	0.30	23603472	90.62
<b>Total</b>	<b>21801</b>	<b>100.00</b>	<b>26046724</b>	<b>100.00</b>

(b) Categories of Shareholders as on 31<sup>st</sup> March 2015

Category Code	Category of Shareholders	Number of Folio	Total Number of Shares	% of Total shares
(A)	Shareholding of Promoter and Promoters Group			
(1)	Indian	10	13925312	53.46
(2)	Foreign	4	3434574	13.19
	<b>Total Shareholding of Promoter and Promoters Group</b>	<b>14</b>	<b>17359886</b>	<b>66.65</b>
(B)	Public Shareholding			
(1)	Institutions	11	2635850	10.12
(2)	Non-Institutions	21776	6050988	23.23
	<b>Total Public Shareholding</b>	<b>21787</b>	<b>8686838</b>	<b>33.35</b>
(C)	Share held by Custodians and against which Depository Receipts have been issued			
(1)	Promoter and Promoters Group	0	0	0
(2)	Public	0	0	0
	<b>Total (A)+(B)+( C)</b>	<b>21801</b>	<b>26046724</b>	<b>100</b>

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

(xi) Dematerialisation of Shares and liquidity

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. As on 31<sup>st</sup> March 2015, 25,45,3074 equity shares of the Company forming 97.72 % of the Share Capital of the Company stand dematerialized.

(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 location till date.

(xiv) Compliance Certificate of the Auditors

Certificate from the Company's Auditors, M/s. S R Dinodia & Co. LLP confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

(xv) Registered Office of the Company:

A-3, Community Centre, Naraina Industrial Area,  
Phase-II, New Delhi - 110 028, India.

Corporate Office & Address for Correspondence:

No. 2339, II Floor, Krishna Complex, 17<sup>th</sup> Cross, HSR Layout,  
Sector-I, Bangalore-560102, Karnataka, India

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

Mr. Chandra Kishore Jha

Company Secretary

PDS Multinational Fashions Limited

No. 2339, II Floor, Krishna Complex, 17<sup>th</sup> Cross, HSR Layout,  
Sector-I, Bangalore-560102

Tel. No. : 91 - 080 - 67653030

Email: [ckishore@pdsinternational.com](mailto:ckishore@pdsinternational.com) ; [investors@pdsinternational.com](mailto:investors@pdsinternational.com)

(xvi) Adoption of Mandatory and Non- Mandatory Requirements of Clause 49

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company is in the process of adopting necessary non-mandatory requirements of Clause 49 of the Listing Agreement.

Depository Services

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

National Securities Depository Ltd.

Trade World, 4<sup>th</sup> Floor, Kamala Mills

Compound Senapati Bapat Marg,

Lower Parel, Mumbai-400013

Telephone : 022-24994200

Facsimile : 022-24972993

E-Mail : [info@nsdl.co.in](mailto:info@nsdl.co.in)

Website : [www.nsdl.co.in](http://www.nsdl.co.in)

Central Depository Services (India) Ltd.

Phiroze Jeejeebhoy Towers

28<sup>th</sup> Floor, Dalal Street, Mumbai-400023

Telephone : 022-22723333/3224

Facsimile : 022-22723199

E-Mail : [investors@cdslindia.com](mailto:investors@cdslindia.com)

Website : [www.cdslindia.com](http://www.cdslindia.com)





Certificate

**AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

To the Members,

PDS Multinational Fashions Limited

We have examined the compliance of conditions of Corporate Governance by PDS Multinational Fashions Limited, for the year ended on 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of 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 has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on the representation by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state the such compliance is neither an assurance as to future viability of the Company nor of the 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 No. 083689

Place: New Delhi  
Date: 25 May, 2015

Managing Director/CFO Certificate under Clause 49 (IX) of the Listing Agreement

To

The Board of Directors,  
PDS Multinational Fashions Limited

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 existing accounting standards, 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 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 we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we 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 year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- F. We further declare that all Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct.

Payel Seth  
Managing Director  
DIN:00003035

Omprakash Makam  
Chief Financial Officer

Place: Gurgaon  
Date: August 14, 2015

## MANAGEMENT DISCUSSION AND ANALYSIS

### Global Economy

The Global economic landscape continued to witness a wave of uncertainty and volatility during the fiscal. A host of factors such as a rapid fall in oil prices, unpredictable exchange rates, weakening of most currencies against the dollar and intensified political risks were few of the factors at play.

Economies of America and Europe faced challenges such as infrastructural bottlenecks, increased financial risks and political tensions during the fiscal. While the U.S economy displayed initial signs of revival, the slowdown in China weakened the pace of growth in commodity exporting nations. Increased geopolitical uncertainty related to the Russia-Ukraine and Middle East conflicts, as well as increased concern about the economic and political future of the Euro Area and European Union further added onto the global instability.

The growth of Emerging economies during the fiscal remained moderate despite an unfavorable investment climate and a weak external demand. The recent appreciation of the U.S dollar put a significant pressure on the corporate sector of countries that borrow in dollars but have assets or earnings in other currencies. Uneven global events and weak global demand conditions destabilized the export performance to a large extent.

Despite these bottlenecks, we believe that the emerging markets and developing economies offer ample opportunity for growth in the longer term and we remain confident of our ability to capitalize on these long-term opportunities.

### Indian Economy

India started the fiscal year 2014-15 on a buoyant note, driven by the establishment of a new Government, which further brought in overall optimism for the Indian economy. Factors such as the government's pro-investment attitude, accelerative move towards resolving structural bottlenecks and bringing in socio-economic reforms made India an attractive economic destination during the fiscal. Other Government initiatives such as the 'Swachh Bharat Abhiyan', 'Skill India' scheme, and the 'Make in India' and 'Clean Ganga' campaigns aimed at triggering economic development through various sectors in the country.

Additionally, the Government's strong impetus on improving ease of doing business in India coupled with a higher focus on making India a global manufacturing hub is likely to fuel the growth in consumer sentiment, thereby boosting the manufacturing sector, going forward.

Although there is a lot of hope pinned on the Indian economy and the new Government, the actual improvement on the ground in terms of uptick in the economic activity is still muted and possibly still some quarters away. The Indian economy was estimated a GDP growth of 7.8%, as compared to 6.6% in the previous year.

Several socio-economic changes are visible. This combined with a gradual financial recovery will drive a profoundly strong Indian economy, moving it from the club of 'Fragile Five' to one of the most promising economic powerhouses, globally.

### Company Performance

In the backdrop of a challenging and fluid environment, your Company delivered a healthy performance during the year demonstrating the strength and resilience of its business model.

Our net revenues stood at ₹ 3,886 crore, registering a growth of 4%, mainly attributable to improved apparels revenues which were underpinned by a growing customer base, continued contribution from the home products & accessories segment. Net profits increased by 21% to ₹ 29 crore in FY15 as against ₹ 24 crore in FY14.

Apparel revenues, which stood at ₹ 3840 crore in FY15, contributed to 99% of the overall revenues. Home Product & accessories Revenues during the fiscal stood at ₹ 46 crore in FY15 amounting to 1% of the overall revenue.

In terms of geography, turnover of our UK business amounted to 61% for the year, while our European business was at 15% followed by South America and Asia at 9% and 7% respectively and ROW contributed about 8%.

Material costs for the fiscal stood at ₹ 3,337 crore compared to ₹ 3,164 crore in FY14, registering an increase of 5.5% over last year in line with the overall growth in revenues. However due to the combined impact of price reduction & product mix changes Gross profit that stood at ₹ 549 crore compared to ₹ 584 crore in FY14.

On the operational front, your Company augmented its distribution network in the Middle Eastern, Australia and LATAM during the fiscal. Business from repeat customers accounted for 89% to the overall revenues, reflecting on the Company's well entrenched relations with Retailers and clients. New customer additions during the fiscal stood at 34 as against 41 in the previous fiscal. Stable contribution from new customer additions along with underlying growth from repeat customers led to improved financial performance.

During the year we also commenced our Agency business. Given our well established relationships with some highly regarded international brands we believe there is opportunity for us to leverage our global presence to introduce these brands to some emerging markets.

As you know, the fiscal year 2013-14 saw large fires gutting the garment and textile factories in Bangladesh that severely disrupted the Company's operations in the country. However, the

Company has now once again re-established its footprint and is reinforcing business operations in Bangladesh. In an endeavor to further strengthen our presence in Bangladesh & Sri Lanka, we have outlined plans to increase the production capacity at each facility, thus further optimizing our cost competitive position in the industry.

Over the last two years, PDS has not only expanded its base into the underpenetrated markets of Bangladesh, Belgium, India, Pakistan, Myanmar, China, Sri Lanka & Turkey but has also efficiently leveraged its strong foothold in the existing markets of Asia, Europe, UK and the Middle East. PDS enjoys a global trading network spanning over 18 markets, thus enabling a faster, efficient and highly flexible distribution and logistics solution to satisfy end-customers' needs and demands. Riding on its extensive distribution network and deep market understanding of geographies, the Group continues to enjoy a prime position in the global supply chain management and will work on ways to enhance this even further.

PDS has created a benchmark for itself in Compliance and Ethical Sourcing practices in select key markets. In 2014, your Company invested in Navex Global, the trusted Ethics & Compliance expert, to ensure the highest level of transparency, ethics, and social compliance in its supply chain system. The strength of our client base is a clear reflection of the established quality standards of PDS and we will continue providing the best-in-class service to our global diverse customer base, going forward.

As in every organization and even more so for an asset light company like yours, employees play a key role. While operating an asset light business model, the progress and advancement of the business operations becomes highly reliant on the workforce of the Company. PDS, as at March 31, 2015, had a total employee base of 2300, of which over 2000 are sourcing and distribution business-related workers and over 300 are product development and design-related workers. Employee cost during the year stood at ₹ 221 crore as against ₹ 233 crore in the previous year.

A combination of various strategic initiatives taken over the last few quarters has resulted in higher profit before tax for the Company that stood at ₹ 34 crore compared to ₹ 27 crore in FY14. Cash profits, without considering the impact of exceptional items and MTM currency losses (outstanding positions are hedged), stood at ₹ 51 crore in FY15.

Our balance sheet remained healthy with a cash position of ₹ 177 crore and total debt, as of March 31, 2015 at ₹ 475 crore (mostly towards working capital).

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

### Strengths

#### Professional Management team with rich Industry experience

Adverse management team comprising of senior professionals with extensive expertise and deep understanding of global markets in consumer goods design, development, sourcing and distribution. The team, having experienced multiple business cycles, is well positioned to guide your Company through changing trends in the marketplace. PDS offers dedicated and determined individuals the opportunity to run their own business units within the cultural and financial framework of the group, thus enabling the Company to balance excellence in entrepreneurship with growth.

#### Strong Brand-Name

The quality, transparency and reliability of our operations combined with an enduring customer satisfaction delivered have established your Company as a global organization and a strategic manufacturing partner to major brands and retailers. Our diverse product range, including fashion apparel, children's wear, accessories, footwear, home décor & textiles along with our niche product development and design capabilities have further helped in lending more strength to brand PDS.

#### Design-led Company

PDS boasts of a dedicated in-house product development, design, sampling, and technical teams comprising of over 150 highly qualified in-house designers. The talented and experienced team of professionals develops over 1,000 new styles and over 10,000 samples per month.

#### Global presence

Your Company is present in most key markets and manufacturing locations across the globe. Our global footprint besides minimizing time to market, spurs innovation and helps us understand and connect every aspect of our customers. We have built a solid association with a number of manufacturers in countries including Bangladesh, Cambodia, China, India, Morocco, Myanmar, Pakistan, Sri Lanka, and Turkey. Over the years, PDS has consistently expanded its supplier network which today stands at over 1000 suppliers across the globe. We are also leveraging our strong presence in key markets of Asia, Europe, UK and Middle East to further diversify and expand outreach.

#### Financial Strength

PDS on the back of a strong balance sheet and proven pedigree over several years has in place large limits with several banks in the geographies wherein it operates. These are particularly helpful towards connecting quality small manufacturers with large global brands.

#### Weaknesses

##### Concentrated Revenue Mix

Your Company enjoys a dominant market share in the Europe and UK regions. In FY15, 76% of revenues came from these geographies. The Company recognizes the need to diversify its market share and has implemented steps to improve revenue contribution from regions such as Asia, Australia and Middle East. Revenues from Europe and UK will continue to expand but the focus will be on improving the contribution of other regions.

##### Seasonality in Business

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

##### Opportunities

##### A range of scalable businesses

Your Company's strategy of encouraging entrepreneurship and creating a facilitating environment for businesses to grow means that at any given time there are several high potential opportunities. These businesses enter the PDS fold post a detailed evaluation and deciding on targets in conjunction with the business leader. As in any business case, there is possibility of failure; however the potential of our business leaders, the close scrutiny and initial assessment conducted and the highly enabling environment and infrastructure all make us optimistic about the future.

##### Mature Businesses showing results

Several of our businesses are presently less than 3 years old in a growth phase. Our experience has shown in line with our strategy, post completion of 36 months, businesses achieve stability and deliver strong growth and profitability on a sustained basis. As many of our growth businesses cross the three year hurdle, your Company can be expected to show improved profitable growth.

##### Changing Preferences

The global markets, particularly the advanced emerging economies, have witnessed a massive revolution in lifestyle standards, purchasing preferences and buying trends in the last two decades. Increasing consumerism, emerging lifestyles, rising incomes, a younger set of consumers and a clear shift in buyer mindsets have driven higher consumption of branded products. Changing preferences and healthier retail environment will continue to be on the rising trend creating several opportunities.

#### Threats

##### Cyclical Nature of the Industry

The apparel industry is cyclical in nature. Factors such as disposable incomes, consumer spending, shifting consumption patterns, inflation and changes in fashion trends continue to play a significant role in the performance of the industry. Uneven economic conditions and uncertain economic prospects can lead to increased volatility in the sector.

##### Lack of Economic Growth

Your Company's operational and financial performance significantly relies on the global economic conditions. Uncertainty about worldwide economy poses a risk as consumers and brands postpone their spending due to factors such as lower disposable incomes, unemployment, declines in income, financial market volatility amongst others. Barring the headwinds in the European economies, the economic growth in the USA, China, Japan and other emerging markets is expected to remain healthy in FY16. The developing countries in the Asian continent are expected to report healthier growth rates, going forward.

##### Outlook

Overall, the year in retrospect witnessed several challenges on the global economic environment front. Despite these temporary headwinds, we strongly believe that factors such as declining oil prices, increasing spending power and improving macroeconomic outlook amongst others will boost consumption and growth, which in turn will reflect positively on the sector in the longer term.

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.

We will strive for profitable growth with a consistent thrust on strengthening our design and development capabilities, enhancing our sourcing and manufacturing base and building our connect with global brands. We repose great confidence in our design team's capabilities and the infrastructure we possess and are optimistic of churning out an even more extensive range of designs in the years ahead. Our endeavor will also be to gradually enhance our connect with brands in developed markets like Australia, Middle East and Latin America besides Western Europe. Through our Agency business, we will also look to introduce some of these brands in markets where they are not present currently.

We will also look to strategically strengthen our sourcing and manufacturing capabilities. As part of this endeavor we propose to expand our infrastructure by 10,000 new machines over the next 3-4 years. The investments will create additional capacity for the Company to increase its operations base and will assist in the medium-term growth plans.

INDEPENDENT AUDITORS' REPORT

To the Members of M/S PDS MULTINATIONAL FASHIONS LIMITED  
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s PDS Multinational Fashions Limited ("the Company") and its subsidiary (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated 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 financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the consolidated 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:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**Other Matters**

We did not audit the financial statements of subsidiaries, whose financial statement reflect total assets of ₹ 137,754.76 lacs as at March 31, 2015 and total revenue of ₹ 388,458.11 lacs for the year ended March 31, 2015. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.

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

(Sandeep Dinodia)  
*Partner*  
Membership No. 083689

Place: New Delhi  
Date: 28 May, 2015

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015**

(Amount in ₹)

Particulars	Note No.	As At March 31, 2015	As At March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	260,467,240	500,000
(b) Reserves and Surplus	4	4,206,093,015	3,730,441,523
		<u>4,466,560,255</u>	<u>3,730,941,523</u>
<b>Share Capital Suspense Account</b>	5	-	259,967,240
<b>Minority Interest</b>		513,354,677	411,322,524
<b>Non-Current Liabilities</b>			
(a) Long-Term Borrowings	6	546,374,517	492,054,334
(b) Deferred Tax Liabilities (Net)	7	2,251,385	4,370,353
(c) Long-Term Provisions	8	2,153,527	835,704
		<u>550,779,429</u>	<u>497,260,391</u>
<b>Current Liabilities</b>			
(a) Short-Term Borrowings	9	4,203,610,736	4,162,832,358
(b) Trade Payables	10	3,500,417,715	3,016,185,359
(c) Other Current Liabilities	10	411,896,508	463,035,777
(d) Short-Term Provisions	8	259,453,145	197,509,228
		<u>8,375,378,104</u>	<u>7,839,562,722</u>
<b>TOTAL</b>		<u><u>13,906,072,465</u></u>	<u><u>12,739,054,400</u></u>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>(a) Fixed assets</b>			
Tangible Assets	11	1,480,859,647	1,400,609,248
Intangible Assets	11	439,593,122	426,404,424
Capital Work-In-Progress	11	106,201,484	23,145,409
(b) Non-Current Investments	12	169,257,781	213,414,101
(c) Long-Term Loans and Advances	13	87,527,383	136,346,950
		<u>2,283,439,417</u>	<u>2,199,920,132</u>
<b>Current Assets</b>			
(a) Current Investment	12	26,128,369	15,197,159
(b) Inventories	14	885,133,979	1,207,189,817
(c) Trade Receivables	15	7,150,912,452	5,831,653,650
(d) Cash and Bank Balances	16	1,771,622,193	2,118,873,924
(e) Short-Term Loans and Advances	13	1,788,836,055	1,366,219,718
		<u>11,622,633,048</u>	<u>10,539,134,268</u>
<b>TOTAL</b>		<u><u>13,906,072,465</u></u>	<u><u>12,739,054,400</u></u>

Summary of Significant Accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date attached

For S.R. DINODIA &amp; CO., LLP.

CHARTERED ACCOUNTANTS

REGN. NO. 001478N/N500005

(SANDEEP DINODIA)

P A R T N E R

M. NO. 083689

PLACE : NEW DELHI

DATE : May 28, 2015

For &amp; on behalf of the Board of Directors of PDS Multinational Fashions Limited

(Deepak Seth)

Director

DIN No. 00003021

(Omprakash M. Setty)

Chief Financial Officer

(Payel Seth)

Managing Director

DIN No. 00003035

(Chandra Kishore Jha)

Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED MARCH 31, 2015

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
I Revenue from operations	17	38,723,458,691	36,870,523,922
II Other income	18	136,409,855	610,187,532
<b>III Total Revenue (I+II)</b>		<b>38,859,868,546</b>	<b>37,480,711,455</b>
<b>IV Expenses:</b>			
(a) Purchases of Stock-in-Trade	19	33,491,997,177	31,526,676,022
(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(120,916,769)	119,002,019
(c) Employee benefits expense	21	2,210,097,021	2,333,596,807
(d) Finance costs	22	188,285,519	168,189,481
(e) Depreciation and amortization expense	11	146,348,256	155,271,841
(f) Other expenses	23	2,598,401,039	2,885,416,560
<b>Total Expenses</b>		<b>38,514,212,244</b>	<b>37,188,152,730</b>
<b>V Profit Before Exceptional Items and Tax (III - IV)</b>		<b>345,656,302</b>	<b>292,558,726</b>
VI Exceptional items	24	6,181,758	26,738,738
<b>VII Profit Before Tax (V - VI)</b>		<b>339,474,544</b>	<b>265,819,987</b>
<b>VIII Tax Expense</b>			
(a) Current Tax		56,201,983	31,107,657
(b) Deferred Tax		(2,125,123)	(2,949,810)
<b>VIII Profit/(Loss) Before Minority Share (VII - VIII)</b>		<b>285,397,684</b>	<b>237,662,140</b>
IX Minorities Share in (Profit)/Loss		(67,484,976)	(53,988,918)
<b>X Profit/(Loss) of the year (VIII - IX)</b>		<b>217,912,708</b>	<b>183,673,223</b>
<b>Earnings per equity share:</b>			
(1) Basic	25	10.21	3,673.46
(2) Diluted	25	10.21	7.05
Summary of Significant Accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date attached

For S.R. DINODIA &amp; CO., LLP.

CHARTERED ACCOUNTANTS

REGN. NO. 001478N/N500005

(SANDEEP DINODIA)

P A R T N E R

M. NO. 083689

PLACE : NEW DELHI

DATE : May 28, 2015

For &amp; on behalf of the Board of Directors of PDS Multinational Fashions Limited

(Deepak Seth)

Director

DIN No. 00003021

(Payel Seth)

Managing Director

DIN No. 00003035

(Omprakash M. Setty)

Chief Financial Officer

(Chandra Kishore Jha)

Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Net Profit/(Loss) Before Tax And Exceptional Items	339,474,545	265,819,988
Adjustments For :		
Depreciation	146,348,256	155,271,841
Prior Period Expenses	25,626	83,333
(Profit)/Loss on Sale of Assets	6,181,758	(1,140,5176)
Interest Paid	183,195,700	163,051,874
Foreign Currency Translation Reserve	93,355,011	545,535,508
Foreign Exchange Fluctuation	(32,992,607)	(341,619,062)
Interest received	(5,018,828)	(3,873,459)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>730,569,461</b>	<b>772,864,848</b>
Adjustments For Changes In Working Capital:		
Trade and Other Receivables	(1,629,652,671)	(7,327,550,699)
Inventories	322,055,837	(1,207,189,817)
Short term borrowings	5,741,933	4,152,317,362
Trade Payables and other payables	475,189,286	3,490,486,599
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(96,096,153)</b>	<b>(119,071,707)</b>
Direct Taxes Paid	(5,659,707)	173,778,014
<b>CASH FLOW BEFORE EXTRA ORDINARY ITEMS</b>	<b>(101,755,861)</b>	<b>54,706,307</b>
Prior period Items/Excess provision w/back	(25,626)	(83,333)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(101,781,487)</b>	<b>54,622,974</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(184,340,594)	(1,938,872,478)
Foreign exchange fluctuation	(146,825,840)	(73,584,290)
Investment made during the year	34,038,553	(229,661,198)
Investment in bank deposits	325,662,442	(1,224,056,691)
Sale of Fixed Assets	1,515,321	23,675,918
Interest Received	5,018,828	3,873,459
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>35,068,709</b>	<b>(3,438,625,280)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Share Capital (Demerger Transaction)	-	259,967,240
Capital Reserve (Demerger Transaction)	-	2,735,162,688
Retained Earnings (Demerger Transaction)	-	254,996,912
Capital Reserve	(60,066,743)	-
Retained Earnings	166,525,966	-
Interest Paid	(183,195,700)	(163,051,874)
Payment (to)/ from Minority interest	34,547,177	357,333,607
Proceeds from Long Term Borrowings (Net)	54,320,183	492,054,334
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>12,130,882</b>	<b>3,936,462,905</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (D=A+B+C)</b>	<b>(54,581,895)</b>	<b>552,460,600</b>





Foreign Exchange Fluctuation	(E)	32,992,607	341,619,062
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	(F)	894,817,233	737,572
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	(D+E+F)	873,227,944	894,817,233
The above balance at year end represents:			
Balance with Scheduled banks in Current Account & Cash In hand		873,227,944	894,817,233
		<hr/>	<hr/>
		873,227,944	894,817,233
		<hr/> <hr/>	<hr/> <hr/>

Summary of Significant Accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our Audit Report of even date attached

For S.R. DINODIA & CO., LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

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

Sandeep Dinodia  
Partner  
Membership No. 083689

(Deepak Seth)  
Director  
DIN 00003021

(Payel Seth)  
Managing Director  
DIN 00003035

Place: New Delhi  
Date: May 28, 2015

(Omprakash M. Setty)  
Chief Financial Officer

(Chandra Kishore Jha)  
Company Secretary

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

**NOTE 1: CORPORATE INFORMATION**

PDS Multinational Fashions Limited is a public limited company domiciled in India and has its registered office at A-3, Community Centre, Naraina Industrial Area, Phase - II, New Delhi. The company along with its subsidiaries (collectively referred to as "the Group"), is primarily engaged in trading of Garments, whilst the subsidiary and its sub-subsidiaries are engaged in investment holding, design, development, marketing, sourcing and distribution of readymade garments of all kinds and other consumer products worldwide.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Preparation**

- i) The consolidated financial statements of the group have been prepared in accordance with applicable accounting standards and relevant presentation requirements of the Companies Act, 2013 and are based on the historical cost convention and on an accrual basis of accounting except in case of foreign subsidiary where financial assets and liabilities are measured at fair value. The financial statements of foreign subsidiaries have been prepared in compliance with the local laws and applicable accounting standards. The Company has complied in all material respects with Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of Company (Accounts) Rules, 2014, the provisions of the Act (to the extent notified), guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable statutes. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except where a newly-issued accounting standards is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.
- ii) The Financial statements of all reporting entities under consolidation are drawn up to the financial year ended March 31, 2015.

**b) Uses of Estimates**

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets & liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**c) Basis of Consolidation**

The consolidated financial statements have been prepared on the following basis:-

- i) The financial statements of the company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income/ expenses and after eliminating intra-group balances & intra-group transactions resulting in unrealized profits or losses within the group.
- ii) As far as possible, 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. Inconsistency, if any, between the accounting policies of the subsidiary, have been disclosed in the notes to accounts.
- iii) The difference of the cost to the company of its investment in subsidiary over its share in the equity of the investee company as at the date of acquisition of stake is recognized in financial statements as Goodwill or Capital Reserve, as the case may be.
- iv) Minority interest in the Equity & Results of the entities that are controlled by the company is shown as a separate item in the Consolidated Financial Statement.
- v) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the parent company for its standalone financial statement.

**d) Effect of Changes in Foreign Exchange Rates**

**i) Translation of Financial Statements of Foreign Operations**

In view of Accounting Standard-11 (AS-11) Changes in Foreign Exchange Rates notified under Companies (Accounts) Rules, 2014, the operations of the foreign subsidiary (including its sub-subsidiaries) are identified as non integral subsidiaries of the company in the current year and translated into Indian Rupee.

The Assets and Liabilities of Foreign operations, including Goodwill/Capital Reserve arising on consolidation, are translated in Indian Rupee (INR) at foreign exchange rate at closing rate ruling as at the balance sheet date.

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

Foreign exchange differences arising on translation of Non-integral Foreign Operations are recognized as foreign exchange translation reserve in balance sheet under the head Reserve & Surplus and those of Integral Foreign Operations are recognized in the Statement of Profit & Loss. The revenue and expenses of foreign operations are translated in Indian Rupee (INR) at yearly average currency exchange rate, of the respective years.

**ii) Foreign Currency Transactions**

In case of parent company & its subsidiary sales made in foreign currencies are translated on exchange rate prevailing on the date of transactions.

Gain/Loss arising out of fluctuation in the exchange rate on settlement of the transaction is recognized in the Statement of Profit and Loss.

Other transactions in foreign currency are recognized on initial recognition at the exchange rate prevailing at the time of transaction. Foreign Currency monetary items are reported using the closing rate as on balance sheet date. The resultant exchange gain/loss is dealt with in the Statement of Profit & Loss.

Premium or discount on forward contracts is amortized in the Statement of Profit and Loss over the period of the contract. Exchange differences on such contracts are recognized in the statement of Profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period.

**e) Inventories**

- i) Inventories 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.

**f) Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Following are the specific revenue recognition criteria:-

- i) 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.
- ii) Export Sales is recognized on the basis of date of Airway Bill/Bill of Lading/ Forwarder Cargo receipt.
- iii) Interest income is recognized on an accrual on time proportion basis. In case of Multinational Textile Group Limited and its subsidiaries 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.
- iv) Investment income is recognized as and when the right to receive the same is established.
- v) Handling Fee income is recognized in the period in which the services are rendered.
- vi) Commission Income is recognized when the services are rendered.
- vii) Dividend Income is recognized when the right to receive is established.
- viii) Other Income re recognized on accrual basis.

**g) Fixed Assets & Depreciation**

- i) Fixed Assets are stated at cost less accumulated depreciation. The cost comprises the purchase price/construction cost and any attributable cost including borrowing cost of bringing the asset to its working condition for its intended use. Fixed assets under construction, and cost of assets not put to use before year end are shown as Capital Work in Progress. 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. Gains or losses arising from sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss in the year in which the asset is sold.

In case of Multinational Textile Group Limited:-

When parts of an item of an asset have different useful lives, they are accounted for as separate items (major components) of fixed assets.

- ii) Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit & Loss. The management estimates the useful lives for the other fixed assets as follows:

Buildings (other than tubewell)	30-60 years
Tubewell	5 years
Plant and Machinery	15 years
Office Equipment	5 years
Computer Equipment	3-6 years
Furniture and Fixtures	10 years
Vehicles	8-10 years

In case of Multinational Textile Group Limited : -

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 Company will obtain the ownership by the end of the lease term

The estimated useful lives are as under:

Leasehold land and buildings	over the shorter of the lease term and 33.33%
Infrastructure	20% straight line basis
Computer and equipment	10% - 33.33% straight line basis
Fixtures, fittings and equipments	10% - 33.33% straight line basis
Motor vehicles	14% - 33.33% straight line basis
Plant & Machinery	20% - 25% straight line basis

- iii) Cost of Leasehold land is amortized over the period of lease.

- iv) Intangible Assets : Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. All expenditures, qualifying as Intangible Assets other than Goodwill are amortized over estimated useful life.

**h) Goodwill**

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.

**i) 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 three 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.

**j) Financial instruments and hedging**

The Company uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognized at cost on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the Statement of Profit & Loss.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purpose of hedge accounting, hedges are classified as:

**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.

**k) Employee Benefits**

**In case of Standalone (Indian) entity**

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 -Employees Benefits (Revised 2005) :

**i) Short term Employee benefit**

Short term employee benefits including short term compensated absences are recognised as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered. Terminal Benefits are recognized as an expense immediately.

**ii) Defined Benefit Plans**

The cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefit become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

**iii) Defined Contribution Plan**

Contributions payable to recognised provident fund (PF) and employee state insurance scheme (ESI), which are substantially defined contribution plans, are recognised as expense in the Statement of Profit and Loss, as they incurred.

**iv) 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.

**l) Borrowing Cost**

Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of assets. A qualifying asset is one that

necessarily takes substantial period of time to get ready for intended use. Investment Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognized as expense in the year in which they are incurred.

**m) Leases**

Assets acquired under leases where the company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis on straight line basis.

**n) Taxes On Income**

Taxes include current tax and deferred tax.

**Current Tax** is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act and the tax laws prevailing in the respective tax jurisdiction where the group operates and based on the expected outcome of assessment/appeals. 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 the items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

**Deferred Tax** reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization. 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 tax relates to the same taxable entity and the taxation authority.

**o) Impairment of Assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount is determined. Where the carrying amount of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognised impairment loss is reversed in Statement of Profit & Loss only if there has been a change in the assumptions used to determine the assets's recoverable amount since the last impairment loss was recognised.

**p) Provision, Contingent Liabilities and Contingent Assets**

Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated.

**Contingent Liabilities** are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent liability is not recognised but is disclosed in the notes to the financial statements.

**Contingent Assets** are neither recognized nor disclosed in the financial statements.

**q) Earning 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."

**r) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Accounting Standard -3(AS-3) "Cash Flow Statement".

**s) Cash and cash equivalents**

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015**

	(Amount in ₹)	
	As March 31, 2015	At March 31, 2014
<b>NOTE 3 : SHARE CAPITAL</b>		
<b>Authorised</b>		
27,000,000 (March 31, 2014: 500,000) Equity Shares of ₹ 10/- each	270,000,000	5,000,000
	270,000,000	5,000,000
<b>Issued, Subscribed &amp; Paid-up Equity</b>		
26,046,724 (March 31, 2014: 50,000) Equity Shares of ₹ 10/-each fully paid up	260,467,240	500,000
	260,467,240	500,000

**a) Reconciliation Statement of Equity Share Capital**

	March 31, 2015		March 31, 2014	
	No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
Equity Shares				
Balance at the beginning of year	50,000	500,000	50,000	500,000
Add:- Addition during the year	25,996,724	259,967,240	-	-
Less:- Buy back during the year	-	-	-	-
Balance at the end of the year	26,046,724	260,467,240	50,000	500,000

**b) Terms/rights attached to equity shares**

The company has only one class of equity shares of 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.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholder holding more than 5 percent shares in the company**

	March 31, 2015		March 31, 2014	
	No. of shares	% Holding	No. of shares	% Holding
M/s. Pearl Global Industries Limited (Holding Company upto March 31, 2014)	-	-	49,994	99.99%
Mrs. Payel Seth	11,819,846	45.38%	-	-
Mr. Deepak Seth	1,853,399	7.12%	-	-
Mr. Pulkit Seth	1,813,661	6.96%	-	-
Mr. Pallak Seth	1,581,175	6.07%	-	-

**d) For a period of 5 years immediately preceding the date of Balance sheet Aggregate number and class of shares allotted as fully paid up pursuant to Scheme of Demerger**

Equity Share Capital	March 31, 2015 No. of Shares	March 31, 2014 No. of Shares
(Being shares issued to shareholders of Pearl Global Industries Limited, under approved scheme of Demerger)	25,996,724	-
	25,996,724	-

Total Reserves & Surplus	(A+B+C+D+E)	4,206,093,015	3,730,441,523
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(Amount in ₹)

 As At  
March 31, 2015      As At  
March 31, 2014

**NOTE 5 : SHARE CAPITAL SUSPENSE ACCOUNT**

Nil (March 31, 2014: 25,996,724 Equity Shares) of ₹ 10/- each	-	259,967,240
	-	259,967,240

**Note 6 : LONG-TERM BORROWINGS**

(Amount in ₹)

**NOTE 4 : RESERVE & SURPLUS**

Foreign Currency Translation Reserve	As At March 31, 2015	As At March 31, 2014
Balance at the beginning of year	545,535,509	-
Add:- Addition during the year on account of demerger	-	545,535,508
Add:- Addition during the year	93,348,875	-
Less:- Utilised during the year	-	-
Balance at the end of year (A)	638,884,384	545,535,509
<b>Capital Reserve On Consolidation</b>		
Balance at the beginning of year	2,735,162,688	-
Add:- Capital reserve on account of demerger	-	2,735,162,688
Less:- Utilised during the year	62,583,711	-
Balance at the end of year (B)	2,672,578,977	2,735,162,688
<b>Hedging Reserve</b>		
Balance at the beginning of year	11,123,883	-
Add:- Addition during the year on account of demerger	-	11,123,883
Add:- Addition during the year	60,066,743	-
Less:- Utilised during the year	-	-
Balance at the end of year (C)	71,190,626	11,123,883
<b>Investment Reserve- Available for Sale</b>		
Balance at the beginning of year	(1,049,937)	-
Add:- Addition during the year	813,443	-
Less:- Utilised during the year on account of demerger	-	(1,049,937)
Balance at the end of year (D)	(236,494)	(1,049,937)
<b>Retained Earnings</b>		
Balance at the beginning of year	439,669,380	999,245
Add:- Reserves transferred on account of Demerger	-	254,996,912
Add: Adjustment on account of sale of undertaking	95,248,741	-
Less:- Depreciation adjustment as per Schedule II to the Companies Act, 2013 (Net of Deferred Tax of ₹ 193,419)	(432,532)	-
Add:- Profit/(Loss) for the year	217,912,708	183,673,223
Add:- Transfer from Capital Reserve on consolidation	71,277,226	-
<b>Net Surplus in the statement of Profit and Loss (E)</b>	<b>823,675,522</b>	<b>439,669,380</b>

	Non-current portion		Current Maturities	
	As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014

**Secured Loan from Bank (Refer Note ₹ a ₹ below)**

- Loan in Functional Currency	454,945,430	490,090,258	-	-
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**Secured Loan from Financial Institution (Refer Note ₹ a ₹ below)**

- Vehicle Loan	1,429,088	1,964,076	493,688	481,883
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**Unsecured Loan from Bank (Refer Note ₹ b ₹ below)**

- Term Loan	90,000,000	-	-	-
	546,374,518	492,054,334	493,688	481,883

**Less: Term Loan disclosed under "Other Current Liabilities" (Refer Note 10)**

	546,374,518	492,054,334	-	-
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**The above amount includes -**

Secured borrowings	456,374,518	492,054,334	493,688	481,883
Unsecured borrowings	90,000,000	-	-	-

**a) In case of Secured Loans the nature of Security are :-**
**i) In case of Multinational Textile Group Limited**

The Long term loan are secured by Legal charge over Freehold property at Teleflex plot, Burnleys, Kiln Farm, Milton Keynes, fixed and floating charges over the assets of the sub-subsidiary and cross guarantee between Poeticgem Limited and its subsidiary Pacific Logistics Limits. The Company also has advances from factors that are secured by a charge on the trade receivable of the Company.

**ii) In case of PDS Multinational Fashions Limited**

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.

**Maturity profile of Vehicle loan is set out as below:**

No. of Outstanding EMI as on March 31, 2015	39
<b>Amount repayable in</b>	<b>Amount (₹)</b>
FY 2015-16	493,688
FY 2016-17	593,946
FY 2017-18	659,401
FY 2018-19	175,740



- b) The unsecured term loan is guaranteed against Stand by Documentary Credit (SBDC) from 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.

(Amount in ₹)	
As At	As At
March 31, 2015	March 31, 2014

**NOTE 7 : DEFERRED TAX LIABILITIES (NET)**

**Deferred Tax Liabilities**

	As At	As At
	March 31, 2015	March 31, 2014
Impact of difference between tax depreciation as per Income Tax Provisions and depreciation / amortization charged for financial reporting	17,254,539	5,572,029
<b>Gross deferred tax liabilities (A)</b>	<b>17,254,539</b>	<b>5,572,029</b>

**Deferred Tax Assets**

	As At	As At
	March 31, 2015	March 31, 2014
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	15,003,154	1,201,675
<b>Gross deferred tax assets (B)</b>	<b>15,003,154</b>	<b>1,201,675</b>
<b>Net Deferred tax liability (A-B)</b>	<b>2,251,385</b>	<b>4,370,353</b>

Long Term		Short Term	
As At	As At	As At	As At
March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014

**NOTE 8 : PROVISIONS**

	As At	As At	As At	As At
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for employee benefits				
Gratuity (Refer Note 21)	977,683	499,782	5,034	-
Leave Encashment (Refer Note 21)	1,166,139	298,722	76,592	-
Other provisions				
Provision for current tax [Net of advance tax ₹ 1,054,837 (March 31, 2014: ₹ 1,234,000)]	-	-	259,334,319	197,472,628
Provision for Lease Equalisation	9,705	37,200	37,200	36,600
	2,153,527	835,704	259,453,145	197,509,228

**NOTE 9 : SHORT-TERM BORROWINGS**

	As At	As At
	March 31, 2015	March 31, 2014
Loan From Banks (Secured)		
- Loan in functional currency	4,077,588,669	4,017,395,947
	4,077,588,669	4,017,395,947
Unsecured Borrowings		
From Others	72,924,110	98,788,159
From Directors and Relatives	53,097,957	46,648,252
	126,022,067	145,436,411
	4,203,610,736	4,162,832,358
The above amount includes		
- Secured borrowings	4,077,588,669	4,017,395,947
- Unsecured borrowings	126,022,067	145,436,411
	4,203,610,736	4,162,832,358

In case of Secured Loans the nature of Security are :-

i) **Norwest Industries Limited**

**A. Banking Facility**

The banking facilities are secured by way of pledge of company's time deposit and marketable securities, bank guarantees aggregating ₹ 47,112,431 (March 31, 2014: ₹108,180,000, guarantees from the ultimate holding company, a fellow subsidiary, company's insurance deposits, directors of the company including a related party.

**B) Mortgage Loan**

- a) Bank mortgage loan is secured by company's investment properties and is repayable in 119 monthly equal installments which commenced on September 2006 until August 2016.
- b) Bank mortgage loan is secured which is repayable in 120 monthly equal installments commenced on September 2007 until September 2017.
- c) Term loan is secured by the pledge of certain insurance policies and repayable in 83 equal monthly installments commenced on October 2010 until September 2017.

ii) **Poeticgem Limited**

GBP long term loan are secured by a legal charge over the freehold property at Teleflex Plot, Burnleys, Kiln Farm, Milton Keynes, fixed and floating charges over the assets of the sub-subsidiary and a cross guarantee between Poeticgem Limited and its subsidiary Pacific Logistics Limited.

iii) **PG Group Limited**

PG Group has collateralised bank advances maturing on April 2015.

iv) **Simple Approach Limited and Zamira Fashion Limited**

The bank facilities were secured by corporate guarantee from ultimate holding, holding and fellow subsidiary companies, personal guarantee from promoter directors and certain properties of fellow subsidiary companies.

v) **Loan from others**

The outstanding amount as on March 31, 2015 is repayable on demand and taken during the ordinary course of business.

vi) **Loan from Directors**

The outstanding amount as on March 31, 2015 is repayable on demand and taken during the ordinary course of business.

(Amount in ₹)	
As At	As At
March 31, 2015	March 31, 2014

**NOTE 10 : OTHER CURRENT LIABILITIES**

Trade Payables [Refer note (a) below]

	As At	As At
	March 31, 2015	March 31, 2014
- Due to Micro Small & Medium Enterprises	-	-
- Due to Others	3,500,417,715	3,016,185,359
<b>(A)</b>	<b>3,500,417,715</b>	<b>3,016,185,359</b>

**Other Current Liabilities**

	As At	As At
	March 31, 2015	March 31, 2014
Current maturities of long-term borrowings (Refer note 6)	493,688	481,883
Statutory dues	2,047,921	740,026
Interest accrued but not due	53,254	10,355
Creditors for capital goods	2,489,104	-
Other payables	406,812,541	461,803,513
<b>(B)</b>	<b>411,896,508</b>	<b>463,035,777</b>
<b>Total (A+B) (Refer note 'b' below)</b>	<b>3,912,314,223</b>	<b>3,479,221,136</b>

- a) The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

(Amount in ₹)	
As At	As At
March 31, 2015	March 31, 2014

- (i) Principal amount due and remaining unpaid - -
- (ii) Interest due on above and the unpaid interest - -
- (iii) Interest paid during the year - -
- (iv) Payment beyond the appointed day during the year - -
- (v) Interest due and payable for the period of delay - -
- (vi) Interest accrued and remaining unpaid - -
- (vii) Amount of further interest remaining due and payable in succeeding years - -

**NOTE 11: FIXED ASSETS**

(Amount in ₹)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTIZATION						NET BLOCK			
	As At April 1st 2014	Addition during the year	Addition on account of Demerger Scheme	Deduction	Foreign Exchange Fluctuation	As at March 31st 2015	As at April 1st 2014	For the year	Addition on Account of Demerger Scheme	Unplanned Depreciation as per Schedule II	Deductions /Adjustments Fluctuation	Foreign Exchange	As at March 31st 2015	As at March 31st 2014	As at March 31st 2014
<b>Tangible Assets</b>															
Land Freehold	6,880,947	-	-	-	-	6,880,947	-	-	-	-	-	-	-	6,880,947	6,880,947
Building	1,466,455,125	19,282,497	-	3,037,627	121,157,740	1,603,857,736	282,062,086	41,897,824	-	387,414	2,904,550	(7,074,521)	314,368,254	1,289,489,482	1,184,393,039
Office Equipments	5,123,682	213,126	-	-	-	5,336,808	610,592	1,958,834	-	-	-	-	2,569,426	2,767,382	4,513,090
Plant & Machinery	141,013,208	2,353,589	-	48,062,899	(7,274,891)	88,029,007	108,617,576	9,229,370	-	188,095	46,920,790	(5,546,731)	66,767,520	21,261,488	31,195,632
Vehicles	36,456,615	29,606,887	-	636,314	1,704,921	67,132,109	32,470,302	4,434,202	-	636,215	907,290	-	37,175,578	29,956,531	3,986,313
Computers	2,911,404	595,825	-	-	-	3,507,232	1,456,663	681,425	-	50,442	-	-	2,188,530	1,318,725	1,454,741
Furniture & Fixtures	489,234,210	46,379,467	-	22,910,471	9,034,469	521,737,675	321,048,723	81,845,939	-	-	16,488,677	6,146,596	392,552,581	129,185,094	168,185,487
<b>Total</b>	<b>2,148,075,191</b>	<b>98,431,391</b>	<b>-</b>	<b>74,647,311</b>	<b>124,622,239</b>	<b>2,296,481,510</b>	<b>747,465,942</b>	<b>140,047,594</b>	<b>-</b>	<b>625,951</b>	<b>66,950,232</b>	<b>(5,567,366)</b>	<b>815,621,889</b>	<b>1,480,859,644</b>	<b>1,400,809,248</b>
<b>Intangible Assets</b>															
Goodwill	409,187,058	-	-	-	16,972,787	426,159,845	-	-	-	-	-	-	-	426,159,845	409,187,058
Software	99,536,852	1,109,500	-	-	-	100,646,352	82,825,226	6,173,399	-	-	-	-	88,998,627	11,647,725	16,711,624
Trade Mark	9,284,308	1,743,625	-	-	425,718	11,453,651	8,778,567	127,263	-	-	762,270	-	9,668,100	1,785,551	505,741
<b>Total</b>	<b>518,008,218</b>	<b>2,853,125</b>	<b>-</b>	<b>-</b>	<b>17,398,505</b>	<b>538,259,848</b>	<b>91,603,794</b>	<b>6,300,662</b>	<b>-</b>	<b>-</b>	<b>762,270</b>	<b>-</b>	<b>98,666,727</b>	<b>439,593,122</b>	<b>426,404,424</b>
Capital Work-in-progress	23,145,409	83,056,075	-	-	-	106,201,484	-	-	-	-	-	-	-	106,201,484	23,145,409
<b>Total</b>	<b>23,145,409</b>	<b>83,056,075</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,201,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,201,484</b>	<b>23,145,409</b>
<b>Grand Total (A+B+C)</b>	<b>2,689,228,818</b>	<b>184,340,591</b>	<b>-</b>	<b>74,647,311</b>	<b>142,020,744</b>	<b>2,940,942,846</b>	<b>839,069,736</b>	<b>146,348,256</b>	<b>-</b>	<b>625,951</b>	<b>66,950,232</b>	<b>(4,805,096)</b>	<b>914,288,616</b>	<b>2,026,654,253</b>	<b>1,850,159,081</b>
Previous Year	5,416,913	124,529,682	2,501,518,209	28,077,229	85,841,243	2,689,228,818	172,017	155,271,841	687,175,412	-	15,806,486	12,256,953	839,069,736	1,850,159,081	-

a) The Break up of Capital work in progress is as under : -

Particulars	As At March 31, 2015	As At March 31, 2014
i) CWIP - Building	106,111,484	23,145,409
ii) CWIP - Trade Mark	90,000	-
<b>Total</b>	<b>106,201,484</b>	<b>23,145,409</b>

b) This amount does not include any amount due to be transferred to Investor Education and Protection Fund.

**NOTE 12 : INVESTMENTS**
**Non- Current Investment**
**Non-trade investments (Valued at Cost, unless stated otherwise)**
**Investments in Equity shares (Unquoted)**

GWD Enterprises	50,076,359	48,084,185
100 A Shares and 25 B Shares of GBP 1 each		
India Infrastructure Opportunities LLP	46,379,230	44,583,502
721.30 Shares of \$ 1,028.45 each		
Juhu Exchange Limited	20,091,390	19,292,100
200,000 Preference Shares of GBP 1 each		
Investment in Unit Trusts	-	24,590,396
Held to Maturity Investments (Bonds)	52,710,802	76,863,918
	169,257,781	213,414,101

**Current Investment (Unquoted)**

Investment in Unit Trusts	26,128,369	15,197,159
	26,128,369	15,197,159

Aggregate book value of quoted investment is ₹ Nil

Aggregate market value of quoted investment is ₹ Nil

 Aggregate book value of unquoted investment is ₹ 195,386,150  
 (March 31, 2014: ₹ 228,611,260)

**NOTE 13 : LOANS AND ADVANCES**

(Amount in ₹)

		Non-current		Current	
		As At March 31, 2015	As At March 31, 2014	As At March 31, 2015	As At March 31, 2014
<b>Capital Advances</b>					
(Unsecured, considered good)	(A)	10,231,276	16,268,297	-	-

**Security Deposits**

(Unsecured, considered good) (B) 11,486,253 6,084,481 38,672,726 28,532,690

**Loan and advances to related parties**

(Unsecured, considered good) (C) 18,777,000 30,050,000 94,696,916 145,405,830

**Share Application Money** (D) - 34,652,759 - -

**Advances Recoverable in cash or kind**

(Unsecured, considered good) (E) 46,232,854 49,291,411 663,226,051 575,276,382

**Other Loans and advances**

(Unsecured, considered good)

Prepaid Expenses - - 116,418,638 106,144,609

Advance to Suppliers - - 873,640,960 502,446,207

Advance to Employees (F) 800,000 - 2,180,764 8,414,000

47,032,854 49,291,411 1,655,466,413 1,192,281,198

**(A+B+C+D+E+F) 87,527,384 136,346,948 1,788,836,055 1,366,219,718**

(Amount in ₹)

 As At  
 March 31, 2015 March 31, 2014

**NOTE 14 : INVENTORIES**

(As taken, valued &amp; certified by the Management)

Raw Materials 679,847,670 1,122,820,276

Finished Goods (including Traded goods) 205,286,309 84,369,540

885,133,979 1,207,189,817



**NOTE 15 : TRADE RECEIVABLES**

Outstanding for the period exceeding six months from the date they are due for payment

Unsecured, considered good	-	-
Unsecured, considered doubtful	-	-
	(A)	-
<b>Other Receivables</b>		
Unsecured, considered good	7,150,912,452	5,831,653,650
	(B)	7,150,912,452
	(A+B)	7,150,912,452

**NOTE 16 : CASH & CASH EQUIVALENTS**

Cash and Cash Equivalents comprise of:

Cash in hand and at banks	873,227,944	894,817,233
	(A)	873,227,944
Other Balances		
Balances with bank held as margin money or security against borrowings,	898,394,249	1,224,056,691
	(B)	898,394,249
	(A+B)	1,771,622,193

(Amount in ₹)

For the year Ended March 31, 2015      For the year Ended March 31, 2014

**NOTE 17 : REVENUE FROM OPERATIONS**

Sales of Products	38,406,471,448	36,560,352,122
Other Operating Revenues	316,987,243	310,171,801
	38,723,458,691	36,870,523,922

**NOTE 18 : OTHER INCOME**

Interest Income (Refer Note 'a' below)	37,016,670	29,803,558
Rental Income	23,846,064	17,530,059
Foreign Exchange Fluctuation (Net)	32,992,607	341,619,062
Miscellaneous Income	42,554,514	221,234,853
	136,409,855	610,187,532

a) Interest Income		
Interest on Fixed Deposit with Bank	1,517,635	1,002,884
Interest on Bonds	3,501,194	2,870,575
Interest on others	31,997,842	25,930,099
	37,016,670	29,803,558

**NOTE 19 : PURCHASE OF TRADED GOODS**

Finished Goods	33,491,997,177	31,526,676,022
	33,491,997,177	31,526,676,022

**NOTE 20 : INCREASE/(DECREASE) IN INVENTORIES**

Opening Stock	84,369,540	-
Add: Addition during the year	-	203,371,559
Less: Closing Stock	205,286,309	84,369,540
	(120,916,769)	119,002,019

**NOTE 21 : EMPLOYEE BENEFIT EXPENSES**

Salaries, wages and bonus	1,981,790,565	2,136,158,437
Contribution to Provident and other funds	193,920,948	152,256,255
Gratuity	1,271,171	143,132
Leave Encashment	1,422,356	53,863
Staff Welfare Expenses	31,691,981	44,985,120
	2,210,097,021	2,333,596,807

(I) In case of standalone (Indian) entity, the Company has classified the various benefits provided to employees as under:-

**(i) Defined Contribution Plan**

The Company makes contribution towards Provident Fund (PF) & Employee State Insurance (ESI) as defined contribution retirement benefit plan for the qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage in case of Employee State Insurance.

During the year company recognized ₹428,376 (March 31, 2014: ₹268,470) for provident fund contribution and ₹ 49,313 (March 31, 2014: ₹67,023) for ESI contribution in the Statement of Profit and Loss. The contribution payable to these plans by the Company is at rates specified in the rules of the schemes.

**(ii) Defined Benefit Plan : It includes :**

- Gratuity (Unfunded)
- Leave Encashment/Compensated Absence (Unfunded)

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation is carried out in respect of aforesaid defined benefit plans and other long term benefits based on the assumption given in the table with subheading 'd' below. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation at year end. The obligation for leave encashment is recognized in the same manner as of gratuity.

(II) The details of Actuarial Valuation Certificate(s) are as under:-

**a) Reconciliation of opening and closing balances of Defined Benefit Obligations (Amount in ₹)**

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Defined benefit obligations at beginning of the year	499,782	-	298,722	-
Service Cost	485,292	-	560,286	-
Interest Cost	38,733	-	23,151	-
Actuarial (gain)/loss on Obligation	747,146	-	838,919	-
Benefits paid	(788,236)	-	(478,347)	-
Defined Benefit Obligations at the end of the year	982,717	-	1,242,731	-

**b) Reconciliation of fair value of Assets and Obligations**

Fair value of plan assets at March 31, 2015	-	-	-	-
Present value of obligation as at March 31, 2015	982,717	499,782	1,242,731	298,722
Amount recognized in balance sheet	982,717	499,782	1,242,731	298,722

**c) Expense recognized during the year**

Current Service Cost	485,292	-	560,286	-
Interest Cost	38,733	-	23,151	-
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss	747,146	-	838,919	-
Net Cost	1,271,171	-	1,422,356	-

**d) Actuarial Assumptions**

Discount Rate (per annum)	7.75%	-	7.75%	-
Future increase in Compensation	5.25%	-	5.25%	-



In Service Mortality	IALM (2006-08)	-IALM (2006-08)	-
Retirement age	58 Years	- 58 Years	-
Withdrawal rates			
- Upto 30 years	3.00%	- 3.00%	-
- Upto 44 years	2.00%	- 2.00%	-
- Above 44 years	1.00%	- 1.00%	-

Total shares outstanding for the purpose of Dilutive Earning per share	(D=B+C)	21,345,947	26,046,724
Nominal value of equity shares (₹)	(E)	10	10
Basic Earnings per share (₹)	(F=A/B)	10.21	3,673.46
Dilutive Earnings per share (₹)	(G=A/D)	10.21	7.05

e) The estimate of rate of escalation in Salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors on long term basis including supply and demand in the employment market.

**NOTE 22 : FINANCE COST**

(Amount in ₹)

	For the year Ended March 31, 2015	For the Year Ended March 31, 2014
Interest Expense		
- On Loan from Related Party	49,315	-
- On Term Loan	26,217,710	33,636,831
- On bank overdraft & other credit facilities	156,928,675	129,552,099
- Others	5,089,819	5,000,552
	<u>188,285,520</u>	<u>168,189,481</u>

**NOTE 23 : OTHER EXPENSES**

Other Manufacturing Expenses	2,726,992	7,015,381
Rent	182,755,787	161,329,080
Rates & Taxes	49,901,486	34,407,373
Repair & Maintenance - Others	93,185,652	209,020,871
Legal & Professional Charges	610,904,623	509,985,417
Payment to the Auditors (Refer Note 'a' below)	23,014,916	26,381,331
Postage and Courier	109,243,599	95,130,073
Selling & Marketing	313,679,291	371,734,492
Commission & Brokerage	237,691,078	275,524,674
Travelling & Conveyance	316,950,104	325,840,567
Miscellaneous Expenses	658,347,511	869,047,302
	<u>2,598,401,039</u>	<u>2,885,416,560</u>

a) Payment to Auditors		
As Auditor:		
- Audit Fees	22,264,916	26,181,331
- Tax Audit Fees	200,000	100,000
In other Capacity:		
- Certification Fees	550,000	100,000
	<u>23,014,916</u>	<u>26,381,331</u>
b) Prior Period Items		
Legal & Profession	-	83,333
Travelling Expenses	25,626	-
	<u>25,626</u>	<u>83,333</u>

**NOTE 24 : EXCEPTIONAL ITEMS**

(Profit)/Loss on sale of Fixed Assets	6,181,758	11,405,176
Investments written off	-	15,333,562
	<u>6,181,758</u>	<u>26,738,738</u>

**NOTE 25: EARNING PER SHARE (EPS)**

Particulars	Calculation	For the year Ended March 31, 2015	For the Year Ended March 31, 2014
Profit/(Loss) attributable to the equity shareholders	(A)	217,912,708	183,673,223
Basic/Weighted average no. of equity shares outstanding during the period	(B)	21,345,947	50,000
Potential Equity shares pursuant to scheme of Demerger	(C)	-	25,996,724

**NOTE 26: CONTINGENT LIABILITIES AND COMMITMENTS**

a) Contingent Liabilities

In case of Multinational Textile Group Limited and its subsidiaries: At March 31, 2015 the sub-subsidiaries have the following Contingent Liabilities:

i) Poeticgem Limited, UK

- The Sub-subsidiary's bankers, HSBC plc have given a guarantee to H M Revenue & Customs amounting to ₹ 46,423,003 (March 31, 2014 : ₹ 50,009,210) and to Royal Bank of Scotland PLC amounting to ₹ 3,429,306 (March 31, 2014 : ₹ 3,694,167) on behalf of the Sub-subsidiaries.
- Poeticgem Limited has extended an Unlimited Multilateral Guarantee on 28 August 2012 to HSBC on behalf of its subsidiaries; Pacific Logistics Limited and FX Import Company Limited.
- The bank has a fixed and floating charge over the assets of Sub-subsidiary which is supported by a debenture dated 11 September 2012.

ii) Norwest Industries Limited

Guarantee given to banks in connection with facilities granted to subsidiaries and sub-subsidiaries ₹ 2,333,501,348 (March 31, 2014: ₹ 3,308,867,163).

iii) FX Import Company Limited

- HSBC Bank PLC, has provided a guarantee to H M Revenue and Customs amounting to ₹ 13,926,901 (March 31, 2014 : ₹ 15,002,763). Under this guarantee the maximum liability as at 31 March 2015 is ₹ 13,926,901 (March 31, 2014 : ₹ 15,002,763). FX Import Company Limited has extended an Unlimited Multilateral Guarantee on 28 August 2012 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 dated 28 August 2012.

iv) Pacific Logistics Limited

- HSBC Bank PLC, has provided a guarantee on behalf of Pacific Logistics Limited to H M Revenue and Customs amounting to ₹ 6,963,450 (March 31, 2014: ₹ 7,501,382). Under this guarantee the maximum liability as at 31 March 2015 is ₹ 6,963,450 (March 31, 2014: ₹ 7,501,382).
- Company has also extended an Unlimited Multilateral Guarantee on 8 August 2012 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.

v) Simple Approach Limited, Zamira Fashion Limited and Poeticgem International Limited

Contingent Liabilities related to Irrevocable letters of credit is ₹ 1,349,894,741 (March 31, 2014 : ₹ 822,849,294).

b) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances): ₹ 77,837,029 (March 31, 2014: ₹ 85,294,161)

**NOTE 27: THE SUBSIDIARIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENT ARE:**

Name of the Enterprise	Country of Incorporation	% of voting power held as at March 31, 2015
Multinational Textile Group Limited	Mauritius	100.00%

(i) Multinational Textiles Group Limited holds the following subsidiaries:

Name of the Enterprise	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31, 2015
Global Textiles Group Limited	31.03.2006	Mauritius	100.00%



Norwest Industries Limited	31.05.2006	Hong Kong	85.00%
Zamira Fashions Limited	20.09.2007	Hong Kong	67.00%
PG Group Limited	13.05.2008	Hong Kong	51.00%
Simple Approach Limited	30.11.2008	Hong Kong	75.00%
Nor Delhi Manufacturing Limited	19.01.2009	Hong Kong	100.00%
Propur Investment Limited	01.03.2012	British Virgin Islands	100.00%
Mahidhulu Investments Limited	09.03.2012	Mauritius	100.00%
Casa Forma Limited	01.01.2012	UK	100.00%
SACB Holdings Limited	24.03.2011	Mauritius	51.00%
PDS Asia Star Corporation Limited	24.10.2012	Hong Kong	60.00%
DPOD Manufacturing Limited	02.11.2012	Hong Kong	60.00%
Poeticgem International Limited	27.09.2013	Hong Kong	100.00%
Multinational OSG Services Bangladesh Limited	02.02.2014	Bangladesh	97.00%
Techno Design GMBH	14.02.2014	Germany	55.00%
<b>(ii) Norwest Industries Ltd, holds the following subsidiaries:</b>			
Nor Lanka Manufacturing Limited	18.03.2009	Hong Kong	100.00%
Nor India Manufacturing Co. Limited, Hongkong	17.12.2010	Hong Kong	100.00%
Hangzhou Grand Pearl	27.04.2009	China	100.00%
Nor Europe Manufacturing Co. Limited	04.11.2011	Hong Kong	70.00%
Techno. Manufacturing Co. Limited	03.01.2012	Hong Kong	80.00%
Spring Near East Manufacturing Co. Limited	17.12.2010	Hong Kong	100.00%
Designed and Sourced Limited	27.08.2012	Hong Kong	60.00%
Norwest USA Inc.	30.04.2012	USA	100.00%
Gem Australia Manufacturing Co. Limited	06.06.2012	Hong Kong	75.00%
Nor France Manufacturing Co. Limited	18.12.2012	Hong Kong	75.00%
Kleider Sourcing Hong Kong Limited	24.10.2013	Hong Kong	55.00%
Razamtazz Limited	23.03.2011	Mauritius	100.00%
Nor Europe SPA	17.11.2011	Spain	100.00%
Krayon Sourcing Limited	16.12.2014	Hong Kong	100.00%
<b>(iii) Nor France Manufacturing Co. Limited holds the following Subsidiary</b>			
Nor France SAS	14.02.2013	France	100.00%
<b>(iv) Nor Lanka Manufacturing Co. Ltd. holds the following Subsidiary</b>			
Nor Lanka Manufacturing Colombo Limited	13.08.2012	Sri Lanka	100.00%
<b>(v) Global Textiles Group Limited holds the following subsidiaries:</b>			
Poeticgem Limited	30.03.2006	UK	100.00%
Poetic Brands Limited	15.01.2015	UK	100.00%
<b>(vi) Poeticgem Limited holds the following subsidiaries:</b>			
Pacific Logistics Limited	27.10.2003	UK	100.00%
FX Imports Company Limited	26.03.2008	UK	75.00%
Poetic Knitwear Limited	31.03.2009	UK	100.00%
<b>(vii) PG Group Limited holds the following subsidiaries:</b>			
PG Home Group Limited	13.05.2008	Hong Kong	90.00%
PG Shanghai Manufacturing Co. Limited	08.06.2012	China	100.00%
<b>(viii) PG Home Group Limited holds the following subsidiary:</b>			
PG Home Group SPA	31.07.2008	Chile	100.00%
<b>(ix) FX Imports Company Limited holds the following subsidiary:</b>			
FX Import Hong Kong Limited	04.05.2009	Hongkong	100.00%

<b>(x) PDS Asia Star holds the following subsidiary</b>			
PDS Trading (Shanghai) Co., Limited	31.12.2012	China	100.00%
<b>(xi) Simple Approach Limited holds the following subsidiary</b>			
Simple Approach (Canada) Limited	02.05.2013	Canada	100.00%
<b>(xii) Zamira Fashions Limited holds the following subsidiary</b>			
Zamira Denim Lab Limited	24.10.2014	Hong Kong	100.00%
<b>(xiii) PG Home Group Limited holds the following subsidiary</b>			
Pearl GES Home Group SPA	31.07.2008	Chile	100.00%

#### NOTE 28: ALIGNMENT OF ACCOUNTING POLICY FOR CONSOLIDATION

- a) In case of Multinational Textile Group Limited and its subsidiaries (hereinafter referred as foreign subsidiaries), 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. This is inconsistent with the policy of parent company, where interests is recognized on time proportion basis. The interest income from foreign subsidiaries represents 99.99 % of total interest income of ₹ 37,001,848 (March 31, 2014: ₹ 29,803,559)
- b) In the case of Multinational Textile Group Limited and its subsidiaries (hereinafter referred as foreign subsidiaries), cost of fixed assets also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of fixed assets. This is inconsistent with the policy of parent company, where no such treatment is prescribed under the Indian GAAP. However, the net impact on fixed assets is ₹ 33,459,557 (March 31, 2014: ₹ 24,862,228)
- c) In case of foreign subsidiaries, sales made in foreign currency are translated at the rate ruling at the date of transaction, this is inconsistent with the policy of parent company, where sales are recognized at monthly average exchange rate. The sales from foreign subsidiaries represents 99.96% of ₹ 38,406,471,448 (March 31, 2014: ₹ 36,560,353,122)

#### NOTE 29: SEGMENT REPORTING

For the year ended March 31, 2015, the company has identified geographical segments as its primary segment and business segment as its secondary segment.

The geographical segments of the company based on the location of assets are United Kingdom, Asia and Others

The business segments considered by the Company are:

- Garments & Other Consumer Products
- Other Segments

**A. Geographical Segment**

(Amount in ₹)

Particulars	Asia	Europe	Others	Total	Elimination	Total
<b>SEGMENT REVENUE</b>						
Segment Revenue						
Segment Sales	34,881,027,772	3,525,443,676	-	38,406,471,448		38,406,471,448
Inter Segment Sales	131,198,712	-	53,194,486	184,393,198	(184,393,198)	-
Total Segment Sales	35,012,226,484	3,525,443,676	53,194,486	38,590,864,646	(184,393,198)	38,406,471,448
Segment Other Operating Income	232,268,152	68,030,183	16,688,905	316,987,240		316,987,243
Inter Segment Other Operating Income	282,848,988	655,949,276	654,150,937	1,592,949,202	(1,592,949,202)	-
Total Segment Other Operating Income	515,117,141	723,979,459	670,839,843	1,909,936,442	(1,592,949,202)	316,987,243
Total Segment Revenue	35,527,343,624	4,249,423,135	724,034,329	40,500,801,089	(1,777,342,400)	38,723,458,692
Total Revenue of each segment as a percentage of total revenue of all segment	91.75	10.97	1.87	104.59	(4.59)	100.00
Total Segment Operative Profit	1,364,136,132	(107,992,875)	(575,853,180)	680,290,077	-	680,290,077
Depreciation	(99,918,882)	(18,679,860)	(27,749,515)	(146,348,256)	-	(146,348,256)
Total Segment Result before Interest & Taxes/Extraordinary items	1,264,217,250	(126,672,734)	(603,602,694)	533,941,822	-	533,941,822
Total EBIT of each segment as a percentage of total EBIT of all segment	236.77	(23.72)	(113.05)	100.00	-	100.00
Interest Expenses	(159,104,418)	(24,831,412)	(4,349,690)	(188,285,520)	-	(188,285,520)
Income Tax Expenses	(34,567,763)	(14,633,441)	(4,875,657)	(54,076,860)	-	(54,076,860)
Exceptional Item	(4,206,818)	(1,974,940)	-	(6,181,758)	-	(6,181,758)
Profit for the Year	1,066,338,252	(168,112,528)	(612,828,039)	285,397,684	-	285,397,684
<b>SEGMENT ASSETS</b>	10,374,189,463	1,586,563,719	1,945,319,282	13,906,072,465		13,906,072,465
Segment Assets as a percentage of Total assets of all segments	74.60	11.41	13.99	100.00	-	100.00
<b>SEGMENT LIABILITIES</b>	8,003,316,344	823,043,047	99,798,142	8,926,157,534		8,926,157,534
Segment Liabilities as a percentage of Total Liabilities of all segments	89.66	9.22	1.12	100.00	-	100.00
Segment Capital Employed	2,370,873,119	763,520,672	1,845,521,140	4,979,914,931	-	4,979,914,931
Segment Capital Employed as a percentage of Total capital employed of all segments	47.61	15.33	37.06	100.00	-	100.00

**B. Business Segment**

(Amount in ₹)

Particulars	Garments and other consumer products	Other segments	Total Segment	Elimination	Total
<b>SEGMENT REVENUE</b>					
Segment Sales	38,406,471,448	-	38,406,471,448		38,406,471,448
Inter Segment Sales	1,163,331,578	746,604,883	1,909,936,460	(1,909,936,460)	-
Total Segment Sales	39,569,803,026	746,604,883	40,316,407,909	(1,909,936,460)	38,406,471,448
Segment Other Operating Income	224,533,313	92,453,929	316,987,242		316,987,242
Inter Segment Other Operating Income	406,842,985	146,593,016	553,436,001	(553,436,001)	-
Total Segment Other Operating Income	631,376,298	239,046,945	870,423,244	(553,436,001)	316,987,242
Total Segment Revenue	40,201,179,324	985,651,828	41,186,831,152	(2,463,372,462)	38,723,458,691
Total Revenue of each segment as a percentage of total revenue of all segment	103.82	2.55	106.36	(6.36)	100
Total Segment Operative Profit	1,262,036,337	(581,746,257)	680,290,077	-	680,290,077
Depreciation	(117,194,116)	(29,154,188)	(146,348,256)		(146,348,256)
Total Segment Result before Interest & Taxes/Extraordinary items	1,144,842,222	(610,900,445)	533,941,820	-	533,941,818
Total EBIT of each segment as a percentage of total EBIT of all segment	214.41	(114.41)	100.00	-	100.00
Net Financing Income	(183,850,002)	(4,435,494)	(188,285,520)	-	(188,285,520)
Income Tax Expenses	(49,201,203)	(4,875,657)	(54,076,860)	-	(54,076,860)
Exceptional Item	(4,206,818)	(1,974,940)	(6,181,758)	-	(6,181,758)
Profit For the Year	907,584,199	(622,186,537)	285,397,680	-	285,397,680
<b>SEGMENT ASSETS</b>	12,039,872,477	1,866,199,935	13,906,072,465	-	13,906,072,465
Segment Assets as a percentage of total assets of all segments	86.58	13.42	100	-	100.00
<b>SEGMENT LIABILITIES</b>	8,710,151,248	216,006,286	8,926,157,534		8,926,157,534
Segment Liabilities as a percentage of total liabilities of all segments	97.58	2.42	100	-	100.00
Segment Capital Employed	3,329,721,229	1,650,193,649	4,979,914,829	-	4,979,914,829
Segment Capital Employed as a percentage of total capital employed of all segments	66.86	33.14	100	-	100.00



Note 30 : Disclosure of Related parties/ Related parties transactions :

A. Name of the Related Parties and description of relationship		
Nature of Relationship	Name of the Related party	
Enterprise over which KMP can exercise significant influence	Pearl Global Industries Limited	
	Pallas Holdings Limited	
	Transnational Textile Group Limited	
	JSM Trading Limited	
	Grupo Extremo SUR S.A.	
	Frou Holdings Limited	
	NAFS Limited	
	Norp Knit Industries Limited	
	Pearl Global (HK) Limited	
	Pearl Global Fareast Limited	
Key Managerial Personnel	Mrs. Payel Seth	Managing Director
	Mr. Deepak Seth	Director
	Mr. Pallak Seth	Director
	Mr. Chandra Kishor Jha (w.e.f January 27, 2015)	Company Secretary
	Mr. Mukesh Kumar (Till January 26, 2015)	Company Secretary
	Mr. Omprakash Makam Suryanarayan Setty	Chief Financial Officer

B. Disclosure of Related Parties Transactions:		
Nature of Transaction	(Amount in ₹)	
	For the year Ended March 31, 2015	For the Year Ended March 31, 2014
Advance Given	3,364,525	129,488,336
Advance Recovered	120,177,369	8,467,068
Advance received	6,070,041	34,935,529
Advance Repaid	34,554,562	129,215
Loan received	38,779,875	63,511,697
Loan re-paid	117,441,309	10,000,000
Consultancy Fees accrued	281,655,000	171,744,585
Consultancy Fees paid	326,546,113	171,744,585
Interest paid	9,125,630	632,709
Expenses Incurred by them on our behalf	77,829,356	-
Remuneration to Key Managerial Person (KMP)	9,853,047	9,147,079
<b>Closing Balance</b>		
- Other Receivable	123,509,661	169,740,129
- Other Payable	121,191,878	95,879,793

C. Disclosure of Related Parties having more than 10% interest in each transaction in the ordinary course of business		
Nature of Transaction	(Amount in ₹)	
	For the year Ended March 31, 2015	For the Year Ended March 31, 2014
Advance Given		
Pearl Global (HK) Limited	3,364,525	-
Grupo Extremo	-	107,935,694
Advance Recovered		
Grupo Extremo	112,381,597	-
Pearl Global (HK) Limited	7,795,772	3,673,552
NAFS	-	-
Pallas Holding Limited	-	4,564,054
Advance Received		
Other Related Parties	5,498,594	-
Norp Knit Industries Limited		-

Pearl Global Industries Limited	-	34,916,117
Advance Repaid		
Frou Holdings Limited	12,518,000	-
Other Related Parties	21,943,428	-
Transnational Textile Group Limited	-	129,215
Loan Received		
Pearl Global Industries Limited	38,779,875	63,511,697
Loan Repaid		
Pearl Global Industries Limited	117,441,309	10,000,000
Consultancy fees accrued		
JSM Trading Limited	281,655,000	171,744,585
Consultancy paid		
JSM Trading Limited	326,546,113	171,744,585
<b>Expenditure Incurred by them on our behalf</b>		
Pearl Global Industries Limited	77,829,356	-
<b>Interest Paid</b>		
Pearl Global Industries Limited	9,125,630	632,709
<b>Salary Paid to Key Managerial Personnel</b>		
Mr. Mukesh Kumar	2,054,681	1,731,400
Mr. Chandra Kishore Jha	622,366	224,679
Mr. Omprakash Makam Suryanarayan Setty	7,176,000	7,191,000
<b>Closing Balance</b>		
<b>Receivable</b>		
JSM Trading Limited	44,891,113	-
Grupo Extremo SUR S.A.	14,554,741	121,886,466
Frou Holding Limited	29,664,405	40,278,619
Pearl Global (HK) Limited	3,129,500	-
Other Related Parties	30,979,985	-
Norp Knit Industries Limited	-	7,485,635
NAFS	-	89,429
<b>Payable</b>		
Norp Knit Industries Limited	571,447	-
Other Related Parties	20,515,688	-
Pearl Global Industries Limited	99,859,661	95,879,793

NOTE 31 : DERIVATIVE FINANCIAL INSTRUMENTS

(i) Currency Derivatives

One of the Sub-subsidiaries, Poeticgem Limited utilises currency derivatives to hedge future transactions and cash flows.

Particulars	Asset	Liabilities	Asset	Liabilities
	2015	2015	2014	2014
	USD	USD	USD	USD
Forward Foreign Exchange (fair value)	-	-	52,367	-
			(Equivalent to	
			₹ 3,147,257)	

The terms of the forward currency contracts has been negotiated to match the terms & commitments.

The ineffective portion recognized in the consolidated statement of profit or loss and other comprehensive income that arises from cash flow hedges amounts to ₹ Nil (March 31, 2014: ₹ 31,445,161)

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	As at
	March 31, 2015	March 31, 2014
	USD	USD
Forward Foreign Exchange Contract	-	3,764,176
	(Equivalent	(Equivalent to
	to Nil)	₹ 226,226,978)

These commitments have been entered into to hedge against future payments to suppliers and receipts from customers in the ordinary course of business.

(ii) Foreign Currency contracts

One of the subsidiaries, Norwest Industries Limited, utilises Foreign Currency contracts:

Particulars	Asset	Liabilities	Asset	Liabilities
	2015	2015	2014	2014
	USD	USD	USD	USD
Foreign Currency contracts	1,247,678	-	-	176,510
	(Equivalent to			(Equivalent to
	₹ 78,092,166)			₹ 10,608,251)



(iii) Forward currency contracts – cash flow hedges

At March 31, 2015, the Subsidiary Norwest Industries Limited on standalone basis and Norwest Industries Limited along with its subsidiaries held 52 and 43 forward currency contracts respectively. (2014: 63 and 38) designated as hedges in respect of expected future sales to customers in the United Kingdom for which the Subsidiary 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 2015 and March 2016 were assessed to be highly effective and a net gain of ₹87,097,413 (March 31, 2014: Net loss of ₹ 172,034,594) was included in the hedging reserve.

At March 31, 2015, the Subsidiary Norwest Industries Limited on standalone basis and Norwest Industries Limited along with its subsidiaries held 52 and 43 forward currency contracts respectively. (2014: 63 and 38) designated as hedges in respect of expected future sales to customers in the United Kingdom for which the Subsidiary has firm commitments

NOTE 32 : LEASES

(I) PDS Multinational Fashions Limited (Indian Entity)

- (a) The Company has taken immovable property located at Bangalore on lease. The lease agreement is valid till September, 2015 & lease rentals (including transfer to lease equalisation reserve) amounting to ₹ 1,866,552 (March 31, 2014: ₹ 1,894,706) has been debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard - 19 "Leases" notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2015 are as under:

Particulars	(Amount in ₹)	
	For the year Ended March 31, 2015	For the Year Ended March 31, 2014
Not later than one Year	865,800	1,693,800
Later than one year and not later than five years	-	865,800
Total	865,800	2,559,600

Details of Leasing Agreement are enumerated below :-

Property taken at lease	Date of Termination of Clause	Escalation Clause	Terms of Purchase	
			Renewal	Option
Corporate Office at Bangalore	30.09.2015	Yes	Yes	No

- (b) The Company has taken immovable property located at New Delhi on lease. The Lease agreement is valid till July, 2017 and lease rentals (including transfer to lease equalisation reserve) amounting to ₹ 562,207 (March 31, 2014: Nil) has debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard - 19 "Leases" notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2015 are as under: -

Particulars	(Amount in ₹)	
	For the year Ended March 31, 2015	For the Year Ended March 31, 2014
Not later than one Year	605,880	-
Later than one year and not later than five years	807,840	-
Total	1,413,720	-

Details of Leasing Agreement are enumerated below :-

Property taken at lease	Date of Termination of Clause	Escalation Clause	Terms of Purchase	
			Renewal	Option
Office at Delhi	31.07.2017	Yes	Yes	No

(II) Multinational Textile Group Limited and its subsidiaries

Operating Lease Commitments: The Sub-subsidiaries Poeticgem Limited, Norwest Industries Limited, Zamira Fashions Limited, FX Imports Company Limited and Pacific Logistics Limited had the following lease arrangements:

Poeticgem Limited, Pacific Logistics Limited, Norwest Industries Limited and FX Imports Company Limited

Particulars	(Amount in ₹)	
	For the year Ended March 31, 2015	For the Year Ended March 31, 2014
Minimum lease payments under operating lease recognized in the consolidated statement of profit & loss for the year	23,318,656	26,147,556

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, Pacific Logistics Limited, FX Import Company Limited and FX Hong Kong Limited had outstanding commitments for future minimum lease payments under its non-cancellable operating leases, which fall due as follows:

(Amount in ₹)

Particulars	Land & Buildings		Land & Buildings	
	As at March 31, 2015	Others As at March 31, 2014	As at March 31, 2015	Others As at March 31, 2014
Within one year	126,471,670	8,033,614	2,369,785,371	8,690,869
In the second to fifth years	173,296,000	4,363,274	167,581,638	8,286,371
More than 5 years	9,293,864	-	14,632,667	-
Total	309,061,534	12,396,888	2,551,999,676	16,977,240

Norwest Industries limited

The company lease its staff quarters and office premises under operating lease arrangements, such leases for properties are negotiated for terms ranging from "one to four" years.

NOTE : 33

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates/ Joint Ventures.

Name of Enterprise	Net Assets i.e. total assets minus total liability and consolidated net assets		Share in profit or loss	
	consolidated net assets (₹)	Amount in lacs	consolidated profit or loss (₹)	Amount in lacs
Parent				
PDS Multinational Fashions Limited	23.03	10,286	(8.42)	(184)
Foreign Subsidiary				
Multinational Textile Group Limited	76.97	34,379	108.42	2,363
Minority Interest	100	5,134	100	675

NOTE 34:

In case of PDS Multinational Fashions Limited (Standalone), the Company has not spent any amount towards Corporate Social Responsibility during the financial year 2014-15. 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 2014-15.

NOTE 35 :

In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated as on balance sheet date.

NOTE 36 :

The process of receiving confirmation from trade payables & receivables is an ongoing process and as at March 31, 2015 the Company is in process of receiving the confirmations from the parties.

NOTE 37 :

Figures are rounded off to the nearest rupee.

NOTE 38 :

Previous Year figures have been regrouped and reclassified wherever necessary.

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

(Deepak Seth)  
Director  
DIN 00003021

(Payel Seth)  
Managing Director  
DIN 00003035

(Omprakash M. Setty)  
Chief Financial Officer

(Chandra Kishore Jha)  
Company Secretary

Place: New Delhi  
Date: May 28, 2015



**INDEPENDENT AUDITORS' REPORT**

To the Members of PDS Multinational Fashions Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of PDS Multinational Fashions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 state of affairs of the Company as at March 31, 2015 and its loss and cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by section 143(3) of the Companies Act 2013, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and further proper returns adequate for the purpose of audit has been received from the branches not visited by us;
- The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of sub-section (2) of section 164 of the Act and;
- 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:
  - On the basis of written representation received from the management of the Company, no litigation is pending against the Company's which would impact its financial position.
  - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For S.R. DINODIA & COLLP.  
CHARTERED ACCOUNTANTS,  
REGN. NO. 001478N/N500005  
(SANDEEP DINODIA)  
P A R T N E R  
M. No. 083689

Place : New Delhi

Dated : 28 May, 2015

**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for year ended March 31, 2015, we report that:

- The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets are verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- In respect of inventories:

During the year the Company does not hold any inventory. Hence, provision of clause (ii) of the Companies (Auditor's Report) Order, 2015 is not applicable to the Company.
- (a) to (b) According to the information and explanation given to us, the Company had not granted loan to any company covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of clause (iii) (a) to (b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and

records of the Company, carried out in accordance with the generally accepted auditing practices, there is no continuing failure to correct the weaknesses in the aforesaid internal control systems.

- 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 2013 and the rules framed there under does not arise.
- vi) There are no cost records prescribed by the Central Government under sub section (1) of section 148(1) of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2015 dated January 16, 2015 for operations carried on by the Company. Therefore, the provisions of clause 3(vi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- vii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of customs, duty of excise and wealth tax as the relevant laws are not applicable to the Company.
- According to the information and explanation given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, VAT, wealth tax, service tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us there were no amounts which were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii) The Company has not completed its five years from the date of incorporation. Hence the provisions of clause (viii) of Company (Auditor Report) Order, 2015 are not applicable to the Company.
- ix) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions during the year. There were no dues payable to debenture holders.
- x) The company has not given guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause (x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- xi) *In our opinion and according to the available information and explanations given to us, during the year term loan of ₹. 9 crore taken from Bank was not directly applied for the purpose for which it was obtained. The term loan was taken for the purpose of construction of commercial building, however the proceeds of loan from bank were used to repay the inter-corporate loan of Pearl Global Industries Limited; which was originally taken during the financial year 2014-15 for the aforesaid period.*
- xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the management.

For S.R. DINODIA & CO LLP.  
CHARTERED ACCOUNTANTS,  
REGN. NO. 001478N/N500005

(SANDEEP DINODIA)  
P A R T N E R  
M. No. 083689

Place : New Delhi  
Dated : 28 May, 2015



## BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	(Amount in ₹)	
		As At March 31, 2015	As At March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	260,467,240	500,000
Share Capital Suspense Account	4	-	259,967,240
Reserves and Surplus	5	768,153,312	786,937,488
		<u>1,028,620,552</u>	<u>1,047,404,728</u>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	6	91,429,088	1,964,076
Deferred Tax Liabilities (Net)	7	2,132,449	4,031,764
Long-Term Provisions	8	2,153,527	835,705
		<u>95,715,064</u>	<u>6,831,545</u>
<b>Current Liabilities</b>			
Short-Term Borrowings	9	32,819,340	35,276,455
Trade Payables	10	7,938,964	2,923,799
Other Current Liabilities	10	26,426,314	10,709,153
Short-Term Provisions	8	118,826	36,600
		<u>67,303,444</u>	<u>48,946,007</u>
<b>TOTAL</b>		<u><u>1,191,639,059</u></u>	<u><u>1,103,182,280</u></u>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	31,566,509	35,055,624
Intangible Assets		11,647,726	16,711,625
Capital Work-In-Progress		106,201,484	23,145,409
Non-Current Investments	12	1,005,025,338	1,005,025,338
Long-Term Loans and Advances	13	13,367,113	18,968,697
Other Non Current Assets	15	-	25,000
		<u>1,167,808,170</u>	<u>1,098,931,693</u>
<b>Current Assets</b>			
Trade Receivables	14	10,860,370	-
Cash and Other Bank Balances	16	7,360,441	2,890,289
Short-Term Loans and Advances	14	5,582,792	1,360,298
Other Current Assets	15	27,286	-
		<u>23,830,889</u>	<u>4,250,587</u>
<b>TOTAL</b>		<u><u>1,191,639,059</u></u>	<u><u>1,103,182,280</u></u>
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financials statements

As per our Audit Report of even date attached

For S.R. DINODIA & CO., LLP.

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

CHARTERED ACCOUNTANTS  
REGN. NO. 001478N/N500005

(SANDEEP DINODIA)  
P A R T N E R  
M. NO. 083689

PLACE : NEW DELHI  
DATE : May 28, 2015

(Deepak Seth)  
Director  
DIN No.00003021

(Omprakash M. Setty)  
Chief Financial Officer

(Payel Seth)  
Managing Director  
DIN No.00003035

(Chandra Kishore Jha)  
Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	Note No.	(Amount in ₹)	
		For the year ended March 31, 2015	For the year ended March 31, 2014
I Revenue From Operations	17	69,330,571	51,156,992
II Other Income	18	1,012,010	-
III Total Revenue (I+II)		70,342,581	51,156,992
IV Expense:			
Purchase of Traded Goods	19	14,674,054	-
Employee Benefits Expense	20	35,590,261	25,250,094
Finance Cost	21	600,289	833,374
Depreciation and Amortization Expense	11	9,845,515	21,241,304
Other Expenses	22	29,690,004	17,546,484
Total Expenses		90,400,123	64,871,256
V Profit Before Tax (III-IV)		(20,057,542)	(13,714,264)
VI Tax Expense:			
Current Tax		-	-
Deferred Tax		1,705,896	4,215,048
VII Profit/(Loss) of the Year (V-VI)		(18,351,644)	(9,499,216)
VIII Earnings Per Equity Share:	23		
Basic		(0.86)	(189.98)
Diluted		(0.86)	(189.98)

Significant Accounting Policies

2

The accompanying notes are an integral part of the financials statements

As per our Audit Report of even date attached

For S.R. DINODIA & CO., LLP.  
CHARTERED ACCOUNTANTS  
REGN. NO. 001478N/N500005

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

(SANDEEP DINODIA)  
P A R T N E R  
M. NO. 083689

(Deepak Seth)  
Director  
DIN No.00003021

(Payel Seth)  
Managing Director  
DIN No.00003035

PLACE : NEW DELHI  
DATE : May 28, 2015

(Omprakash M. Setty)  
Chief Financial Officer

(Chandra Kishore Jha)  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

Particulars	Note No.	(Amount in ₹)	
		For the year ended March 31, 2015	For the year ended March 31, 2014
Net Profit/(Loss) Before Tax and			
Net Profit/(Loss) Before Tax And Exceptional Items		(20,057,542)	(13,714,264)
Adjustments for:			
Depreciation		9,845,515	21,241,303
Interest Paid		600,289	833,374
Interest on Fixed Deposit		2,286	-
Transfer of Tax Expenses (Demerger Transaction)		-	8,149,437
<b>Operating Profit /(Loss) Before Working Capital Changes</b>		<b>(9,614,023)</b>	<b>16,509,851</b>
Adjustments For Changes In Working Capital:			
Trade And Other Receivables		(10,862,657)	4,702,269
Loans & Advances		1,379,090	(18,196,393)
Trade Payables		20,732,326	12,902,229
Provisions		1,400,048	872,304
<b>Cash Generated From Operations</b>		<b>3,034,784</b>	<b>16,790,260</b>
Direct Taxes (Paid)/ Refunds		-	-
<b>Net Cash Generated / (Used) In Operating Activities</b>	(A)	<b>3,034,784</b>	<b>16,790,260</b>
<b>Cash Flow from Investing Operations</b>			
(Purchase)/Sale of Fixed Assets		(84,974,526)	(9,874,934)
Transfer of Net Fixed Assets (Demerger Transaction)		-	(81,034,130)
Interest On Fixed Deposit		2,286	-
Transfer of Investments (Demerger Transaction)		-	(1,005,025,338)
<b>Cash From Investing Activities</b>	(B)	<b>(84,972,240)</b>	<b>(1,095,934,402)</b>
<b>Cash Flow from Financing Activities</b>			
Proceeds from Share Capital (Demerger Transaction)		-	259,967,240
Capital Reserve (Demerger Transaction)		-	807,807,101
Retained Earnings (Demerger Transaction)		-	(12,369,641)
Interest Paid		600,289	833,374
Proceeds from Borrowings (Net of Repayment)		87,007,897	26,725,535
<b>Net Cash Generated /(Used) In Financing Activities</b>	(C)	<b>86,407,607</b>	<b>1,081,296,858</b>
<b>Net Increase In Cash/Cash Equivalents</b>	(A+B+C)	<b>4,470,152</b>	<b>2,152,716</b>
Cash / Cash Equivalents At The Beginning Of The Year		2,890,289	737,573
Cash / Cash Equivalents At The Close Of The Year		7,360,441	2,890,289
<b>Components of Cash and Cash equivalents</b>			
i) Balances with Scheduled Banks			
- In Current Accounts		7,359,836	2,890,289
ii) Cash on Hand		605	-
<b>Total Cash and Cash Equivalents (Refer Note No. 16)</b>		<b>7,360,441</b>	<b>2,890,289</b>

**Summary of Significant Accounting Policies**

The accompanying notes are an integral part of the financials statements

2

As per our Audit Report of even date attached

 For S.R. DINODIA & CO., LLP.  
 CHARTERED ACCOUNTANTS  
 REGN. NO. 001478N/N500005

For &amp; on behalf of the Board of Directors of the PDS Multinational Fashions Limited

 (SANDEEP DINODIA)  
 P A R T N E R  
 M. NO. 083689

 (Deepak Seth)  
 Director  
 DIN No.00003021

 (Payel Seth)  
 Managing Director  
 DIN No.00003035

 PLACE : NEW DELHI  
 DATE : May 28, 2015

 (Omprakash M. Setty)  
 Chief Financial Officer

 (Chandra Kishore Jha)  
 Company Secretary

**Notes to financial statements for the period ended March 31, 2015**
**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 A - 3, Community Centre, Naraina Industrial Area, Phase - II, New Delhi. 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 has its primary listings on Bombay Stock Exchange and National Stock Exchange in India.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**
**a) Basis of Preparation**

The financial statements have been prepared in accordance with applicable accounting standards and relevant presentation requirements of the Companies Act, 2013 and are based on the historical cost convention and on an accrual basis of accounting. The Company has complied in all material respects with Accounting Standard notified under section 133 of the Companies Act, 2013 read with Rule 7 of Company (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**b) Uses of Estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets & liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**c) Revenue Recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Following are the specific revenue recognition criteria :-

- (i) Revenue from sale of service is recognized on cost plus method; when services are rendered and same becomes chargeable (except on Gratuity and Leave encashment which in the view of management is chargeable on payment basis). Service Income comprises amounts billed for data processing, sourcing and distribution 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.

**d) Fixed Assets & Depreciation**

- (i) Fixed assets are stated at cost of acquisition inclusive of freight, duties & taxes and incidental expenses related to acquisition and installation less accumulated depreciation up to the date of installation. Fixed assets under construction, and cost of assets not put to use before year end are shown as Capital Work in Progress. Gain or loss arising on the sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss in the year in which the asset is sold.
- (ii) Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit & Loss. Intangible assets are amortized over their respective individual estimated

useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The management estimates the useful lives for the other fixed assets as follows:

Buildings (other than tubewell)	30-60 years
Tubewell	5 years
Plant and Machinery	15 years
Office Equipment	5 years
Computer Equipment	3-6 years
Furniture and Fixtures	10 years
Vehicles	8-10 years

- (iii) **Intangible Assets** : Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment. All expenditures, qualifying as Intangible Assets are amortized over estimated useful life.

**e) Inventory**

Inventories 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.

**f) Foreign Currency Transactions**

- (i) **Initial Recognition**: Transactions denominated in foreign currencies are recorded at an exchange rate prevailing at the time of the transaction

**Conversion**: Monetary items denominated in foreign currency are reported using the closing exchange rate on each Balance Sheet Date. Non – monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**Exchange difference**: The exchange difference arising on the settlement of monetary items or reporting these items at rates different from rates at which these were initially recorded / reported in previous financial statements are recognized as income/expense in the period in which they arise.

- (ii) **Non Current Investment** in foreign entities are recorded at the exchange rates prevailing on the date of making the investments.

**g) Employee's Benefits**

Expenses and Liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 – Employees Benefits (Revised 2005) :

- (i) **Short Term Employee Benefits**: Short term employee benefits including short term compensated absences are recognised as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered. Terminal Benefits are recognized as an expense immediately.
- (ii) **Defined Contribution Plan** : Contributions payable to recognised provident fund and employee state insurance scheme, which are substantially defined contribution plans, are recognised as expense in the Statement of Profit and Loss, as they incurred.
- (iii) **Defined Benefit Plan** : The cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefit become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

(iv) **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.

**h) Borrowing Cost**

"Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost."Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of assets. All other borrowing costs are recognized as expense in the year in which they are incurred."

**i) Impairment of Assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount is determined. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognised impairment loss is reversed in Statement of Profit & Loss only if there has been a change in the assumptions used to determine the assets's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

**j) Leases**

Assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Statement of Profit & Loss on accrual basis on straight line basis.

**k) Taxes On Income**

Tax expense comprises current and deferred tax

**Current income-tax**

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals. 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 the items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

**Deferred income taxes**

Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization.

**l) Provision, Contingent Liabilities And Contingent Assets**

Provisions are recognized in the accounts in respect of present probable obligations arising as a result of past events and it is probable that there will be an outflow of resources, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are neither recognized nor disclosed in the financial statements.

**m) Earning 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.

**n) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Accounting Standard -3(AS-3) " Cash Flow Statement".

**o) Cash and cash equivalents**

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**NOTE 3 : SHARE CAPITAL**

	Amount in ₹	
	As at March 31, 2015	As at March 31, 2014
<b>Authorised</b>		
27,000,000 (March 31, 2014: 500,000) Equity Shares of ₹ 10/- each	270,000,000	5,000,000
	<u>270,000,000</u>	<u>5,000,000</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
26,046,724 (March 31, 2014: 50,000) Equity Shares of ₹ 10/- each fully paid up	260,467,240	500,000
	<u>260,467,240</u>	<u>500,000</u>

**a) Reconciliation Statement of Equity Share Capital (Amount in ₹)**

	March 31, 2015		March 31, 2014	
	No. of shares	Amount	No. of Shares	Amount
Balance of Shares at the beginning of the year	50,000	500,000	50,000	500,000
Add:- Addition during the year	25,996,724	259,967,240	-	-
Less:- Buy back during the year	-	-	-	-
Balance of Shares at the end of the year	<u>26,046,724</u>	<u>260,467,240</u>	<u>50,000</u>	<u>500,000</u>

**b) 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. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



c) Details of shareholders holding more than 5% shares in the company (Amount in ₹)

	March 31, 2015		March 31, 2014	
	No. of shares	Holding%	No. of Shares	Holding%
Pearl Global Industries Limited (Holding Company till March 31, 2014)	—	—	49,994	99.99
Mrs. Payel Seth	11,819,846	45.38	—	—
Mr. Deepak Seth	1,853,399	7.12	—	—
Mr. Pulkit Seth	1,813,661	6.96	—	—
Mr. Pallak Seth	1,581,175	6.07	—	—

d) For a period of 5 years immediately preceding the date of Balance sheet Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash

	As at March 31, 2015	As at March 31, 2015
Equity Share Capital (Being shares issued to shareholders of Pearl Global Industries Limited, in terms of Scheme of Demerger)	25,996,724	—
	<u>25,996,724</u>	<u>—</u>

NOTE 4: SHARE CAPITAL SUSPENSE ACCOUNT

	As at March 31, 2015	As at March 31, 2014
Share Capital Pending Allotment	—	259,967,240
	<u>—</u>	<u>259,967,240</u>

NOTE 5: RESERVE AND SURPLUS

	As at March 31, 2015	As at March 31, 2014
<b>Capital Reserve</b>		
Balance at the beginning of the year	807,807,101	—
Add:- Addition during the year on account of demerger	—	807,807,101
Less:- Utilised during the year	—	—
Balance at the end of the year	(A) <u>807,807,101</u>	<u>807,807,101</u>
<b>Surplus/ Profit &amp; Loss</b>		
Balance at the beginning of the year	(20,869,612)	999,245
Add:- Addition during the year on account of demerger	—	(12,369,641)
Add:- Profit/(Loss) during the Year	(18,351,644)	(9,499,216)
Less:- Depreciation adjustment as per Schedule II to the Companies Act, 2013 (Net of Deferred Tax of ₹ 193,419)	(432,532)	—
Balance at the end of the year	(B) <u>(39,653,789)</u>	<u>(20,869,612)</u>
<b>Total (A+B)</b>	<u>768,153,312</u>	<u>786,937,488</u>

NOTE 6: LONG TERM BORROWINGS

(Amount in ₹)

	NON CURRENT-		CURRENT	
	As At March 31st, 2015	As at March 31st, 2014	As at March 31st, 2015	As at March 31st, 2014
<b>Loan from Financial Institution (Secured)</b>				
- Vehicle Loan	1,429,088	1,964,076	493,688	481,883
<b>Loan from Banks (Unsecured)</b>				
- Term Loan	90,000,000	—	—	—
	91,429,088	1,964,076	493,688	481,883
Less: - Amount disclosed in Other Current Liabilities (Refer Note 10)	—	—	(493,688)	(481,883)
	<u>91,429,088</u>	<u>1,964,076</u>	<u>—</u>	<u>—</u>
<b>The above amount includes -</b>				
Secured borrowings	1,429,088	1,964,076	493,688	481,883
Unsecured borrowings	90,000,000	—	—	—

a) In case of Secured Loans the nature of Security 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.

Maturity profile of Secured Term Loans is set out as below:

No. of Outstanding EMI as on March 31, 2015	39
<b>Amount repayable in</b>	<b>Amount (₹)</b>
FY 2015-16	493,688
FY 2016-17	593,947
FY 2017-18	659,401
FY 2018-19	175,740

(ii) Term Loan taken by the Company during the current financial year 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.



**NOTE 11: FIXED ASSETS**

(Amount in ₹)

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTIZATION					NET BLOCK	
	As At April 1st 2014	Addition during the year	Addition on account of Demerger Scheme	Deduction/ Adjustment	As at March 31st 2015	As at April 1st 2014	For the year	Unplanned Depreciation as per Schedule II	Addition on Account of Demerger Scheme	As at March 31st 2015	As at March 31st 2015	As at March 31st 2014
<b>A. Tangible Assets</b>												
Land	6,880,947	-	-	-	6,880,947	-	-	-	-	-	6,880,947	6,880,947
Buildings	21,342,556	-	-	-	21,342,556	5,872,993	257,102	387,414	-	6,517,509	14,825,047	15,469,563
Plant & Machinery	1,984,914	-	-	-	1,984,914	1,505,028	18,065	188,095	-	1,711,188	273,726	479,886
Office Equipments	5,123,682	213,126	-	-	5,336,808	610,592	1,958,834	-	-	2,569,426	2,767,382	4,513,090
Computers	2,911,404	595,825	-	-	3,507,229	1,456,663	681,425	50,442	-	2,188,530	1,318,699	1,454,741
Furniture and fixtures	3,226,064	-	-	-	3,226,064	288,947	323,375	-	-	612,322	2,613,742	2,937,117
Vehicle	3,575,000	-	-	-	3,575,000	254,719	433,315	-	-	688,034	2,886,966	3,320,281
<b>Total</b>	<b>45,044,567</b>	<b>808,951</b>	<b>-</b>	<b>-</b>	<b>45,853,518</b>	<b>9,988,942</b>	<b>3,672,116</b>	<b>625,951</b>	<b>-</b>	<b>14,287,009</b>	<b>31,566,509</b>	<b>35,055,624</b>
<b>B. Intangible Assets</b>												
Computer software	99,536,852	1,109,500	-	-	100,646,352	82,825,227	6,173,399	-	-	88,998,626	11,647,726	16,711,625
<b>Total</b>	<b>99,536,852</b>	<b>1,109,500</b>	<b>-</b>	<b>-</b>	<b>100,646,352</b>	<b>82,825,227</b>	<b>6,173,399</b>	<b>-</b>	<b>-</b>	<b>88,998,626</b>	<b>11,647,726</b>	<b>16,711,625</b>
<b>C. Capital Work in Progress</b>												
CWIP	23,145,409	83,056,075	-	-	106,201,484	-	-	-	-	-	106,201,484	23,145,409
<b>Total</b>	<b>23,145,409</b>	<b>83,056,075</b>	<b>-</b>	<b>-</b>	<b>106,201,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106,201,484</b>	<b>23,145,409</b>
<b>Grand Total (A+B+C)</b>	<b>167,726,827</b>	<b>84,974,526</b>	<b>-</b>	<b>-</b>	<b>252,701,354</b>	<b>92,814,169</b>	<b>9,845,515</b>	<b>625,951</b>	<b>-</b>	<b>103,285,635</b>	<b>149,415,719</b>	<b>74,912,658</b>
Previous Year	5,416,913	9,874,934	152,434,980	-	167,726,827	172,017	21,241,304	-	71,400,849	92,814,169	74,912,658	5,244,896

(Amount in ₹)

	NON CURRENT				CURRENT			
	As At March 31st, 2015	As at March 31st, 2015	As at March 31st, 2014	As at March 31st, 2014	As at March 31st, 2015	As at March 31st, 2015	As at March 31st, 2014	As at March 31st, 2014
<b>NOTE 13: LOANS AND ADVANCE</b>								
(Unsecured, considered good)								
<b>Capital Advances</b>		10,231,276		16,268,297		-		-
(Unsecured, considered good)			(A)	10,231,276		16,268,297		-
<b>Security Deposits</b>		1,281,000		1,256,000		-		-
(Unsecured, considered good)			(B)	1,281,000		1,256,000		-
<b>Advances recoverable in cash or in Kind</b>		-		48,820		24,895		
(Unsecured, considered good)			(C)	-		48,820		24,895
<b>Other Loans and advances (Unsecured considered good)</b>								
Advance Tax [Net of Provision of Nil (March 31,2014:Nil)]		1,054,837		1,234,000		-		-
Prepaid Expenses		-		-		4,355,076		1,113,935
Advance to Suppliers		-		-		900,000		-
Advance to Employees		800,000		210,400		278,896		221,468
			(D)	1,854,837		1,444,400		5,533,972
<b>Total</b>			<b>(A+B+C+D)</b>	<b>13,367,113</b>		<b>18,968,697</b>		<b>5,582,792</b>
								<b>1,360,298</b>

**a) Commitments**

(Amount in ₹)

	As at March 31st, 2015	As at March 31st, 2014
Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	61,676,792	69,759,513
	61,676,792	69,759,513



		(Amount in ₹)	
		As at	As at
		March 31st, 2015	March 31st, 2014
<b>NOTE 14: TRADE RECEIVABLES &amp; OTHER ASSETS</b>			
(Unsecured, considered good unless stated otherwise)			
"Outstanding for a period less than six months "from the date they are due for payment"			
Unsecured, considered good		-	-
Unsecured, considered doubtful		-	-
Other Receivables		-	-
Unsecured - Considered Good		10,860,370	-
<b>Total</b>		<b>10,860,370</b>	<b>-</b>

		(Amount in ₹)			
		NON CURRENT		CURRENT	
		As At	As at	As at	As at
		March 31st, 2015	March 31st, 2014	March 31st, 2015	March 31st, 2014
<b>NOTE 15: OTHER ASSETS</b>					
(Unsecured, considered good unless stated otherwise)					
Non Current Bank Balances					
Fixed Deposit with banks			25,000	25,000	-
	(A)		25,000	25,000	-
Others					
Interest accrued but not due				2,286	-
	(B)			2,286	-
<b>Total (A+B)</b>			<b>25,000</b>	<b>27,286</b>	<b>-</b>

\* The deposit of ₹ 25,000 (March 31, 2014 : ₹ 25,000) is pledged with Commercial Tax department, Tirupur

		As at	As at		
		March 31, 2015	March 31, 2014		
<b>NOTE 16: CASH AND BANK BALANCES</b>					
Cash & Cash Equivalents					
Balance with banks :					
- On current accounts		7,359,836	2,890,289		
Cash on hand		605	-		
		<b>7,360,441</b>	<b>2,890,289</b>		
<b>NOTE 17: REVENUE FROM OPERATIONS</b>					
Sale of Service (Refer Note ' a ' below)					
Sales of Products (Refer Note ' b ' below)					
		53,194,486	37,294,920		
		16,136,085	13,862,072		
		<b>69,330,571</b>	<b>51,156,992</b>		
a) Detail of Service Rendered					
Sourcing and Distribution Service		53,194,486	37,294,920		
		<b>53,194,486</b>	<b>37,294,920</b>		
b) Detail of Products Sold (Traded)					
Sale of Garments		16,136,085	-		
Sample Designing Sale		-	13,862,072		
		<b>16,136,085</b>	<b>13,862,072</b>		
c) Earnings in Foreign Exchange					
Sale of Service		53,194,486	37,294,920		
		<b>53,194,486</b>	<b>37,294,920</b>		
d) Prior Period Income					
Sale of Service		-	439,775		
		<b>-</b>	<b>439,775</b>		
<b>NOTE 18: OTHER INCOME</b>					
Foreign Exchange Fluctuation (Net)					
Interest Income (Refer Note ' a ' below)					
		997,187	-		
		<b>14,823</b>	<b>-</b>		
				1,012,010	-
				2,286	-
				<b>12,537</b>	<b>-</b>
				<b>14,823</b>	<b>-</b>
<b>NOTE 19: PURCHASE OF TRADED GOODS</b>					
Purchase of Finished Goods (Refer Note ' a ' below)					
				14,674,054	-
				<b>14,674,054</b>	<b>-</b>
a) Detail of purchase of Traded Goods					
Purchase of Garments				14,674,054	-
				<b>14,674,054</b>	<b>-</b>
<b>NOTE 20: EMPLOYEE BENEFIT EXPENSES</b>					
Salaries, Wages & Bonus					
Gratuity (Refer Note Below)					
Leave Encashment (Refer Note Below)					
Contribution to Provident and Other Fund					
Staff Welfare Expenses					
				32,188,935	24,643,424
				1,271,171	143,132
				1,422,356	53,863
				477,689	335,493
				230,110	74,183
				<b>35,590,261</b>	<b>25,250,094</b>
(i) The Company has classified the various benefits provided to employees as under:-					
(i) Defined Contribution Plan					
The Company makes contribution towards Provident Fund (PF) & Employee State Insurance (ESI) as defined contribution retirement benefit plan for the qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage in case of Employee State Insurance.					
During the year company recognized ₹ 428,376 (March 31, 2014: ₹ 268,470) for provident fund contribution and ₹ 49,313 (March 31, 2014: ₹ 67,023) for ESI contribution in the Statement of Profit and Loss. The contribution payable to these plans by the Company is at rates specified in the rules of the schemes.					

(ii) Defined Benefit Plan : It includes :

- a) Gratuity (Unfunded)  
b) Leave Encashment/Compensated Absence (Unfunded)

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation is carried out in respect of aforesaid defined benefit plans and other long term benefits based on the assumption given in the table with subheading 'd' below. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation at year end. The obligation for leave encashment is recognized in the same manner as of gratuity.

(II) The details of Actuarial Valuation Certificate(s) are as under:-

a) Reconciliation of opening and closing balances of Defined Benefit Obligations

Particulars	(Amount in ₹)			
	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Defined benefit obligations at beginning of the year	499,782	-	298,722	-
Service Cost	485,292	-	560,286	-
Interest Cost	38,733	-	23,151	-
Actuarial (gain)/loss on Obligation	747,146	-	838,919	-
Benefits paid	(788,236)	-	(478,347)	-
Defined Benefit Obligations at the end of the year	982,717	-	1,242,731	-

b) Reconciliation of fair value of Assets and Obligations

Fair value of plan assets at March 31, 2015	-	-	-	-
Present value of obligation as at March 31, 2015	982,717	499,782	1,242,731	298,722
Amount recognized in balance sheet	982,717	499,782	1,242,731	298,722

c) Expense recognized during the year

Current Service Cost	485,292	-	560,286	-
Interest Cost	38,733	-	23,151	-
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss	747,146	-	838,919	-
Net Cost	1,271,171	-	1,422,356	-

d) Actuarial Assumptions

Discount Rate (per annum)	7.75%	-	7.75%	-
Future increase in Compensation	5.25%	-	5.25%	-
In Service Mortality	IALM (2006-08)	-	-IALM (2006-08)	-
Retirement age	58 Years	-	58 Years	-
Withdrawal rates				
- Upto 30 years	3.00%	-	3.00%	-
- Upto 44 years	2.00%	-	2.00%	-
- Above 44 years	1.00%	-	1.00%	-

- a) The estimate of rate of escalation in Salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors on long term basis including supply and demand in the employment market.

NOTE 21 FINANCE COST

	(Amount in ₹)	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Interest Expense		
- On Loan from Related Party	49,315	632,709
- On Vehicle Loan	232,588	189,285
- On bank overdraft	318,387	-
- Others	-	11,380
	600,289	833,374

NOTE 22: OTHER EXPENSES

Sampling and designing expense	2,310,326	6,100,233
Power & Fuel	416,666	392,696
Rent	2,466,259	1,894,706
Rates & Taxes	3,683,971	69,507
Repair & maintenance	1,804,393	235,766
Legal & Professional	4,354,902	1,581,149
Security Charges	331,511	379,549
SAP Expenses	1,173,902	860,387
Travel & Conveyance	6,033,681	2,771,275
Insurance expenses	560,534	14,852
Postage and courier	490,346	25,095
Communication	814,702	690,922
Printing & Stationery	1,153,416	80,384
Advertisement & Sales promotion	798,797	177,175
Payment to Auditors (Refer Note below)	1,703,251	955,060
Foreign Exchange Fluctuation (Net)	-	1,057,465
Miscellaneous expenses	1,593,347	260,264
	29,690,004	17,546,484

a) Payment to Auditors

As Auditor:		
- Audit Fee	750,000	650,000
- Tax Audit Fee	200,000	100,000
In Other Capacity		
- Certification	550,000	100,000
- Service tax	185,400	105,060
- Out of Pocket expense	17,851	-
	1,703,251	955,060

b) Prior Period Expenses

Legal and Profession	-	83,333
Travel Overseas	25,626	-
	25,626	83,333

Note 23 : EARNING PER SHARE (EPS)

	Calculation	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Profit/(Loss) attributable to the equity shareholders	(A)	(18,351,644)	(9,499,216)
Basic/Weighted average no. of equity shares outstanding during the period	(B)	21,345,947	50,000
Potential equity shares pursuant to scheme of Demerger	(C)	-	25,996,724
Total share outstanding for the purposes of Dilutive Earning per share	(D)=(B+C)	21,345,947	26,046,724
Nominal value of Equity shares (₹)	(E)	10	10
Basic Earning per share (₹)	(F) = (A/B)	(0.86)	(189.98)
Diluted Earning per share (₹)	-	(0.86)	(189.98)

- a) For the year ended March 31, 2014 since diluted earning per share is increasing when taking the potential equity shares into account, therefore shares under suspense account (pending allotment) are anti dilutive and are ignored in the calculation of diluted earning per share.

**NOTE 24: DISCLOSURE OF RELATED PARTIES/RELATED PARTIES TRANSACTION**
**A. Name of the Related Parties and description of relationship**

Nature of Relationship	Name of the Concern	Country of Incorporation/ Designation
Subsidiary Company	Multinational Textile Group Limited	Mauritius
Enterprise over which KMP can exercise significant influence	Pearl Global Industries Limited*	India
Key Managerial Personnel	Mrs. Payel Seth	Managing Director
	Mr. Deepak Seth	Director
	Mr. Pallak Seth	Director
	Mr. Chandra Kishore Jha (w.e.f January 27, 2015)	Company Secretary
	Mr. Mukesh Kumar (Till January 26, 2015)	Company Secretary
	Mr. Omprakash Makam Suryanarayan Setty	Chief Financial Officer

\*Note: For the previous year ended March 31, 2014 Pearl Global Industries Limited was the Holding Company

Particular	(Amount in ₹)	
	For the Year ended March 31, 2015	For the Year ended March 31, 2014

B. Disclosure of Related Parties Transactions (includes all material transaction):		
<b>(i) Subsidiary Company</b>		
Service Income	53,194,486	37,294,920
Advance received for services to be rendered	74,536,834	46,771,809
Closing Balance [Recoverable/ (Payable)]	(21,342,348)	(9,476,889)
<b>(ii) Enterprise over which KMP can exercise significant influence</b>		
Loan Received	30,000,000	-
Loan Repaid	118,431,657	10,000,000
Expenditure incurred by them on our behalf	77,829,356	-
Interest Expense	5,966,922	632,709
Closing Balance	30,044,384	35,276,455
<b>(iii) Key Managerial Personnel</b>		
Director's Nomination fees paid under Section 160 of the Companies Act, 2013	300,000	-
Director's Nomination fees received back under Section 160 of the Companies Act, 2013	300,000	-
<b>Salary paid to :-</b>		
- Mr. Mukesh Kumar	2,054,681	1,731,400
- Mr. Chandra Kishore Jha	622,366	224,679
- Mr. Omprakash Makam Suryanarayan Setty	7,176,000	7,191,000

**Note 25: LEASES**
**Asset Taken on Lease**

(a) The Company has taken immovable property located at Bangalore on lease. The lease agreement is valid till September, 2015 and lease rentals(including transfer to lease equalisation reserve) amounting to ₹ 1,866,552 (March 31,2014: ₹ 1,894,706) has been debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard - 19 "Leases" notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2015 are as under:

Not later than one Year	865,800	1,693,800
Later than one year and not later than five years	-	865,800
<b>Total</b>	<b>865,800</b>	<b>2,559,600</b>

Details of Leasing Agreement are enumerated below :-

Property taken at lease	Date of Termination of Lease	Clause Escalation	Terms of Renewal	Purchase Option
Corporate Office at Bangalore	30.09.2015	Yes	Yes	No

(b) The Company has taken immovable property located at New Delhi on lease. The Lease agreement is valid till July, 2017 and lease rentals(including transfer to lease equalisation reserve) amounting to ₹ 562,207 (March 31,2014 : Nil) has debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard - 19 "Leases" notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2015 are as under: -

Not later than one Year	605,880	-
Later than one year and not later than five years	807,840	-
<b>Total</b>	<b>1,413,720</b>	<b>-</b>

Details of Leasing Agreement are enumerated below :-

Property taken at lease	Date of Termination of Lease	Clause Escalation	Terms of Renewal	Purchase Option
Office at Delhi	31.07.2017	Yes	Yes	No

Note 26: The Company has not spent any amount towards Corporate Social Responsibility during the financial year 2014-15. 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 2014-15.

Note 27: In view of the management, the Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount, at which they are stated in the Balance Sheet as at March 31, 2015.

Note 28: For the period ended March 31, 2015, the company has identified geographical segment as its primary segment and business segment as its secondary segment.

(Amount in ₹)			
<b>A. Geographical Segment</b>			
Particulars	India	Mauritius	Total
Segment Revenue	16,136,085	53,194,486	69,330,571
Segment Sales	16,136,085	53,194,486	69,330,571
Total Segment Revenue	16,136,085	53,194,486	69,330,571
Total Revenue of each segment as a percentage of total revenue of all segment	23	77	100
Total Segment Operative Profit before Depreciation, Interest & Taxes/Extraordinary activities	(18,514,456)	8,902,719	(9,611,737)
Less : Depreciation	6,913,835	2,931,680	9,845,515
Total Segment Result before Interest & Taxes/Extraordinary items	(25,428,291)	5,971,039	(19,457,252)
Total EBIT of each segment as a percentage of total EBIT of all segment	131	(31)	100.00
Net Financing Cost	367,702	232,588	600,289
Income Tax Expenses	(1,705,896)	-	(1,705,896)
Profit/(Loss) for the Year after taxes	(24,090,096)	5,738,451	(18,351,645)
Segment Assets	169,762	1,191,469,297	1,191,639,059
Segment Assets as a percentage of Total assets of all segments	0.01	99.99	100.00
Segment Liabilities	1,628,594	161,389,914	163,018,508
Segment Liabilities as a percentage of Total Liabilities of all segments	1	99	100
Segment Capital Employed	(1,458,832)	1,030,079,382	1,028,620,550
Segment Capital Employed as a percentage of Total capital employed of all segments	-	100	100
Capital Expenditure	180,405	84,794,121	84,974,526
Depreciation for the year	6,913,835	2,931,680	9,845,515

(Amount in ₹)			
<b>B. Business Segment</b>			
Particulars	Trading of Garment Apparels	Service	Total
Segment Revenue	16,136,085	53,194,486	69,330,571
External Sales	16,136,085	53,194,486	69,330,571
Total Segment Sales	16,136,085	53,194,486	69,330,571
Total Segment Revenue	16,136,085	53,194,486	69,330,571
Total Revenue of each segment as a percentage of total revenue of all segment	23	77	100
Segment Result EBIDTA	(18,514,456)	8,902,719	(9,611,737)
Depreciation for the year	6,913,835	2,931,680	9,845,515
Total Segment Result before Interest & Taxes/Extraordinary items	(25,428,291)	5,971,039	(19,457,252)
Total EBIT of each segment as a percentage of total EBIT of all segment	131	(31)	100
Net Financing Cost	367,702	232,588	600,289
Income Tax expenses	(1,705,896)	-	(1,705,896)
Profit/(Loss) for the year	(24,090,096)	5,738,451	(18,351,645)
Segment Assets	169,762	1,191,469,297	1,191,639,059
Segment Assets as a percentage of Total assets of all segments	-	100	100
Segment Liabilities	1,628,594	161,389,914	163,018,508
Segment Liabilities as a percentage of Total Liabilities of all segments	1	99	100
Segment Capital Employed	(1,458,832)	1,030,079,382	1,028,620,550
Segment Capital Employed as a percentage of Total capital employed of all segments	-	100	100
Capital Expenditure	180,405	84,794,121	84,974,526
Depreciation for the year	6,913,835	2,931,680	9,845,515

There are no inter segment sales and other incomes in the business segment reported above.

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

(Deepak Seth)  
Director  
DIN No.00003021

(Payel Seth)  
Managing Director  
DIN No.00003035

(Omprakash M. Setty)  
Chief Financial Officer

(Chandra Kishore Jha)  
Company Secretary

PLACE : NEW DELHI  
DATE : May 28, 2015



**PDS MULTINATIONAL FASHIONS LIMITED**

Registered Office: A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028  
 Corp. Office: No. 2339, II Floor, Krishna Complex, 17th Cross, HSR Layout, Sector-I, Bangalore-560102, Karnataka  
 Tel: 080-67653030, Website: www.pdsmultinational.com; e-mail: investors@psdmultinational.com CIN: L18101DL2011PLC217162

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L18101DL2011PLC217162  
 Name of the Company : PDS MULTINATIONAL FASHIONS LIMITED  
 Registered Office : A-3, COMMUNITY CENTRE, NARAINA INDUSTRIAL AREA, PHASE-II, NEW DELHI-110028  
 Name of the Member(s) :  
 Registered address :  
 E-mail ID :  
 Folio No/Client id :  
 DP ID :

I/We, being the member(s) of .....equity shares of ₹10/each of PDS Multinational Fashions Limited, hereby appoint

(i) Name:.....Address:.....  
 E-Mail ..... Signature ..... or failing him/her  
 (ii) Name:.....Address:.....  
 E-Mail ..... Signature ..... or failing him/her  
 (iii) Name:.....Address:.....  
 E-Mail ..... Signature .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 4<sup>th</sup> Annual General Meeting of the Company, to be held on Tuesday, 22<sup>nd</sup> September, 2015 at 12.30 P.M. at Sri Sathya sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel), Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution Number	Description	Optional*		
		No of Shares held by me	I assent to the resolution (For)	I dissent from the resolution (Against)
<b>Ordinary Business</b>				
1.	To receive, consider and Adopt Standalone and Consolidated Audited Financial Statement of their Company for the Financial Year ended 31st March, 2015, together with Reports of Directors and Auditors thereon			
2.	To Appointment a Director in place of Mr. Pallak Seth, who retires by rotation and being eligible, offers herself for re-appointment			
3.	To Ratify the Appointment of M/s S.R. Dinodia & Co. LLP Chartered Accountants, (Regn. No.001478N/N500005), New Delhi, as Auditors of the Company and to fix their remuneration.			
<b>Special Business</b>				
4	Payment of Remuneration to Mrs. Payel Seth, (Din: 00003035) Managing Director of the Company as a Special Resolution			
5	To enter into contract or arrangement with related party namely Pearl Global Industries Limited as an Ordinary Resolution			

Signed this.....day of .....2015

Signature of the Shareholder(s).....

Signature of the Proxy holder(s).....

Note:

- 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.
- \*It is optional to put "✓" in the appropriate column blank against any or all resolutions indicated in the Box. If you leave the 'For' or 'Against' any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- In case of Joint holders, the Signature of any one holder will be sufficient, but names of all the shareholders should be stated.

Affix  
₹ 1.00  
Revenue  
Stamp





**Route Map to the venue of the 4<sup>th</sup> Annual General Meeting of PDS Multinational Fashions Limited**



**A** Sri Sathya Sai International Centre,  
Pragati Vihar, Lodhi Road, New Delhi - 110003



Soham for Kids, Hyderabad  
Plot No. 176, Green Hills Colony, Mallapur, Hyderabad, Andhra Pradesh, India



Soham for All Center of HOPE, Bangladesh  
Aicha Nowadda, Ward-7, Birulia Road Savar, Dhaka, Bangladesh



**PDS Multinational Fashions Limited**  
Registered Office

A-3, Community Centre,  
Naraina Industrial Area, Phase-II  
New Delhi-110 028  
CIN : L18101DL2011PLC217162  
[www.pdsmultinational.com](http://www.pdsmultinational.com)

**Corporate Office**

No. 2339, IIInd Floor, Krishna Complex  
17th Cross, HSR Layout, Sector-I,  
Bangalore-560102, Karnataka