



PDS LIMITED

Registered and Corporate Office: Unit No. 971, Solitaire Corporate Park, Andheri, Ghatkopar Link Road, Andheri (East), Mumbai- 400093, Maharashtra, India
Telephone: 022-41441100; **E-mail:** investors@pdsdtd.com; **Website:** www.pdsdtd.com; **CIN:** L18101MH2011PLC388088

PDS Limited (the “Company” or “Issuer”) was incorporated as ‘PDS Multinational Fashions Limited’, under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 6, 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi and commenced its business on May 11, 2011 pursuant to a certificate of commencement of business issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi. Pursuant to a change in our registered office from A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi, Delhi, India – 110028 to No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bengaluru, Karnataka, India, 560102 by way of a special resolution passed by our Shareholders on January 7, 2016, a certificate of registration of regional director order in relation to the change of State was issued by the Registrar of Companies, Karnataka at Bengaluru dated June 14, 2016. The name of our Company was subsequently changed to ‘PDS Limited’ and a fresh certificate of incorporation was issued by the Registrar of Companies, Karnataka at Bengaluru on January 28, 2022. Thereafter, pursuant to a change in our registered office from No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bengaluru, Karnataka, India, 560102 to Unit No.971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai- 400093, Maharashtra, India by way of a special resolution passed by our Shareholders on January 12, 2022, a certificate of registration of regional director order in relation to the change of State was issued by the Registrar of Companies, Maharashtra at Mumbai (“RoC”) dated August 3, 2022. For further details, see “General Information” on page 282.

Our Company is issuing up to 80,22,388 Equity Shares (as defined below) at a price of ₹ 536.00 per Equity Share, including a premium of ₹ 534.00 per Equity Share (the “Issue Price”), aggregating up to ₹43,000 lakhs (the “Issue”). For further details, see “Summary of the Issue” on page 30.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”) AND SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE “PAS RULES”) AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE “COMPANIES ACT”)

The equity shares of our Company having a face value of ₹2 each (the “Equity Shares”) are listed on National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”), together with NSE, the “Stock Exchanges”. The closing price of the outstanding Equity Shares on BSE and NSE as on August 26, 2024, was ₹ 591.10 and ₹ 591.15 per Equity Share, respectively. Our Company has received in-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), for listing of the Equity Shares to be issued pursuant to the Issue from BSE and NSE each dated August 22, 2024, respectively. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE.

The information on our Company’s website or any website directly or indirectly linked to our Company’s website or the websites of the Book Running Lead Managers (as defined hereinafter) and their respective affiliates does not form part of this Placement Document, and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue. A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereafter) has been delivered to the Stock Exchanges and a copy of this Placement Document (which includes disclosures prescribed under Form PAS-4) has been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, within the stipulated period as prescribed under the Companies Act and the Companies (Prospectus and Allotment of Securities) Rules, 2014, each as amended. This Placement Document has not been reviewed by the Securities and Exchange Board of India (“SEBI”), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND ONLY QUALIFIED INSTITUTIONAL BUYERS, AS DEFINED IN REGULATION 2(1)(ss) OF THE SEBI ICDR REGULATIONS (“QIBs”) WHICH ARE NOT: (A) EXCLUDED PURSUANT TO REGULATION 179(2)(b) OF THE SEBI ICDR REGULATIONS; OR (B) RESTRICTED FROM PARTICIPATING IN THE ISSUE UNDER THE APPLICABLE LAWS, INCLUDING THE SEBI ICDR REGULATIONS, ARE ELIGIBLE TO INVEST IN THIS ISSUE (“ELIGIBLE QIBs). THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION “RISK FACTORS” ON PAGE 38, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document with the Application Form and this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see “Issue Procedure” on page 215. The distribution of the Preliminary Placement Document and this Placement Document or the disclosure of its contents without our Company’s prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the United States Securities Act of 1933, as amended (“U.S. Securities Act”), or any other applicable state securities laws of the United States and, unless so registered may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in “offshore transactions”, as defined in and in reliance on Regulation S under the U.S. Securities Act (“Regulation S”) and the applicable laws of the jurisdictions where those offers and sales are made. See “Selling Restrictions” on page 230 for information about eligible offerees for the Issue and “Purchaser Representations and Transfer Restrictions” on page 236 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

This Placement Document is dated August 27, 2024.



BOOK RUNNING LEAD MANAGERS	
 JM FINANCIAL LIMITED	 AMBIT PRIVATE LIMITED

TABLE OF CONTENTS

NOTICE TO INVESTORS.....	1
REPRESENTATIONS BY INVESTORS.....	4
OFFSHORE DERIVATIVE INSTRUMENTS.....	10
DISCLAIMER CLAUSE OF THE STOCK EXCHANGES	11
PRESENTATION OF FINANCIAL AND OTHER INFORMATION	12
INDUSTRY AND MARKET DATA.....	14
FORWARD-LOOKING STATEMENTS	15
ENFORCEMENT OF CIVIL LIABILITIES	17
EXCHANGE RATES INFORMATION	18
DEFINITIONS AND ABBREVIATIONS	20
SUMMARY OF BUSINESS	27
SUMMARY OF THE ISSUE.....	30
SELECTED FINANCIAL INFORMATION OF OUR COMPANY	32
RELATED PARTY TRANSACTIONS.....	37
RISK FACTORS	38
MARKET PRICE INFORMATION	64
USE OF PROCEEDS	67
CAPITALISATION STATEMENT.....	75
CAPITAL STRUCTURE.....	76
DIVIDENDS.....	82
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.....	83
INDUSTRY OVERVIEW	116
OUR BUSINESS	167
ORGANIZATIONAL STRUCTURE	186
BOARD OF DIRECTORS AND SENIOR MANAGEMENT	199
SHAREHOLDING PATTERN OF OUR COMPANY	208
ISSUE PROCEDURE	215
PLACEMENT AND LOCK-UP.....	228
SELLING RESTRICTIONS	230
PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS	236
THE SECURITIES MARKET OF INDIA.....	238
DESCRIPTION OF THE EQUITY SHARES	241
TAXATION.....	244
LEGAL PROCEEDINGS	277
OUR STATUTORY AUDITORS.....	281
GENERAL INFORMATION	282
FINANCIAL STATEMENTS.....	284
PROPOSED ALLOTTEES IN THE ISSUE	583
DECLARATION	584
APPLICATION FORM	587

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, our Subsidiaries and the Equity Shares, which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company, our Subsidiaries, our Associates, our Joint Ventures, our Trust and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to our Company, our Subsidiaries, our Associates, our Joint Ventures, our Trust and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company. There are no other facts in relation to our Company, our Subsidiaries, our Associates, our Joint Ventures, our Trust and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company, our Subsidiaries, our Associates, our Joint Ventures, our Trust nor the Book Running Lead Managers has any obligation to update such information to a later date.

The information contained in this Placement Document has been provided by our Company and from other sources identified herein. JM Financial Limited and Ambit Private Limited (together, the “**Book Running Lead Managers**” or the “**BRLMs**”) have not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs and/or any of its respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries, our Associates, our Joint Ventures, our Trust and the Equity Shares or its distribution. Each person receiving this Placement Document acknowledges that such person has not relied either on the BRLMs or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLMs. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares offered in this Issue are being offered and sold only outside the United States, in “offshore transactions”, as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 230 and 236, respectively.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the BRLMs or their respective representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Placement Document or any documents referred to in this Placement Document.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the BRLMs that would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than in India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The subscribers of the Equity Shares offered in the Issue will be deemed to have

made the representations, warranties, acknowledgements and agreements set forth in “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 1, 4, 230 and 236.

In making an investment decision, the prospective investors must rely on their own examination of our Company, our Subsidiaries, our Associates, our Joint Ventures, our Trust the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Placement Document as legal, business, tax, accounting, or investment advice and should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company and the BRLMs are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations.

Each Bidder, investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Placement Document has been prepared for information purposes to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Neither our Company nor the BRLMs are liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and the QIB shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company’s website, viz., <https://pds ltd.com> any website directly or indirectly linked to the website of our Company or on the website of the BRLMs or any of their respective affiliates or agents, other than this Placement Document, does not and shall not constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 230 and 236, respectively.

REPRESENTATIONS BY INVESTORS

References herein to “you” or “your” in this section is to a prospective investor in the Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged, and agreed to contents set forth in “*Notice to Investors*”, “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 1, 230 and 236, respectively and have represented, warranted and acknowledged to and agreed to our Company and the BRLMs, as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or its Subsidiaries, Associates, Joint Ventures or Trust, which is not set forth in the Preliminary Placement Document and this Placement Document;
- You are a “**Qualified Institutional Buyer**” as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations, making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;
- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise in relation to accessing capital markets in India;
- If you are not a resident of India, but are an Eligible QIB, you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in the Preliminary Placement Document and this Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities or otherwise accessing the capital markets. Additionally, you are aware that, in terms of the SEBI FPI Regulations, you are not permitted to acquire 10.00% or more of the post-Issue Equity Share capital of our Company;
- You are aware that in terms of the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50.00% or common control) shall be below 10.00% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to the sector in which our Company operates. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI and its investor group in our Company does not exceed 10.00% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10.00% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. Since FVCIs are not permitted to participate in the Issue, you confirm that you are not an FVCI;
- You will provide the information as required under the provisions of the Companies Act, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act and other applicable laws;
- If you are Allotted Equity Shares, pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the Stock Exchanges. Further, additional restrictions apply if

you are within the United States and certain other jurisdictions. For further details in this regard, see “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 230 and 236, respectively;

- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate;
- You are aware that the Preliminary Placement Document and this Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) and this Placement Document has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;
- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy and Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;
- The Preliminary Placement Document and the Placement Document has been filed with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document will be displayed on the websites of our Company and the Stock Exchanges;
- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations, as may be required and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;
- You are aware that, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. The BRLMs or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;
- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the “**Company Presentations**”) with regard to our Company, the Equity Shares or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore, unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;
- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information relating to us, which is not set forth in this Placement Document;
- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;
- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategies, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You acknowledge that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You acknowledge that such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which we will operate in the future. You agree not to place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. You acknowledge that neither our Company nor the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;
- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than Eligible QIBs, and the Allotment of the same shall be at the discretion of our Company, in consultation with the BRLMs;
- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company has disclosed names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;
- You are aware that if you are Allotted more than 5.00% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;
- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document, and have read it in its entirety, including in particular, "*Risk Factors*" on page 38;
- In making your investment decision, you have (i) relied on your own examination of our Company, our Subsidiaries, our Associates, our Joint Venture, our Trust and the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and continue to make your own assessment of our Company, our Subsidiaries, our Associates, our Joint Venture, our Trust and the Equity Shares and the terms of the Issue based solely on and in reliance of the information contained in this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company, our Subsidiaries, our Associates, our Joint Venture, our Trust and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;
- Neither our Company, the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;
- You are an investor who is seeking to purchase the Equity Shares for your own investment and not with a view to distribution. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment

in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

- If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;
- You are not a ‘promoter’ (as defined under the Companies Act and the SEBI ICDR Regulations) of our Company and are not a person related to any of our Promoters, either directly or indirectly and your Bid does not directly or indirectly represent our ‘Promoters’, or ‘Promoter Group’ (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related to any of our Promoters;
- You have no rights under a shareholders’ agreement or voting agreement entered into with our Promoters or members of the Promoter Group or persons related to the Promoters, no veto rights or right to appoint any nominee director on our Board, other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);
- You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act;
- You will have no right to withdraw your Application Form or revise your Bid downwards after the Bid/Issue Closing Date (as defined hereinafter);
- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;
- The Bid made by you would not result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;
- The aggregate number of Equity Shares Allotted to you under the Issue, together with other Allotees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:
 - (a) Eligible QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and
 - (b) ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;
- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;
- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares to be issued pursuant to this Issue will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;
- You are aware and understand that the BRLMs has entered into a Placement Agreement with our Company whereby the BRLMs has, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken

to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any person acting on their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;
- You understand that the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non- performance by our Company or any of its obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;
- You are able to purchase the Equity Shares in accordance with the restrictions described in “*Selling Restrictions*” on page 230 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in “*Selling Restrictions*” on page 230;
- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in “*Purchaser Representations and Transfer Restrictions*” on page 236 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in “*Purchaser Representations and Transfer Restrictions*” on page 236;
- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;
- You are outside the United States, and you are purchasing the Equity Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you and are not our Company’s or the BRLMs’ affiliate or a person acting on behalf of such an affiliate;
- You are not acquiring or subscribing for the Equity Shares as a result of any “directed selling efforts” (as defined in Regulation S of the U.S. Securities Act) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act;
- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the court(s) in Mumbai, Maharashtra, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Placement Document and the Placement Document;
- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;
- You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;
- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You acknowledge that this Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;
- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLMs;
- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate. However, affiliates of the BRLMs, which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see “*Offshore Derivative Instruments*” on page 10;
- Our Company, the BRLMs, their respective affiliates, directors, counsels, officers, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs; and
- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including the affiliates of the BRLMs, who are registered as Category I FPIs can issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as “**Offshore Derivative Instruments**”), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such Offshore Derivative Instruments provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, Offshore Derivative Instruments may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs subject to exceptions provided in the SEBI FPI Regulations and compliance with ‘know your client’ requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified by SEBI. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Offshore Derivative Instruments have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning Offshore Derivative Instruments or the issuer(s) of any Offshore Derivative Instruments, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, the investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control,) is not permitted to be 10.00% or more of our post- Issue Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the “**FPI Operational Guidelines**”), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of Offshore Derivative Instruments and two or more subscribers of Offshore Derivative Instruments having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the Offshore Derivative Instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI investments and Offshore Derivative Instruments position held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of Offshore Derivative Instruments.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. Any Offshore Derivative Instruments that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any Offshore Derivative Instruments, or in the establishment of the terms of any Offshore Derivative Instruments, or in the preparation of any disclosure related to any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in Offshore Derivative Instruments and do not accept any responsibility whatsoever in connection with any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be issued are not securities of the BRLMs and do not constitute any obligations of or claims on the BRLMs.

Bidders interested in purchasing any Offshore Derivative Instruments have the responsibility to obtain adequate disclosures as to the issuer(s) of such Offshore Derivative Instruments and the terms and conditions of any such Offshore Derivative Instruments from the issuer(s) of such Offshore Derivative Instruments. Neither SEBI nor any other regulatory authority has reviewed or approved any Offshore Derivative Instruments, or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in Offshore Derivative Instruments, including whether Offshore Derivative Instruments are issued in compliance with applicable laws and regulations.

Also see “Selling Restrictions” and “Purchaser Representations and Transfer Restrictions” on pages 230 and 236, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

Disclaimer clause of the Stock Exchanges

As required, a copy of the Preliminary Placement Document and this Placement Document has been submitted to each of the Stock Exchanges, and a copy of the Placement Document will be, submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

- (1) warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document; or
- (2) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or
- (3) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

and it should not, for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs and references to 'Company', and the 'Issuer', are to PDS Limited on a standalone basis and references to 'we', 'us' or 'our' are to our Company together with our Subsidiaries, on a consolidated basis. References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, all references to page numbers in this Placement Document are to the page numbers of this Placement Document. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to the 'Bangladesh' are to the People's Republic of Bangladesh and its territories and possessions. All references herein to the 'China' are to the People's Republic of China and its territories and possessions. All references herein to the 'Sri Lanka' are to the Democratic Socialist Republic of Sri Lanka and its territories and possessions. All references herein to the 'UAE' are to the United Arab Emirates and its territories and possessions. All references herein to the 'UK' or 'U.K.' or the 'United Kingdom' are to the United Kingdom of Great Britain and Northern Ireland.

Currency and units of presentation

In this Placement Document, references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of Republic of India, references to 'US\$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America, references to "GBP" is to the legal currency of United Kingdom, references to "HKD" is to the legal currency of Hong Kong, and references to "Euro" or "€" are to the legal currency of the European region.

All the numbers in this Placement Document have been presented in lakhs / lacs, unless stated otherwise. The amounts derived from financial statements included herein are presented in ₹ lakhs / ₹ lacs. Financial statements included in our Financial Statements are presented in ₹ lakhs / ₹ lacs.

Except as otherwise set out in this Placement Document, all figures set out in this Placement Document have been rounded off to two decimal places. However, all figures expressed in terms of percentage, have been rounded off to one or two decimal places, as applicable, except the exchange conversion rates provided by our bankers which have been rounded off to four decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Non-GAAP Financial Measures

We have included certain non-GAAP financial measures relating to our operations and financial performance (together, "**Non-GAAP Financial Measures**" and each, a "**Non-GAAP Financial Measure**") in this Placement Document, for example, "Gross Profit", "Gross Margin", "EBIT", "EBIT Margin", "EBITDA", "EBITDA Margin", "Return on Capital Employed", "Net Working Capital Days" and "Dividend Payout Ratio", in "*Our Business*" on page 167. These Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities and are not required by or presented in accordance with Indian GAAP or Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Financial Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. The presentation of these Non-GAAP Financial Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Statements*" on page 284.

Financial Data and Other Information

Our Company publishes its Financial Statements in Indian Rupees. The fiscal year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms "Fiscal" or "Fiscal Year", refer to the 12 month period ending, or as of March 31 of that year (as the case may be).

As required under the applicable regulations, and for the convenience of prospective investors, we have included in this Placement Document:

- (i) the unaudited condensed interim consolidated financial statements of our Group as at and for the three months period ended June 30, 2024 with comparative for June 30, 2023 (“**Unaudited Condensed Interim Consolidated Financial Statements**”) in accordance with the requirements of Indian Accounting Standard 34, Interim Financial Reporting (‘Ind AS 34’) prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Companies (Indian Accounting Standards) Rules 2015 (as amended) and other accounting principles generally accepted in India;
- (ii) the consolidated unaudited quarterly financial results of our Group for the three months ended June 30, 2024 with comparative for three months ended June 30, 2023 (“**Unaudited Consolidated Quarterly Financial Results**”) in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (‘Ind AS 34’), prescribed under Section 133 of the Companies Act, 2013 (‘the Act’), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations;
- (iii) the unaudited special purpose interim consolidated financial statements as at and for the three months period ended June 30, 2023 (“**Unaudited Special Purpose Interim Consolidated Financial Statements**”) in accordance with the basis of preparation stated in note 2 to the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements which has been approved by the Holding Company’s Board of Directors; and
- (iv) the audited consolidated financial statements of our Group for the fiscal years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with the Indian Accounting Standards (“**Ind AS**”) notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act (collectively, the “**Audited Consolidated Financial Statements**”) and reports thereon.

The Unaudited Condensed Interim Consolidated Financial Statements, the Unaudited Consolidated Quarterly Financial Results, the Unaudited Special Purpose Interim Consolidated Financial Statements and Audited Consolidated Financial Statements should be read along with the respective audit and review reports, as applicable.

The Audited Consolidated Financial Statements have been audited by our Statutory Auditors, Walker Chandiook & Co LLP, on which they have issued audit reports dated May 14, 2024, May 11, 2023 and May 16, 2022, respectively. The Unaudited Consolidated Quarterly Financial Results, the Unaudited Condensed Interim Consolidated Financial Statements and the Unaudited Special Purpose Interim Consolidated Financial Statements have been reviewed by our Statutory Auditors, Walker Chandiook & Co LLP, on which they have issued a limited review report dated July 24, 2024, August 22, 2024, and August 22, 2024, respectively.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and U.S. GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. The degree to which the financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Placement Document should accordingly be limited.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The statistical information included in this Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory/ government publications and websites, more particularly described in “*Industry Overview*” on page 116.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled “*Report on Global and Indian Apparel Industry*”, dated August 14, 2024 (the “**Technopak Report**”), which is a report exclusively commissioned and paid for by our Company and prepared by Technopak Advisors Private Limited pursuant to engagement letter July 16, 2024, in connection with the Issue. Technopak Advisors Private Limited is not related in any manner to our Company, our Promoters, our Directors or Key Managerial Personnel or members of the Senior Management, our Subsidiaries or the BRLMs.

While we have made diligent efforts to reproduce the information from the Technopak Report, it is important to note that neither we nor the BRLMs have independently verified this market and industry data. Our reliance on internally developed estimates is due to the lack of readily available external information from trade or industry associations, government bodies, or other organizations. While we believe our internal estimates to be reasonable, they have not been validated by independent sources. As such, neither we nor the Book Running Lead Managers can provide absolute assurance regarding their accuracy.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors – Industry information included in this Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.*” on page 55.

Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled “*Business*”, “*Risk Factors*”, “*Management’s Discussions and Analysis of Results of Operations and Financial Condition*” and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the Technopak Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Book Running Lead Managers can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 'will likely result', 'is likely', 'are likely', 'believe', 'expect', 'expected to', 'will continue', 'will achieve', or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by us or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward- looking statement. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

1. Highly dependency of our revenue on third party owned factories that we partner with for manufacturing of apparel. Direct engagements with our customers, any difficulty or delay in the production process or inability to meet quality standards or a failure to comply with applicable laws by such third party owned factories will cause a delay in responding to customer demands;
2. Any adverse developments and conditions in the sourcing markets that we source our products from;
3. Effective management of a variety of business, legal, regulatory, economic, social and political risks associated with our international operations;
4. Generation of a significant portion of our revenues from a small number of customers, and any loss or reduction of business from these customers;
5. High working capital requirements and our inability to maintain an optimal level of working capital or financing required;
6. Credit risk with respect to trade receivables;
7. Lack of long-term commitments with our customers;
8. Failure to adhere to the terms of the purchase orders received from our customers;
9. Our Company has grown through organic growth as well as through strategic acquisitions. We may be unable to effectively manage such growth, which could place significant demands on our management personnel, systems and resources and achieve anticipated growth; and
10. Our business operations are headed by business heads in various locations. The failure to replace such business heads, should their employment with us be terminated could lead to a loss of customers.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Industry Overview*" and "*Our Business*" on pages 38, 83, 116 and 167, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of our Company and management, as well as the assumptions made by, and information currently available to, our Company and management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither we nor the BRLMs or any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition of our Company and our Subsidiaries could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Except as disclosed in the section entitled “*Board of Directors and Senior Management*” and in “*Our Business*” on pages 199 and 167, all of our Directors, Key Managerial Personnel and Senior Management Personnel named herein are residents of India and the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

- (a) where the judgment has not been pronounced by a court of competent jurisdiction;
- (b) where the judgment has not been given on the merits of the case;
- (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;
- (d) where the proceedings in which the judgment was obtained were opposed to natural justice;
- (e) where the judgment has been obtained by fraud; and
- (f) where the judgment sustains a claim founded on a breach of any law, then in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court will enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. Our Company and the BRLMs cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and the foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares. The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the (i) Rupee and the U.S. dollar (in ₹ per US \$), (ii) Rupee and the Euro (in ₹ per €), (iii) Rupee and the British Pound (in ₹ per GBP), and (iv) the Rupee to Hong Kong dollar (in ₹ per HKD) for the periods indicated. The exchange rates are based on the reference rates released by the RBI/ Financial Benchmarks India Private Limited (the “**FBIL**”), which are available on the website of the RBI and FBIL, which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts, could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

As of August 26, 2024, the exchange rate (RBI reference rate) was ₹ 83.85 to US\$1. (Source: www.rbi.org.in)

	(₹ per US\$)			
	Period End ⁽¹⁾	Average ⁽²⁾	High ⁽³⁾	Low ⁽⁴⁾
Fiscal ended*:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Months ended*				
July 31, 2024	83.74	83.59	83.74	83.40
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84

Source: www.rbi.org.in and www.fbil.org.in

As of August 26, 2024, the exchange rate (RBI reference rate) was ₹ 93.77 to € 1. (Source: www.rbi.org.in)

	(₹ per €)			
	Period End ⁽¹⁾	Average ⁽²⁾	High ⁽³⁾	Low ⁽⁴⁾
Fiscal ended*:				
March 31, 2024	90.22	89.80	92.45	87.07
March 31, 2023	89.61	83.76	90.26	78.34
March 31, 2022	84.66	86.56	90.51	83.48
Months ended*				
July 31, 2024	90.62	90.59	91.44	89.64
June 30, 2024	89.25	89.89	91.02	89.25
May 31, 2024	90.12	90.10	90.83	89.48
April 30, 2024	89.34	89.44	90.4	88.56
March 31, 2024	90.22	90.27	90.91	89.58
February 29, 2024	89.86	89.55	90.13	89.06

Source: www.rbi.org.in and www.fbil.org.in

As of August 26, 2024, the exchange rate (RBI reference rate) was ₹ 110.67 to GBP 1. (Source: www.rbi.org.in)

	(₹ per GBP)			
	Period End ⁽¹⁾	Average ⁽²⁾	High ⁽³⁾	Low ⁽⁴⁾
Fiscal ended*:				
March 31, 2024	105.29	104.07	107.64	100.39
March 31, 2023	101.87	96.77	102.23	86.62
March 31, 2022	99.55	101.78	104.58	99.36
Months ended*				
July 31, 2024	107.55	107.37	108.74	105.55
June 30, 2024	105.46	106.16	106.86	105.46
May 31, 2024	105.92	105.30	106.32	104.21
April 30, 2024	104.64	104.38	105.60	102.88
March 31, 2024	105.29	105.54	106.36	104.65
February 29, 2024	105.03	104.80	105.63	104.25

Source: www.rbi.org.in and www.fbil.org.in

As of August 26, 2024, the exchange rate was ₹ 10.76 to HKD 1. (Source: Bloomberg)

(₹ per HKD)

	Period End ⁽¹⁾	Average ⁽²⁾	High ⁽³⁾	Low ⁽⁴⁾
Fiscal ended*				
March 31, 2024	10.66	10.58	10.70	10.42
March 31, 2023	10.47	10.25	10.65	9.62
March 31, 2022	9.68	9.57	9.85	9.33
Months ended*				
July 31, 2024	10.72	10.71	10.72	10.68
June 30, 2024	10.68	10.69	10.72	10.63
May 31, 2024	10.67	10.67	10.70	10.64
April 30, 2024	10.67	10.65	10.67	10.62
March 31, 2024	10.66	10.62	10.67	10.58
February 29, 2024	10.59	10.61	10.62	10.59

Source: Bloomberg

Notes:

- (1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
- (2) Represents the average of the official rate for each working day of the relevant period;
- (3) Maximum of the official rate for each working day of the relevant period; and
- (4) Minimum of the official rate for each working day of the relevant period.

* In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been considered. The RBI/ FBIL/Bloomberg reference rates are rounded off to two decimal places

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations or policies shall include amendments thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in “Taxation”, “Industry Overview”, “Financial Statements” and “Legal Proceedings”, shall have the meaning given to such terms in such sections on pages 244, 116, 284 and 277, respectively.

General terms

Term	Description
“Issuer”, or “Holding Company” or “our Company” or “the Company”	PDS Limited, a public limited company incorporated on April 6, 2011, under the Companies Act, 1956 and having its Registered and Corporate Office at Unit No. 971, Solitaire Corporate Park, Andheri, Ghatkopar Link Road, Andheri (East), Mumbai - 400093, Maharashtra, India
“we”, “Group”, “our Group”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, our Associates, our Joint Venture and our Trust

Company related terms

Term	Description
Articles / Articles of Association / AoA	Articles of Association of our Company, as amended from time to time
Associates	The associate companies of our Company as of the date of this Placement Document, namely, Reflaunt Pte Limited, GWD Enterprises Limited, Nobleswear (Private) Limited, Mambo Leisure Masters Limited and Loop Digital Wardrobe Limited
Audit Committee	The Audit Committee of our Company, constituted in accordance with the Companies Act, SEBI Listing Regulations, and as disclosed in “Board of Directors and Senior Management Personnel”, beginning on page 199
Audited Consolidated Financial Statements	The Audited Consolidated Financial Statements of our Group as at, and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act, including the notes thereto, and which have been approved by our Board of Directors on May 14, 2024, May 11, 2023 and May 16, 2022, respectively
Board of Directors / Board	The Board of Directors of our Company or any duly constituted committee thereof
Chairman	The Chairman of the Board of our Company, namely, Deepak Kumar Seth
“Chief Financial Officer” or “CFO”	The Chief Financial Officer of our Company, namely, Rahul Ahuja
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, namely Abhishekh Kanoi
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Company, as disclosed in “Board of Directors and Senior Management”, beginning on page 199
Director(s)	Director(s) on the Board of our Company, as disclosed in “Board of Directors and Senior Management” on page 199
ESOP Schemes	Collectively, PDS ESOP 2021, PDS ESOP 2021 – Plan A, PDS ESOP 2021 – Plan B and PDS Phantom Stock Units Plan 2021
Equity Share(s)	The Equity Shares of our Company, having a face value of ₹ 2 each
Financial Statements	Collectively, Audited Consolidated Financial Statements, Unaudited Special Purpose Interim Consolidated Financial Statements, Unaudited Condensed Interim Consolidated Financial Statements and Unaudited Consolidated Quarterly Financial Results
Executive Director	The Executive Director as per the Companies Act and the SEBI Listing Regulations, who are currently on the Board of our Company, as disclosed in “Board of Directors and Senior Management”, beginning on page 199

Term	Description
Joint Ventures	The Joint Ventures of our Company, namely, Digital Ecom Techno Private Limited, Digital Internet Technologies Limited, Yellow Octopus EU SA, Yellow Octopus-UK Limited (<i>formerly Yellow Octopus Fashion Limited</i>) and Yellow Octopus Ventures FZCO
Key Managerial Personnel/KMP	Key Managerial Personnel of our Company identified in terms of Regulation 2(bb) of the SEBI ICDR Regulations and as disclosed in “ <i>Board of Directors and Senior Management</i> ” beginning on page 199
Non – Executive, Independent Director(s)	A non-executive, independent Director as per the Companies Act and the SEBI Listing Regulations, who are currently on the Board of our Company, as disclosed in “ <i>Board of Directors and Senior Management</i> ” beginning on page 199
Non – Executive, Non - Independent Director(s)	A non-executive, non-independent Director as per the Companies Act and the SEBI Listing Regulations, who are currently on the Board of our Company, as disclosed in “ <i>Board of Directors and Senior Management</i> ” beginning on page 199
Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time
Material Subsidiaries	The Material Subsidiaries of our Company, namely, Multinational Textile Group Limited, PDS Sourcing Limited, PDS Ventures Limited (Mauritius), PDS Manufacturing Limited, Poeticgem Limited, New Lobster Limited, Clover Collections FZCO, Kleider Sourcing FZCO, GoodEarth Apparels Limited (<i>formerly Green Smart Shirts Limited</i>), Progress Apparels (Bangladesh) Limited, Norwest Industries Limited, Techno Design HK Limited, Simple Approach Limited, Norlanka Manufacturing Limited, Krayons Sourcing Limited, PDS Ventures Limited (Hong Kong), Design Arc Asia Limited and PDS Multinational FZCO
Nomination and Remuneration and Board Governance Committee	The Nomination and Remuneration and Board Governance Committee of our Company, constituted in accordance with the Companies Act, SEBI Listing Regulations, and as disclosed in “ <i>Board of Directors and Senior Management Personnel</i> ”, beginning on page 199
Promoter(s)	The Promoters of our Company in terms of the SEBI ICDR Regulations and the Companies Act, namely, Deepak Kumar Seth, Pallak Seth, Payel Seth and Pulkit Seth
Promoter Group	Includes such persons and entities constituting the promoter group of our Company as determined in accordance with the Regulation 2(pp) of the SEBI ICDR Regulations
PDS ESOP 2021	PDS Limited – Employee Stock Option Plan 2021
PDS ESOP 2021 – Plan A	PDS Limited – Employee Stock Option Plan 2021 – Plan A
PDS ESOP 2021 – Plan B	PDS Limited – Employee Stock Option Plan 2021 – Plan B
PDS Phantom Stock Units Plan 2021	PDS Limited – Phantom Stocks Unit Plan 2021
Registered and Corporate Office	The Registered and Corporate Office of our Company which is located at Unit No. 971, Solitaire Corporate Park, Andheri, Ghatkopar Link Road, Andheri (East), Mumbai - 400093, Maharashtra, India
Risk Management Committee	The Risk Management Committee of our Company, constituted in accordance with the Companies Act, SEBI Listing Regulations, and as disclosed in “ <i>Board of Directors and Senior Management Personnel</i> ”, beginning on page 199
RoC / Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai, located at 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra, India.
Senior Management Personnel/SMP	Senior Management Personnel of our Company as determined in accordance with the Regulation 2(bbbb) of the SEBI ICDR Regulations and as disclosed in “ <i>Board of Directors and Senior Management Personnel</i> ”, beginning on page 199
Shareholder(s)	The holder(s) of Equity Shares of our Company, unless otherwise specified in the context thereof.
Statutory Auditors	Current Statutory Auditors of our Company, being Walker Chandiook & Co LLP, Chartered Accountants
Subsidiaries	The Subsidiaries of our Company as of the date of this Placement Document, as disclosed in the section titled “ <i>Organizational Structure</i> ”, beginning on page 186
Technopak Report	The Report on Global and Indian Apparel Industry dated August 14, 2024 issued by Technopak Advisors Private Limited
Trust	PDS Multinational Fashions ESOP Trust
Unaudited Condensed Interim Consolidated Financial Statements	The Unaudited Condensed Interim Consolidated Financial Statements of our Group as at and for the three months period ended June 30, 2024 with comparatives for June 30, 2023, in accordance with the requirements of Indian Accounting Standard 34, Interim Financial Reporting (‘Ind AS 34’) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015 (as amended) and other accounting

Term	Description
	principles generally accepted in India, which have been approved by the Board of Directors of our Company by way of a resolution dated August 22, 2024
Unaudited Consolidated Quarterly Financial Results	The Unaudited Consolidated Quarterly Financial Results of the Group for the three months ended June 30, 2024 with comparatives for the three months ended June 30, 2023, prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations
Unaudited Special Purpose Interim Consolidated Financial Statements	The Unaudited Special Purpose Interim Consolidated Financial Statements of our Company as at and for the three months period ended June 30, 2023 in accordance with the basis of preparation stated in note 2 to the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements, which have been approved by the Board of Directors of our Company by way of a resolution dated August 22, 2024
Vice-Chairman	The Executive Vice-Chairman of the Board of our Company, namely, Pallak Seth

Issue related terms

Term	Description
Allocated / Allocation	The allocation of Equity Shares by our Company, in consultation with the BRLMs, following the determination of the Issue Price to Eligible QIBs on the basis of the Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot / Allotment / Allotted	Unless, the context otherwise requires, allotment of Equity Shares to be issued pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) which will be submitted by an Eligible QIB for registering a Bid in the Issue during the Bid/ Issue Period
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue
Bid(s)	Indication of an Eligible QIB's interest, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares, pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bid/Issue Closing Date	The date after which our Company (or BRLMs on behalf of our Company) ceased acceptance of Application Forms and the Bid Amount, being August 27, 2024
Bid/Issue Opening Date	The date on which our Company (or the BRLMs on behalf of our Company) shall commence acceptance of the Application Forms and the Bid Amount, being August 22, 2024
Bid/Issue Period	Period between the Bid/ Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount
Bidder	Any prospective investor, being an Eligible QIB, who made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Manager(s) / BRLM(s)	JM Financial Limited and Ambit Private Limited
CAN / Confirmation of Allocation Note	Note or advice or intimation issued to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after discovery of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e. on or about August 27, 2024
Designated Date	The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees
Eligible QIB(s)	A Qualified Institutional Buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations which (i) is not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws, and (ii) is a resident in India or is an eligible FPI participating through Schedule II of the FEMA Rules. However, FVCIs are not permitted to participate in the Issue
Eligible FPI(s)	Foreign Portfolio Investor, as defined under the SEBI FPI Regulations (other than individuals, corporate bodies and family offices.), and including persons who have been registered under the SEBI FPI Regulations, that were eligible to participate in this Issue

Term	Description
Escrow Account	Non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened in the name and style “ PDS Limited – QIP Escrow A/c” with respect to the Equity Shares, with the Escrow Agent, in accordance with the terms of the Escrow Agreement, into which the Bid Amount were deposited by Eligible QIBs and from which refunds, if any, shall be remitted to unsuccessful bidder, as set out in the Application Form
Escrow Agent	ICICI Bank Limited
Escrow Agreement	Agreement dated August 22, 2024 entered into by and amongst our Company, the Escrow Agent and the BRLMs for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price of ₹ 563.59 per Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 4.90% on the Floor Price in accordance with the approval of the shareholders of our Company accorded by way of a special resolution through postal ballot passed on December 3, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations
Fund Raising Committee	The Fund Raising Committee of the Board of Directors of our Company
Issue	The offer, issue and Allotment of 80,22,388 Equity Shares to Eligible QIBs pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder
Issue Price	₹ 536.00 per Equity Share
Issue Size	The issue of up to 80,22,388 Equity Shares aggregating up to ₹ 43,000.00 lakhs
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Monitoring Agency	CRISIL Ratings Limited
Monitoring Agency Agreement	Agreement dated August 22, 2024 entered into by and amongst our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilization of the proceeds of the Issue
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Agreement dated August 22, 2024 entered into by and amongst our Company and the BRLMs
Placement Document	The Placement Document dated August 27, 2024 issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder
Preliminary Placement Document	The Preliminary Placement Document along with the Application Form dated August 22, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder
QIBs or Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified Institutions Placement under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, other provisions of the Companies Act and rules made thereunder
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	August 22, 2024 which is the date of the meeting of the Fund Raising Committee, a committee duly authorised by our Board, deciding to open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who have been Allocated Equity Shares pursuant to the Issue
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, Maharashtra, India

Business and Industry Related Terms

Term	Description
3D	Three dimensional
Authentic Brands Group	ABG International Inc.
ASDA	ASDA Stores Ltd

Term	Description
B2B	Business to Business
CSS	Collaborative Sourcing Services FZCO
CAGR	Compounded Annual Growth Rate
CMT	Cut Make Trims
CPI	Consumer price index
CY	Calendar Year
DBS Lifestyle	DBS Lifestyle India Private Limited
EMEA	Europe, Middle East and Africa
Employee Code of Conduct	A set of guidelines and rules that outline the ethical standards and behaviors expected from employees within an organization
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
FOB	Free on board
FTA	Free Trade Agreement
GDP	Gross domestic product
GFA	Global Fashion Agenda
GoodEarth Facility	The manufacturing facility of our Subsidiary, GoodEarth Apparels Limited, located at Gazipur, Bangladesh
HIGG Index	An apparel and footwear industry self-assessment standard to rate environmental and social sustainability throughout the supply chain
HR	Human Resource
IP	Intellectual Property
LEED	Leadership in Energy and Environmental Design, a green building rating system
Norlanka Facility	The manufacturing facility of our Subsidiary, Nor Lanka Manufacturing Colombo Limited located at Trincomalee, Sri Lanka
Manufacturing Facilities	GoodEarth Facility, Progress Facility and Norlanka Facility
PDS Ventures	PDS' venture capital arm
Primark	Primark Limited
Progress Facility	The manufacturing facility of our Subsidiary, Progress Apparels (Bangladesh) Limited, located at Naryanganj, Bangladesh
SBTi	Science Based Target Initiative
S&P	Standard and Poor's
Tesco	Tesco Stores Limited
TDG	Ted Baker Design Group
Tko	TKO Evolution Apparel Inc
U.S.	United States of America
UK	United Kingdom

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
Arbitration Act	Arbitration and Conciliation Act, 1996, as amended
AY	Assessment year
BSE	BSE Limited
Calendar Year / CY	Period of 12 months commencing from January 1 and ending on December 31
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
CSR	Corporate Social Responsibility
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act / Companies Act, 2013	Companies Act, 2013, as amended and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018, as amended

Term	Description
Depository Participant	A Depository Participant as defined under the Depositories Act
DIN	Director Identification Number
EGM	Extraordinary General Meeting
“Euro” or “€”	Euro, legal currency of the European region
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (formerly called the Department of Industrial Policy and Promotion) bearing file number 5(2)/2020-FDI Policy dated and with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, as amended and the regulations issued thereunder
FEMA Norms	The Government issued a notification and imposed certain restrictions or conditionality on such investments pursuant to Press Notes, circulars and regulations (including FEMA Rules) issued by the DPIIT or the RBI or the Ministry of Finance, Government of India, from time to time, as the case may be.
FEMA Rules	The Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended and any notifications, circulars or clarifications issued thereunder
Financial year / Fiscal Year / FY / Fiscal	Unless otherwise stated, the period of 12 months commencing on April 1 of a year and ending on March 31 of the next year
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI	Foreign Portfolio Investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FPI Operational Guidelines	SEBI Circular dated November 5, 2019 which issued the operational guidelines for FPIs
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
FVCI	Foreign Venture Capital Investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally Accepted Accounting Principles
GBP	British Pound Sterling, legal currency of United Kingdom
GDP	Gross Domestic Product
GoI / Government	Government of India, unless otherwise specified
GST	Goods and Services Tax
HKD	Hong Kong Dollar, legal currency of Hong Kong
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
IT	Information Technology
JV	Joint Venture(s)
Lac / lakh	Lakhs
MCA	Ministry of Corporate Affairs, GoI
NCLT	National Company Law Tribunal, GoI
NRI / Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a	Per Annum
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PSU	Public Sector Undertaking
R&D	Research and Development
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
Rs. / Rupees / INR / ₹	Indian Rupees, the legal currency of the Republic of India
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended

Term	Description
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI SBEB & SE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Stock Exchanges / Indian Stock Exchanges	Collectively, BSE and NSE
STT	Securities Transaction Tax
U.S.\$ / U.S. dollar / USD / \$	United States Dollar, the legal currency of the United States
USA / U.S. / United States	United States of America
U. S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933
VCF	Venture Capital Fund
Video Conferencing / Other Audio-Visual Means facility or VC / OAVM facility	Audio- Visual Electronic Communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate effectively in the meeting

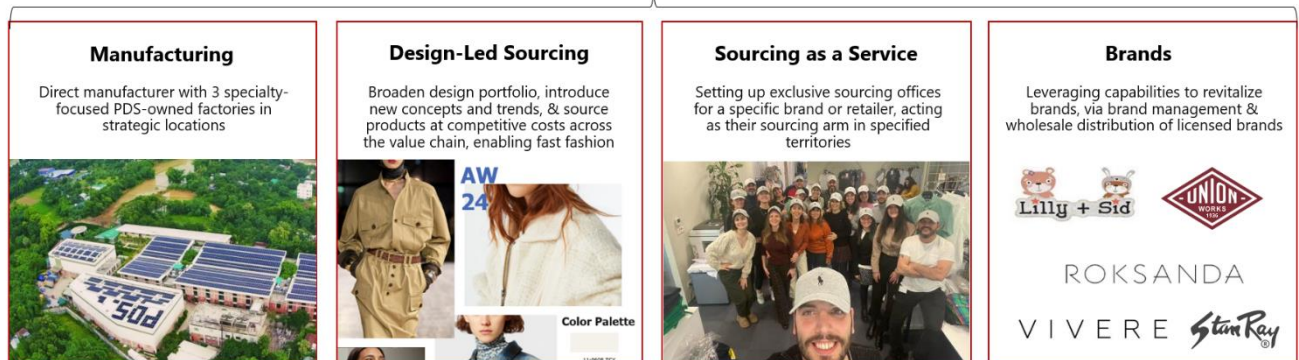
SUMMARY OF BUSINESS

We are India's largest multinational B2B apparel business in terms of revenue, basis Fiscal 2024 (Source: Technopak Report). We are a one-stop, global fashion infrastructure and solutions provider simplifying the fashion value chain. We operate in an industry where brands and retailers, who are our clients, are having to meet fast-changing trends and rapidly evolving preferences of their customers in a challenging environment of global economic pressures compounded by supply chain disruptions. According to the Technopak Report, in order to meet such challenges, retailers and brands have realized that they must focus on their front-end operations to increase their market share by customer acquisition and increasing store sales. This has led to more opportunities being created at the back-end of the fashion value chain for us as our business model allows our clients to focus on their front-end operations while we cater to their back-end operations such as supply chain and infrastructure requirements, including, design, sourcing, manufacturing, compliance, quality assurance and brand management. Our ability to provide services across the fashion value chain, has enabled us to capitalize on multiple opportunities created at the back-end operations of our clients by expanding our service offerings with customized solutions for our clients. We are involved in providing crucial services for the global fashion industry through our asset-light model. We provide supply chain management of high-volume, goods ensuring timely deliveries for many of the leading retailers and brands across the world through our extensive global network. Our multi-faceted versatile global operations allow us to tailor production to meet the specific needs of retailers and brands, addressing both near shoring and far shoring requirements efficiently. As of June 30, 2024, we cater to more than 250 retailers and brands. As per the Technopak Report, we have had the lowest working capital in industry consistently for Fiscal 2022, Fiscal 2023 and Fiscal 2024. Further, we operated on a negative working capital for Fiscal 2022 and Fiscal 2023.

We provide integrated and customized sourcing and manufacturing solutions to global retailers and brands across categories through our model of entrepreneur-led verticals. We are an ethical and entrepreneurial company with a strong sustainability focus. With our keen design sense, extensive industry experience and adoption of the latest techniques and technologies, we are enabling the global fashion industry to cater to the fast-evolving tastes and preferences of consumers more efficiently.

Our service offerings include design-led sourcing, sourcing as a service, brand management and manufacturing through our own facilities.

Customized Service offerings



Platform



Strong Leadership



ESG



Financial Strength



Tech Enabled

Platform



Governance

3 Balance Sheet Focus (Cash, Capability and Credibility)



PDS Ventures
feeding innovation

- *Design led sourcing enabling customers to access quality designs and source products at competitive costs for their chosen categories.*

Through our design led sourcing, we provide end to end sourcing solutions to our clients who are retailers and brands. This includes designing and execution using vendor factories that we partner with for manufacturing the product. We are positioned at a critical point of the fashion value sourcing cycle with orders being placed with us which in turn are sourced from vendor factories at competitive costs. We leverage a global ecosystem of over 250 designers located across geographies to introduce new concepts and trends to our clients by combining creative inputs and market intelligence, enabling our clients access to a broad range of design portfolios. We provide services across the value chain ranging from design, product development based on requirements, order management, supplier management and compliance assurance, enabling our clients to meet the rapidly evolving preferences of their customers.

- *Sourcing as a service*

We launched sourcing as a service in 2021 through an agreement with a U.S. based basics apparel brand for sourcing from Bangladesh. We created an exclusive team with an independent office infrastructure in Bangladesh to provide services to the client.

Through sourcing as a service, we provide customised solutions involving bespoke management of brands and retailers' sourcing needs. We aim to reduce complexities of sourcing and associated costs for our clients. As part of sourcing as a service, we manage the value chain from market intelligence, trend forecasting, product development, designing, factory identification, pricing and negotiation, order management, quality control amongst others. We have exclusive teams and dedicated infrastructure for certain brands and retailers we engage. This provides transparency through cost-plus pricing for our clients. We generally agree with the brands and retailers to an annual budget which further enhances sourcing power, allowing better negotiations with suppliers and enables us to gain a competitive advantage.

We operate our sourcing as a service business through our Subsidiaries. For example, one of our Subsidiaries, Collaborative Sourcing Services FZCO (“CSS”) has established a strategic partnership with a mass-market fashion label wherein CSS has dedicated a specialized team, exclusively focused on delivering market-leading solutions through an ethical value chain. CSS has expanded its operations to Dhaka, Bangladesh, enabling the sourcing of clothing, footwear, and accessories from both Bangladesh and India, further enhancing the competitiveness of our offerings. Further, recently, we have acquired the sourcing operations of the same mass-market fashion label in Turkey. As part of the acquisition, a dedicated team and infrastructure based in Turkey will provide sourcing as a service within the EMEA region for clothing, footwear and accessories category. We have also expanded our sourcing as a service offering into the homeware category through our Subsidiary, Casa Collective Ltd.

➤ *Brand management*

We have a portfolio of in-house, licensed, brand collaborations catering to various niches and preferences. Under our brand management services, we provide an extensive suite of services including designs, range planning, product development, buying and sourcing. We have collaborations with retailers and influencers in conceptualising new brands. For example, our UK focused subsidiary Poeticgem Limited, collaborated with a British actor and musician and a UK based retailer, for our brand Union Works. The collaboration includes design, development, manufacture, marketing and sourcing of the clothing collection which is to be sold exclusive through the UK based retail partner. We believe that by working closely with such influencers, we can gain a better understanding of the end customers' preferences and create products that resonate with the influencers.

We also offer brand management solutions to intellectual property companies. We have entered into a license agreement with the Authentic Brands Group for the Forever 21 brand. Under the license agreement, we have been granted the rights for the manufacturing, marketing, and distribution of Forever 21 in the United Kingdom and European regions, including Germany, France, Spain, and Switzerland amongst others. In Fiscal 2023, we acquired New Lobster Limited through one of our Subsidiaries PDS Lifestyle Limited. New Lobster Limited entered into a strategic collaboration to establish the Ted Baker Design Group (“TDG”) as the Ted Baker brand's global hub for design and merchandising functions. TDG is responsible for the design and sourcing for Ted Baker's global retail partners. The global retail partners will purchase the brand's core categories from TDG, including men's and women's sportswear and outerwear, men's dress shirts, women's dresses, and fashion handbags. Additionally, TDG has a license agreement for wholesale distribution of Ted Baker brand in the UK and Europe.

➤ *Manufacturing through our own facilities*

We have three manufacturing facilities in strategic locations, with two of the facilities situated in Bangladesh and one in Sri Lanka. Our manufacturing units are certified with LEED Gold and HIGG Index Membership, demonstrating our commitment to environment responsibility and our commitment towards sustainability. Our manufacturing facilities have expanded its capabilities which enable us to enhance operational efficiencies. For example, we have also opened a centralised cutting plant at our facility in Sri Lanka, Norlanka, which uses automated machinery for smart cut planning and fabric cut efficiency to enhance the quality of the end product. Similarly, we have also commissioned a wash plant in one of our Bangladesh facility. Our multi-faceted versatile global operations allow us to tailor production to meet the specific needs of retailers and brands, addressing both near shoring and far shoring requirements effectively.

As of June 30, 2024, we have a global presence spanning more than 20 countries engaging with more than 250 retailers and brand partners. We have cultivated a global sourcing network of more than 600 vendor factories as of June 30, 2024, that we partner with for manufacturing products. We operate from more than 90 locations and have more than 10,000 employees. We strive to build an inclusive global business that respects diversity and benefits from varied perspectives and approximately 58% of our employees are women. Our employees are of more than 40 nationalities.

Our experience and presence in the locations from which we source products allow us to provide local expertise and insights to our customers on a broad range of aspects relating to the supply chain, including factory sourcing, logistics, forwarding, customs clearance, compliance and quality checking.

The following table provides the contribution of our customers located in United Kingdom & Europe, North America, Asia & Middle East, India and Others to our revenue:

Location	Three months ended				Fiscals					
	June 30, 2024		June 30, 2023		2024		2023*		2022*	
	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from operations in ₹ lakhs	As a percentage of total revenue from operations (%)	Revenue from operations in ₹ lakhs	As a percentage of total revenue from operations (%)
UK & Europe	175,755.16	70.36%	150,135.15	72.84%	708,222.88	71.00%	750,967.30	71.00%	679,772.46	77.00%
North America	38,967.89	15.60%	28,526.50	13.84%	129,674.61	13.00%	158,655.06	15.00%	141,251.42	16.00%
Asia & Middle East	28,826.24	11.54%	20,941.42	10.16%	139,649.58	14.00%	116,347.05	11.00%	35,312.86	4.00%
India	1,149.05	0.46%	1,463.43	0.71%	14,901.00	1.49%	7,022.36	0.66%	2,341.42	0.27%
Others	5,095.80	2.04%	5,049.85	2.45%	5,048.94	0.51%	24,708.65	2.34%	24,143.22	2.73%
Total	249,794.14	100.00%	206,116.35	100.00%	997,497.01	100.00%	1,057,700.42	100.00%	882,821.38	100.00%

*For Fiscal 2023 and Fiscal 2022, revenue from operations include other operating revenues amounting to ₹23,151.37 lakhs and ₹14,792.37 lakhs respectively. Note: For Fiscal 2023 and Fiscal 2022, geographical segment was reported as "Revenue from Operations" which comprises of sales of goods and other operating revenues. However, it has been changed to "Revenue from Sale of Goods" for the three months ended June 30, 2024 and three months ended June 30, 2023 and for Fiscal 2024.

The total global retail apparel market, valued at US\$ 1,624.9 billion in CY 2023, is anticipated to grow at a CAGR of 6.3% from CY 2023 to CY 2028, reaching US\$ 2,204.5 billion. (Source: Technopak Report) with Europe holding a substantial share of 26.1% in CY 2023. The European market is expected to grow at CAGR of 5.2%. The American market, with a 28.5% share, also demonstrates healthy expansion and is expected to grow at a CAGR of 6% from CY 2023 to CY 2028. (Source: Technopak Report). Europe holds a substantial share of 26.1%, with noteworthy growth propelled by changing consumer preferences and the Middle East & Africa contribute 3.8%, showcasing significant growth rates expected to grow at a CAGR of 18.1% from CY 2023 to CY 2028. The total global retail apparel market, valued at USD1,624.9 billion in CY 2023, is anticipated to grow at a CAGR of 6.3% from CY 2023 to CY 2028, reaching USD 2,204.5 billion (Source: Technopak Report). This indicates a massive opportunity for companies engaged in the textile and apparel business, including us.

In the recent past, we have witnessed a consistent performance signifying our effective strategies and effective execution. Our revenue from operations has increased from ₹ 8,82,821.38 lakhs in Fiscal 2022 to ₹ 10,37,264.96 lakhs in Fiscal 2024. Our gross margin has grown from 16.22% in Fiscal 2022 to 20.35% in Fiscal 2024 and from 18.68% in the three months ended June 30, 2023 to 20.80% in the three months ended June 30, 2024.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the sections “*Risk Factors*”, “*Use of Proceeds*”, “*Placement and Lock – up*”, “*Issue Procedure*” and “*Description of the Equity Shares*” on pages 38, 67, 228, 216 and 241, respectively.

Issuer	PDS Limited
Face Value	₹2 per Equity Share
Issue Price	₹ 536.00 per Equity Share (including a premium of ₹ 534.00 per Equity Share)
Floor Price	₹ 563.59 per Equity Share calculated on the basis of Regulation 176 under Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price However, our Company has offered a discount of 4.90% on the Floor Price in accordance with the approval of the shareholders of our Company accorded by way of a special resolution through postal ballot passed on December 3, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Issue Size	Issue of up to 80,22,388 Equity Shares, aggregating up to ₹ 43,000 lakhs A minimum of 10.00% of the Issue Size, i.e., up to 8,02,239 Equity Shares was available for Allocation to Mutual Funds only and the balance 72,20,149 Equity Shares was available for Allocation to all Eligible QIBs, including Mutual Funds.
Date of Board resolution approving the Issue	November 1, 2023
Date of Shareholders’ resolution (through postal ballot) approving the Issue	December 3, 2023
Eligible Investors	Eligible QIBs, to whom this Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. FVCIs are not permitted to participate in the Issue. For further details, see “ <i>Issue Procedure</i> ”, “ <i>Selling Restrictions</i> ” and “ <i>Purchaser Representations and Transfer Restrictions</i> ” on pages 215, 230 and 236, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and this Placement Document and the Application Form was delivered are determined by our Company in consultation with the BRLMs
Equity Shares issued and outstanding immediately prior to the Issue	13,24,10,821 Equity Shares of Face Value of Rs. 2 each, being fully paid-up Equity Shares
Subscribed and paid-up Equity Share Capital prior to the Issue	₹ 2,648.22 lakhs
Equity Shares issued and outstanding immediately after the Issue	14,04,33,209 Equity Shares
Issue procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act read with Rule 14 of the PAS Rules and all other applicable provisions of the Companies Act, read with Chapter VI of the SEBI ICDR Regulations. For further details, see “ <i>Issue Procedure</i> ” beginning on page 215
Listing and trading	Our Company has obtained in-principle approvals each dated August 22, 2024 from BSE and NSE, respectively in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares to be issued pursuant to the Issue The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.
Lock-up	For details of the lock-up, see “ <i>Placement and Lock – up</i> ” on page 228 for a description of restrictions on our Company and Promoters in relation to Equity Shares.

Proposed Allottees	See “ <i>Proposed Allottees in the Issue</i> ” on page 583 for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company	
Transferability restrictions	The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. For details in relation to other transfer restrictions, see “ <i>Purchaser Representations and Transfer Restrictions</i> ” on page 236	
Use of proceeds	<p>The Gross Proceeds from the Issue will be aggregating to approximately ₹ 43,000 lakhs. Subject to compliance with the applicable law, the Net Proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, are expected to be approximately ₹ 41,055.96 lakhs</p> <p>See “<i>Use of Proceeds</i>” on page 67 for information regarding the use of net proceeds from the Issue</p>	
Risk factors	See “ <i>Risk Factors</i> ” on page 38 for a discussion of risks you should consider before investing in the Equity Shares	
Taxation	See “ <i>Taxation</i> ” on page 244	
Closing Date	The Allotment of the Equity Shares, expected to be made on or about August 27, 2024	
Ranking and dividend	<p>The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank <i>pari passu</i> with the existing Equity Shares, including rights in respect of dividends</p> <p>The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, the SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders’ meetings in accordance with the provisions of the Companies Act. For further details see “<i>Dividends</i>” and “<i>Description of the Equity Shares</i>” on pages 82 and 241, respectively</p>	
Security codes for the Equity Shares	ISIN	INE111Q01021
	BSE Code	538730
	NSE Symbol	PDSL

SELECTED FINANCIAL INFORMATION OF OUR COMPANY

The following selected financial information is extracted from and should be read in conjunction with the Financial Statements included elsewhere in this Placement Document. You should refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 83, for further discussion and analysis of the Financial Statements.

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CONSOLIDATED BALANCE SHEET

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at June 30, 2024	As at June 30, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Assets					
I. Non-current assets					
(a) Property, plant and equipment	33,113.23	33,459.25	34,416.64	35,001.70	35,937.62
(b) Capital work in progress	10,411.52	1,449.41	11,461.04	415.65	313.59
(c) Investment property	2,546.05	2,465.73	2,562.40	2,476.00	4,487.02
(d) Goodwill	10,445.96	8,876.85	10,407.14	7,981.27	5,176.25
(e) Other Intangible assets	4,103.19	2,922.54	3,037.54	2,910.30	734.20
(f) Intangible assets under development	-	349.31	-	349.31	10.34
(g) Investments accounted for using the equity method	10,956.80	10,021.41	11,048.02	9,780.51	9,663.26
(h) Financial assets					
(i) Investments	35,339.91	27,565.34	33,292.47	26,750.33	18,435.53
(ii) Other financial assets	934.54	243.43	1,026.18	165.26	1,134.54
(i) Deferred tax assets (net)	1,439.47	822.09	1,077.22	836.23	1,135.31
(j) Non-current tax asset (net)	3,107.06	2,000.30	2,653.56	1,846.20	1,258.94
(k) Other non-current assets	463.56	61.51	150.86	77.13	374.26
Total non-current assets	112,861.30	90,237.17	111,133.07	88,589.90	78,660.86
Current assets					
(a) Inventories	34,629.09	41,071.53	32,863.83	25,574.21	30,524.71
(b) Financial assets					
(i) Investments	2,013.20	4,656.48	1,366.47	5,304.83	3,840.45
(ii) Trade receivables	145,911.05	110,617.39	167,713.55	97,843.44	142,130.97
(iii) Cash and cash equivalents	34,386.07	40,078.79	46,148.64	51,124.87	46,000.20
(iv) Bank balances other than (iii) above	24,254.87	23,024.92	22,259.72	21,787.83	20,484.50
(v) Other financial assets	9,295.11	6,277.49	9,498.01	8,635.43	7,059.33
(c) Other current assets	21,670.01	18,675.53	15,205.24	12,043.24	11,107.23
Total current assets	272,159.40	244,402.11	295,055.46	222,313.85	261,147.39
Total assets	385,020.70	334,639.28	406,188.53	310,903.74	339,808.24
II. Equity and liabilities					
Equity					
(a) Equity share capital	2,636.39	2,620.69	2,634.73	2,615.91	2,604.25
(b) Other equity	113,365.53	100,634.38	114,015.03	102,751.92	84,635.94
Equity attributable to equity holders of the parent	116,001.92	103,255.07	116,649.76	105,367.83	87,240.19
Non-controlling interest	7,905.92	8,854.21	7,917.09	5,893.13	6,360.24
	123,907.84	112,109.28	124,566.85	111,260.96	93,600.43
Liabilities					
Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	4,988.88	20.31	4,549.62	193.21	10.77
(ii) Lease liabilities	7,234.27	7,039.20	7,636.08	7,924.55	9,145.31
(iii) Other financial liabilities	179.62	122.85	176.64	82.45	-
(b) Provisions	2,795.06	2,222.41	2,801.91	2,222.41	1,716.46
(c) Deferred tax liabilities (net)	-	-	-	-	285.13
(d) Other non-current liabilities	34.11	46.26	36.90	49.33	61.75
Total non-current liabilities	15,231.94	9,451.03	15,201.15	10,471.95	11,219.42
Current liabilities					
(a) Financial liabilities					
(i) Borrowings	78,130.31	66,111.59	89,740.46	59,881.61	62,324.34
(ii) Lease liabilities	3,281.22	3,704.15	3,467.25	3,901.28	2,567.71
(iii) Trade payables					
- Total outstanding dues to micro enterprises and small enterprises	13.92	-	20.99	15.93	9.50
- Total outstanding dues to creditors other than micro and small enterprises	141,845.51	119,515.90	150,398.35	112,469.11	156,622.43
(iv) Other financial liabilities	3,983.29	12,682.46	4,785.96	4,269.22	6,690.97
(b) Other current liabilities	12,119.40	5,328.03	11,464.35	3,293.38	2,382.76
(c) Provisions	1,216.50	1,725.90	1,683.51	1,525.24	1,676.94
(d) Current tax liabilities (net)	5,290.77	4,010.94	4,859.66	3,815.06	2,713.74
Total current liabilities	245,880.92	213,078.97	266,420.53	189,170.83	234,988.39
Total equity and liabilities	385,020.70	334,639.28	406,188.53	310,903.74	339,808.24

CONSOLIDATED PROFIT AND LOSS STATEMENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars		For three months period ended June 30, 2024	For three months period ended June 30, 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
I	Revenue from operations	262,105.55	211,493.61	1,037,264.96	1,057,700.42	882,821.38
II	Other income	1,957.72	479.08	3,467.45	5,153.05	8,602.74
III	Total income (I+II)	264,063.27	211,972.69	1,040,732.41	1,062,853.47	891,424.12
IV	Expenses					
	(a) Cost of material consumed	15,144.00	12,303.19	59,693.63	76,737.85	50,953.04
	(b) Purchases of stock-in-trade	191,665.44	176,236.66	770,018.22	802,576.40	694,826.60
	(c) Changes in inventories of finished goods and work-in-progress	786.01	(16,558.13)	(3,536.39)	1,238.08	(6,167.54)
	(d) Employee benefits expense	27,302.75	20,041.10	97,949.70	76,126.69	62,086.61
	(e) Finance costs	3,301.44	2,338.93	10,699.53	7,411.62	3,264.52
	(f) Depreciation and amortization expense	2,331.16	2,154.57	9,342.80	8,018.20	6,990.81
	(g) Other expenses	19,875.52	12,742.56	73,943.17	55,101.20	48,404.42
V	Total expenses	260,406.32	209,258.88	1,018,110.65	1,027,210.04	860,358.46
VI	Profit before share of loss in associates and joint ventures (III-V)	3,656.95	2,713.81	22,621.76	35,643.43	31,065.66
VII	Share of profit of associates and joint ventures	(80.93)	118.66	617.81	31.93	(57.86)
VIII	Profit before exceptional items and tax (VI-VII)	3,576.02	2,832.47	23,239.57	35,675.36	31,007.80
IX	Tax expense					
	(a) Current tax	802.84	500.36	3,259.69	3,148.05	1,804.24
	(b) Deferred tax credit	(346.61)	(1.47)	(288.20)	(149.53)	(78.53)
	Total tax expense	456.23	498.89	2,971.49	2,998.52	1,725.71
X	Profit for the year (VIII-IX)	3,119.79	2,333.58	20,268.08	32,676.84	29,282.09
XI	Other Comprehensive Income					
(A)	(i) Items that will not be reclassified to profit or loss					
	(a) Re-measurement profit/ (losses) on defined benefit plans	10.73	7.90	150.77	(316.40)	40.28
	(b) Net gain on instruments measured at fair value through other comprehensive income	(87.60)	343.30	3,648.46	1,081.63	1,800.00
	(ii) Income tax on items that will not be reclassified to profit or loss	(2.15)	-	4.50	10.17	(5.57)
(B)	(i) Items that will be reclassified to profit or loss					
	(a) Net loss on cash flow hedges	432.40	(5.70)	(58.18)	(305.14)	99.89
	(b) Gain arising on translating the financial statements of foreign operations	(3,035.72)	356.44	3,334.58	2,236.76	1,423.03
	Other comprehensive income for the year, net of tax	(2,682.34)	701.94	7,080.13	2,707.02	3,357.62
XII	Total comprehensive income for the year, net of tax	437.45	3,035.52	27,348.21	35,383.86	32,639.71
	Net profit for the period attributable to					
	- Owners of the Company	1,990.46	1,884.18	14,423.10	26,497.84	24,840.99
	- Non controlling interest	1,129.33	449.40	5,844.98	6,179.00	4,441.10
		3,119.79	2,333.58	20,268.08	32,676.84	29,282.09
	Total comprehensive income for the year, net of tax					
	- Owners of the Company	(771.06)	2,365.46	20,055.06	28,913.97	27,613.27
	- Non controlling interest	1,208.51	670.06	7,293.15	6,469.89	5,026.44
		437.45	3,035.52	27,348.21	35,383.86	32,639.71
XIII	Earnings per share: (Face value ₹ 2 per share)					
	1) Basic (amount in ₹)	1.51	1.44	10.98	20.30	19.08
	2) Diluted (amount in ₹)	1.49	1.42	10.77	19.93	18.86

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For three months period ended June 30, 2024	For three months period ended June 30, 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from operating activities					
Profit before tax	3,576.02	2,832.47	23,239.58	35,675.36	31,007.80
Adjustments for:					
Share of profit of associates and joint ventures	80.93	(118.66)	(617.81)	(31.93)	57.86
Depreciation and amortization expense	2,331.16	2,154.57	9,342.80	8,018.20	6,990.81
Finance costs	3,301.44	2,338.93	10,699.53	7,411.62	3,264.52
Reversal of allowance for expected credit loss / Provision for doubtful debts	(89.15)	(77.14)	988.66	132.82	1,565.77
Interest income	(438.19)	(269.60)	(1,391.94)	(528.62)	(131.94)
Dividend income	(7.28)	(24.60)	(198.58)	(56.92)	(64.26)
Liabilities written back	(119.93)	-	(46.17)	(78.10)	(104.35)
Fair value (gain)/loss on financial assets measured at fair value through profit and loss	(955.97)	(41.04)	(112.23)	319.12	(610.66)
Employee share compensation expense	279.96	443.21	1,483.45	2,146.95	2,263.16
Loss on sale of property, plant & equipment	0.46	-	40.00	36.38	33.26
Gain on sale of investment property	-	-	-	(3,648.86)	-
Gain on disposal of subsidiary	-	-	-	-	(4,073.89)
Unrealised foreign exchange fluctuation loss/(gain)	76.01	(253.01)	580.94	(628.03)	246.95
Unwinding of discount on security deposits	(0.90)	(1.10)	(4.42)	-	-
Operating profit before working capital changes	8,034.56	6,984.02	44,003.81	48,767.99	40,445.03
Movement in working capital:					
Change in trade payables and other financial liabilities	(7,587.93)	2,948.35	31,497.87	(55,766.60)	65,284.61
Change in other liabilities	661.09	(1,780.54)	4,137.68	(2,853.59)	(1,296.71)
Change in provisions	(465.28)	208.56	888.54	(187.71)	569.14
Change in trade receivables	20,742.23	388.63	(57,040.71)	55,244.09	(51,150.24)
Change in other assets	(6,871.85)	(5,133.07)	(3,145.83)	2,248.77	76.72
Change in inventories	(2,630.22)	(3,022.12)	5,394.76	5,772.74	(10,811.89)
Change in other financial assets	(258.87)	(284.68)	(3,810.39)	395.86	16.82
Cash generated from operations	11,623.73	309.16	21,925.73	53,621.56	43,133.48
Direct tax paid, net of refunds received	(840.87)	(442.97)	(2,975.24)	(2,633.99)	(2,407.57)
Net cash generated from operating activities (a)	10,782.86	(133.81)	18,950.49	50,987.57	40,725.91
Cash flows from investing activities					
Purchase of property, plant and equipment, capital working in progress and investment property	(595.96)	(1,953.04)	(16,209.09)	(3,186.77)	(3,798.37)
Proceeds from sale of investment property	4.51	-	-	5,651.87	8,327.33
Purchase of intangible assets	(1,319.25)	(185.43)	(443.69)	(2,740.53)	(638.59)
Purchase of investments	(1,616.59)	(462.94)	(6,439.84)	(11,040.02)	(13,145.32)
Proceeds from sale of investments	-	752.70	7,596.75	3,075.59	5,195.72
Consideration paid towards acquisition of non-controlling interest in subsidiary, business combinations and asset acquisition, net of cash acquired	(313.62)	(10,123.75)	(15,787.76)	(4,543.70)	-
Investment in associate and joint venture	-	-	(872.77)	-	(12,145.89)
Investment in bank deposits, net	(1,995.15)	(1,237.09)	(802.90)	(1,303.33)	(6,766.16)
Dividend received	7.28	24.60	198.58	56.92	64.26
Interest received	274.85	175.37	1,310.95	288.72	110.38
Net cash (used in) investing activities (b)	(5,553.93)	(13,009.57)	(31,449.77)	(13,741.25)	(22,796.65)
Cash flows from financing activities					
Proceeds/(repayment) of short term borrowings	(11,720.97)	2,896.27	19,226.62	(7,534.78)	12,894.76
Proceeds of long term borrowings	647.59	(172.90)	4,966.29	182.44	-
Repayment of long term borrowings	-	-	(193.21)	-	(173.27)
Acquisition of own equity shares by a controlled ESOP trust	(312.75)	(98.34)	(119.01)	(346.47)	(58.15)
Payment of dividend to shareholders	(0.16)	-	(5,399.61)	(9,486.16)	(4,102.36)
Payment of dividend to non-controlling interests of subsidiaries	(1,409.23)	(727.01)	(9,064.36)	(6,719.43)	(5,493.15)
Issuance of share capital including premium	232.81	422.58	1,433.24	722.26	-
Payment of principal portion of lease liabilities	(970.47)	(805.36)	(4,010.28)	(3,046.92)	(2,851.75)
Interest paid on lease liabilities	(140.66)	(119.81)	(632.62)	(692.26)	(2,356.76)
Interest paid	(3,157.80)	(2,216.22)	(10,054.60)	(6,764.07)	(508.49)
Net cash (used in) financing activities (c)	(16,831.64)	(820.80)	(3,847.54)	(33,685.39)	(2,649.17)

Particulars	For three months period ended June 30, 2024	For three months period ended June 30, 2023	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Net (decrease)/ increase in cash and cash equivalents (a+b+c)	(11,602.71)	(13,964.16)	(16,346.82)	3,560.93	15,280.09
Effect of exchange rate changes on cash and cash equivalents	(290.92)	214.03	562.55	746.70	629.72
Cash acquired on business combination	-	-	-	-	111.37
Opening balance of cash and cash equivalents (net of bank overdraft)	32,783.04	48,567.31	48,567.31	44,259.68	28,238.50
Cash and cash equivalents at the end of the period	20,889.41	34,817.19	32,783.04	48,567.31	44,259.68
Components of cash and cash equivalents					
Cash on hand	94.11	56.75	87.43	149.57	46.26
Balance with banks - current account	34,291.96	40,022.04	46,061.21	50,975.30	45,953.94
Bank overdraft	(13,496.66)	(5,261.60)	(13,365.60)	(2,557.56)	(1,740.52)
Cash and cash equivalent at the end of the year	20,889.41	34,817.19	32,783.04	48,567.31	44,259.68

RELATED PARTY TRANSACTIONS

For details of the related party transactions as per the requirements under Ind AS 24, as notified under Section 133 of the Companies Act read with Ind AS rules, as amended for (i) Fiscal Year ended March 31, 2024, see “*Financial Statements - Audited Consolidated Financial Statements for Fiscal 2024 – Note 36*” on page 339 (ii) Fiscal Year ended March 31, 2023, see “*Financial Statements - Audited Consolidated Financial Statements for Fiscal 2023 – Note 36*” on page 424; and (iii) Fiscal Year ended March 31, 2022, see “*Financial Statements – Audited Consolidated Financial Statements for Fiscal 2022 – Note 36*” on page 502.

RISK FACTORS

This Issue and an investment in equity shares involves a certain degree of risk. You should carefully consider all the information disclosed in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, cash flows, results of operations and financial condition. In order to obtain a complete understanding about us, prospective investors should read this section in conjunction with the sections “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Legal Proceedings” on pages 167, 116, 83 and 277, respectively, as well as the other financial and statistical information included in this Placement Document. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, cash flows, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. See “Forward-Looking Statements” on page 15.

Our Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is derived from the Audited Consolidated Financial Statement, the financial information for the three months ended June 30, 2023 and June 30, 2024 included herein is derived from the Unaudited Special Purpose Interim Consolidated Financial Statements and the Unaudited Condensed Interim Consolidated Financial Statements, respectively, included in this Placement Document. For further information, see “Financial Statements” on page 284.

Unless otherwise indicated, industry and market data used in this section has been derived from the report “Report on Global and Indian Apparel Industry” dated August 14, 2024 (the “Technopak Report”), prepared and released by Technopak Advisors and commissioned by us in connection with the Issue pursuant to an engagement letter dated July 18, 2024 in connection with the Issue. There are no parts, data or information (which may be relevant for the proposed issue), that has been left out or changed in any manner. The relevant industry sources are indicated at all relevant places within this section. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant fiscal year. For further details, see “Industry Overview” on page 116.

INTERNAL RISK FACTORS

Risks related to our Business

- 1. *Our revenue is highly dependent on third party owned factories that we partner with for manufacturing of apparel. Direct engagements with our customers, any difficulty or delay in the production process or inability to meet quality standards or a failure to comply with applicable laws by such third party owned factories will cause a delay in responding to customer demands and will materially adversely affect our business, cash flows, financial condition and results of operations.***

While we own two manufacturing units located in Bangladesh and one manufacturing unit located in Sri Lanka, we outsource most of the production of apparel to vendor factories. The following table provides the contribution of our sourcing segment to our revenue from operations:

Business Segment	June 30, 2024		June 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue contribution (in ₹ lakhs)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ lakhs)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ lakhs)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ lakhs)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ lakhs)	Percentage of revenue from operations (%)
Sourcing	250,451.04	95.56	203,091.01	96.02	10,07,997.14	97.18	10,10,463.88	95.53	8,50,650.55	96.35

These vendor factories are primarily located in Bangladesh, Sri Lanka, China and Turkey. While we have historically engaged these vendor factories, we may not be able to engage them on the same or similar terms, or at all in the future. Our vendor factories also produce products for other companies that compete with us or directly for our customers and

may not treat our purchase orders as a priority when allocating their production capacity to their various customers. Some customers may also be sourcing directly from the vendor factories we may or may not operate with. If our customers increase their direct engagement with the vendor factories, it will have a material adverse effect on our financial condition, results of operations or business.

In addition, difficulties or delays in the production process of our vendor factories could result in delays or failures in delivery of products to us or the production of substandard quality products. If such events occur, we may not be able to deliver products to the retailers and brands that we provide products to, on a timely basis or at all. In addition, inability of our vendor factories' to ship orders in a timely manner or to meet our quality standards could cause delays in responding to consumer demands, negatively affect consumer confidence in the quality and value of our customers' brands and/or negatively impact our customers' competitive position, all of which will have a material adverse effect on our financial condition, results of operations or business.

In addition, while we audit and monitor the labor, environmental and safety practices of the vendor factories we partner with for manufacturing the products we sell, some of these vendor factories may not comply with applicable laws and regulations. The violation of such laws and regulations by any of these manufacturers, or the divergence of the labor, environmental or safety practices followed by any of these manufacturers from those generally accepted as ethical could interrupt, or otherwise disrupt, the shipment of finished products to us, damage our reputation or the reputation of our brands, expose us to negative publicity or media attention and/or subject us to boycotts by our customers or activist groups.

As such, we rely on the ability and efficiency of vendor factories to produce products for our customers and therefore the vendor factories play a vital role in the sourcing services offered to our customers. We generally do not enter into any long term agreements with the vendor factories as we engage them on a case by case basis depending on the requirements and specifications of our customers. There can be no assurance that all or any of the vendor factories will continue to produce apparel products for us at the desired quality and quantity, in a timely manner or on commercially acceptable terms. Any disruption in the vendor factories' production may inevitably have negative impact on their ability to produce the apparel products in line with the required schedule. If any of the vendor factories terminates its business with us or if there are any changes to the current business arrangements, we may not be able to source stable and suitable products from comparable alternative vendor factories in a timely manner or on commercially acceptable terms. Any of these events may result in production delay and would adversely affect our ability to fulfil customers' orders and in turn affect our sales and profitability.

The occurrence of any of these problems individually, or any combination thereof, could have a material adverse effect on our financial condition, results of operations or business.

2. *Any adverse developments and conditions in the sourcing markets that we source our products from could materially adversely affect our business, cash flows, financial condition and results of operations.*

We source the products for our customers from emerging markets such as Bangladesh and Sri Lanka while the products are supplied to global markets of United Kingdom, parts of Europe, North America, Middle East and Asia.

According to the Technopak Report, Bangladesh is an attractive sourcing destination due to availability of skilled labour at relatively low cost, preferential trade agreements, including with the U.S. and the European Union, vertical integration of textile and apparel manufacturing across a wide range of products including knitwear, denim, home textiles and technical textiles and improved logistics infrastructure such as ports, roads and energy supply. The Bangladeshi government has also implemented policies to support the textile and apparel industry and provided incentives such as tax breaks, export subsidies, and streamlined regulatory processes, which amongst other factors have made it a lucrative choice as a sourcing market.

Our operations are dependent on our ability to source products for our customers from Bangladesh. More than 55% of our products in Fiscal 2024 were sourced from Bangladesh. Media reports suggest that some political elements in Bangladesh have initiated a campaign to boycott Indian goods and products and calls for change in status of economic relations between India and Bangladesh. More recently, Bangladesh has faced political turmoil which has resulted in the prime minister of Bangladesh having to resign and leave the country. An interim government has been appointed as a temporary measure. Recently, we have had to face closure or disruption of activities in our Bangladesh facilities due to the unrest and street protests and violence. The political situation in Bangladesh is currently volatile and unpredictable. There can be no assurance that our operations in Bangladesh will continue in the same manner as prior to these disruptions or at all. There can also be no assurance that we will be able to find a cost-effective replacement for Bangladesh as a sourcing destination in time or at all which would result in an adverse impact on our result of operations and financial condition.

Our customers and vendors are subject to government actions in emerging markets frequently imposing measures in order to control factors affecting their economies such as inflation, and to effect domestic and international policies

and interests. Such measures include wage and price controls, limits on imports, tariffs, exchange controls and tax policies. Any increase in the minimum wage of workers in the apparel-making factories, taxes, import or other costs could increase the operating costs of our vendor factories and the increase may be absorbed by us through an increase in purchase costs which could cause disruptions in our current and future orders with our customers. If we are not able to pass on such additional costs to our customers and/ or control such costs or allocate such production work to other manufacturers of similar quality at comparable terms, it may adversely affect our business operations and financial conditions

We are also susceptible to increase in sourcing costs from our vendor factories for current and future orders which we may not be able to pass on to our customers. In such cases, we may have to seek alternative manufacturing sources, which may not be available on a timely basis or on satisfactory terms. As we grow, we may not be able to find sufficient additional factories to partner with to manufacture our products on the same or similar terms as our existing partnered factories which could impact our ability to take future orders from our customers.

Further, many emerging markets have legal systems that are still developing and are untested. The outcome of proceedings with government agencies and regulators and claims brought before courts in these jurisdictions is therefore often uncertain and may limit the legal protection available to foreign entities, including our business. Such emerging markets may also see rising labour activism which may lead to labour or workforce unrest. The impact on us of such risks may be increased if we are not able to locate, or we encounter difficulties in moving to, new sourcing markets.

Any disruption to trade, shipping, supply chains between such emerging markets and the destinations to which the products are sent would have a significant impact on our business. For instance, the blockade of the Red Sea by the Houthi rebels in Yemen has led to a disruption in global trade routes. This has resulted, in some cases, in our customers advancing our deadline to dispatch the products.

3. We may be unable to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our international operations.

Our international operations expose us to a variety of risks, including risks arising from an inability to attract new customers due to the lack of knowledge regarding the need to obtain governmental approvals and permits under unfamiliar regulatory regimes, imposition of, or unexpected adverse changes in, the laws, regulatory requirements or trade policies of foreign governments, foreign exchange fluctuations, challenges caused by distance, language and cultural differences and by doing business with foreign agencies and governments, and inability to find and enter into commercially acceptable arrangements with local partners in certain jurisdictions. While we ensure that we comply with all applicable laws and regulations while entering into an agreement with our customers and vendors located in foreign jurisdictions, we cannot assure you that we or our customers and vendors are in full compliance with all applicable laws and regulations or interpretations of these laws and regulations at all times or that we will be able to comply with any future laws, regulations or interpretations of these laws and regulations.

The following table provides the contribution of our customers located in United Kingdom & Europe, North America, Asia & Middle East, India and Others to our revenue:

Location	Three months ended				Fiscals					
	June 30, 2024		June 30, 2023		2024		2023*		2022*	
	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from operations in ₹ lakhs	As a percentage of total revenue from operations (%)	Revenue from operations in ₹ lakhs	As a percentage of total revenue from operations (%)
UK & Europe	175,755.16	70.36%	150,135.15	72.84%	708,222.88	71.00%	750,967.30	71.00%	679,772.46	77.00%
North America	38,967.89	15.60%	28,526.50	13.84%	129,674.61	13.00%	158,655.06	15.00%	141,251.42	16.00%
Asia & Middle East	28,826.24	11.54%	20,941.42	10.16%	139,649.58	14.00%	116,347.05	11.00%	35,312.86	4.00%
India	1,149.05	0.46%	1,463.43	0.71%	14,901.00	1.49%	7,022.36	0.66%	2,341.42	0.27%
Others	5,095.80	2.04%	5,049.85	2.45%	5,048.94	0.51%	24,708.65	2.34%	24,143.22	2.73%
Total	249,794.14	100.00%	206,116.35	100.00%	997,497.01	100.00%	1,057,700.42	100.00%	882,821.38	100.00%

* For Fiscal 2023 and Fiscal 2022, revenue from operations include other operating revenues amounting to ₹23,151.37 lakhs and ₹14,792.37 lakhs respectively.

Note: For Fiscal 2023 and Fiscal 2022, geographical segment was reported as "Revenue from Operations" which comprises of sale of goods and other operating revenues. However, it has been changed to "Revenue from Sale of Goods" for the three months ended June 30, 2024 and three months ended June 30, 2023 and for Fiscal 2024.

Our reliance on a select group of customers in any of the above locations may also constrain our ability to negotiate our arrangements, which may have an impact on our profit margins and financial performance. The deterioration of the financial condition or business prospects of these customers could reduce their requirement for our services and result in a significant decrease in the revenues we derive from these customers. We cannot assure you that we will be able to maintain historic levels of business from our customers located in the United Kingdom and Europe, or that we will be able to significantly reduce customer concentration in the future.

Existing and potential competitors to our businesses may increase their focus on the United Kingdom and Europe markets, which could reduce our market share. The concentration of our revenues from operations from the United Kingdom and Europe heightens our exposure to adverse developments related to competition, as well as economic, political, regulatory and other changes. United Kingdom's political conditions and any related transitions may also bring a degree of political and social uncertainty which may cause capital flows and domestic investment to become more volatile. Adoption of anti-sourcing laws in many countries, including the United Kingdom and countries in Europe, may also limit the ability of our customers to engage us. Any adverse development that affects the overall economy of the United Kingdom and Europe or sectors or industries in which our competitors operate, could have a material adverse effect on our business, cash flows, financial condition and results of operations.

Further, we may incur additional costs for complying with and enforcing remedies under, a variety of laws, treaties, and regulations. The tax rates in foreign jurisdictions may exceed those in India, and our earnings may be subject to withholding requirements, incremental taxes upon repatriation. Some of our Subsidiaries are located in such foreign jurisdictions wherein the applicable taxes are higher than those in India and are subject to additional taxes. Any inability to pay the applicable taxes in the jurisdictions where our Subsidiaries are located could jeopardize or limit our ability to transact business in those markets and could adversely affect our revenues and operating results. We may be unsuccessful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we have or plan to have business operations. Our failure to manage these risks successfully could have a material adverse effect on our business, cash flows, financial condition, and results of operations.

4. We generate a significant portion of our revenues from a small number of customers, and any loss or reduction of business from these customers could reduce our revenues and materially adversely affect our business, cash flows, financial condition, and results of operations.

The following table sets out the details of the revenue from sales of our products and services to our top ten customers (determined on the basis of their contribution to our revenue from operations), for the periods indicated below.

Customer s	For the three months ended June 30, 2024		For the three months ended June 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations
Top Ten Customers	1,69,935.16	64.83%	1,28,576.61	60.79%	5,80,214.75	55.94%	6,34,757.41	60.01%	5,37,464.02	60.88%

Our business operations are highly dependent on our key customers and the loss of any of our key customers which we cater to may adversely affect our sales and consequently may materially impact our business and results of operations. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. A decision by any of our major customers, whether motivated by marketing strategy, competitive conditions, financial difficulties, debt repayment challenges, climate impacts or otherwise, to decrease significantly the amount of merchandise purchased from us or our licensing or other partners, or to change their manner of doing business with us or our licensing or other partners for any reason, including due to store closures, reduced traffic and consumer spending trends, or product delivery delays resulting from the pandemics could reduce substantially our revenue and materially adversely affect our profitability. Our customers may also decide to directly engage with vendor factories, increase their in-house manufacturing or sourcing and reduce spending on services that we offer due to factors relating to the industry in which they operate or their own financial conditions or strategies. For instance, during the coronavirus ("COVID-19") outbreak, the retail sector was impacted as apparel

products did not constitute “essential products” and the principal channels of sale were not allowed to function as part of the lockdown imposed by the governments in the jurisdictions in which we operate, resulted in a widespread impact on the industry. A loss of any of our significant clientele, a decrease in the volume of work our clients outsource to us or a decline in our prices may materially and adversely affect our business, operations, financial condition, results of operations and prospects.

Our ability to maintain close relationships with our key customers and other major customers is essential to the growth and profitability of our business. The volume and nature of work performed for a specific customer may be on an adhoc basis especially since we may not be our customers’ exclusive providers and we largely do not have long-term commitments with our customers to purchase our services. For further details, please see “- *We do not have long-term commitments with our customers, which could materially adversely affect our business, cash flows, financial condition and results of operations*” on page 43. A major customer in one year may not provide the same level of revenues for us in any subsequent year.

The business and operations of our customers are highly dependent on brand popularity and public perception and recognition of their brand. Any adverse impact on the public image or reputation of our key customers could impact the volume of work they outsource to us and could materially adversely affect our business, cash flows, financial condition and results of operations.

The loss of any of our major customers, or a significant decrease in the volume of work they outsource to us or the price at which we sell our services to them, could materially adversely affect our business, cash flows, financial condition and results of operations.

5. *Our operations are subject to high working capital requirements and our inability to maintain an optimal level of working capital or financing required may impact our operations adversely.*

Our business requires significant amount of working capital lines, and a major portion of our working capital is utilized towards receivables. As of June 30, 2024, our receivables were ₹ 1,45,911.05 lakhs and we had a sanctioned working capital limit of ₹ 4,43,049.64 lakhs (US\$ 531.29 million). * Our growing scale and expansion may result in increase in the quantum of current assets including increase in inventories and trade receivables. The details of our inventories and trade receivables as of June 30, 2024, June 30, 2023, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is provided below:

**(Source: Exchange rate of ₹ 1 to US\$ 83.3913 as on June 30, 2024, based on the conversion rate provided by our bankers)*

Particulars	As	at	As	at	As	at
	June 30, 2024	June 30, 2023	June 30, 2023	March 31, 2024	March 31, 2023	March 31, 2022
Inventories	34,629.09	41,071.53	41,071.53	32,863.83	25,574.21	30,524.71
Trade receivables	145,911.05	110,617.39	110,617.39	167,713.55	97,843.44	142,130.97

Our inability to maintain sufficient cash flow, credit facility and other sources of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

Our ability to negotiate with our lenders to determine our drawing limits will affect our ability to fund our working capital requirements through a combination of debt and equity sources. Further, our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt.

Our indebtedness results in substantial amount of debt service obligations, which could lead to:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- affecting our credit rating (in future, if any)limiting our ability to borrow more money both now and in the future; and
- increasing our interest expenditure and adversely affecting our profitability.

While we have not faced any material instances in the past, there can be no assurance that the lenders will not recall such unsecured loans or if we will be able to repay loans advanced to us in a timely manner or at all. In the event that any lender seeks a repayment of any such loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. This may adversely affect our financial condition and results of operations.

6. We are subject to credit risk with respect to trade receivables.

One of our Company's principal financial liabilities comprise trade and other payables and we are exposed to credit risk in collecting trade receivables due from customers. While we continuously monitor defaults of customers and other counterparties and incorporate this information into our credit risk control, there can be no assurance that all amounts due to us would be settled in time, or that such amounts will not continue to increase in the future. Set forth below are the details of our trade receivables and allowance for expected credit loss provision as of June 30, 2023, June 30, 2024, March 31, 2022, 2023 and 2024:

(₹ lakhs)

	Three month period ended		As of and for the year ended March 31,		
	June 30, 2024	June 30, 2023	2024	2023	2022
Trade receivables considered good – secured	-	-	-	-	-
Trade receivables considered good – unsecured	1,45,911.05	1,10,617.39	1,67,713.55	97,843.44	1,42,130.97
Trade receivables which have significant increase in credit risk	-	-	-	-	-
Trade receivable credit impaired	1,524.69	548.04	1,613.84	625.18	828.62
	1,47,435.74	1,11,165.43	1,69,327.39	98,468.62	1,42,959.59
Less: Allowance for expected credit loss	1,524.69	548.04	1,613.84	625.18	828.62
Total	1,45,911.05	1,10,617.39	1,67,713.55	97,843.44	1,42,130.97

While we have not faced any material instances in the past, our performance, liquidity and profitability would be adversely affected if significant amounts due to us are not settled on time or substantial impairment is incurred. The bankruptcy or deterioration of the credit condition of any of these customers and counterparties could also materially and adversely affect our business, results of operations and financial condition.

7. We do not have long-term commitments with our customers, which could materially adversely affect our business, cash flows, financial condition and results of operations.

While we typically have long relationships with our customers, as an industry practice, we do not enter into long terms agreements with most of our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers. Our customers can terminate their relationships with us, which could adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand, and actual revenue earned by our Company may differ from the estimates of our management due to the absence of long-term agreements. A substantial portion of our revenue from operations is generated from our top 10 customers. However, our engagements with our customers are typically for a single assignment. Therefore, we must seek to obtain new engagements when our current engagements are successfully completed or are terminated as well as maintain relationships with existing customers and secure new customers to expand our business.

The following table details the contribution of our Top ten customers to our revenue in the respective periods.

Customer s	For the three months ended June 30, 2024		For the three months ended June 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations
Top ten Customers	1,69,935.16	64.83%	1,28,576.61	60.79%	5,80,214.75	55.94%	6,34,757.41	60.01%	5,37,464.02	60.88%

Our customers have no obligation to place an order with us and may either cancel, reduce or delay orders. For instance, during COVID-19, there were postponement of dispatch of orders. The orders placed by our customers are dependent on factors such as pricing, customer satisfaction, fluctuation in demand, customers' inventory management, amongst others. Although, we have a strong emphasis on quality, timely delivery of our products and personal interaction with

the customers, any change in the buying pattern of customers can adversely affect the business, cash flows, financial condition and results of operations of our Company.

8. *Failure to adhere to the terms of the purchase orders received from our customers, may have an adverse effect on our, business, results of operations and financial condition.*

We typically receive purchase orders from our customers which stipulate the purchase commitments for the specific order. If we fail to supply the requisite quantum of products to our customers under such purchase orders, for any reason, including but not limited to labor disputes, unavailability of vendor factories, their inability to procure raw materials, quality control concerns, ethical sourcing issues, financial distress of vendor factories, natural disasters, civil unrest or acts of war, our customers may consider us to be in breach of such orders and initiate action against us. We may be unable to continue to sell our products to such customers, which may result in an adverse effect on our business, results of operations and financial conditions.

Further, under certain of the purchase orders placed by the customers, the customers have specified certain technical specifications of the products, including all preparatory, design and development materials, purchased by them under such purchase orders. If we fail to comply with the specifications provided by our customers or if the products are fail the compliance test run by our customers, the products may be returned to us and we will be required to reimburse our customers for all expenses incurred for the shipments. Our customers also provide instructions for packaging and transport. Any failure to comply with the transport and packaging requirements may result in us reimbursing our customers. Our failure to adhere to such specifications may result in our customers refusing to continue to purchase the products manufactured by us, which may result in an adverse effect on our business, results of operations and financial conditions.

9. *Our Company has grown through organic growth as well as through strategic acquisitions. We may be unable to effectively manage such growth, which could place significant demands on our management personnel, systems and resources. We may not be able to achieve anticipated growth, which could materially adversely affect our business, cash flows, financial condition and results of operations.*

We have experienced growth and have expanded our business in the last three Fiscals. Our total income changed from ₹ 8,91,424.12 lakhs in Fiscal 2022 to ₹ 10,62,853.47 lakhs in Fiscal 2023 to ₹ 10,40,732.41 lakhs in Fiscal 2024. In addition to organic growth, we have also grown through strategic acquisitions, such as 100% ownership interest in Sunny Up Limited (a UK based company into licensing business), 100% of New Lobster Limited (a company into the Ted Baker wholesale and design business), 26% in Nobleswear Private Limited and a 51% ownership interest in DBS Lifestyle India Private Limited. For further information, see “*Our Business – Strategies – Continue to grow through strategic growth opportunities*” on page 178. We intend to continue our expansion in the foreseeable future to pursue existing and potential opportunities.

Our growth has placed and will continue to place significant demands on our management and our administrative, operational and financial infrastructure. Continued expansion increases the challenges we face in:

- potential pre-acquisition compliance lapses of the acquired companies;
- underestimated costs associated with the acquisition;
- costs relating to integration;
- the possibility that the full benefits anticipated to result from the acquisition will not be realized;
- over-valuation by us of acquired companies;
- delays in the integration of strategies, operations and services;
- diversion of the attention of our management as a result of the acquisition;
- attrition, differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;
- challenges associated with creating and enforcing uniform standards, controls, procedures and policies;
- potential ongoing financial obligations, unknown liabilities and unforeseen delays associated with the acquisition;
- possible cash flow interruptions or loss of revenue as a result of transitional matters;

- changes in regulatory environment;
- difficulties in entering markets or lines of business in which we have no or limited direct prior experience; and
- potential loss of, or harm to, relationships with employees or customers.

Moreover, as we introduce new services or enter into new markets, we may face new market, technological and operational risks and challenges with which we are unfamiliar, and it may require substantial management efforts and skills to mitigate these risks and challenges. As a result of any of these problems associated with expansion, our management personnel may face significant demands which in turn could materially and adversely affect our business, cash flows, financial condition and results of operations. Furthermore, we may not be able to achieve anticipated growth, which could materially and adversely affect our business, cash flows, financial condition and results of operations.

10. *Our business operations are headed by business heads in various locations. The failure to replace such business heads, should their employment with us be terminated could lead to a loss of customers and a material adverse affect on our revenue.*

We have an entrepreneurial business model wherein we prioritise innovation, creativity and adaptability at the workplaces, while upholding the entrepreneurial spirit. To enhance the entrepreneurial spirit, we engage with business heads in various jurisdictions who have relevant experience in the industry & categories we cater to and lead our operations in certain locations. While the terms of agreement with our business heads provide for a mechanism for the majority shareholders of the Subsidiaries to buy the shares of the business heads in case of termination of their employment, we may not be able to replace the business heads with persons of similar experience or skill set. For further details, please see “*Business – Our Strengths - We have a business model which promotes entrepreneurship and attracts top talent*” on page 172.

Further, given our entrepreneurial business model, we are dependent on our experienced business heads for driving our business and customer engagement. Our inability to attract or replace skilled business heads with persons of a similar expertise and skill set can directly impact our ability to deliver consistency in services and can negatively affect our brand reputation or existing customer relationships. Further, with growing competition in the industry, there is a greater demand for skilled professionals, leading to pressure on profitability and continued risk of losing experienced and skilled personnel to competition. If any of our business heads, who generally keep a close relationship with our customers, joins a competitor or forms a competing company, we may not be able to replace them with persons of the same expertise or skill. Failure to replace the business heads with persons of similar expertise or skill set could lead to us losing customers, and our revenue from operations may be materially adversely affected.

11. *Our success depends substantially on the continuing services of our Promoter, senior executives and other key personnel. If we are unable to attract and retain senior executives, we may not be able to maintain client relationships and grow effectively, which may adversely affect our business, cash flows, results of operations and financial condition.*

Our business operations are led by an experienced and driven team, comprised of professionals with experience in apparel sourcing, retailing and manufacturing industry. Our Promoters Deepak Kumar Seth, Pallak Seth and Payel Seth who have extensive experience in our industry, play instrumental roles in the strategic direction and growth of our business. Our future performance depends on the continued services and contributions of our Promoters, our senior management, and other key employees to execute on our business plan and to identify and pursue new opportunities and product innovations.

While we have taken directors’ and officers’ insurance, we currently do not maintain key man life insurance for all our Promoter or Directors and officers. If one or more of our senior executives, or key employees are unable or unwilling to continue in their present positions, it could disrupt our business operations, and we may not be able to replace them easily or at all. In addition, we may be unable to retain our senior executives, business and key personnel or attract and retain new senior executives, and key personnel in the future.

If we are not able to motivate, attract and retain qualified personnel, or if we experience high attrition level which are largely out of our control, or if we are unable to effectively implement appropriate succession plans it may materially adversely affect our central functions including human resource, legal & compliance, IT & others which may in turn impact business, and results of operations.

12. *If we are subject to any fraud, theft, or embezzlement by our employees, contractors or dealers, it could adversely affect our reputation, results of operations and financial condition.*

Our business and the industry we operate in is subject to incidents of vendor or dealer or employee fraud, theft, or embezzlement. Although we have set up authorization metric to monitor such risk, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future or be able to successfully claim under such insurance policies on the occurrence of any such events, which could adversely affect our reputation, results of operations and financial condition.

13. *We have in the past received notices from the Stock Exchanges for non-compliance with the SEBI Listing Regulations. Any further notices of non-compliance could impact our reputation, results of operations and financial condition.*

We have in the past received notices of non-compliance with the SEBI Listing Regulations from the Stock Exchanges. For instance, on February 21, 2023, the NSE and the BSE issued a notice to our Company for 60 days of non-compliance with Regulation 19 of the SEBI Listing Regulations, in connection with the constitution of the Nomination and Remuneration Committee not being in compliance with Regulation 19 of the SEBI Listing Regulations. We also received a notice from the NSE and the BSE on February 22, 2024 for 34 days of non-compliance with Regulation 17 of the SEBI Listing Regulations in connection with the requirement of having a woman director on the Board of our Company. While we have paid the penalties to the Stock Exchanges, we cannot assure you that any instances of non-compliance will not occur in the future. Any such non-compliance could cause the Stock Exchanges or any other regulatory authority to issue notices or take actions against our Company which could adversely affect our reputation, results of operations and financial conditions. For further details, see “*Legal Proceedings*” on page 277 of this Placement Document.

14. *Strikes, work stoppages, increased wage demands or other employee disputes could adversely affect our operations.*

We believe our employees and personnel are critical to maintain our competitive position. We are also dependent on the employees and other personnel of our vendor factories. Although we have not experienced any material labor unrest, we cannot assure you that we will not experience disruptions in work or in the work of our vendor factories due to disputes or other problems with the work force, which may adversely affect our ability to continue our business operations. Any labor unrest directed against us or our vendor factories, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. For instance, in the past the rejection of pay hikes in Bangladesh has led to the workers in the garment industry going on a strike. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

15. *Risks associated with our information technology systems may adversely affect our business and results of operations.*

We leverage technology through our digital tools to enhance customer experiences and streamline operations. These tools spread across the spectrum of our services, including digital color management technology for virtual fabric swatch approvals, end-to-end process automation for courier management and vendor management, virtual sampling and showrooms for lifelike 3D visualizations of garments, 3D fabric simulations for digital sampling, and an upgraded integrated platform with enhanced features for streamlined processes and optimized productivity. For further details, please see “*Our Business – Information Technology*” on page 182. We cannot assure you that investments in our technology infrastructure will be successful, as our customers, may be resistant towards adopting new technologies that we introduce from time to time, since the customers may be accustomed to the visual examination of clothing in a physical manner, as it enables them to assess how an outfit looks on them, its colour, and overall aesthetics, which technology may not replicate accurately. In addition, technology may not accurately represent the color and texture of clothing items, leading to discrepancies between the online image and the actual product received. Further, if we fail to adopt new technologies or adapt our platform to changing customer requirements or emerging industry standards, our business and results of operations may be adversely affected.

We believe that a robust IT infrastructure is essential for ensuring strong operational efficiencies and enhancing productivity and we continue to focus on building and improving our IT capabilities. As a result, over the years, we have implemented innovative technology initiatives at the front-end and back-end of our operations, including our procurement, manufacturing monitoring, distribution and supply chain operations. The size and complexity of our software and hardware systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Although to date we have not experienced a major disruption in our operations due to failure of or attack on such systems, we cannot assure you that we will not encounter such events or disruptions in the future, and any such event or disruption may adversely affect our business.

16. *Our investments made through PDS Ventures are subject to market risks and may also be exposed to fluctuations in the market values of its investment and other asset portfolio.*

Through PDS Ventures, our venture capital arm, we aim to develop new partnerships and invest in businesses that fit our vision and provide sourcing and manufacturing solutions for leading brands and retailers. Our intention is to create long-term value by futureproofing our enterprise and providing agile solutions for the future. Our investment strategy is synergised with the fashion value chain, our customers, suppliers and other relevant stakeholders.

As of June 30, 2024, we had total assets of ₹ 44,581.74 lakhs towards PDS Ventures & others. The value of PDS Ventures investments depends on several factors beyond our control, including the domestic and international economic and political scenario and inflationary expectations. Any decline in the value of the investments may have an adverse effect on our financial condition and results of operations. Any new or continued deterioration of the credit and capital markets may result in volatility of our Company's investment earnings and impairments to our Company's investment and asset portfolio. Any decline in the value of the investments could negatively impact our Company's financial condition.

17. *If we incur serious uninsured loss that significantly exceeds the limit of our insurance policies, it would have an adverse effect on our financial conditions, results of operation and cash flows.*

Our operations are subject to various risks inherent in the apparel sourcing industry including employee thefts, transit risk, foreign currency, legal expenses, cyber crime, credit risk, accidents, personal injury.

We maintain customary insurance policies for our business operations, including cargo policy, credit insurance, employee compensation policy, cyber liability, comprehensive general liability covering, inter alia, act of God, medical payments, cross liability, newly acquired subsidiary. In addition, we also maintain insurance policies covering directors' and officers' liability. For further information, see "Our Business – Insurance" on page 184.

Although we seek to maintain adequate insurance coverage, coverage on acceptable terms might be unavailable, or might not cover our losses. We generally seek to limit our contractual exposure, but limitations of liability or indemnity provisions in our contracts may not be enforceable or adequately protect us from liability. Uninsured losses might have an adverse impact on our business operations and our financial position or results of operations.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

18. *Our Company has applied to the RBI for approval for issue of corporate guarantee to one of our Subsidiaries. Failure to obtain the approval from the RBI could adversely impact our financial conditions, results of operation and cash flows.*

One of our Subsidiaries, Norwest Industries Limited and its subsidiaries has obtained credit facilities from a lender to meet its operational requirements. In relation to such credit facilities, the lender has requested for corporate guarantee for an amount of ₹ 183,460.86 lakhs (equivalent to US\$ 220 million)* from our Company, being the ultimate holding company as an additional collateral security. In accordance with the Foreign Exchange Management (Overseas Investment) Regulations, 2022, Indian entities may offer any form of guarantee within the overall ceiling of 400% of the net worth and USD 1 billion per financial year. The existing consolidated financial commitment plus the proposed corporate guarantee would exceed the threshold of 400% of the net worth of our Company. Accordingly, our Company on January 10, 2024 has applied for the prior approval of the RBI to provide the corporate guarantee to the lender on behalf of our subsidiaries. Failure or delay in obtaining the approval from the RBI could impact our Subsidiary's ability to meet its operational requirements and could adversely impact our results of operations, cash flows and financial condition.

**(Source: Exchange rate of ₹ 1 to US\$ 83.3913 as on June 30, 2024, based on the conversion rate provided by our bankers)*

19. *If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risk.*

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate

over time, due to evolving business conditions. If internal control weaknesses are identified, our actions may not be sufficient to correct such internal control weakness. There can be no assurance that additional deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud which may also adversely affect our reputation, thereby adversely impacting our business, cash flows, results of operations and financial condition.

20. *Our Company, Subsidiaries, Directors and Promoters are involved in certain legal proceedings, any adverse developments related to which could adversely affect our reputation, business and cash flows.*

There are outstanding legal proceedings involving our Company, Subsidiaries, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. We cannot assure you that these proceedings will be decided in our favour. Brief details of material outstanding litigation that have been initiated by and against our Company, Subsidiaries, Directors and Promoters, as applicable, are set forth below:

Litigation against our Company

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ lakhs)
Criminal cases	Nil	Nil
Material civil cases	Nil	Nil
Taxation matters	Nil	Nil
Actions by regulatory and statutory authorities	Nil	Nil

Litigation by our Company

Type of proceeding	Number of cases	Amount involved, to the extent quantifiable (in ₹ lakhs)
Criminal cases	Nil	Nil
Material civil cases	Nil	Nil
Taxation matters	1	15.86

Litigation against our Subsidiaries

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ lakhs)
Criminal cases	Nil	Nil
Material civil cases	Nil	Nil
Taxation matters	Nil	Nil
Actions by regulatory and statutory authorities	Nil	Nil

Litigation by our Subsidiaries

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ lakhs)
Criminal cases	Nil	Nil
Material civil cases	Nil	Nil
Taxation matters	2	59.89*

*(Source: Exchange rate of (i) ₹ 1 to US\$ 83.3913, and (ii) 1 GBP to US\$ 1.2645 as on June 30, 2024, based on the conversion rate provided by our bankers)

Litigation against our Directors

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ lakhs)
Criminal cases	Nil	Nil
Material civil cases	Nil	Nil
Taxation matters	Nil	Nil
Actions by regulatory and statutory authorities	Nil	Nil

Litigation by our Directors

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ lakhs)
Criminal cases	Nil	Nil
Material civil cases	Nil	Nil
Taxation matters	Nil	Nil

Litigation against our Promoters

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ lakhs)
Criminal cases	Nil	Nil
Material civil cases	Nil	Nil
Taxation matters	Nil	Nil
Actions by regulatory and statutory authorities	Nil	Nil

Litigation by our Promoters


Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ lakhs)
Criminal cases	Nil	Nil
Material civil cases	Nil	Nil
Taxation matters	Nil	Nil

Additionally, the name of one of our Directors, Parth Gandhi, currently appears on the web-portal of CIBIL as a nominee director of an investor in a company which has defaulted in repayment of loans availed from a financial institution. We cannot assure you if any legal action will not be taken against Parth Gandhi in the future.

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions that could increase our expenses and current liabilities. Further, such legal proceedings could divert our management's time and attention and cause us to incur expenses. Any adverse decision in any of these proceedings may have an adverse effect on our business, results of operations, cash flows and financial condition. For further information, see "Legal Proceedings" on page 277.

21. *If we or our customers are unable to obtain, protect or use the intellectual property rights, our business may be adversely affected.*

Our Company has obtained trademark registrations under the Trademarks Act, 1999 with respect to PDS Global, Collaborative, Ethical" (under classes 3, 5, 9, 20, 24, 25, 35 and 42) and "PDS Global, Collaborative, Digital and Ethical (under classes 20, 23, 25, 26, 35 and 42). Our Company and our Subsidiaries have registered certain

trademarks, including our logo . Our Subsidiary, Upcycle Labs Limited, has also applied for a patent for "Waste Recycling Process" which is currently pending registration. For details of our intellectual property, see "Our Business– Intellectual Property" on page 183.

Certain of our trademark applications have been opposed and we cannot assure you that we will be able to obtain the registration for such applications. We believe that our success depends on our ability to protect our intellectual property, which includes our registered trademarks. If any of these trademarks are registered in favor of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities.

We do not have registered intellectual property for our designs and are exposed to the risk that other entities may pass off their products as ours by imitating our designs, packaging material and attempting to create counterfeit products. Since our designs are not registered, in the event that other entities imitate our design, we will be unable to seek remedies for infringement. Our failure to protect our intellectual property rights in the future may also undermine our brand and result in harm to the growth of our business. While we intend to defend against any threats to our intellectual property, we cannot assure you that our intellectual property rights can be adequately protected in a timely manner. We believe that there may be other companies or vendors which operate in the unorganized segment using our tradename or brand names. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business. While we have not faced any material past instances of infringement of our intellectual property rights, we cannot assure you that such instances may not occur in the future.

Further, while we strive to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. If such claims are raised against us in the future, they could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease use of certain of our brands, can result in significant damages

being awarded and injunctions that could prevent the manufacture and sale of the relevant products. Any of the foregoing could have an adverse effect on our business.

Further, if we face any instances of certain companies passing-off their counterfeit or spurious products as products either manufactured or sold by us, it may have an impact on our business and results of operations. Any such instances of companies passing off products that are manufactured by the factories that we partner with or our customers could also have an impact on our business and results of operations.

22. *Our Director, Deepak Kumar Seth is also a director on the board of Pearl Global Industries Limited, a listed company engaged in similar operations as that of our Company.*

Our Chairman, Deepak Kumar Seth, is also a Chairman, on the board of Pearl Global Industries Limited, a listed company engaged in similar operations as that of our Company. While till date there has been no conflict of the interest between the entities there can be no assurance that such conflict of interest may not arise in future.

23. *Failure or delays in obtaining third party certifications and accreditations may cause delays in our delivery schedules and disruptions in our business which may adversely affect our business, cash flows, financial condition and results of operations.*

We are required to obtain several third party certifications and accreditations in relation to our products and services. For instance, we have received ISO 9001:2015 certification for our quality management system and a certificate of conformity with the European Flax Standards at our GoodEarth Facility at Bangladesh and ISO 14064: 2018 for greenhouse gas emissions our Norlanka Facility in Sri Lanka. Depending on the product and requirements of our customers, we may need to obtain specific certifications from a particular agency which may not be forthcoming in a timely manner or at all. The vendor factories that we partner with for manufacturing the products we source may also be required to obtain third party certifications and accreditations in relation to the products we source from them. We have no control over them being able to obtain such certifications, in a timely manner or at all. As a result, we may experience delays and disruptions in our products and services capability which may adversely affect our business, cash flows, financial condition and results of operations.

24. *Our Promoters and members of the Promoter Group will continue to retain significant shareholding in our Company after the Issue, which will allow them to exercise significant influence over us.*

As of June 30, 2024, our Promoters hold 65.73% of our Equity Share capital. Our Promoters will, therefore, be able to exercise significant influence over our business and all matters requiring shareholders' approval, including the composition of our Board of Directors, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership may also delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of our Promoters. Further, the Takeover Regulations may limit the ability of a third party to acquire control. The interests of our Promoter, as our Company's controlling shareholder, could conflict with our Company's interests or the interests of our other shareholders. Additionally, the trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter and members of the Promoter Group.

25. *The auditor's report on our financial statements for the Fiscal 2024 contains certain observations.*

The auditor's report on our financial statements for the Fiscal 2024 contains certain observations on maintenance of books of accounts of certain entities, which do not require adjustments, which are provided below:

Financial Period	Reservation, qualification, emphasis of matter or adverse remark	Details of Observation Reservation, qualification, emphasis of matter or adverse remark	Impact on the Financial Statements and Financial Position of the Company	Corrective steps taken and/or proposed to be taken by the Company
Fiscal 2024	Auditor's Report on consolidated financial statements	While the auditor's report on our financial statements has expressed an unmodified opinion for the Fiscal 2024, the auditor's report contains certain observations on maintenance of books of accounts of certain entities which do not require adjustments.	Nil	Management is in the process of evaluating whether any corrective actions required.

Financial Period	Reservation, qualification, emphasis of matter or adverse remark	Details of Observation Reservation, qualification, emphasis of matter or adverse remark	Impact on the Financial Statements and Financial Position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		<p>In case of the Holding Company and its 6 subsidiaries and joint venture companies incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software (SAP 6.0 (EHP 7)) used for maintaining the books of accounts.</p> <p>In case of the 3 subsidiaries incorporated in India, and as communicated by the respective auditor of the subsidiaries, the feature of recording audit trail (edit log) was not enabled for the accounting software (Tally Prime 4.1) used for maintaining the books of accounts. Further, during the course of our audit we and respective auditors of the above referred subsidiaries and joint venture did not come across any instance of audit trail feature being tampered with on accounting software where this feature has been enabled.</p>		

For details, please see “*Audited Consolidated Financial Statements*” beginning on page 285. While the auditor’s report dated May 14, 2024 has expressed an unmodified opinion for Fiscal 2024 and the observations did not require any corrective adjustment, we cannot assure you that our audit reports for any future periods will not contain qualifications, emphasis of matters or other observations which affect our results of operations in such future periods.

26. *Failure to maintain optimal inventory levels could increase our operating costs or lead to unfulfilled customer orders, either of which could have an adverse effect on our business, financial condition, results of operations and prospects.*

Although we maintain an asset light model with our orders largely being on a free-on-board and/or presold (i.e., inventory against purchase orders from customers) basis, we could be subject to inventory risk due to shrinkage in orders, holding costs and obsolescence. We may need to ensure optimal inventory levels for certain customer contracts and for our manufacturing business. We are exposed to inventory risk as a result of rapid changes in product life cycles, changing consumer preferences, uncertainty of product developments and launches, back orders and other related problems as well as the general economic environment. There can be no assurance that we can accurately predict these trends and events and avoid over-stocking or under-stocking of products and/or raw materials as applicable. While we have not faced any such instances in the past, our failure to maintain proper inventory levels for certain customer contracts and manufacturing business, we may have an adverse effect on our business, financial condition, results of operations and prospects.

27. *Our business depends on a strong brand and corporate reputation and if we are not able to maintain and enhance our brand, our ability to grow our business and our results of operations, cash flows, and financial condition may be adversely affected.*

Since many of our customer engagements involve highly customised services, our corporate reputation is a significant factor in our customers’ and prospective customers’ determination of whether to continue engaging us or hire us for prospective services. We believe that our brand name and reputation are important corporate assets that help distinguish our services from those of our competitors and also contribute to our efforts to recruit and retain talented professionals. However, our corporate reputation is susceptible to damage by various factors such as actions or statements made by current or former employees or customers, competitors, vendors and adversaries in legal proceedings, as well as members of the investment community and the media. There is a risk that negative information about our Company, even if based on false rumours or misunderstandings, could adversely affect our business. Any negative news affecting us might also affect our reputation and brand value. In particular, damage to our reputation could be difficult and time-consuming to repair, especially due to the competitiveness in our industry, which could make potential or existing customers reluctant to select us for new engagements, resulting in a loss of business, and could adversely affect our employee recruitment and retention efforts. Damage to our reputation could also reduce the value and effectiveness of our brand name, could reduce investor confidence in us, affect the price of our Equity Shares and adversely affect our ability to grow our business and our results of operations, cash flows and financial condition.

28. ***We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule and suspension of further drawdowns, which may adversely affect our business, cash flows, results of operations and financial conditions.***

Some of the financing arrangements entered into by us include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement.

Some of the corporate actions that require prior consents from certain lenders include, amongst others, altering our capital structure, dilution in shareholding of our Promoter of our Company below 51%, effecting any change in the composition of the board of directors of our Company and its management and control and amending constitutional documents.

While all necessary consents for the Placement have been obtained, a failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities and suspension of further access/ withdrawals, either in whole or in part, for the use of the facility. Pursuant to clauses in certain financing agreements, any defaults under such facilities may also trigger cross default or cross acceleration provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our long term working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing.

29. ***Most of our properties from which we operate are not owned by us and we have only leasehold rights. If we are unable to renew our current leases or if we renew them on terms which are detrimental to us, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition.***

While most of our commercial offices are on a leasehold basis, we own offices in India, Hong Kong and London. We have entered into a lease arrangement for our Registered and Corporate Office in Mumbai. Further, of our three manufacturing facilities, we own the land and building of GoodEarth Facility (Bangladesh) and operate the Norlanka Facility (Sri Lanka) and Progress Facility (Bangladesh) on a leasehold basis.

There is no guarantee that these leases and/or licenses will be renewed or extended once their terms are complete. If we are unable to renew or extend our current leases and/or licenses, or if we renew or extend them on terms which are detrimental to us, we may suffer a disruption in our operations or increased relocating costs, or both, which could adversely affect our business, results of operations, cash flows and financial condition.

30. ***We have certain commitments and contingent liabilities that may adversely affect our financial condition.***

As of June 30, 2024, our contingent liabilities as per Ind AS 37 –Provisions, Contingent Liabilities and Contingent Assets, as derived from our Unaudited Condensed Interim Consolidated Financial Statements has not been provided for in our results of operations were as follows:

Particulars	As of June 30, 2024
	(in ₹ lakhs)
(i) In case of the Company, claims against Company not acknowledged as debt	-
- On account of stamp duty on demerger	148.20
Total	148.20

If a significant portion of these liabilities materialize, we may have to fulfil our payment obligations, which could have an adverse effect on our business, financial condition and results of operations. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Financial Year or in the future.

31. ***Our Promoters have provided personal guarantees for certain borrowings obtained by our Company and Subsidiaries, and any failure or default by our Company and Subsidiaries to repay such loans could trigger repayment obligations on our Promoter, which may impact their ability to effectively service their obligations and thereby, adversely impact our business and operations.***

Certain of our borrowings are backed by personal guarantees provided by our Promoters. Any default or failure by our Company or Subsidiaries to repay loans in a timely manner or at all could trigger repayment obligations on the part of our Promoter. This, in turn, could have an impact on the Promoters' ability to effectively service their own obligations

as the Promoters of our Company, thereby having an adverse effect on our business, results of operations and financial condition. Further, in the event that our Promoters withdraw or terminate the guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our business, results of operations and financial condition.

32. *We may be unable to maintain or renew our statutory and regulatory permits, licences, lease deeds and approvals required to operate our business.*

Our operations are subject to extensive government regulation, and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for our manufacturing facilities.

The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled or the manufacture or sale of products may be restricted. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our results of operations or growth prospects.

33. *There is a lack of specificity around one of the proposed objects of the Offer and we have not specifically earmarked the use of the Net Proceeds under the head of the objects of the Offer.*

Our Company proposes to deploy a certain portion from the balance Net Proceeds towards pursuing strategic unidentified acquisitions, and other inorganic growth opportunities. Although we have identified broad aspects on which the Company intends to utilise the Net Proceeds, the Company has not identified the specific acquisitions which will be undertaken by our Company and accordingly, there are no definitive arrangements with the parties which the Company may enter into. Such initiatives will depend upon our business plans, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, regulatory conditions as well as general factors affecting our results of operations, financial condition and access to capital. Inability to finalize such activities in a timely manner may delay our deployment of the Net Proceeds and adversely affect our business and future growth. For further information, please see the section entitled "Use of Proceeds" on page 67 of this Placement Document.

34. *Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.*

We intend to use the Net Proceeds for (i) repayment or prepayment, in full or in part, of certain borrowings availed by our Company and our Subsidiaries; (ii) pursuing strategic unidentified acquisitions, and other inorganic growth opportunities and general corporate purposes, each in the manner specified in the section entitled "Use of Proceeds" on page 67 of this Placement Document.

The amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors.

Accordingly, potential Bidders in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

35. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest.*

We have entered into various transactions with related parties. For details, see "Financial Statements". While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. While all related party transactions that we enter into are subject to board or shareholder approval, as necessary under the Companies

Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such future transactions, individually or in the aggregate, will not have an adverse effect on our financial condition, cash flows and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Accordingly, any future transactions with our related parties could potentially involve conflicts of interest which may be detrimental to our Company. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows.

36. *We face intense competition, which could adversely affect our results of operations and market share.*

We operate in a highly competitive industry. Increased competition from other sourcing companies could force us to lower our pricing, thereby reducing our profit margins or market share. Our competitors include New Times Group, William E Connor and Li & Fung (Source: Technopak Report). See also “*Industry Overview – Global Competitive Landscape*” on page 157.

We compete based on a number of factors, including the number of partnered factories, number of employees, services offered and the key segments of the apparel industry offered. If we cannot effectively manage our partnered factories or are unable to provide services in the key apparel industry segments, it could lead to us losing our market share and a decline in our revenue. Our competitors may attempt to gain market share by lowering their rates or increase their service offerings in the key apparel segments. Such rate reductions may limit our ability to maintain or increase our rates, which in turn may adversely affect our operating margins and impede our ability to grow our business. We cannot assure you that our overall operating margins will not be materially and adversely affected if we are required to lower our pricing due to competitive pressures or any other reason in the future. Further, as we diversify our service offerings and further expand our customer base, we may face competition from existing or new players in new segments or geographies we choose to enter, in which we may lack experience and track record.

Certain of our current and potential competitors may have significantly greater resources, including financial resources, greater economies of scale attributable to their larger size, a broader range of services, longer operating histories. Other current and potential competitors may be acquired by, receive investment from, or enter into strategic relationships with, established and well- financed companies or investors which would help enhance their competitiveness. Moreover, competitors may adopt more aggressive pricing policies or devote greater resources to marketing and promotional campaigns than us to increase their brand presence. We may be required to lower our pricing or increase our investment to compete effectively, which would increase our operating costs and affect our operating margins. We may not be able to compete successfully against current or future competitors, and competitive pressures may have an adverse effect on our business, financial condition, cash flows and results of operations.

37. *We may require additional funding to finance our operations, which may not be available on terms acceptable to us, or at all, and if we are unable to raise funds, the value of your investment in us may be negatively impacted.*

We may need additional funding to finance our operations and growth strategies. Sources of additional financing may include commercial bank borrowings, supplier financing, or the sale of equity or debt securities. There can be no assurance that we will be able to obtain any additional financing on terms acceptable to us, or at all. The cost of raising capital may be high. Any additional funding, we obtain may strain our business, financial condition, results of operations, cash flows and prospects. Our ability to raise additional financing in the future is subject to a variety of uncertainties, including but not limited to our future financial condition, results of operations and cash flows, general market conditions for debt financing and capital raising activities and economic, political and other conditions in and outside India.

If we raise additional funds through equity or equity-linked financing, your equity interest in our Company may be diluted. Alternatively, if we raise additional funds by incurring debt obligations, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability to pay dividends or obtain additional financing. Servicing such debt obligations could also be burdensome to our operations. If we fail to service such debt obligations or are unable to comply with any of the covenants thereunder, we could be in default under such debt obligations and our liquidity, business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

38. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

While we have declared dividends for the Fiscals 2024, 2023 and 2022, our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and in accordance with the dividend distribution policy adopted by our

Board on May 27, 2021 and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements.

39. ***A significant portion of our revenues and expenses and certain of our borrowings are denominated in foreign currencies, while certain of our operating expenses are paid in the respective local currency and our reported financial statements are denominated in Indian Rupees. As a result, we are exposed to foreign currency translation risks.***

We largely transact business in U.S. dollars. However, we are required to pay certain operating expenses, such as salaries of our employees, in the local currency of jurisdiction. In addition, our reported financial statements are denominated in Indian Rupees. Accordingly, we are exposed to currency translation risks. We have customers abroad including United Kingdom, Europe, North America, Middle East and Asia and may be subject to the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates.

40. ***Industry information included in this Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.***

We have availed the services of an independent third-party research agency, Technopak Advisors, to prepare an industry report titled “*Report on Global and Indian Apparel Industry*” dated August 14, 2024, for purposes of inclusion of such information in this Placement Document. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed, and dependability cannot be assured. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Placement Document.

41. ***Our Promoters, certain of our Directors, Senior Management Personnel and Key Managerial Personnel have transactions with us other than their remuneration, benefits and reimbursement of expenses incurred, and may not exercise their rights to the benefit of our Company.***

Our Promoter, certain of our Directors, Senior Management Personnel, and Key Managerial Personnel may have transactions with our Company other than their remuneration, benefits and reimbursement of expenses incurred. Our Promoter, certain Directors and Senior Management Personnel may be deemed to be interested to the extent of Equity Shares or employee stock options held by them as well as to the extent of any dividends, bonuses, or other distributions on such Equity Shares. Our Chief Executive Officer, Sanjay Jain, is also entitled to a fund raise incentive which includes incentive amounts or cash awards upon the occurrence of any transaction or a series of transactions through which our Company or any of its Subsidiaries raise any funds by issuing equity shares, any instruments convertible, exchangeable or exercisable into equity shares, or through any quasi-equity transactions, and the quantum of such incentive/cash awards will be linked to the amount of funds so raised by our Company or its Subsidiaries. We cannot assure you that our Promoters, Directors, Key Managerial Personnel and Senior Management Personnel, will exercise their rights to the benefit and best interest of our Company. As shareholders of our Company, our Directors or Key Managerial Personnel or Senior Management, may take or block actions with respect to our business which may conflict with the best interests of our Company or that of our minority shareholders. For further details, see “*Related Party Transactions*” on page 37.

42. ***Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, Return on Capital Employed, Gross Profit, Gross Margin, Net working capital days, have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.***

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like “Gross Profit”, “Gross Margin”, “EBIT”, “EBIT Margin”, “EBITDA”, “EBITDA Margin”, “Return on Capital Employed”, “Net Working Capital Days” and “Dividend Payout Ratio” have been included in this Placement Document. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not

measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

EXTERNAL RISK FACTORS

Risks Related to India & Emerging Markets

43. *Financial instability in other countries may cause increased volatility in Indian financial markets.*

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The COVID-19 pandemic, and the disputes in Ukraine and Middle East, have significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

44. *We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.*

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

45. *Investors may not be able to enforce a judgment of a foreign court against our Company outside India.*

Our Company is a public limited company incorporated under the laws of India. Our Company's assets are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in

India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

46. *The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets and could impact other jurisdictions in which we operate. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. For instance, the current Russia - Ukraine conflict if escalated and prolonged may cause disruptions in our operating geographies of Europe and North America. In addition, India, Bangladesh, Sri Lanka have witnessed local civil disturbances in recent times and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

47. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.*

We are incorporated in India and we conduct our corporate affairs and our business in India and other jurisdictions. Our Equity Shares are listed on BSE and NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares is affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

Our manufacturing units are located in Bangladesh and Sri Lanka and we also purchase majority of our products outside of India, directly from vendor factories outside of India, primarily in Bangladesh, Sri Lanka, China, Turkey, amongst others. Our business is therefore subject to diverse and constantly changing economic, regulatory and, social and political conditions in the jurisdictions in which we operate.

48. *Operating in the international markets exposes us to a number of risks globally, including political risks, risks of expropriation and nationalization of assets, potential losses due to civil unrest, strikes, acts of terrorism and war, regional and global political or military tensions, strained or altered foreign relations and protectionism, dependence on governments and other entities for electricity, water, telecommunications, transportation and other utilities or infrastructure needs, difficulties in organizing a skilled workforce for efficient execution including processing visas or entry permits quickly and repeatedly for our personnel, economic and financial conditions, including the stability of credit markets, foreign currency fluctuations and controls, particularly the ability to repatriate funds to India and other countries, changes in government regulations, policies, tax, subsidies and incentives, including transfer pricing rules. If inflation were to rise in India and other jurisdictions that we operate in, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.*

Inflation rates in India and emerging countries that we operate in including Turkey and Sri Lanka have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Sri Lanka has also been facing monetary issues and there has been high inflation in Turkey. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

49. *Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required for the transfer of shares. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

50. *A downgrade in ratings of India, may affect the trading price of the Equity Shares.*

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

51. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects, cash flows and results of operations.*

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our general and microfinance businesses, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations.

The Government of India announced the interim union budget for Fiscal 2025 and the finance bill in the Lok Sabha on February 1, 2024. The bill has received assent from the President of India on February 15, 2024, and has been enacted as the Finance Act, 2024. While the Finance Act, 2024 does not make any significant changes to the Income Tax Act, the full Union Budget for Fiscal 2025 was announced on July 23, 2024, which proposes to introduce various amendments to the Income Tax Act through the Finance (No. 2) Bill, 2024. We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

The Government has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. Except certain portions of the Wages Code, which have come into force pursuant to notification by Ministry of Labour and Employment, the rules for implementation under such codes are yet to be notified. Accordingly, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements (including online and digital platforms), such as 'gig workers' and 'platform workers' and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. The Social Security Code also provides that such schemes may, inter alia, be partly funded by contributions from online platforms. Further, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws have the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

Any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

52. ***As a listed company, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations, and we must comply with other SEBI regulations as may be applicable to us. Any non-compliance or delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.***

The Equity Shares of our Company are listed on the BSE and NSE. We are, therefore, subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations, and we must comply with other SEBI regulations as may be applicable to us. While our Company strives to meet all such obligations and reporting requirements, we cannot assure you that there will be no non-compliances in the future, and we cannot assure you that no penalties will be levied against our Company. Non-compliance under the SEBI regulations are usually subject to penalties, warnings, and show-cause notices by SEBI and the Stock Exchanges. Any regulatory action or development that is initiated against us could affect our business reputation, divert management attention and result in a material adverse effect on our business prospects and financial performance, and the trading price of the Equity Shares.

53. ***A third party could be prevented from acquiring control of us post the Issue, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

Risks Related to the Equity Shares

54. ***After this Issue, the price of the Equity Shares may be volatile.***

The Issue Price, includes a discount of 4.90% of the Floor Price in accordance with the SEBI ICDR Regulations, has been determined by our Company in consultation with the Book Running Lead Manager, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The price of the Equity Shares on NSE and BSE may fluctuate after this Issue as a result of several factors, including:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- our Company's profitability and performance;
- perceptions about our Company's future performance or the performance of Indian banks in general;
- the performance of our Company's competitors and the perception in the market about investments in the banking sector;
- adverse media reports about our Company or the Indian banking sector;
- a comparatively less active or illiquid market for the Equity Shares;
- changes in the estimates of our Company's performance or recommendations by financial analysts;
- significant developments in India's economic liberalization and deregulation policies;
- inclusion or exclusion of our Company in indices;
- significant developments in India's fiscal regulations;
- any other political or economic factors; and

- COVID-19 related measures undertaken by the Government of India

We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

55. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.*

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction in which the investors are located in do not permit the investors to exercise their pre-emptive rights, without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value that the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

56. *An investor's ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document.*

No actions have been taken to permit a public offering of the Equity Shares offered in the Issue in any jurisdiction. As such, an investor's ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Placement Document. For further information, see "*Selling Restrictions*" on page 230. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For further information, see "*Purchaser Representations and Transfer Restrictions*" on page 236. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

57. *Investors to the Issue are not allowed to withdraw or revise their Bids downwards after the Bid /Issue Closing Date.*

In terms of Regulation 179 (1) of the SEBI (ICDR) Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven (7) days and up to ten (10) days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of the Bank, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline

58. *Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. There is no guarantee that the Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell the Equity Shares held by them on the Stock Exchange.*

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on NSE and BSE, which would adversely affect your ability to sell the Equity Shares. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

59. ***An investor will not be able to sell any of the Equity Shares subscribed in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of allotment of such Equity Shares.***

Pursuant to Regulation 178 of the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in the Issue, Eligible QIBs subscribing to the Equity Shares may only sell their Equity Shares on the NSE or the BSE and may not enter into any off-market trading in respect of these Equity Shares. Our Company cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Further, allotments made to certain categories of Eligible QIBs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock - in requirements. This may affect the liquidity of the Equity Shares purchased by such investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

60. ***An investment in the Equity Shares is subject to general risks related to investments in Indian Companies.***

Our Company is incorporated in India and we have assets and employees located in India. Consequently, our business, results of operations, financial condition and the market price of the Equity Shares will be affected by changes in interest rates in India, policies of the Government of India, including taxation policies along with policies relating to industry, political, social and economic developments affecting India.

61. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India’s right to impose tax on capital gains arising from the sale of shares of an Indian company.

The Government of India announced the interim union budget for Fiscal 2025 and the finance bill in the Lok Sabha on February 1, 2024. The bill has received assent from the President of India on February 15, 2024, and has been enacted as the Finance Act, 2024. While the Finance Act, 2024 does not make any significant changes to the Income Tax Act, the full Union Budget for Fiscal 2025 was announced on July 23, 2024, which proposes to introduce various amendments to the Income Tax Act through the Finance (No. 2) Bill, 2024. There is no certainty that the Finance (No. 2) Bill, 2024’s impact tax laws or other regulations may not adversely affect the Company’s business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

62. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

63. ***Our Equity Shares are quoted in Indian Rupees in India and investors may be subject to potential losses arising out of exchange rate risk on the Indian Rupees and risks associated with the conversion of Indian rupee proceeds into foreign currency.***

Investors are subject to currency fluctuation risk and convertibility risk since our Equity Shares are quoted in Indian Rupees on the Indian stock exchanges on which they are listed. Dividends on the Equity Shares will also be paid in Indian Rupees. In addition, foreign investors that seek to sell Equity Shares will have to obtain approval from the RBI, unless the sale is made on a stock exchange or in connection with an offer made under regulations regarding takeovers. The volatility of the Indian Rupees against the US dollar and other currencies may subject investors who convert funds into Indian Rupees to purchase our Equity Shares to currency fluctuation risks.

64. ***Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. Except as disclosed in “*Capital Structure*” on page 76, we cannot assure you that our Promoter or Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

65. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

MARKET PRICE INFORMATION

The Equity Shares have been listed on BSE and NSE since October 21, 2014. As on the date of this Placement Document, 13,24,10,821 Equity Shares have been issued, subscribed and paid up.

As of August 26, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 591.10 and ₹ 591.15 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for the following periods:

- (i) Three months period commencing from April 1, 2024 and ending on June 30, 2024;
- (ii) 12 months period commencing from April 1, 2023 and ending on March 31, 2024;
- (iii) 12 months period commencing from April 1, 2022 and ending on March 31, 2023; and
- (iv) 12 months period commencing from April 1, 2021 and ending on March 31, 2022.

BSE											
Fiscal	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total volume of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total volume of Equity Shares traded on date of low (₹ in lakhs)	Average price for the year (₹)	Equity Shares Traded in the Period	
										Volume	Turnover (₹ in lakhs)
Three months ended June 30, 2024	554.80	June 26, 2024	4,651	25.36	403.80	June 4, 2024	4147	17.11	469.12	384,597	1,832.61
2024	650.70	November 15, 2023	28,592	185.91	315.70	May 24, 2023	12,556	39.81	453.63	3,261,043	14,597.74
August 26, 2022 – March 31, 2023*	373.45	December 5, 2022	10,320	38.66	288.75	October 11, 2022	1,658	4.83	330.76	2,431,396	8,002.59
April 1, 2022 – August 25, 2022*	1,806.20	July 22, 2022	201	3.60	1,560.10	June 22, 2022	233	3.66	1,683.23	44,601	757.13
2022	1982.30	February 3, 2022	1,433	28.02	659.10	April 5, 2021	1,813	11.98	1,305.46	6,63,803	6,588.70

(Source: www.bseindia.com)

* Stock market data has been shown separately for periods prior and post the ex-date of sub-division i.e, August 26, 2022, for the sub-division of shares undertaken pursuant to a board resolution dated June 1, 2022.

Note:

1. High and low prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE											
Fiscal	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total volume of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total volume of Equity Shares traded on date of low (₹ in lakhs)	Average price for the year (₹)	Equity Shares Traded in the Period	
										Volume	Turnover (₹ in lakhs)
Three months ended June 30, 2024	554.15	June 26, 2024	114,515	626.84	402.90	June 4, 2024	127,203	515.94	469.04	496,1027	23,913.33
2024	649.95	November 15, 2023	704,413	4,580.92	315.80	May 24, 2023	67,289	213.54	453.63	36,887,072	172,583.27

NSE											
Fiscal	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total volume of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total volume of Equity Shares traded on date of low (₹ in lakhs)	Average price for the year (₹)	Equity Shares Traded in the Period	
										Volume	Turnover (₹ in lakhs)
August 26, 2022 – March 31, 2023*	373.60	December 5, 2022	92,888	348.38	291.70	October 10, 2022	20,649	60.39	330.72	11,018,158	36,786.55
April 1, 2022 – August 25, 2022*	1,799.00	July 22, 2022	11,297	202.97	1,571.95	June 14, 2022	3,242	51.45	1,684.10	588,996	9,987.12
2022	1,799.30	March 21, 2022	4,034	71.68	1,504.00	February 24, 2022	12,398	189.09	1653.59	150,075	2,443.28

(Source: www.nseindia.com)

* Stock market data has been shown separately for periods prior and post the ex-date of sub-division i.e, August 26, 2022, for the sub-division of shares undertaken pursuant to a board resolution dated June 1, 2022.

Note:

1. High and low prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

The following tables set forth the reported high, low and average closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the following periods during each of the last six months, as applicable:

BSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total volume of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total volume of Equity Shares traded on date of low (₹ in lakhs)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in lakhs)
July 2024	577.65	July 31, 2024	32,844	190.55	505.60	July 25, 2024	4808	24.50	534.04	1,685,233	9345.24
June 2024	554.80	June 26, 2024	4,651	25.36	403.80	June 4, 2024	4,147	17.11	498.64	1,75,581	885.89
May 2024	466.35	May 2, 2024	1,287	5.94	413.75	May 31, 2024	6,060	25.54	436.29	1,29,881	568.74
April 2024	501.75	April 3, 2024	2,230	11.18	458.35	April 22, 2024	8,135	37.59	477.20	79,135	377.97
March 2024	523.20	March 1, 2024	5,522	28.97	447.20	March 13, 2024	26,359	120.48	484.10	1,60,659	760.73
February 2024	605.75	February 1, 2024	17,187	103.66	512.45	February 29, 2024	6,329	32.51	551.72	1,52,738	853.91

(Source: www.bseindia.com)

Note:

1. High and low prices are based on the daily closing prices.
2. In the case of a month, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total volume of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total volume of Equity Shares traded on date of low (₹ in lakhs)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in lakhs)
July 2024	577.05	July 31, 2024	354,921	2,056.00	506.35	July 25, 2024	112,551	573.19	534.25	2,574,206	14053.83

NSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total volume of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total volume of Equity Shares traded on date of low (₹ in lakhs)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in lakhs)
June 2024	554.15	June 26, 2024	114,515	626.84	402.90	June 4, 2024	127,203	515.94	498.72	2,660,259	13472.80
May 2024	466.15	May 2, 2024	60,013	277.64	413.25	May 31, 2024	67,126	280.44	436.23	1,433,399	6294.44
April 2024	501.60	April 3, 2024	32,119.00	161.01	459.15	April 3, 2024	51,887.00	238.97	476.94	8,67,369.00	4146.09
March 2024	521.15	March 1, 2024	56,103	294.10	447.95	March 13, 2024	258,477	1177.65	483.95	1,613,416	7679.45
February 2024	606.25	February 1, 2024	95,140	572.72	511.95	February 29, 2024	125,124	641.34	551.64	1,809,317	9990.90

(Source: www.nseindia.com)

Note:

1. High and low prices are based on the daily closing prices.
2. In the case of a month, average represents the average of the closing prices of all trading days of each month presented.
3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

The following tables set forth the market price on the Stock Exchanges on November 2, 2023 the first working day following the approval of the Board for the Issue:

BSE					
Open	High	Low	Close	Number of Equity Shares traded	Turnover (₹ in lakhs)
600.20	612.00	575.20	580.00	5580.00	32.88

(Source: www.bseindia.com)

NSE					
Open	High	Low	Close	Number of Equity Shares traded	Turnover (₹ in lakhs)
594.00	613.15	575.25	579.65	1,01,445.00	598.46

(Source: www.nseindia.com)

USE OF PROCEEDS

The total gross proceeds of the Issue are expected to be approximately ₹ 43,000 lakhs (“**Gross Proceeds**”). After deducting the Issue expenses (including fees and commissions) of approximately ₹ 1,944.04 lakhs, the net proceeds of the Issue will be approximately ₹ 41,055.96 lakhs (“**Net Proceeds**”).

Purpose of the Issue

Subject to compliance with applicable laws and regulations, we propose to utilise the Net Proceeds for the following:

1. Repayment/pre-payment, in full or in part, of certain borrowings availed by our Company and certain of our Subsidiaries; and
2. Pursuing strategic unidentified acquisitions, and other inorganic growth opportunities and general corporate purposes (collectively, the “**Objects**”).

Our main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enables us to undertake the Objects contemplated by us in this Issue.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

Particulars	Amount (₹ in lakhs)
Repayment/pre-payment, in full or in part, of certain borrowings availed by our Company and certain of our Subsidiaries	27,950.00
Pursuing strategic unidentified acquisitions, and other inorganic growth opportunities and general corporate purposes*	13,105.96
Total Net Proceeds	41,055.96

* The amount to be utilized for pursuing strategic unidentified acquisitions and inorganic growth opportunities and general corporate purposes shall not exceed 35% collectively of the Gross Proceeds and shall individually not exceed 25% of Gross Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

Particulars	Amount to be funded from the Net Proceeds	(₹ in lakhs)	
		Estimated Deployment in Fiscal 2025	Estimated Deployment in Fiscal 2026
Repayment/pre-payment, in full or in part, of certain borrowings availed by our Company and certain of our Subsidiaries	27,950.00	27,950.00	-
Pursuing strategic unidentified acquisitions, and other inorganic growth opportunities and general corporate purposes*	13,105.96	6,552.98	6,552.98
Total	41,055.96	34,502.98	6,552.98

* The amount to be utilized for funding inorganic growth initiatives and general corporate purposes shall not exceed 35% collectively of the Gross Proceeds and shall individually not exceed 25% of Gross Proceeds.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time. Our Company’s management, in accordance with the policies of the Board and as per applicable laws, shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount(s) in the subsequent Fiscals, as determined by us, in accordance with applicable law.

Details of the Objects

1. **Repayment/pre-payment, in full or in part, of certain borrowings availed by our Company and certain of our Subsidiaries**

We avail fund-based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions. The borrowing arrangements entered into by us include, *inter alia*, term loans and working capital facilities. As of June 30, 2024, we had total borrowings of ₹ 83,119.19 lakhs, on a consolidated basis. We propose to utilise a portion of the Net Proceeds aggregating to ₹ 27,950.00 lakhs for repayment or prepayment, in full or in part, of certain outstanding borrowings availed by our Company and/or some of our Subsidiaries, including, (i) PDS Brands

Manufacturing Limited, (ii) Norwest Industries Limited, (iii) Techno Design HK Limited, (iv) Simple Approach Limited, (v) Zamira Fashion Limited, (vi) Spring Near East Manufacturing Company Limited, (vii) PDS Far East Limited, (viii) Poeticgem International Limited, (ix) PDS Asia Star Corp Limited, (x) Krayons Sourcing Limited, (xi) PDS Tailoring Limited, (xii) 360 Notch Limited, (xiii) Design Arc Asia Limited, (xiv) Twins Asia Limited, (xv) Jcraft Array Limited, (xvi) Styleberry Limited, (xvii) Sourcing Solutions Limited, (xviii) Grupo Sourcing Limited, (xix) PG Group Limited, (xx) PG Home Group Limited, (xxi) PDS Fashion USA Limited, (xxii) Design Arc FZCO and (xxiii) New Lobster Limited (collectively, the “**Identified Subsidiaries**”). The selection and extent of borrowings proposed to be repaid by our Company and/or the Identified Subsidiaries is based on various commercial considerations including, among others, the interest rate of the relevant borrowings, the amount of the borrowings outstanding, prepayment charges, and the remaining tenor of the borrowings. Our Company and the Identified Subsidiaries have obtained necessary consents, wherever required, from the lenders as per the requirements under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds . The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt - equity ratio. In addition, we believe that since our debt - equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future. The details of the outstanding borrowing availed by our Company and/or the Identified Subsidiaries proposed for repayment or prepayment, in full or in part, from the Net Proceeds is set forth below:

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Sr. No	Name of the lender	Name of the borrowing entity (Company / Subsidiary)	Location	Nature of the borrowing	Date of sanction letter/loan agreement	Interest / Coupon rate	Purpose of loan or facility availed as per loan or facility documentation *	Amount sanctioned as of the date of the Placement Document (₹ in lakhs)	Amount outstanding as of June 30, 2024 (₹ in lakhs)	Prepayment penalty	Tenure of borrowing
1	Intesa Sanpaolo S.p.A	PDS Brands Manufacturing Ltd	Hong Kong	Trust Receipt Loans	May 30, 2024	COF + 1.75% p.a.	Working capital	31,688.69	3,487.84	Not applicable	Up to 120 days
2	Intesa Sanpaolo S.p.A	Norwest Industries Ltd	Hong Kong	Trust Receipt Loans	May 30, 2024	COF + 1.75% p.a.	Working capital		78.84	Not applicable	Up to 120 days
3	Intesa Sanpaolo S.p.A	Techno Design HK Ltd	Hong Kong	Trust Receipt Loans	May 30, 2024	COF + 1.75% p.a.	Working capital		2,947.97	Not applicable	Up to 120 days
4	Intesa Sanpaolo S.p.A	Simple Approach Ltd	Hong Kong	Trust Receipt Loans	May 30, 2024	COF + 1.75% p.a.	Working capital		2,304.22	Not applicable	Up to 120 days
5	Intesa Sanpaolo S.p.A	Zamira Fashion Ltd	Hong Kong	Trust Receipt Loans	May 30, 2024	COF + 1.75% p.a.	Working capital		1,557.93	Not applicable	Up to 120 days
6	Intesa Sanpaolo S.p.A	Norwest Industries Ltd	Hong Kong	Bank overdraft	May 30, 2024	COF + 2.25% p.a.	Overdraft		787.29	Not applicable	Not applicable
7	BNP Paribas	Spring Near East Manufacturing Company Limited	Hong Kong	Trust Receipt Loans	January 19, 2024	COF + 1.75% p.a.	Working capital	6,671.30	19.23	Not applicable	Up to 120 days
									120.28		
									164.29		
8	BNP Paribas	PDS Far East Ltd	Hong Kong	Trust Receipt Loans	January 19, 2024	COF + 1.75% p.a.	Working capital	4,169.57	1,242.86	Not applicable	Up to 120 days
9	BNP Paribas	Norwest Industries Ltd	Hong Kong	Trust Receipt Loans	January 19, 2024	COF + 1.75% p.a.	Working capital	35,858.26	1,197.68	Not applicable	Up to 120 days
10	BNP Paribas	Techno Design HK Ltd	Hong Kong	Trust Receipt Loans	January 19, 2024	COF + 1.75% p.a.	Working capital	8,339.13	105.76	Not applicable	Up to 120 days
									253.26	Not applicable	Up to 120 days
11	BNP Paribas	Simple Approach Ltd	Hong Kong	Trust Receipt Loans	January 19, 2024	COF + 1.75% p.a.	Working capital	15,010.43	5,147.31	Not applicable	Up to 120 days
12	BNP Paribas	Zamira Fashion Ltd	Hong Kong	Trust Receipt Loans	January 19, 2024	COF + 1.75% p.a.	Working capital	8,339.13	189.47	Not applicable	Up to 120 days
13	BNP Paribas	Poeticgem International Limited	Hong Kong	Trust Receipt Loans	January 19, 2024	COF + 1.75% p.a.	Working capital	11,674.78	2,219.07	Not applicable	Up to 120 days
14	BNP Paribas	PDS Asia Star Corp Ltd	Hong Kong	Trust Receipt Loans	January 19, 2024	COF + 1.75% p.a.	Working capital	13,342.61	1,445.34	Not applicable	Up to 120 days
15	BNP Paribas	Norwest Industries Ltd	Hong Kong	Bank overdraft	January 19, 2024	BLR+1.5%	Overdraft	833.91	833.91	Not applicable	Not applicable
16	Citibank, N.A.	Krayons Sourcing Ltd	Hong Kong	Trust Receipt Loans	December 29, 2023	SOFR + 1.75% p.a.	Working capital	8,339.13	8,108.31	Not applicable	Up to 120 days
17	DBS Bank (Hong Kong) Limited	Techno Design HK Ltd	Hong Kong	Trust Receipt Loans	May 24, 2023	SOFR + 1.50% p.a.	Working capital	4,169.57	401.56	Not applicable	Up to 120 days
18	DBS Bank (Hong Kong) Limited	Simple Approach Ltd	Hong Kong	Trust Receipt Loans	May 24, 2023	SOFR + 1.50% p.a.	Working capital		3,441.15	Not applicable	Up to 120 days
19	DBS Bank (Hong Kong) Limited	Poeticgem International Limited	Hong Kong	Trust Receipt Loans	May 24, 2023	SOFR + 1.50% p.a.	Working capital		191.72	Not applicable	Up to 120 days
20	The Hongkong and Shanghai Banking Corporation Limited	PDS Tailoring Ltd	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital	43,655.35	535.92	Not applicable	Up to 120 days
21	The Hongkong and Shanghai Banking Corporation Limited	360 Notch Limited	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital		76.84	Not applicable	Up to 120 days
22	The Hongkong and Shanghai Banking Corporation Limited	Design Arc Asia Ltd	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital		1,266.20	Not applicable	Up to 120 days

Sr. No	Name of the lender	Name of the borrowing entity (Company / Subsidiary)	Location	Nature of the borrowing	Date of sanction letter/loan agreement	Interest / Coupon rate	Purpose of loan or facility availed as per loan or facility documentation *	Amount sanctioned as of the date of the Placement Document (₹ in lakhs)	Amount outstanding as of June 30, 2024 (₹ in lakhs)	Prepayment penalty	Tenure of borrowing
23	The Hongkong and Shanghai Banking Corporation Limited	Krayons Sourcing Ltd	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital		164.95	Not applicable	Up to 120 days
24	The Hongkong and Shanghai Banking Corporation Limited	Twins Asia Limited	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital		2,445.91	Not applicable	Up to 120 days
25	The Hongkong and Shanghai Banking Corporation Limited	PDS Far East Ltd	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital		537.67	Not applicable	Up to 120 days
26	The Hongkong and Shanghai Banking Corporation Limited	Jcraft Array Ltd	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital		233.36	Not applicable	Up to 120 days
27	The Hongkong and Shanghai Banking Corporation Limited	Style Berry Limited	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital		182.97	Not applicable	Up to 120 days
28	The Hongkong and Shanghai Banking Corporation Limited	Sourcing Solutions Ltd	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital		654.92	Not applicable	Up to 120 days
29	The Hongkong and Shanghai Banking Corporation Limited	Norwest Industries Ltd	Hong Kong	Bill Discounting	June 25 2024	SOFR + 2.15% p.a.	Working capital		460.94	Not applicable	Up to 120 days
									1,055.26	Not applicable	Up to 120 days
30	The Hongkong and Shanghai Banking Corporation Limited	Norwest Industries Ltd	Hong Kong	Bank overdraft	June 25 2024	BLR+2.75%	Overdraft	1,661.80	1,409.79	Not applicable	Not applicable
31	The Hongkong and Shanghai Banking Corporation Limited	Grupo Sourcing Ltd	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital	43,655.35	77.83	Not applicable	Up to 120 days
32	The Hongkong and Shanghai Banking Corporation Limited	Techno Design HK Ltd	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital		750.53	Not applicable	Up to 120 days
33	The Hongkong and Shanghai Banking Corporation Limited	Simple Approach Ltd	Hong Kong	Trust Receipt Loans	June 25 2024	SOFR + 2.15% p.a.	Working capital		6,712.64	Not applicable	Up to 120 days
34	DBS Bank (Hong Kong) Limited	PG Group Limited	Hong Kong	Trust Receipt Loans	May 24, 2023	SOFR + 1.50% p.a.	Working capital	4,169.57	82.82	Not applicable	Up to 120 days
35	The Hongkong and Shanghai Banking Corporation Limited	Zamira Fashion Ltd	Hong Kong	Trust Receipt Loans	June 25, 2024	SOFR + 2.15% p.a.	Working capital	43,655.35	195.92	Not applicable	Up to 120 days
36	DBS Bank (Hong Kong) Limited	PG Home Group Limited	Hong Kong	Trust Receipt Loans	May 24, 2023	SOFR + 1.50% p.a.	Working capital	4,169.57	151.01	Not applicable	Up to 120 days
37	The Hongkong and Shanghai Banking Corporation Limited	PG Group Limited	Hong Kong	Trust Receipt Loans	June 25, 2024	SOFR + 2.15% p.a.	Working capital	43,655.35	195.45	Not applicable	Up to 120 days

Sr. No	Name of the lender	Name of the borrowing entity (Company / Subsidiary)	Location	Nature of the borrowing	Date of sanction letter/loan agreement	Interest / Coupon rate	Purpose of loan or facility availed as per loan or facility documentation *	Amount sanctioned as of the date of the Placement Document (₹ in lakhs)	Amount outstanding as of June 30, 2024 (₹ in lakhs)	Prepayment penalty	Tenure of borrowing
38	The Hongkong and Shanghai Banking Corporation Limited	PDS Asia Star Corp Ltd	Hong Kong	Trust Receipt Loans	June 25, 2024	SOFR + 2.15% p.a.	Working capital		140.39	Not applicable	Up to 120 days
39	The Hongkong and Shanghai Banking Corporation Limited	PDS Asia Star Corp Ltd	Hong Kong	Trust Receipt Loans	June 25, 2024	SOFR + 2.15% p.a.	Working capital		32.46	Not applicable	Up to 120 days
40	The Hongkong and Shanghai Banking Corporation Limited	PDS Fashion USA Ltd	Hong Kong	Trust Receipt Loans	June 25, 2024	SOFR + 2.15% p.a.	Working capital		1,578.90	Not applicable	Up to 120 days
41	The Hongkong and Shanghai Banking Corporation Limited	Design Arc FZCO	United Arab Emirates	Trust Receipt Loans	November 16, 2023	SOFR + 2.00% p.a.	Working capital	16,678.26	2,892.53	Not applicable	Up to 120 days
42	The Hongkong and Shanghai Banking Corporation Limited	Design Arc FZCO	United Arab Emirates	Trust Receipt Loans	November 16, 2023	SOFR + 2.00% p.a.	Working capital		298.93	Not applicable	Up to 120 days
43	The Hongkong and Shanghai Banking Corporation Limited	Design Arc FZCO	United Arab Emirates	Trust Receipt Loans	November 16, 2023	SOFR + 2.00% p.a.	Working capital		974.43	Not applicable	Up to 120 days
44	The Hongkong and Shanghai Banking Corporation Limited	New Lobster Limited	United Kingdom	Bank overdraft	September 25, 2023	Base Rate+4%	Overdraft	9,912.14	9,869.71	Not applicable	Not applicable
45	The Hongkong and Shanghai Banking Corporation Limited	PDS Limited	India	Trust Receipt Loans	August 2, 2023	3 Months MCLR+1%	Working capital	2,018.07	729.94	Not applicable	Up to 120 days
46	Bajaj Finance Limited	PDS Limited	India	Term Loan Long Term	June 6, 2023	1 Year MCLR+0.9%	Term Loan	5,000.00	5,000.00	2% if loan repaid within 18 months of disbursement / 1% if loan repaid in subsequent 18 months, Nil thereafter	7 Years
	Total								74,953.52		

*As certified by MLR and Associates, Chartered Accountants, vide certificate dated August 22, 2024, and confirmed that the utilisation of the borrowings is for the purposes availed, as per the respective sanction letters/loan agreements issued by the respective lender.

Note: Exchange rate of (i) ₹ 1 to US\$ 83.3913, (ii) 1 GBP to US\$ 1.2645, (iii) 1 € to US\$ 1.0713, and (iv) 1 HKD to US\$ 7.8082, as on June 30, 2024, based on the conversion rate provided by our bankers.

Given the nature of the borrowings and the terms of repayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company and/ or Subsidiaries may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with the business cycle of our Company with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. To the extent that Net Proceeds are utilised to repay any of the loans availed by the Identified Subsidiaries, our Company shall deploy the Net Proceeds through a suitable mode of investment (either through debt or equity) in such Identified Subsidiaries, which will be decided at the sole discretion of our Board. The actual mode of investment has not been finalised as on the date of this Placement Document and will be finalized at the time of utilization of the funds received from the Net Proceeds.

2. Pursuing strategic unidentified acquisitions, and other inorganic growth opportunities and general corporate purposes

Our Company proposes to deploy up to ₹ 13,105.96 lakhs towards funding our general corporate purposes and pursuing strategic unidentified acquisitions, and *other* inorganic growth opportunities, subject to (i) such amount not exceeding 35% of the amount being raised in the Issue and (ii) the total amount utilized towards inorganic growth by way of acquisition of targets that have not been identified in this Placement Document or the general corporate purposes, individually, not exceeding 25% of the amount being raised in the Issue.

A. Pursuing strategic unidentified acquisitions, and other inorganic growth opportunities

We look to create strategic value through inorganic growth and we have over the years acquired the capabilities that have helped expand our operations. Pursuant to our overall strategy to continue scaling our business, we intend to keep pursuing strategic investments and acquisitions which are complementary to the business of our Company and its Subsidiaries, and which will enhance our product and service capabilities, including brownfield strategic investments in manufacturing entities in near/friend shoring region. Our Company and its Subsidiaries will continue to selectively pursue opportunities for evaluating potential targets for strategic investments, merger, acquisitions and partnerships, that complement and enhance our product and service offerings, strengthen or establish our presence in our targeted markets and customer portfolio of the target entities, benefits the development of our existing products. We have established a track record of inorganic growth through strategic acquisitions to supplement our product offerings, diversify our revenue streams, and integrate such acquired businesses to further strengthen our portfolio. A few examples of our previous strategic acquisitions are provided below:

- Completed the acquisition of 51% stake in Fiscal 2023 in DBS Lifestyle LLP India Private Limited, a design-led company catering to fashion and home categories.
- Acquired 100% stake in Sunny Up in Fiscal 2023, a contemporary fashion design and distribution company, specialising in brand development and marketing which gave us access to licenses of well-known brands and other distribution rights, enhancing our portfolio and improving our offerings.
- Acquired New Lobster Limited through one of our Subsidiaries in Fiscal 2024, PDS Lifestyle Limited and entered into a strategic collaboration to establish the Ted Baker Design Group as the Ted Baker brand's global hub for design and merchandising functions.
- Completed acquisition of 26% stake in Fiscal 2024 in Nobleswear Private Limited, a company engaged in apparel manufacturing, to expand our apparel manufacturing footprint in Sri Lanka and leveraging the acquisition to grow our sourcing business.
- Acquired the sourcing operations of a mass-market fashion label in Turkey in Fiscal 2024. As part of the acquisition, a dedicated team and infrastructure based in Turkey will provide sourcing as a service within the EMEA region for clothing, footwear and accessories category.

As part of our inorganic growth measures, we intend to seek attractive inorganic opportunities for our Company and its Subsidiaries that we believe will fit well with our strategic business objectives and growth strategies. The amount of Net Proceeds to be used for acquisitions proposed to be made by our Company and its Subsidiaries will be based on our management's decision and our Subsidiaries' management's decision and may not be the total value or cost of any such acquisitions. We have undertaken inorganic expansion through acquisitions with companies through asset purchase and we continue to explore such international opportunities where we can collaborate with partners to enhance our product portfolio.

The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of acquisitions to be undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. We will also determine the form of investment by our Company and our Subsidiaries for these

potential strategic initiatives, i.e., whether they will involve equity, debt or any other instrument or combination thereof as permitted by applicable laws. Further, in the event of a shortfall or if required as an aspect of the acquisition model, the Company may conduct the acquisition as a cash transaction including using internal accrual, debt funding or any other permissible mode of fund raising, as the Board may deem fit.

As on the date of this Placement Document, our Company has not identified any potential target for investment or acquisition and has not entered into any definitive agreement for which it intends to utilize Net Proceeds. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, it shall be utilized in the subsequent fiscals, as may be decided by our Company, in accordance with applicable laws. We may also utilize our internal accruals towards such inorganic growth.

B. General Corporate Purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes, as approved by our management, from time to time, subject to (i) such utilization for general corporate purposes not exceeding 25% of the amount raised by our Company, and (ii) the cumulative amount to be utilized for general corporate purposes and our object of '*Pursuing strategic unidentified acquisitions, and other inorganic growth opportunities*' shall not exceed 35% of the amount raised by our Company. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, but not limited to, meeting exigencies, brand building, meeting working capital requirements enhancing IT capabilities, meeting operating expenses and capital expenditure for our Company and our Subsidiaries incurred by our Company and our Subsidiaries in the ordinary course of business, as may be applicable. The allocation or quantum of authorized funds towards each of the above purposes will be determined by our Board, based on the business requirements of our Company and other relevant considerations, from time to time. Our Company's management shall have flexibility in authorize surplus amounts, if any.

Other Confirmations

Neither our Promoters, Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the use of Net Proceeds.

Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or Senior Management Personnel are not eligible to subscribe in the Issue.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, our Company undertakes to deposit the Net Proceeds only in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, or in any other investment as permitted under applicable laws.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank.

Monitoring Agency

Our Company has appointed CRISIL Ratings Limited as the monitoring agency in accordance with Regulation 173A of the SEBI ICDR Regulations for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹10,000 lakhs. The report of the Monitoring Agency shall be placed before the Audit Committee on a quarterly basis, promptly upon its receipt, until such time as the gross Proceeds have been utilized in full or the Objects for which the Gross Proceeds were raised have been achieved. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise

variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the Net Proceeds were raised have been achieved. This information will also be published on our website and our Company shall furnish an explanation for the deviations and category-wise variations in its annual report.

CAPITALISATION STATEMENT

The table below sets forth our Company's capitalisation as at June 30, 2024 which has been derived from the Unaudited Condensed Interim Consolidated Financial Statements and as adjusted to give effect to the receipt of the Gross Proceeds of the Issue and the application thereof.

You should read this table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 83 and the Unaudited Condensed Interim Consolidated Financial Statements included in "Financial Statements" beginning on page 284.

(₹ in lakhs)

Sr. No.	Particulars	Pre-Issue at June 30, 2024	Post-Issue as at June 30, 2024 adjusted for the proposed Issue [#]
(A)	Total Borrowings: (I) + (II) = (A)	83,119.19	83,119.19
	Current borrowings (I)	78,130.31	78,130.31
	Non-current borrowings (II)	4,988.88	4,988.88
(B)	Total Equity (III) + (IV) = (B)	1,16,001.92	1,59,001.92
	Equity Share capital (III)	2,636.39	2,796.84
	Other equity (IV)	1,13,365.53	1,56,205.08
	Ratio: Total Borrowings/ Total Equity (A/B)	0.72	0.52

[#] As adjusted to reflect the number of Equity Shares issued pursuant to the Issue and proceeds from the Issue and no other adjustment for allotments made post June 30, 2024. Further, adjustments do not include Issue related expenses or for any transactions in such line items of the Unaudited Condensed Interim Consolidated Financial Statements subsequent to June 30, 2024.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Placement Document is set forth below:

(₹ lakhs, except share data)

		Aggregate value at face value [#]
A	AUTHORISED SHARE CAPITAL	
	25,00,00,000 Equity Shares (having a face value of ₹2 each)	5,000.00
B	ISSUED, SUBSCRIBED AND PAID UP CAPITAL BEFORE THE ISSUE	
	13,24,10,821 fully paid up Equity Shares	2,648.22
C	PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT	
	Up to 80,22,388 Equity Shares of face value of ₹2 each ⁽¹⁾	160.45
D	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE	
	14,04,33,209 ⁽²⁾ Equity Shares of face value of ₹2 each	2,808.67
E	SECURITIES PREMIUM ACCOUNT	
	Before the Issue	4,488.25
	After the Issue ⁽³⁾	47,327.80

⁽¹⁾ The Issue has been authorised by the Board of Directors pursuant to its resolution passed on November 1, 2023. The Shareholders have authorised and approved the Issue by way of a special resolution through postal ballot passed on December 3, 2023.

⁽²⁾ Subject to Allotment of Equity Shares pursuant to the Issue.

⁽³⁾ The securities premium account after the Issue is calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses.

[#] Except for securities premium account

Equity share capital history of our Company

The following table sets forth the history of Equity Share capital of our Company since incorporation:

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Cumulative number of Equity Shares	Cumulative paid – up Equity Share Capital	Form of consideration	Reason / Nature of allotment
April 6, 2011	50,000	10	10	50,000	5,00,000	Cash	Initial Subscription to the Memorandum of Association ⁽¹⁾
June 5, 2014	2,59,96,724	10	N.A.	2,60,46,724	26,04,67,240	Other than Cash	Demerger and subsequent merger/ amalgamation of the demerged undertaking from Pearl Global Industries Limited with and into our Company as per scheme of arrangement approved by the High Court of Delhi by order dated March 10, 2014 ⁽²⁾
April 4, 2022	50,000	10	400	2,60,96,724	26,09,67,240	Cash	Allotment under the PDS ESOP 2021 ⁽³⁾
Pursuant to a resolution of our Board passed in their meeting held on June 1, 2022 and a resolution of our Shareholders passed in their extraordinary general meeting held on July 29, 2022, each fully paid up equity share of our Company of face value ₹10 was sub-divided into 5 Equity Shares of ₹2 each, and accordingly, 2,60,96,724 equity shares of our Company of ₹10 each were sub-divided into 13,04,83,620 Equity Shares of ₹2.							
December 13, 2022	2,50,000	2	80	13,07,33,620	26,14,67,240	Cash	Allotment under the PDS ESOP 2021 ⁽⁴⁾
December 13, 2022	49,375	2	219	13,07,82,995	26,15,65,990	Cash	Allotment under the PDS ESOP 2021- Plan A ⁽⁵⁾

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Cumulative number of Equity Shares	Cumulative paid – up Equity Share Capital	Form of consideration	Reason / Nature of allotment
January 23, 2023	29,375	2	219	13,08,12,370	26,16,24,740	Cash	Allotment under the PDS ESOP 2021- Plan A ⁽⁶⁾
January 23, 2023	5,000	2	266	13,08,17,370	26,16,34,740	Cash	Allotment under the PDS ESOP 2021- Plan A ⁽⁷⁾
February 8, 2023	75,000	2	80	13,08,92,370	26,17,84,740	Cash	Allotment under the PDS ESOP 2021 ⁽⁸⁾
February 8, 2023	2,500	2	219	13,08,94,870	26,17,89,740	Cash	Allotment under the PDS ESOP 2021- Plan A ⁽⁹⁾
March 9, 2023	32,850	2	219	13,09,27,720	26,18,55,440	Cash	Allotment under the PDS ESOP 2021- Plan A ⁽¹⁰⁾
May 10, 2023	12,500	2	270.80	13,09,40,220	26,18,80,440	Cash	Allotment under the PDS ESOP 2021- Plan A ⁽¹¹⁾
May 10, 2023	43,000	2	219	13,09,83,220	26,19,66,440	Cash	Allotment under the PDS ESOP 2021- Plan A ⁽¹²⁾
June 12, 2023	1,95,000	2	130	13,11,78,220	26,23,56,440	Cash	Allotment under the PDS ESOP 2021 ⁽¹³⁾
June 12, 2023	18,750	2	219	13,11,96,970	26,23,93,940	Cash	Allotment under the PDS ESOP 2021- Plan A ⁽¹⁴⁾
August 9, 2023	90,000	2	80	13,12,86,970	26,25,73,940	Cash	Allotment under the PDS ESOP 2021 ⁽¹⁵⁾
September 26, 2023	1,70,000	2	80	13,14,56,970	26,29,13,940	Cash	Allotment under the PDS ESOP 2021 ⁽¹⁶⁾
September 26, 2023	42,500	2	130	13,14,99,470	26,29,98,940	Cash	Allotment under the PDS ESOP 2021-Plan A ⁽¹⁷⁾
September 26, 2023	8,375	2	219	13,15,07,845	26,30,15,690	Cash	Allotment under the PDS ESOP 2021-Plan A ⁽¹⁸⁾
November 1, 2023	1,95,000	2	130	13,17,02,845	26,34,05,690	Cash	Allotment under the PDS ESOP 2021 ⁽¹⁹⁾
November 1, 2023	71,750	2	219	13,17,74,595	26,35,49,910	Cash	Allotment under the PDS ESOP 2021-Plan A ⁽²⁰⁾
November 1, 2023	944	2	270.80	13,17,75,539	26,35,51,078	Cash	Allotment under the PDS ESOP 2021-Plan A ⁽²¹⁾
November 28, 2023	12,500	2	253.40	13,17,88,039	26,35,76,078	Cash	Allotment under the PDS ESOP 2021-Plan A ⁽²²⁾
November 28, 2023	52,500	2	219	13,18,40,539	26,36,81,078	Cash	Allotment under the PDS ESOP 2021-Plan A ⁽²³⁾
February 7, 2024	62,600	2	219	13,19,03,139	26,38,06,278	Cash	Allotment under the PDS ESOP 2021-Plan A ⁽²⁴⁾
April 16, 2024	1,00,000	2	80	13,20,03,139	26,40,06,278	Cash	Allotment under the PDS ESOP 2021 ⁽²⁵⁾
April 16, 2024	18,500	2	268	13,20,21,639	26,40,43,278	Cash	Allotment under the PDS ESOP 2021 – Plan A ⁽²⁶⁾
April 16, 2024	10,626	2	270.80	13,20,32,265	26,40,64,530	Cash	Allotment under the PDS ESOP 2021 – Plan A ⁽²⁷⁾

Date of allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Cumulative number of Equity Shares	Cumulative paid – up Equity Share Capital	Form of consideration	Reason / Nature of allotment
April 16, 2024	12,376	2	219	13,20,44,641	26,40,89,282	Cash	Allotment under the PDS ESOP 2021 – Plan A ⁽²⁸⁾
May 13, 2024	4,500	2	219	13,20,49,141	26,40,98,282	Cash	Allotment under the PDS ESOP 2021 – Plan A ⁽²⁹⁾
May 13, 2024	2,500	2	300	13,20,51,641	26,41,03,282	Cash	Allotment under the PDS ESOP 2021 – Plan A ⁽³⁰⁾
July 24, 2024	61,680	2	80	13,24,10,821	26,48,21,642	Cash	Allotment under the PDS ESOP 2021 ⁽³¹⁾
July 24, 2024	2,60,000	2	130			Cash	Allotment under the PDS ESOP 2021 ⁽³²⁾
July 24, 2024	20,000	2	268			Cash	Allotment under the PDS ESOP 2021 – Plan A ⁽³³⁾
July 24, 2024	12,500	2	270.80			Cash	Allotment under the PDS ESOP 2021 – Plan A ⁽³⁴⁾
July 24, 2024	5,000	2	219			Cash	Allotment under the PDS ESOP 2021 – Plan A ⁽³⁵⁾

- (1) 49,994 equity shares were allotted to House of Pearl Fashions Limited (acting through the managing director, Pulkit Seth) and 1 Equity Share each, was allotted to Deepak Seth, Pallak Seth, Payel Seth, Ashutosh Prabhudas Bhupatkar, Kusum Malik, Deepak Seth & Sons HUF (nominees of House of Pearl Fashions Limited) pursuant to subscription to the Memorandum of Association.
- (2) The shares of our Company were issued and allotted to the shareholders of Pearl Global Industries Limited as consideration under the Scheme.
- (3) Allotment of 50,000 equity shares to Sanjay Jain. The issue price per equity shares (exercise price per stock option) includes a premium of ₹ 390 per equity shares.
- (4) Allotment of 2,50,000 Equity Shares to Sanjay Jain. The issue price per Equity Share includes a premium of ₹ 78 per Equity Share.
- (5) Allotment of 7,500 Equity Shares to Mayank Agarwal, 4,375 Equity Shares to Ajay Kaul, 5,000 Equity Shares to Mohit Bhandari, 1,250 Equity Shares to Ravindra Kedia, 9,375 Equity Shares to Shireesh Jain, 9,375 Equity Shares to Raveesh Khanna, and 12,500 Equity Shares to Ashish Gupta. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (6) Allotment of 6,250 Equity Shares to Suresh Dakavarapu, 1,875 Equity Shares to Asheshwar Jha, 3,750 Equity Shares to Tata Mastan Rao, 12,500 Equity Shares to Abhishekh Kanoi, and 5,000 Equity Shares to Ashok Kumar Verma. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (7) Allotment of 5,000 Equity Shares to Ashok Sanghi. The issue price per Equity Share includes a premium of ₹ 264 per Equity Share.
- (8) Allotment of 7,500 Equity Shares to Sanjay Jain. The issue price per Equity Share includes a premium of ₹ 78 per Equity Share.
- (9) Allotment of 2,500 Equity Shares to Sheetal Omre. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (10) Allotment of 6,850 Equity Shares to Raamann Ahuja, 6,000 Equity Shares to Ashish Gupta, 15,000 Equity Shares to Reenah Joseph, 2,500 Equity Shares to Gauri Rane, and 2,500 Equity Shares to Mandeep Gandhi. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (11) Allotment of 12,500 Equity Shares to Om Prakash Makam. The issue price per Equity Share includes a premium of ₹ 268.80 per Equity Share.
- (12) Allotment of 5,000 Equity Shares to Rajeev Upal, 3,750 Equity Shares to Rajeev Sharma, 5,000 Equity Shares to Tejas Sakhardande, 6,250 Equity Shares to Mohandas Thekkeyil, 5,000 Equity Shares to Bhavesh Shah, 7,500 Equity Shares to Ravi Jain, 500 Equity Shares to Umesh Gupta, 10,000 Equity Shares to Reenah Joseph. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (13) Allotment of 1,95,000 Equity Shares to Anuj Banaik. The issue price per Equity Share includes a premium of ₹ 128 per Equity Share.
- (14) Allotment of 7,000 Equity Shares to Rajeev Dubey, 6,500 Equity Shares to Ashish Gupta, 5,000 Equity Shares to Deepak Kasana, 250 Equity Shares to Umesh Gupta. The issue price per Equity Shares includes a premium of ₹ 217 per Equity Share.
- (15) Allotment of 90,000 Equity Shares to Sanjay Jain. The issue price per Equity Share includes a premium of ₹ 78 per Equity Share.
- (16) Allotment of 1,70,000 Equity Shares to Sanjay Jain. The issue price per Equity Share includes a premium of ₹ 78 per Equity Share.
- (17) Allotment of 42,500 Equity Shares to Parth Gandhi. The issue price per Equity Share includes a premium of ₹ 128 per Equity Share.
- (18) Allotment of 5,000 Equity Shares Ashok Yadava, 500 Equity Shares to Umesh Gupta, 2,000 Equity Shares to Krupa Joshi and 875 Equity Shares to Harbir Singh. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (19) Allotment of 1,95,000 Equity Shares to Anuj Banaik. The issue price per Equity Share includes a premium of ₹ 128 per Equity Share.
- (20) Allotment of 15,000 Equity Shares to Manish Arora, 500 Equity Shares to Krupa Joshi, 5,000 Equity Shares to Ashok Verma, 18,750 Equity Shares to Krishna Kanodia, 4,375 Equity Shares to Udaya Sankar, 9,375 Equity Shares to Shireesh Jain, 12,500 Equity Shares to Abhishekh Kanoi, 5,000 Equity Shares to Rajeev Uppal and 1,250 Equity Shares to Ravindra Kedia. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (21) Allotment of 944 Equity Shares to Abhishekh Kanoi. The issue price per Equity Share includes a premium of ₹ 268.80 per Equity Share.
- (22) Allotment of 12,500 Equity Shares to Vikesh Jain. The issue price per Equity Share includes a premium of ₹ 251.40 per Equity Share.

- (23) Allotment of 18,750 Equity Shares to Shree Shyam, 10,000 Equity Shares to Kumar Subhash Choudhary, 2,500 Equity Shares to Mandeep Singh Gandhi, 3,750 Equity Shares to Rajeew Sharma, 3,750 Equity Shares to Tata Mastan Rao, 6,250 Equity Shares to Mohandas Thekkeyil and 7,500 Equity Shares to Ravi Vimal Jain. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (24) Allotment of 4,375 Equity Shares to Ajay Kaul, 5,000 Equity Shares to Deepak Kasana, 4,375 Equity Shares to Udaya Sankar, 2,500 Equity Shares to Gauri Rane, 2,500 Equity Shares to Sheetal Omre, 10,000 Equity Shares to Mehul Bhagat, 5,000 Equity Shares to Rahul Mahajan, 5,650 Equity Shares to Raamann Ahuja, 5,000 Equity Shares to Tejas Sakhardande, 5,000 Equity Shares to Bhavesh Shah, 6,250 Equity Shares to Narayanrao Dakavarapu Suresh, 1,500 Equity Shares to Mahendra Singh, 5,000 Equity Shares to Mohit Bhandari and 450 Equity Shares to Umesh Gupta. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (25) Allotment of 1,00,000 Equity Shares to Sanjay Jain. The issue price per Equity Share includes a premium of ₹ 78 per Equity Share.
- (26) Allotment of 18,500 Equity Shares to Rahul Ahuja. The issue price per Equity Share includes a premium of ₹ 266 per Equity Share.
- (27) Allotment of 10,626 Equity Shares to Rajeew Dubey. The issue price per Equity Share includes a premium of ₹ 268.80 per Equity Share.
- (28) Allotment of 5,000 Equity Shares to Ashok Yadava and 7,376 Equity Shares to Rajeew Dubey. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (29) Allotment of 4,500 Equity Shares to Raamann Ahuja. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.
- (30) Allotment of 2,500 Equity Shares to Akshika Bareja. The issue price per Equity Share includes a premium of ₹ 298 per Equity Share.
- (31) Allotment of 61,680 Equity Shares to Sanjay Jain. The issue price per Equity Share includes a premium of ₹ 78 per Equity Share.
- (32) Allotment of 2,60,000 Equity Shares to Anuj Banaiik. The issue price per Equity Share includes a premium of ₹ 128 per Equity Share.
- (33) Allotment of 20,000 Equity Shares to Rahul Ahuja. The issue price per Equity Share includes a premium of ₹ 266 per Equity Share.
- (34) Allotment of 12,500 Equity Shares to Omprakash MS. The issue price per Equity Share includes a premium of ₹ 268.80 per Equity Share.
- (35) Allotment of 5,000 Equity Shares to Ankit Shukla. The issue price per Equity Share includes a premium of ₹ 217 per Equity Share.

Preference shares

As on the date of this Placement Document, there are no outstanding preference shares.

Warrants

As on the date of this Placement Document, there are no outstanding warrants.

Employee stock option schemes

Our Company had implemented four stock option/employee benefit schemes, namely, PDS ESOP 2021, PDS ESOP 2021- Plan A, PDS ESOP 2021- Plan B and PDS Phantom Stock Units Plan 2021. The details of the schemes are as set forth below:

PDS ESOP 2021

Pursuant to a resolution of our Board of Directors dated January 11, 2021 and a resolution of our Shareholders dated February 25, 2021, our Company has approved the PDS ESOP 2021 for issue of employee stock options to eligible employees of the Company and its Subsidiaries up to 26,57,825 Equity Shares of face value of ₹ 2 per Equity Share, which may result in issue of not more than 26,57,825 options, post the split in our Equity Shares effective from August 26, 2022. The primary objective of PDS ESOP 2021 is to attract and retain key talent, by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The Board of Directors and/or the Nomination and Remuneration Committee are authorised to issue grant letters to the eligible employees in accordance with the PDS ESOP 2021. In compliance with the SEBI SBEB Regulations, by way of the resolution of our Board of Directors dated January 11, 2021 and a resolution of our Shareholders dated February 25, 2021 the grant of options and issue of Equity Shares equal to or in excess of 1% of the issued equity share capital of the Company but not exceeding 2% of the issued equity share capital of the Company was approved. The PDS ESOP 2021 was amended by way of a resolution of our Shareholders dated July 30, 2021 increasing the maximum period within which the options granted under PDS ESOP 2021 shall vest to a period of four years instead of three years.

PDS ESOP 2021- Plan A

Pursuant to a resolution of our Board of Directors dated May 27, 2021 and a resolution of our Shareholders dated July 30, 2021, our Company has approved the PDS ESOP 2021- Plan A for issue of employee stock options to eligible employees of the Company and its Subsidiaries up to 29,12,050 Equity Shares of face value of ₹ 2 per Equity Share, which may result in issue of not more than 29,12,050 options, post the split in our Equity Shares effective from August 26, 2022. The primary objective of PDS ESOP 2021- Plan A is to reward the employees of the Company and its Subsidiaries for their performance and motivate them to contribute to the growth and profitability of the Company. The options granted under the PDS ESOP 2021 – Plan A would vest, no earlier than one year and no later than four years from the date of grant of such options. The terms of PDS ESOP 2021 - Plan A were amended by way of a special resolution passed through postal ballot dated January 12, 2022 to the extent of restricting the number of options granted to Non-Executive Directors, excluding Independent Directors of the Company and its Subsidiaries, maximum up to 1,50,000 options in aggregate in any one year, which increased to 7,50,000 post the split in our Equity Shares effective from August 26, 2022. The PDS ESOP 2021 – Plan A is in compliance with SEBI SBEB Regulations.

PDS ESOP 2021- Plan B

Pursuant to a resolution of our Board of Directors dated May 27, 2021 and a resolution of our Shareholders dated July 30, 2021, our Company has approved the PDS ESOP 2021- Plan B for issue of employee stock options to eligible employees of the Company and its Subsidiaries up to 5,06,740 Equity Shares of face value of ₹ 2 per Equity Share, which may result in issue of not more than 5,06,740 options, post the split in our Equity Shares effective from August 26, 2022. The PDS ESOP 2021 – Plan B will be implemented through an irrevocable trust set up in the name of PDS Multinational Fashions ESOP Trust (“Trust”). The Trust may acquire 5,06,740 Equity Shares from the secondary market for the purposes of PDS ESOP 2021 – Plan B. However, the total number of Equity Shares held by the Trust shall not exceed 5% of the paid up equity share capital as at the end of the financial year immediately prior to the year in which the approval of the Shareholders is obtained for such secondary acquisition and not exceed 2% of the paid up equity share capital. The primary objective of PDS ESOP 2021 - Plan B is to reward the employees of the Company and its Subsidiaries for their performance and motivate them to contribute to the growth and profitability of the Company. The options granted under the PDS ESOP 2021 – Plan B would vest, no earlier than one year and no later than four years from the date of grant of such options. The PDS ESOP 2021 – Plan B is in compliance with SEBI SBEB Regulations.

PDS Phantom Stock Units Plan 2021

Pursuant to a resolution of our Board of Directors dated May 27, 2021 and a resolution of our Shareholders dated July 30, 2021, our Company has approved the PDS Phantom Stock Units Plan 2021 for issue of phantom stock units (“Units”) to eligible employees of the Company and its Subsidiaries of not more than 8,61,415 Units in aggregate. The primary objective of PDS Phantom Stock Units Plan 2021 is to attract and retain key talent, by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability. The units granted under the PDS Phantom Stock Units Plan 2021 would vest, no earlier than one year and no later than four years from the date of grant of such Units. The PDS Phantom Stock Units Plan 2021 is in compliance with SEBI SBEB Regulations.

Details of the stock options and Units under the employee stock option schemes as on the date of this Placement Document are provided below:

Scheme	Total number of stock options/ Units	Total number of stock options/ Units granted	Total number of stock options/ Units vested	Stock options/ Units vested and remain unexercised	Stock options/ Units exercised	Stock options/ Units forfeited / lapsed / cancelled	Total number of stock options/ Units outstanding
PDS ESOP 2021	26,57,825	26,48,910	26,33,910	9,87,230	16,46,680	-	10,02,230
PDS ESOP 2021 – Plan A	29,12,050	31,78,525	14,01,140	8,33,119	5,30,521	4,11,250	22,36,754
PDS ESOP 2021 – Plan B	5,06,740	1,61,225	45,612	24,056	21,556	-	1,39,669
PDS Phantom Stock Units Plan 2021	8,61,415	4,92,500	1,91,250	60,375	1,07,125	1,45,000	2,40,375

Pre-Issue and post-Issue shareholding pattern of our Company, as on the date of this Placement Document, is set forth below:

Sr. No.	Category	Pre-Issue*		Post-Issue**	
		Number of Equity Shares held	Percentage (%) of shareholding	Number of Equity Shares held	Percentage (%) of shareholding
A.	Promoter and Promoter Group Holding[#]				
1.	Indian				
	<i>Individuals/Hindu Undivided Family</i>	0	0	0	0
	<i>Others</i>	0	0	0	0
2.	Foreign Promoters				
	<i>Individuals (Non-resident Foreign Individuals/Individuals)</i>	8,67,99,430	65.55	8,67,99,430	61.81
	Sub-Total (A)	8,67,99,430	65.55	8,67,99,430	61.81
B.	Non-Promoter Holding				
1.	Institutional Investors				

Sr. No.	Category	Pre-Issue*		Post-Issue**	
		Number of Equity Shares held	Percentage (%) of shareholding	Number of Equity Shares held	Percentage (%) of shareholding
	<i>Mutual Funds</i>	12,24,031	0.92	40,22,539	2.86
	<i>Alternative Investment Funds</i>	10,52,828	0.80	16,73,756	1.19
	<i>Banks</i>	790	0.00	790	0.00
	<i>Insurance Companies</i>	0	0.00	13,99,254	1.00
	<i>Foreign Portfolio Investors Category I</i>	44,88,684	3.39	76,92,382	5.48
	<i>Foreign Portfolio Investors Category II</i>	1,13,521	0.09	1,13,521	0.08
	<i>Central Government/ State Government(s)/ President of India</i>	0	0.00	0	0.00
2.	Non-Institutional Investors				
	<i>Directors and their relatives (excluding independent directors and nominee directors)</i>	42,500	0.03	42,500	0.03
	<i>Key Managerial Personnel</i>	1,45,986	0.11	1,45,986	0.10
	<i>Resident individuals holding nominal share capital up to ₹ 2 lacs</i>	86,23,248	6.51	86,23,248	6.14
	<i>Resident individuals holding nominal share capital in excess of ₹ 2 lacs</i>	1,91,50,561	14.46	1,91,50,561	13.64
	<i>Non-Resident Indians</i>	17,97,908	1.36	17,97,908	1.28
	<i>Body Corporates</i>	68,52,852	5.18	68,52,852	4.88
	<i>Others</i>	18,86,394	1.42	18,86,394	1.34
	Sub-Total (B)	4,53,79,303	34.27	5,34,01,691	38.03
3.	<i>Employee Benefit Trust</i>	2,32,088	0.18	2,32,088	0.17
	Sub-Total (C)	2,32,088	0.18	2,32,088	0.17
	Grand Total (A+B+C)	13,24,10,821	100.00	14,04,33,209	100.00

* Based on the beneficiary position statement dated August 23, 2024.

** The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on the basis of the Allocation in the Issue and reflects the shareholding of all other categories based on the beneficiary position data of our Company on August 23, 2024, and remains subject to Allotment in the Issue.

Includes shareholding of the members of the Promoter Group

Other confirmations

There are no outstanding options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

No change in control in our Company will occur consequent to the Issue.

Our Company has not made any allotment of Equity Shares in the year immediately preceding the date of this Placement Document, including for consideration other than cash, or pursuant to a preferential issue, private placement or a rights issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice for the Shareholders' approval through postal ballot facility on November 1, 2023, to the Shareholders for the approval of this Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

Proposed Allottees in the Issue

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "Proposed Allottees in the Issue" on page 583.

DIVIDENDS

The declaration and payment of dividend (including interim dividend) will be recommended by our Board of Directors and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend for any financial year shall be paid out of our Company's profits for that year or accumulated profits of any previous financial year(s) in accordance with provisions of the Companies Act the Articles of Association and our Company's dividend distribution policy. The dividend distribution policy of our Company was adopted and approved by our Board in their meeting held on May 27, 2021 ("**Dividend Distribution Policy**") in accordance with the Regulation 43A of the SEBI Listing Regulations and applicable provisions of the Companies Act. In terms of the Dividend Policy, the dividend, if any, will depend on a number of internal factors and external factors, which, *inter alia*, include (i) the Company reporting a net loss for the year, (ii) cash flow from operations being negative, (iii) credit protection or capital adequacy metrics requiring the dividend, (iv) the Company undergoing any form of debt restructuring, (v) the Company being prohibited from declaring dividends by any regulatory authority or lender, (vi) Company implementing or intending to implement a share buyback scheme or any other alternate profit distribution measure, and (vii) any other extraordinary circumstances.

Following are the details of dividends paid by our Company in the current Fiscal and Fiscals 2024, 2023 and 2022:

Fiscal	From July 1, 2024 until the date of this Placement Document	From April 1, 2024 until June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Face value of Equity Shares (₹ per Equity Share)	2.00	2.00	2.00	2.00	10.00
Total dividend per share (₹ per Equity Share)	Nil	Nil	4.75	5.10	23.85
Dividend rate (in %)	Nil	Nil	237.50%	255.00%	238.50%
Total dividend on Equity Shares (in ₹ lakhs)	Nil	Nil	6,258.11	6,622.68	6,224.07

The details of interest coverage ratio of our Company for Fiscal 2024, 2023 and 2022 on a consolidated basis are set out in the table below:

Particulars	For the financial years ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Cash Profit after tax: Profit after Tax(A)	29,610.88	40,695.04	36,272.90
Interest paid (B)	10,687.23	7,456.33	2,865.25
Adjusted profit (C=A+B)	40,298.11	48,151.37	39,138.15
Interest Coverage Ratio (C/B)	3.77	6.46	13.66

(in ₹ lakhs)

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the Fiscal in which they have been allotted. For further information, please see "*Description of the Equity Shares*" on page 241.

The amounts paid as dividend in the past are not necessarily indicative of dividend which may be declared by our Company, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our "Financial Statements" on page 284. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is derived from the Audited Consolidated Financial Statements included in this Placement Document and the financial information for the three months ended June 30, 2023 and June 30, 2024 included herein is derived from the Unaudited Special Purpose Interim Consolidated Financial Statements and the Unaudited Condensed Interim Consolidated Financial Statements, respectively, included in this Placement Document. For further information, see "Financial Statements" on page 284.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 15 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" and " – Significant Factors Affecting our Results of Operations and Financial Condition" on pages 38 and 86, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are for the 12 months ended March 31 of that year. Unless otherwise stated or the content otherwise requires, references in this section to "our Company" or "the Company" are to PDS Limited on a standalone basis, while references to "we", "us", or "our" (including in the context of any financial or operational information) are to our Company along with our Subsidiaries, our Associates, our Joint Venture and our Trust, on a consolidated basis.

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Report on Global and Indian Apparel Industry" dated August 14, 2024 (the "Technopak Report"), exclusively commissioned by and paid by our Company pursuant to an engagement letter dated July 18, 2024, in connection with the Issue to enable the investors to understand the industry in which we operate in connection with the Issue. The data included herein includes excerpts from the Technopak Report and may have been re-ordered by us for the purposes of presentation.

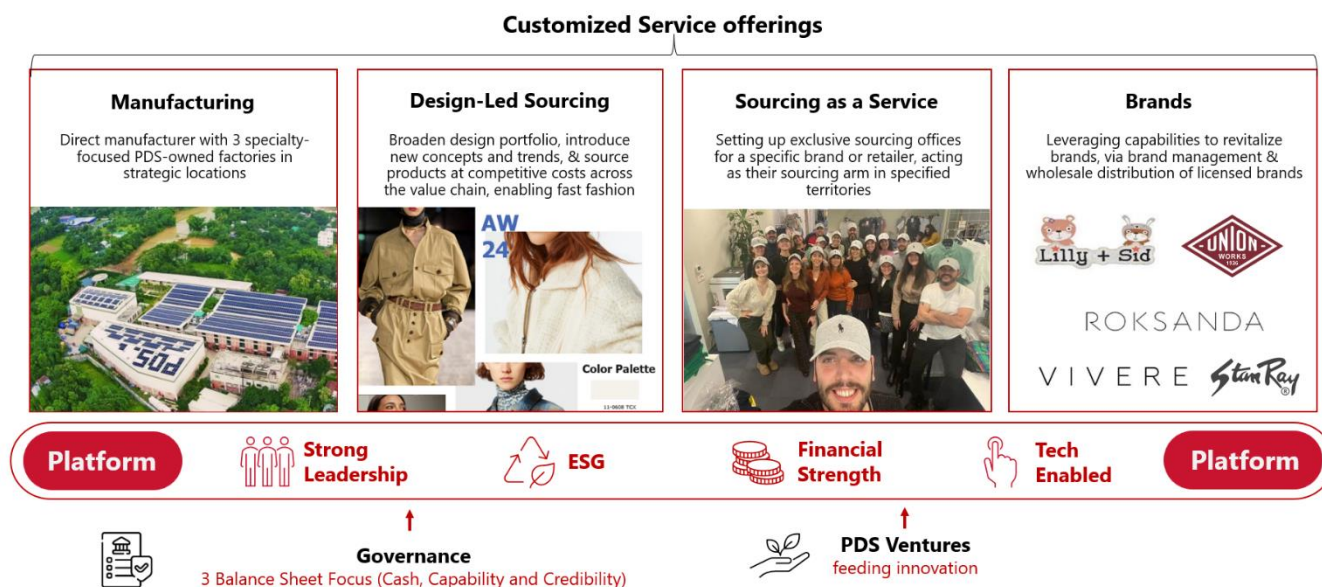
Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further information, see "Industry Overview" on page 116. For further information, see "Risk Factors – Industry information included in this Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate." on page 55. Also see "Industry and Market Data" on page 14.

OVERVIEW

We are India's largest multinational B2B apparel business in terms of revenue, basis Fiscal 2024 (Source: Technopak Report). We are a one-stop, global fashion infrastructure and solutions provider simplifying the fashion value chain. We operate in an industry where brands and retailers, who are our clients, are having to meet fast-changing trends and rapidly evolving preferences of their customers in a challenging environment of global economic pressures compounded by supply chain disruptions. According to the Technopak Report, in order to meet such challenges, retailers and brands have realized that they must focus on their front-end operations to increase their market share by customer acquisition and increasing store sales. This has led to more opportunities being created at the back-end of the fashion value chain for us as our business model allows our clients to focus on their front-end operations while we cater to their back-end operations such as supply chain and infrastructure requirements, including, design, sourcing, manufacturing, compliance, quality assurance and brand management. Our ability to provide services across the fashion value chain, has enabled us to capitalize on multiple opportunities created at the back-end operations of our clients by expanding our service offerings with customized solutions for our clients. We are involved in providing crucial services for the global fashion industry through our asset-light model. We provide supply chain management of high-volume, goods ensuring timely deliveries for many of the leading retailers and brands across the world through our extensive global network. Our multi-faceted versatile global operations allow us to tailor production to meet the specific needs of retailers and brands, addressing both near shoring and far shoring requirements efficiently. As of June 30, 2024, we cater to more than 250 retailers and brands. As per the Technopak Report, we have had the lowest working capital in industry consistently for Fiscal 2022, Fiscal 2023 and Fiscal 2024. Further, we operated on a negative working capital for Fiscal 2022 and Fiscal 2023.

We provide integrated and customized sourcing and manufacturing solutions to global retailers and brands across categories through our model of entrepreneur-led verticals. We are an ethical and entrepreneurial company with a strong sustainability focus. With our keen design sense, extensive industry experience and adoption of the latest techniques and technologies, we are enabling the global fashion industry to cater to the fast-evolving tastes and preferences of consumers more efficiently.

Our service offerings include design-led sourcing, sourcing as a service, brand management and manufacturing through our own facilities.



- *Design led sourcing enabling customers to access quality designs and source products at competitive costs for their chosen categories.*

Through our design led sourcing, we provide end to end sourcing solutions to our clients who are retailers and brands. This includes designing and execution using vendor factories that we partner with for manufacturing the product. We are positioned at a critical point of the fashion value sourcing cycle with orders being placed with us which in turn are sourced from vendor factories at competitive costs. We leverage a global ecosystem of over 250 designers located across geographies to introduce new concepts and trends to our clients by combining creative inputs and market intelligence, enabling our clients access to a broad range of design portfolios. We provide services across the value chain ranging from design, product development based on requirements, order management, supplier management and compliance assurance, enabling our clients to meet the rapidly evolving preferences of their customers.

- *Sourcing as a service*

We launched sourcing as a service in 2021 through an agreement with a U.S. based basics apparel brand for sourcing from Bangladesh. We created an exclusive team with an independent office infrastructure in Bangladesh to provide services to the client.

Through sourcing as a service, we provide customised solutions involving bespoke management of brands and retailers' sourcing needs. We aim to reduce complexities of sourcing and associated costs for our clients. As part of sourcing as a service, we manage the value chain from market intelligence, trend forecasting, product development, designing, factory identification, pricing and negotiation, order management, quality control amongst others. We have exclusive teams and dedicated infrastructure for certain brands and retailers we engage. This provides transparency through cost-plus pricing for our clients. We generally agree with the brands and retailers to an annual budget which further enhances sourcing power, allowing better negotiations with suppliers and enables us to gain a competitive advantage.

We operate our sourcing as a service business through our Subsidiaries. For example, one of our Subsidiaries, Collaborative Sourcing Services FZCO (“CSS”) has established a strategic partnership with a mass-market fashion label wherein CSS has dedicated a specialized team, exclusively focused on delivering market-leading solutions through an ethical value chain. CSS has expanded its operations to Dhaka, Bangladesh, enabling the sourcing of clothing, footwear, and accessories from both Bangladesh and India, further enhancing the competitiveness of our offerings. Further, recently, we have acquired the sourcing operations of the same mass-market fashion label in Turkey. As part of the acquisition, a dedicated team and infrastructure based in Turkey will provide sourcing as a service within the EMEA region for clothing, footwear and accessories category. We have also expanded our sourcing as a service offering into the homeware category through our Subsidiary, Casa Collective Ltd.

- *Brand management*

We have a portfolio of in-house, licensed, brand collaborations catering to various niches and preferences. Under our brand management services, we provide an extensive suite of services including designs, range planning, product development, buying and sourcing. We have collaborations with retailers and influencers in conceptualising new brands. For example,

our UK focused subsidiary Poeticgem Limited, collaborated with a British actor and musician and a UK based retailer, for our brand Union Works. The collaboration includes design, development, manufacture, marketing and sourcing of the clothing collection which is to be sold exclusive through the UK based retail partner. We believe that by working closely with such influencers, we can gain a better understanding of the end customers' preferences and create products that resonate with the influencers.

We also offer brand management solutions to intellectual property companies. We have entered into a license agreement with the Authentic Brands Group for the Forever 21 brand. Under the license agreement, we have been granted the rights for the manufacturing, marketing, and distribution of Forever 21 in the United Kingdom and European regions, including Germany, France, Spain, and Switzerland amongst others. In Fiscal 2023, we acquired New Lobster Limited through one of our Subsidiaries PDS Lifestyle Limited. New Lobster Limited entered into a strategic collaboration to establish the Ted Baker Design Group ("TDG") as the Ted Baker brand's global hub for design and merchandising functions. TDG is responsible for the design and sourcing for Ted Baker's global retail partners. The global retail partners will purchase the brand's core categories from TDG, including men's and women's sportswear and outerwear, men's dress shirts, women's dresses, and fashion handbags. Additionally, TDG has a license agreement for wholesale distribution of Ted Baker brand in the UK and Europe.

➤ *Manufacturing through our own facilities*

We have three manufacturing facilities in strategic locations, with two of the facilities situated in Bangladesh and one in Sri Lanka. Our manufacturing units are certified with LEED Gold and HIGG Index Membership, demonstrating our commitment to environment responsibility and our commitment towards sustainability. Our manufacturing facilities have expanded its capabilities which enable us to enhance operational efficiencies. For example, we have also opened a centralised cutting plant at our facility in Sri Lanka, Norlanka, which uses automated machinery for smart cut planning and fabric cut efficiency to enhance the quality of the end product. Similarly, we have also commissioned a wash plant in one of our Bangladesh facility. Our multi-faceted versatile global operations allow us to tailor production to meet the specific needs of retailers and brands, addressing both near shoring and far shoring requirements effectively.

As of June 30, 2024, we have a global presence spanning more than 20 countries engaging with more than 250 retailers and brand partners. We have cultivated a global sourcing network of more than 600 vendor factories as of June 30, 2024, that we partner with for manufacturing products. We operate from more than 90 locations and have more than 10,000 employees. We strive to build an inclusive global business that respects diversity and benefits from varied perspectives and approximately 58% of our employees are women. Our employees are of more than 40 nationalities.

Our experience and presence in the locations from which we source products allow us to provide local expertise and insights to our customers on a broad range of aspects relating to the supply chain, including factory sourcing, logistics, forwarding, customs clearance, compliance and quality checking.

The following table provides the contribution of our customers located in United Kingdom & Europe, North America, Asia & Middle East, India and Others to our revenue:

Location	Three months ended				Fiscals					
	June 30, 2024		June 30, 2023		2024		2023*		2022*	
	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from operations in ₹ lakhs	As a percentage of total revenue from operations (%)	Revenue from operations in ₹ lakhs	As a percentage of total revenue from operations (%)
UK & Europe	175,755.16	70.36%	150,135.15	72.84%	708,222.88	71.00%	750,967.30	71.00%	679,772.46	77.00%
North America	38,967.89	15.60%	28,526.50	13.84%	129,674.61	13.00%	158,655.06	15.00%	141,251.42	16.00%
Asia & Middle East	28,826.24	11.54%	20,941.42	10.16%	139,649.58	14.00%	116,347.05	11.00%	35,312.86	4.00%
India	1,149.05	0.46%	1,463.43	0.71%	14,901.00	1.49%	7,022.36	0.66%	2,341.42	0.27%
Others	5,095.80	2.04%	5,049.85	2.45%	5,048.94	0.51%	24,708.65	2.34%	24,143.22	2.73%
Total	249,794.14	100.00%	206,116.35	100.00%	997,497.01	100.00%	1,057,700.42	100.00%	882,821.38	100.00%

*For Fiscal 2023 and Fiscal 2022, revenue from operations include other operating revenues amounting to ₹23,151.37 lakhs and ₹14,792.37 lakhs respectively. Note: For Fiscal 2023 and Fiscal 2022, geographical segment was reported as "Revenue from Operations" which comprises of sale of goods and other operating revenues. However, it has been changed to "Revenue from Sale of Goods" for the three months ended June 30, 2024 and three months ended June 30, 2023 and for Fiscal 2024.

The total global retail apparel market, valued at US\$ 1,624.9 billion in CY 2023, is anticipated to grow at a CAGR of 6.3% from CY 2023 to CY 2028, reaching US\$ 2,204.5 billion. (Source: Technopak Report) with Europe holding a substantial share of 26.1% in CY 2023. The European market is expected to grow at CAGR of 5.2%. The American market, with a 28.5% share, also demonstrates healthy expansion and is expected to grow at a CAGR of 6% from CY 2023 to CY 2028. (Source: Technopak Report). Europe holds a substantial share of 26.1%, with noteworthy growth propelled by changing consumer preferences and the Middle East & Africa contribute 3.8%, showcasing significant growth rates expected to grow at a CAGR of 18.1% from CY 2023 to CY 2028. The total global retail apparel market, valued at USD1,624.9 billion in CY 2023, is anticipated to grow at a CAGR of 6.3% from CY 2023 to CY 2028, reaching USD 2,204.5 billion (Source: Technopak Report). This indicates a massive opportunity for companies engaged in the textile and apparel business, including us.

In the recent past, we have witnessed a consistent performance signifying our effective strategies and effective execution. Our revenue from operations has increased from ₹ 8,82,821.38 lakhs in Fiscal 2022 to ₹ 10,37,264.96 lakhs in Fiscal 2024. Our gross margin has grown from 16.22% in Fiscal 2022 to 20.35% in Fiscal 2024 and from 18.68% in the three months ended June 30, 2023 to 20.80% in the three months ended June 30, 2024.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Apparel industry shift towards global sourcing

As per the Technopak Report, the apparel industry has witnessed a dramatic shift towards global sourcing, where manufacturing is outsourced to countries with lower labor costs. This shift is driven by several factors such as the desire for leveraging the expertise of sourcing companies in their ability of having access to a skilled workforce specializing in specific garment types or techniques and potentially enhance product quality. By engaging with sourcing companies, brands are able to emphasize on their core strengths and dedicate their expertise to design and innovation, investment in talented design and cutting edge technologies to create unique and trendsetting products that differentiate them in the market. Also, sourcing companies having an established manufacturing and infrastructure can lead to faster production time and improve efficiency as compared to setting up in-house production facilities. Our ability to leverage the opportunity in the apparel market could impact the results of operations.

Impacted by emerging markets

We are a global sourcing company and rely on third party vendor factories to service our customers. We primarily source products for our customers from Bangladesh, Sri Lanka, China and Turkey. As per the Technopak Report, as businesses seek alternative manufacturing hubs, countries like India, Bangladesh and Vietnam are emerging as attractive destinations, benefiting from increased investment and opportunities in the apparel sector. Any disruption to trade or supply lines to and from those regions would have a significant impact on our ability to source the products and supply to the affected markets. For instance, the Red Sea crisis and its impact on global trade routes has had an impact on our ability to source and supply products. Similarly, according to the Technopak Report, Bangladesh has been a sourcing destination due to the benefit of low labour costs, duty free and quota free access due to Bangladesh's preferential trade agreements and GSP status with the European Union, skilled workforce. The government support in Bangladesh through its policies to support the textile and apparel industry, incentives such as tax breaks, export subsidies and incentives to boost exports in the garment and textile sectors, amongst other factors have made it a lucrative choice as a sourcing market. Our operations are dependent on our ability to source products for our customers from Bangladesh. However, recent protests in Bangladesh have led to internet blackouts and curfews. Any increase in the minimum wage of workers in the apparel-making factories, taxes, import or other costs could increase the operating costs of our vendor factories and the increase may be absorbed by us through an increase in purchase costs which could cause disruptions in our current and future orders with our customers. If we are not able to pass on such additional costs to our customers and/ or control such costs or allocate such production work to other manufacturers of similar quality at comparable terms, it may adversely affect our business operations and financial conditions.

Ability to offer our customized solutions to over 250 brands and retailers through our global presence

We are a one-stop, global fashion infrastructure and solutions provider simplifying the fashion value chain. We operate in an industry where brands and retailers, who are our clients, are having to meet fast-changing trends and rapidly evolving preferences of their customers in a challenging environment of global economic pressures compounded by supply chain disruptions. In order to meet such challenges, retailers and brands have realized that they must focus on their front end operations to increase their market share by customer acquisition and increasing store sales. This enables us to have the opportunity to capitalize on opportunities in multiple parts of the value chain and provide an extensive suite of services across the fashion value chain with our vast global network present across countries. Our supply chain expertise and extensive global network serves as a one-stop-shop service to brands and retailers through competitive pricing and consistency in quality. We have built a global footprint of more than 600 vendor factories spread across more than 20 countries with more than 90 locations which has resulted in us having a strong brands and retailers base with more than 250 global retailers and brands. Our multi-faceted versatile global operations allow us to tailor production to meet the specific needs of retailers and brands, addressing both near shoring and far shoring requirements effectively.

NON-GAAP MEASURES

Certain metrics such as “Gross Profit”, “Gross Margin”, “EBIT”, “EBIT Margin”, “EBITDA”, “EBITDA Margin”, “Return on Capital Employed”, “Net Working Capital Days” and “Dividend Payout Ratio” (“**Non-GAAP Measures**”), presented in this Placement Document are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Such Non-GAAP Measures are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures and other statistical information relating to our operations and financial performance are not standardised terms, hence a direct comparison of these Non-GAAP measures between companies may not be possible. Other companies may calculate Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance. For further information, see “*Risk Factors – Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBIT, EBIT Margin, EBITDA, Return on Capital Employed, Gross Margin, Dividend payout ratio, Net working capital days have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*” on page 55.

Reconciliation of Non-GAAP Measures

Reconciliation for certain non-GAAP measures included in this Placement Document are given below:

I. EBIT, EBIT Margin, EBITDA, EBITDA Margin and Gross Margin

Particulars	(₹ in lakhs)				
	For the three months ended June 30, 2024	For the three months ended June 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations (A)	262,105.55	211,493.61	1037,264.96	1,057,700.42	882,821.38
Cost of material consumed (B)	15,144.00	12,303.19	59,693.63	76,737.85	50,953.04
Add: Purchases of stock-in-trade (C)	191,665.44	176,236.66	770,018.22	802,576.40	694,826.60
Add: Changes in inventories of finished goods and work-in-progress (D)	786.01	(16,558.13)	(3,536.39)	1,238.08	(6,167.54)
Cost of Goods Sold (E) = (B)+(C)+(D)	2,07,595.45	1,71,981.72	8,26,175.46	8,80,552.33	7,39,612.10
Gross Profit (Revenue from operations less Cost of Goods Sold) (F)=(A)-(E)	54,510.10	39,511.89	2,11,089.50	1,77,148.09	1,43,209.28
Gross Margin (Gross Profit as a % of Revenue from Operations)(F/A)	20.80%	18.68%	20.35%	16.75%	16.22%
Profit before share of loss in associates and joint ventures (G)	3,656.95	2,713.81	22,621.76	35,643.43	31,065.66
Add: Finance Costs (H)	3,301.44	2,338.93	10,699.53	7,411.62	3,264.52
EBIT (I)=(G)+(H)	6,958.39	5,052.74	33,321.29	43,055.05	34,330.18
EBIT Margin (EBIT as a % of Revenue from Operations)(I)/(A)	2.65%	2.39%	3.21%	4.07%	3.89%
EBIT (I)	6,958.39	5,052.74	33,321.29	43,055.05	34,330.18
Add: Depreciation (J)	2,331.16	2,154.57	9,342.80	8,018.20	6,990.81
Less: Other Income (K)	1,957.72	479.08	3,467.45	5,153.05	8,602.74
EBITDA (L)=(I)+(J)-(K)	7,331.83	6,728.23	39,196.64	45,920.20	32,718.25
EBITDA Margin (EBITDA as a % of Revenue from Operations)(L)/(A)	2.80%	3.18%	3.78%	4.34%	3.71%

Note: EBITDA: Earnings before interest, tax, depreciation and amortization; EBIT: Earnings before interest and tax.

II. ROCE

Particulars	(₹ in lakhs)		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
EBIT (A)	33,321.29	43,055.05	34,330.18
Total Equity (B)	1,24,566.85	1,11,260.96	93,600.43
Add: Non-Current Borrowings (C)	4,549.62	193.21	10.77
Add: Current Borrowings (D)	89,740.46	59,881.61	62,324.34

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Less: Cash and cash equivalents (E)	46,148.64	51,124.87	46,000.20
Less: Bank balances other than above (F)	22,259.72	21,787.83	20,484.50
Capital Employed (G) = (B)+(C)+(D)-(E)-(F)	1,50,448.57	98,423.08	89,450.84
ROCE (EBIT/Capital Employed) (A)/(G)	22.15%	43.74%	38.38%

Note: EBIT: Earnings before interest and tax; ROCE: Return on capital employed

III. Net working capital days

(₹ in lakhs, unless otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from operations (A)	10,37,264.96	10,57,700.42	8,82,821.38
Cost of Goods Sold(B)	8,26,175.46	8,80,552.33	7,39,612.10
Inventories (C)	32,863.83	25,574.21	30,524.71
Trade receivables (D)	1,67,713.55	97,843.44	1,42,130.97
Outstanding dues to micro enterprises and small enterprises (E)	20.99	15.93	9.50
Outstanding dues to creditors other than micro and small enterprises (F)	1,50,398.35	1,12,469.11	1,56,622.43
Trade Payables(G)=(E)+(F)	1,50,419.34	1,12,485.04	1,56,631.93
Inventory Days (Inventories / Cost of Goods Sold * 365 days) (H)=(C)/(B)*365	15	11	15
Add: Receivable Days (Trade Receivables / Revenue from Operations * 365 days) I=D/A*365	59	34	59
Less: Payable Days (Trade Payables / Cost of Goods Sold * 365 days) (J)=(G)/(B)*365	66	47	77
Net Working Capital Days (H) + (I) - (J)	7	(2)	(3)

IV. Dividend payout ratio

(₹, unless otherwise stated)

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Earnings per share (Basic)(A)	10.98	20.30	19.08
Dividend per share (Interim)(B)	1.60	2.50	-
Dividend per share (Final)(C)	3.15	2.60	4.77
Dividend per share (Total)(D)=(B)+(C)	4.75	5.10	4.77
Dividend payout ratio (Dividend per Share / Earnings per share)(D)/(A)	43.24%	25.12%	25.00%

Note: For Fiscal 2022, earnings per share and dividend per share have been adjusted for stock split from ₹ 10 to ₹ 2 per share.

MATERIAL ACCOUNTING POLICIES

BASIS OF PREPARATION AND PRESENTATION

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

Recent accounting pronouncement

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31 2024, MCA has not notified any new standards applicable to the company.

Principles of consolidation

The consolidated financial statements relate to the Group. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the subsidiaries wholly owned foreign subsidiaries, its step down subsidiaries, associates and joint ventures companies used in the consolidation are drawn upto the same reporting date as that of the Group i.e. March 31, 2024.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered. The Group controls an entity when the parent has power over the entity, it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of

subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's standalone financial statements.

Non-controlling interest (NCI)

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

Loss of control

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

Investments accounted for, using the equity method

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

Changes in ownership interest without change in control

The Group treats transactions with Non-Controlling Interests(NCI) that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interest and any consideration paid or received is recognised within equity.

The ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss where appropriate.

Business combinations

Business combinations are accounted for using the acquisition method, except for common control transactions which are accounted using the pooling of interest method that is accounted at carrying values. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the Consolidated Balance Sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquiree at the date of acquisition. Any excess of identifiable net assets over acquisition cost is recognised in the other comprehensive income on the acquisition date and accumulated in equity as capital reserve. Acquisition related costs are accounted for as expenses in the period in which they are incurred and the services are received.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Material accounting policies

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

b) Material accounting judgements, estimates and assumptions:

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

Judgements:

i. Useful lives of property, plant and equipment and intangible assets

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

Estimates and assumptions:

i. Current tax and deferred tax

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

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

ii. Impairment of inventories

Management reviews the ageing analysis of inventories of the Group at the end of each reporting period, and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The assessment of the provision amount required involves management judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying value of the inventories and the provision charge/write-back of provision for obsolete and slow-moving inventory items in the period in which estimate has been changed.

iii. Impairment of goodwill

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

iv. Valuation of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include consideration of inputs such as liquidity risks, credit risks and volatility in market. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

v. Provision for expected credit losses (ECL) on trade receivables

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

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic condition (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

vi. Leases – estimating the incremental borrowing rate

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

vii. Employee stock option plan

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group initially measures the cost of cash-settled transactions with employees using a Black Scholes model to determine the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black Scholes model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 47.

viii. Contingencies

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

ix. Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

x. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

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

c) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

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

All other assets are classified as non-current.

Liabilities:

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

d) Property, plant and equipment (PPE)

Property, plant and equipment, capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset.

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

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

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

Capital work in progress: Capital work in progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date.

Depreciation:

Depreciation on PPE, except leasehold improvements, is provided on straight-line method over the estimated useful lives of assets. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit and Loss. Leasehold improvements are amortized over the lease term or the useful life of the assets, whichever is earlier.

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

Asset	Useful lives	
	India*	Foreign entities
Furniture and fixtures	10 years	3 - 5 years
Office equipments	5 years	5 years
Vehicles	8 years	3 years
Buildings	60 years	33 years
Computers	3 years	3 - 5 years
Plant and machinery	NA	4 - 5 years

* As per Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

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

e) Intangible assets

Goodwill

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

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

Goodwill is not amortised.

Intangible assets (other than goodwill)

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

Asset	Useful lives	
	India	Foreign entities
Intangibles	NA	5 years

f) Borrowing costs

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

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

g) Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

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

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

- assets and liabilities are translated at the closing rate at the date of that consolidated Balance Sheet.
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

h) Revenue recognition

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

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

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

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

Recognising revenue from major business activities

Sale of goods

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon shipment or on delivery at the customer premises and on completion of performance obligation. Revenue is recognised at a transaction price allocated to the extent of performance obligation satisfied after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is recognised when the return period lapses or a reasonable estimate can be made.

Other operating revenues and other income

Interest income

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

Investment income

Investment income is recognized as and when the right to receive the same is established.

Handling fee income

Handling fee income is recognized in the period in which the services are rendered.

Commission income and management income

Commission income is recognized when the services are rendered.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Rental income

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

Export incentives

Export incentives are recognized as income when the Company is entitled to the incentive as per the terms of the scheme in respect of the exports made and where it is probable that the Company will collect such incentive proceeds.

Any other income is recognized on an accrual basis.

i) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the First-In, First-Out (FIFO) principle and include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work in progress cost include an appropriate share of production overhead based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

j) Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

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

(b) Lease liabilities

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

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

(c) Short term leases

the Group applies the short-term lease recognition practical expedient to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date

and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

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

Group as a lessor

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

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

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

k) Employee benefits

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

Defined contribution plan: A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

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

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

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the Statement of Profit and Loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

- 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.

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.

Share based Compensation

The Group has equity-settled share-based remuneration plans for its employees. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as employee benefits expense with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

The Group has created an Employee Benefit Trust for providing share-based payment to its employees. The Group uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Group from the market, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

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

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

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

m) Financial instruments

i) Recognition and initial measurement

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

ii) **Classification and subsequent measurement**

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

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

Financial liabilities

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

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

iii) **Derecognition**

Financial assets

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

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

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or

modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

iv) Offsetting

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

v) Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

n) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

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

o) Fair value measurement

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

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

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

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

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

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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) Taxes

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period in the respective jurisdiction/ country. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

q) Cash and cash equivalents

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

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

r) Earnings per share (EPS)

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

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating diluted earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

s) Segment reporting

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

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises of revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises revenue from sale of goods and other income.

The following table sets forth a breakdown of our revenue from operations, for the years indicated:

(₹ in lakhs)

Particulars	Three months ended 30 June 2024	Three months ended 30 June 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
Sales of goods	2,49,794.14	2,06,116.35	9,97,497.01	10,34,549.05	8,68,029.01
Other operating revenue	12,311.41	5,377.26	39,767.95	23,151.37	14,792.37
Revenue from operations	2,62,105.55	2,11,493.61	10,37,264.96	10,57,700.42	8,82,821.38

Our revenues from operations are generated from sales of finished goods being in the nature of contracts with customers. Our other operating revenues includes commission income, marketing fee income and other miscellaneous operating revenue.

Other income

Our other income consists primarily of interest income from fixed deposits carries at amortised cost and others, foreign exchange fluctuation, gain on fair valuation of investments carried at fair value through profit or loss, unwinding of discount on deposits carried at amortised cost, sundry balance written back, dividend from investments carried at fair value through profit or loss, gain on disposal of investment property and miscellaneous income.

Expenses

Our expenses comprise of (i) cost of materials consumed, (ii) purchase of stock-in-trade, (iii) changes in inventories of finished goods and work-in-progress, (iv) employee benefits expense, (v) finance costs, (vi) depreciation and amortisation expense, and (vii) other expenses.

Cost of materials consumed

Cost of materials consumed represents the net increase or decrease in the inventory, at the beginning of the year and end of the year.

Purchase of stock-in-trade

Purchase of stock-in-trade consists of purchases of products for re-sale as part of our sourcing segment.

Changes in inventories of finished goods and work-in-progress

Changes in inventories of finished goods and work in progress represents the net increase or decrease in finished goods and work-in-progress, at the beginning of the year and end of the year.

Employee benefits expense

Our employee benefits expense comprises of (i) salaries, wages and bonus, (ii) contribution to provident and other funds, (iii) staff welfare expenses, (iv) gratuity expenses, and (v) employee share compensation expense.

Finance cost

Our finance cost comprises (i) interest expense on (a) term loans, (b) cash credit, factoring and working capital facilities, (c) vehicle loan, (d) lease obligations, (e) loan from others, (f) others, and (ii) unwinding of discount on security deposit received.

Depreciation and amortisation

Depreciation and amortization expense comprises of (i) depreciation of property, plant and equipment, (ii) depreciation of investment property, (iii) amortisation of intangible assets, and (iv) depreciation on right of use of assets.

Other expenses

Other expenses primarily comprise (i) other manufacturing expenses, (ii) electrical charges, (iii) rent, (iv) rates and taxes, (v) loss on fair valuation of investments, (vi) repairs and maintenance, (vii) legal and professional expenses, (viii) software cost, (ix) travelling and conveyance, (x) selling and marketing, (xi) postage and courier, (xii) commission and brokerage, (xiii) provision for doubtful debts, (xiv) freight cost, (xv) recruitment expenses, (xvi) foreign exchange fluctuation, (xvii) royalty, (xviii) advertisement and business promotion, (xix) insurance, (xx) printing and stationery, (xxi) communication costs, (xxii) bank charges, and (xxiii) miscellaneous expenses.

SEGMENT REPORTING

We have identified four reportable segments: (i) sourcing segment, (ii) manufacturing segment, (iii) others and (iv) adjustments and elimination. Set forth below are our revenue from operations, based on our reportable segments:

Particulars	Three months ended June 30, 2024	Three months ended June 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ in lakhs)				
<i>Segment revenue</i>					
Sourcing	2,50,451.04	2,03,091.01	10,07,997.14	10,10,463.88	8,50,650.55
Manufacturing	17,984.85	11,712.34	59,666.10	70,300.09	54,710.45
Others	133.89	117.36	551.97	428.45	221.42
Adjustment/ elimination	(6,464.22)	(3,427.10)	(30,950.26)	(23,492.00)	(22,763.05)
Total	2,62,105.56	2,11,493.62	10,37,264.96	10,57,700.42	8,82,819.38

Note: Adjustment / elimination pertain to inter segment elimination and consolidation adjustments.

RESULTS OF OPERATIONS

The following table sets forth our consolidated statement of profit and loss for the years indicated.

Particulars	(₹ in lakhs)									
	For three months period ended June 30, 2024		For three months period ended June 30, 2023		For the year ended 31 March 2024		For the year ended 31 March 2023		For the year ended 31 March 2022	
	All amounts in ₹ lakhs	Percentage of Total Income (%)	All amounts in ₹ lakhs	Percentage of Total Income (%)	All amounts in ₹ lakhs	Percentage of Total Income (%)	All amounts in ₹ lakhs	Percentage of Total Income (%)	All amounts in ₹ lakhs	Percentage of Total Income (%)
I Revenue from operations	262,105.55	99.26%	211,493.61	99.78%	1,037,264.96	99.67%	1,057,700.42	99.52%	882,821.38	99.04%
II Other income	1,957.72	0.74%	479.08	0.22%	3,467.45	0.33%	5,153.05	0.48%	8,602.74	0.96%
III Total income (I+II)	264,063.27	100.00%	211,972.69	100.00%	1,040,732.41	100.00%	1,062,853.47	100.00%	891,424.12	100.00%

	Particulars	For three months period ended June 30, 2024		For three months period ended June 30, 2023		For the year ended 31 March 2024		For the year ended 31 March 2023		For the year ended 31 March 2022	
		All amounts in ₹ lakhs	Percentage of Total Income (%)	All amounts in ₹ lakhs	Percentage of Total Income (%)	All amounts in ₹ lakhs	Percentage of Total Income (%)	All amounts in ₹ lakhs	Percentage of Total Income (%)	All amounts in ₹ lakhs	Percentage of Total Income (%)
IV	Expenses										
	(a) Cost of material consumed	15,144.00	5.73%	12,303.19	5.80%	59,693.63	5.74%	76,737.85	7.22%	50,953.04	5.72%
	(b) Purchases of stock-in-trade	191,665.44	72.58%	176,236.66	83.14%	770,018.22	73.99%	802,576.40	75.51%	694,826.60	77.95%
	(c) Changes in inventories of finished goods and work-in-progress	786.01	0.30%	(16,558.13)	-7.81%	(3,536.39)	-0.34%	1,238.08	0.12%	(6,167.54)	-0.69%
	(d) Employee benefits expense	27,302.75	10.34%	20,041.10	9.45%	97,949.70	9.41%	76,126.69	7.16%	62,086.61	6.96%
	(e) Finance costs	3,301.44	1.25%	2,338.93	1.10%	10,699.53	1.03%	7,411.62	0.70%	3,264.52	0.37%
	(f) Depreciation and amortization expense	2,331.16	0.88%	2,154.57	1.02%	9,342.80	0.90%	8,018.20	0.75%	6,990.81	0.78%
	(g) Other expenses	19,875.52	7.53%	12,742.56	6.01%	73,943.17	7.10%	55,101.20	5.18%	48,404.42	5.43%
V	Total expenses	260,406.32	98.61%	209,258.88	98.71%	1,018,110.65	97.83%	1,027,210.04	96.64%	860,358.46	96.52%
VI	Profit before share of loss in associates and joint ventures (III-V)	3,656.95	1.39%	2,713.81	1.29%	22,621.76	2.17%	35,643.43	3.36%	31,065.66	3.48%
VII	Share of profit of associates and joint ventures	(80.93)	-0.03%	118.66	0.05%	617.81	0.06%	31.93	0.00%	(57.86)	-0.01%
VIII	Profit before exceptional items and tax (VI-VII)	3,576.02	1.36%	2,832.47	1.34%	23,239.57	2.23%	35,675.36	3.36%	31,007.80	3.47%
IX	Tax expense										
	(a) Current tax	802.84	0.30%	500.36	0.23%	3,259.69	0.31%	3,148.05	0.29%	1,804.24	0.20%
	(b) Deferred tax credit	(346.61)	-0.13%	(1.47)	0.00%	(288.20)	-0.03%	(149.53)	-0.01%	(78.53)	-0.01%
	Total tax expense	456.23	0.17%	498.89	0.23%	2,971.49	0.28%	2,998.52	0.28%	1,725.71	0.19%
X	Profit for the year (VIII-IX)	3,119.79	1.19%	2,333.58	1.11%	20,268.08	1.95%	32,676.84	3.08%	29,282.09	3.28%

Three months ended June 30, 2024 compared to three months ended June 30, 2023

Income

Our total income increased by 24.57 % from ₹ 2,11,972.69 lakhs in the three months ended June 30, 2023 to ₹ 2,64,063.27 lakhs in the three months ended June 30, 2024, due to increase in revenue from operations and other income.

Revenue from operations

Our revenue from operations increased by 23.93% from ₹ 2,11,493.61 lakhs in the three months ended June 30, 2023 to ₹ 2,62,105.55 lakhs in the three months ended June 30, 2024 due to due to acquisition of new business and upward trend in the global industry.

Other income

Our other income increased by 308.64% from ₹ 479.08 lakhs in the three months ended June 30, 2023 to ₹ 1,957.72 lakhs in the three months ended June 30, 2024, primarily due to mark to market gains on investments.

Expenses

Our total expenses increased by 24.44% from ₹ 2,09,258.88 lakhs in the three months ended June 30, 2023 to ₹ 2,60,406.32 lakhs in the three months ended June 30, 2024, primarily due to increase in cost of materials consumed, changes in inventories of finished goods and work-in-progress, increase in employee benefit expense, finance costs and other expenses.

Cost of materials consumed

Our cost of materials consumed increased by 23.09% from ₹ 12,303.19 lakhs in the three months ended June 30, 2023 to ₹ 15,144.00 lakhs in the three months ended June 30, 2024, primarily due to corresponding increase in revenue from operations of our manufacturing companies.

Purchases of stock in trade

Our expenses towards purchase of stock in trade increased by 8.75% from ₹ 1,76,236.66 lakhs in the three months ended June 30, 2023 to ₹ 1,91,665.44 lakhs in the three months ended June 30, 2024, in line with the increase in revenue from operations in June 30, 2024.

Changes in inventories of finished goods and work in progress

The difference in our opening inventory as of April 01, 2024 and closing inventory as of June 30, 2024 was ₹ 786.01 lakhs in the ordinary course of business.

Employee benefit expense

Our employee benefits expense increased by 36.23% from ₹ 20,041.10 lakhs in the three months ended June 30, 2023 to ₹ 27,302.75 lakhs in the three months ended June 30, 2024 primarily due to teams onboarded for new business acquisitions and revision in minimum wages in Bangladesh from December 2023.

Finance cost

Our finance cost increased by 41.15% from ₹ 2,338.93 lakhs in the three months ended June 30, 2023 to ₹ 3,301.44 lakhs in the three months ended June 30, 2024 primarily due to increase in business and resultant increase in borrowings.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 8.20% from ₹ 2,154.57 lakhs in the three months ended June 30, 2023 to ₹ 2,331.16 lakhs in the three months ended June 30, 2024. The increase was mainly on account of capital expenditure incurred in ordinary course of business.

Other expenses

Our other expenses increased by 55.98% from ₹ 12,742.56 lakhs in the three months ended June 30, 2023 to ₹ 19,875.52 lakhs in the three months ended June 30, 2024, primarily due to expenses incurred by new business acquisitions.

Profit before tax

As a result of the foregoing, our profit before tax increased by 26.25% from ₹ 2,832.47 lakhs in the three months ended June 30, 2023 to ₹ 3,576.02 lakhs in the three months ended June 30, 2024.

Total tax expense

Our tax expenses decreased by 8.55% from ₹ 498.89 lakhs in the three months ended June 30, 2023 to ₹ 456.23 lakhs in the three months ended June 30, 2024, primarily due to deferred tax assets created during three months ended June 30, 2024 .

Profit / (Loss) for the period

Due to the factors discussed above, our profit for the year increased by 33.69% from ₹ 2,333.58 lakhs in the three months ended June 30, 2023 to ₹ 3,119.79 lakhs in the three months ended June 30, 2024.

Fiscal 2024 compared to Fiscal 2023

Income

Our total income decreased by 2.08% from ₹ 10,62,853.47 lakhs in Fiscal 2023 to ₹ 10,40,732.41 lakhs in Fiscal 2024, due to decrease in revenues from operations and other income.

Revenue from operations

Our revenue from operations decreased by 1.93% from ₹ 10,57,700.42 lakhs in Fiscal 2023 to ₹ 10,37,264.96 lakhs in Fiscal 2024.

The following table sets forth details of our revenue from operations, based on our reportable segments:

Particulars	Fiscal 2024	Fiscal 2023
	(₹ in lakhs)	
<i>Segment revenue</i>		
Sourcing	10,07,997.14	10,10,463.88
Manufacturing	59,666.10	70,300.09
Others	551.97	428.45
Adjustment/ elimination	(30,950.26)	(23,492.00)
Total	10,37,264.96	10,57,700.42

Note: Adjustment / elimination pertain to inter segment elimination and consolidation adjustments.

On a segment basis, our revenue from operations primarily changed as a result of decreased revenue from each of our segments of sourcing and manufacturing segments due to a general decline in the global apparel trade.

Other income

Our other income decreased by 32.71% from ₹ 5,153.05 lakhs in Fiscal 2023 to ₹ 3,467.45 lakhs in Fiscal 2024, primarily due to a one time gain on disposal of investment property in Fiscal 2023 and a decrease in miscellaneous income offset by an increase in interest income and foreign exchange fluctuation.

Expenses

Our total expenses decreased by 0.89% from ₹ 10,27,210.04 lakhs in Fiscal 2023 to ₹ 10,18,110.65 lakhs in Fiscal 2024. While there is a decrease in cost of materials consumed, purchase of stock in trade, changes in inventories of finished goods and work-in-progress, the same is partially offset by increase in employee benefit expense, finance costs and depreciation and other expenses.

Cost of materials consumed

Our cost of materials consumed decreased by 22.21% from ₹ 76,737.85 lakhs in Fiscal 2023 to ₹ 59,693.63 lakhs in Fiscal 2024, primarily due to decrease in manufacturing revenue.

Purchases of stock in trade

Our expenses towards purchase of stock in trade decreased by 4.06% from ₹ 8,02,576.40 lakhs in Fiscal 2023 to ₹ 7,70,018.22 lakhs in Fiscal 2024, in line with the decrease in revenue in Fiscal 2024.

Changes in inventories of finished goods and work in progress

The difference in our opening inventory as of April 1, 2023 and closing inventory as of March 31, 2024 was ₹ (3,536.39) lakhs primarily due to inventory acquired through business acquisitions.

Employee benefit expense

Our employee benefits expense increased by 28.67% from ₹ 76,126.69 lakhs in Fiscal 2023 to ₹ 97,949.70 lakhs in Fiscal 2024 primarily due to increase in salaries, wages and bonus from ₹ 68,578.69 lakhs in Fiscal 2023 to ₹ 88,928.68 lakhs in Fiscal 2024, and increase in contribution to provident and other funds from ₹ 3,705.92 lakhs in Fiscal 2023 to ₹ 5,428.30 lakhs in Fiscal 2024 partially offset by our expense on employee share compensation decreasing from ₹ 2,146.95 lakhs in Fiscal 2023 to ₹ 1,483.45 lakhs in Fiscal 2024. These increases were on account of teams onboarded for new business acquisitions and revision in minimum wages in Bangladesh from December 2023.

Finance cost

Our finance cost increased by 44.36% from ₹ 7,411.62 lakhs in Fiscal 2023 to ₹ 10,699.53 lakhs in Fiscal 2024 primarily due to increase in borrowings and increase in benchmark interest rates (viz. SOFR).

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 16.52% from ₹ 8,018.20 lakhs in Fiscal 2023 to ₹ 9,342.80 lakhs in Fiscal 2024. The increase was mainly on account of increase in depreciation on right to use of assets from ₹ 3,304.76 lakhs in Fiscal 2023 to ₹ 4,127.31 lakhs in Fiscal 2024, as well as increase in depreciation of property plant and equipment from ₹ 4,183.20 lakhs in Fiscal 2023 to ₹ 4,463.98 lakhs in Fiscal 2024.

Other expenses

Our other expenses increased by 34.20% from ₹ 55,101.20 lakhs in Fiscal 2023 to ₹ 73,943.17 lakhs in Fiscal 2024, primarily due to increase in: (i) travelling and conveyance expenses from ₹ 5,654.82 lakhs in Fiscal 2023 to ₹ 8,141.11 lakhs in Fiscal 2024 (ii) selling and marketing expenses from ₹ 5,877.94 lakhs in Fiscal 2023 to ₹ 7,583.11 lakhs Fiscal 2024, and (iii) miscellaneous expenses from ₹ 2,750.88 lakhs in Fiscal 2023 to ₹ 7,056.88 lakhs in Fiscal 2024.

Profit before tax

As a result of the foregoing, our profit before tax decreased by 34.86% from ₹ 35,675.36 lakhs in Fiscal 2023 to ₹ 23,239.57 lakhs in Fiscal 2024.

Total tax expense

Our tax expenses decreased by 0.90% from ₹ 2,998.52 lakhs in Fiscal 2023 to ₹ 2,971.49 lakhs in Fiscal 2024, due to decrease in taxable profits which is offset by an increase in tax in United Kingdom and Bangladesh.

Profit / (Loss) for the period

Due to the factors discussed above, our profit for the year decreased by 37.97% from ₹ 32,676.84 lakhs in Fiscal 2023 to ₹ 20,268.08 lakhs in Fiscal 2024.

Fiscal 2023 compared to Fiscal 2022

Income

Our total income increased by 19.23% from ₹ 8,91,424.12 lakhs in Fiscal 2022 to ₹ 10,62,853.47 lakhs in Fiscal 2023, due to increase in revenues from operations which is partially offset by other income.

Revenue from operations

Our revenue from operations increased by 19.81% from ₹ 8,82,821.38 lakhs in Fiscal 2022 to ₹ 10,57,700.42 lakhs in Fiscal 2023 due to a general upward trend in the global apparel industry.

The following table sets forth details of our revenue from operations, based on our reportable segments:

Particulars	Fiscal 2023	Fiscal 2022
	(₹ in lakhs)	
<i>Segment revenue</i>		
Sourcing	10,10,463.88	8,50,650.55
Manufacturing	70,300.09	54,710.45
Others	428.45	221.42
Adjustment/ elimination	(23,492.00)	(22,763.05)
Total	10,57,700.42	8,82,819.38

Note: Adjustment / elimination pertain to inter segment elimination and consolidation adjustments.

On a segment basis, our revenue from operations primarily increased as a result of increased revenue from each of our segments of sourcing, manufacturing and others.

Other income

Our other income decreased by 40.10% from ₹ 8,602.74 lakhs in Fiscal 2022 to ₹ 5,153.05 lakhs in Fiscal 2023, primarily due to a one time gain on disposal of a subsidiary and gain on fair valuation of investments in Fiscal 2022 and a decrease in miscellaneous income offset by an increase in interest income and gain on disposal of investment property.

Expenses

Our total expenses increased by 19.39% from ₹ 8,60,358.46 lakhs in Fiscal 2022 to ₹ 10,27,210.04 lakhs in Fiscal 2023, primarily due to increase in cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods and work-in-progress, employee benefit expense, finance costs and other expenses.

Cost of materials consumed

Our cost of materials consumed increased by 50.61% from ₹ 50,953.04 lakhs in Fiscal 2022 to ₹ 76,737.85 lakhs in Fiscal 2023, primarily due to increase in manufacturing revenue.

Purchases of stock in trade

Our expenses towards purchase of stock in trade increased by 15.51% from ₹ 6,94,826.60 lakhs in Fiscal 2022 to ₹ 8,02,576.40 lakhs in Fiscal 2023, in line with the increase in revenue from operations in Fiscal 2023.

Changes in inventories of finished goods and work in progress

The difference in our opening inventory as of April 1, 2022 and closing inventory as of March 31, 2023 was ₹ 1,238.08 lakhs due to higher sale of finished goods which is partially offset by increase in inventory that is work in progress.

Employee benefit expense

Our employee benefits expense increased by 22.61% from ₹ 62,086.61 lakhs in Fiscal 2022 to ₹ 76,126.69 lakhs in Fiscal 2023 primarily due to increase in salaries, wages and bonus from ₹ 55,028.48 lakhs in Fiscal 2022 to ₹ 68,578.69 lakhs in Fiscal 2023, and increase in contribution to provident and other funds from ₹ 3,103.75 lakhs in Fiscal 2022 to ₹ 3,705.92 lakhs in Fiscal 2023 offset by our expense on employee share compensation decreasing from ₹ 2,230.59 lakhs in Fiscal 2022 to ₹ 2,146.95 lakhs in Fiscal 2023. These increases were on account of increase in headcount, incentives as well as increments given to employees during Fiscal 2023 in the ordinary course.

Finance cost

Our finance cost increased by 127.03% from ₹ 3,264.52 lakhs in Fiscal 2022 to ₹ 7,411.62 lakhs in Fiscal 2023 primarily due to increase in interest on cash credit, factoring and working capital facilities from ₹ 2,233.95 lakhs in Fiscal 2022 to ₹ 6,019.02 lakhs in Fiscal 2023.

Depreciation and amortisation expense

Our depreciation and amortisation expense increased by 14.70% from ₹ 6,990.81 lakhs in Fiscal 2022 to ₹ 8,018.20 lakhs in Fiscal 2023. The increase was mainly on account of increase in depreciation on right to use of assets from ₹ 2,619.04 lakhs in Fiscal 2022 to ₹ 3,304.65 lakhs in Fiscal 2023, as well as increase in depreciation of property plant and equipment from ₹ 3,969.62 lakhs in Fiscal 2022 to ₹ 4,183.20 lakhs in Fiscal 2023.

Other expenses

Our other expenses increased by 13.83% from ₹ 48,404.42 lakhs in Fiscal 2022 to ₹ 55,101.20 lakhs in Fiscal 2023, primarily due to increase in: (i) travelling and conveyance expenses from ₹ 2,611.57 lakhs in Fiscal 2022 to ₹ 5,654.82 lakhs in Fiscal 2023 (ii) selling and marketing expenses from ₹ 3,856.62 lakhs in Fiscal 2022 to ₹ 5,877.94 lakhs Fiscal 2023, (iii) commission and brokerage from ₹ 2,505.94 lakhs in Fiscal 2022 to ₹ 5,431.24 lakhs in Fiscal 2023 offset by freight cost and miscellaneous expenses.

Profit before tax

As a result of the foregoing, our profit before tax increased by 15.05% from ₹ 31,007.80 lakhs in Fiscal 2022 to ₹ 35,675.36 lakhs in Fiscal 2023.

Total tax expense

Our tax expenses increased by 73.75% from ₹ 1,725.71 lakhs in Fiscal 2022 to ₹ 2,998.52 lakhs in Fiscal 2023, due to increase in taxable profits, reversal of excess provisioning in Fiscal 2022 offset by deferred tax charge.

Profit / (Loss) for the period

Due to the factors discussed above, our profit for the year increased by 11.59% from ₹ 29,282.09 lakhs in Fiscal 2022 to ₹ 32,676.84 lakhs in Fiscal 2023.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

Our primary sources of liquidity have historically been cash generated from operations and borrowings from banks. We expect that cash generated from operations and borrowings from banks will continue to be our primary sources of liquidity.

The following table sets out a condensed summary of our cash flows for the years indicated.

	For three months period ended June 30, 2024	For three months period ended June 30, 2023	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ in lakhs)				
Net cash generated / (used in) from operating activities	10,782.86	(133.81)	18,950.49	50,987.57	40,725.91
Net cash (used in) investing activities	(5,553.93)	(13,009.57)	(31,449.77)	(13,741.25)	(22,796.65)
Net cash outflow from financing activities	(16,831.64)	(820.80)	(3,847.54)	(33,685.39)	(2,649.17)
Cash and cash equivalents at the end of the financial year	20,889.41	34,817.19	32,783.04	48,567.31	44,259.68

Operating activities

For three months period ended June 30, 2024

Our net cash generated from operating activities was ₹ 10,782.86 lakhs for three months ended June 30, 2024. Our profit before tax was ₹ 3,576.02 lakhs for three months ended June 30, 2024, which was primarily adjusted by depreciation and amortization expense of ₹ 2,331.16 lakhs, finance cost of ₹ 3,301.44 lakhs, employee share compensation expense of ₹ 279.96 lakhs. Our changes in trade payables and other financial liabilities was ₹ (7,587.93) lakhs and change in trade receivables was ₹ 20,742.23 lakhs. Our direct taxes paid (net of refunds received) amounted to ₹ (840.87) lakhs for three months ended June 30, 2024.

For three months period ended June 30, 2023

Our net cash used in operating activities was ₹ (133.81) lakhs for three months ended June 30, 2023. Our profit before tax was ₹ 2,832.47 lakhs for three months ended June 30, 2023, which was primarily adjusted by depreciation and amortization expense of ₹ 2,154.57 lakhs, finance cost of ₹ 2,338.93 lakhs, employee share compensation expense of ₹ 443.21 lakhs. Our changes in trade payables and other financial liabilities was ₹ 2,948.35 lakhs and change in trade receivables was ₹ 388.63 lakhs. Our direct taxes paid (net of refunds received) amounted to ₹ (442.97) lakhs for three months ended June 30, 2023.

Operating activities

Fiscal 2024

Our net cash generated from operating activities was ₹ 18,950.49 lakhs in Fiscal 2024. Our profit before tax was ₹ 23,239.57 lakhs in Fiscal 2024, which was primarily adjusted by depreciation and amortization expense of ₹ 9,342.80 lakhs, finance cost of ₹ 10,699.53 lakhs, employee share compensation expense of ₹ 1,483.45 lakhs. Our changes in trade payables and other financial liabilities was ₹ 31,497.87 lakhs and change in trade receivables was ₹ (57,040.71) lakhs. Our direct taxes paid (net of refunds received) amounted to ₹ (2,975.24) lakhs for Fiscal 2024.

Fiscal 2023

Our net cash generated from operating activities was ₹ 50,987.57 lakhs in Fiscal 2023. Our profit before tax was ₹ 35,675.36 lakhs in Fiscal 2023, which was primarily adjusted by depreciation and amortization expense of ₹ 8,018.20 lakhs, finance cost of ₹ 7,411.62 lakhs, employee share compensation expense of ₹ 2,146.95 lakhs. Our changes in trade payables and other financial liabilities was ₹ (55,766.60) lakhs and change in trade receivables was ₹ 55,244.09 lakhs. Our direct taxes paid (net of refunds received) amounted to ₹ (2,633.99) lakhs for Fiscal 2023.

Fiscal 2022

Our net cash generated from operating activities was ₹ 40,725.91 lakhs in Fiscal 2022. Our profit before tax was ₹ 31,007.80 lakhs in Fiscal 2022, which was primarily adjusted by depreciation and amortization expense of ₹ 6,990.81 lakhs, finance cost of ₹ 3,264.52 lakhs, gain on disposal of a subsidiary of ₹ (4,073.89) employee share compensation expense of ₹ 2,263.16 lakhs. Our changes in trade payables and other financial liabilities was ₹ 65,284.61 lakhs and change in trade receivables was ₹ (51,150.24) lakhs. Our direct taxes paid (net of refunds received) amounted to ₹ (2,407.57) lakhs for Fiscal 2022.

Investing activities

For three months period ended June 30, 2024

Net cash used in investing activities was ₹ (5,553.93) lakhs for three months ended June 30, 2024. This was primarily due to purchase of property, plant and equipment, capital working in progress and investment in property of ₹ (595.96) lakhs, and purchase of investments of ₹ (1,616.59) lakhs, consideration paid towards acquisition of non-controlling interest in subsidiary, business combinations and asset acquisition, net of cash acquired of ₹ (313.62) lakhs.

For three months period ended June 30, 2023

Net cash used in investing activities was ₹ (13,009.57) lakhs for three months ended June 30, 2023. This was primarily due to purchase of property, plant and equipment, capital working in progress and investment in property of ₹ (1,953.04) lakhs, and purchase of investments of ₹ (462.94) lakhs, consideration paid towards acquisition of non-controlling interest in subsidiary, business combinations and asset acquisition, net of cash acquired of ₹ (10,123.75) lakhs.

Fiscal 2024

Net cash used in investing activities was ₹ (31,449.77) lakhs in Fiscal 2024. This was primarily due to purchase of property, plant and equipment, capital working in progress and investment in property of ₹ (16,209.09) lakhs, and purchase of investments of ₹ (6,439.84) lakhs, consideration paid towards acquisition of non-controlling interest in subsidiary, business combinations and asset acquisition, net of cash acquired of ₹ (15,787.76) lakhs.

Fiscal 2023

Net cash used in investing activities was ₹ (13,741.25) lakhs in Fiscal 2023. This was primarily due to purchase of property, plant and equipment, capital working in progress and investment in property of ₹ (3,186.77) lakhs, purchase of intangible assets of ₹ (2,740.53) lakhs, purchase of investments of ₹ (11,040.02) lakhs, consideration paid towards acquisition of non-controlling interest in subsidiary, business combinations and asset acquisition, net of cash acquired of ₹ (4,543.70) lakhs.

Fiscal 2022

Net cash used in investing activities was ₹ (22,796.65) lakhs in Fiscal 2023. This was primarily due to purchase of property, plant and equipment, capital working in progress and investment in property of ₹ (3,798.37) lakhs, purchase of investments of ₹ (13,145.32) lakhs, acquisition of joint ventures, subsidiaries, non-controlling interest of ₹ (12,145.89) lakhs.

Financing activities

For three months period ended June 30, 2024

Net cash used in financing activities was ₹ (16,831.64) lakhs for three months ended June 30, 2024. This was primarily on account of repayment of short term borrowings of ₹ (11,720.97) lakhs, payment of dividend to non-controlling interest of subsidiaries of ₹ (1,409.23) lakhs and interest paid of ₹ (3,157.80) lakhs.

For three months period ended June 30, 2023

Net cash used in financing activities was ₹ (820.80) lakhs for three months ended June 30, 2023. This was primarily on account of proceeds of short term borrowings of ₹ 2,896.27 lakhs, payment of dividend to non-controlling interest of subsidiaries of ₹ (727.01) lakhs and interest paid of ₹ (2,216.22) lakhs.

Fiscal 2024

Net cash used in financing activities was ₹ (3,847.54) lakhs in Fiscal 2024. This was primarily on account of proceeds of short term borrowings of ₹ 19,226.62 lakhs, payment of dividend to shareholders of ₹ (5,399.61) lakhs, payment of dividend to non-controlling interest of subsidiaries of ₹ (9,064.36) lakhs and interest paid of ₹ (10,054.60) lakhs.

Fiscal 2023

Net cash used in financing activities was ₹ (33,685.39) lakhs in Fiscal 2023. This was primarily on account of (repayment) of short term borrowings of ₹ (7,534.78) lakhs, payment of dividend to shareholders of ₹ (9,486.16) lakhs, payment of dividend to non-controlling interest of subsidiaries of ₹ (6,719.43) lakhs and interest paid of ₹ (6,764.07) lakhs.

Fiscal 2022

Net cash used in financing activities was ₹ (2,649.17) lakhs in Fiscal 2024. This was primarily on account of proceeds of short term borrowings of ₹ 12,894.76 lakhs, payment of dividend to shareholders of ₹ (4,102.36) lakhs, payment of dividend to non-controlling interest of subsidiaries of ₹ (5,493.15) lakhs, payment of principal portion of lease liabilities and interest thereon of ₹ (2,356.76) lakhs.

BORROWINGS

As of June 30, 2024, we had total borrowings of ₹ 83,119.19 lakhs, including non-current and current borrowings which included terms loans, bank overdraft and vehicle loans from banks.

CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The following table sets forth our contingent liabilities as at June 30, 2024 as per the Unaudited Condensed Interim Consolidated Financial Statements and as at March 31, 2024 as per the Audited Consolidated Financial Statements:

Particulars	As at June 30, 2024 (₹ in lakhs)	As at March 31, 2024 (₹ in lakhs)
Contingent Liabilities		
i) In case of the Company, claims against Company not acknowledged as debt		
- On account of stamp duty on demerger	148.20	148.20

The Unaudited Condensed Interim Consolidated Financial Statements for the period ended June 30, 2024 also include the following commitments:

- (a) The Company has entered into a Capital commitment agreement where contribution has to be made to Fireside Ventures Advisory LLP (Investment Manager of Fireside Ventures Investment Fund III (Fund)) and Orbis trusteeship Services Private Limited (Trustee Company of the Fund) in which the contributor has committed ₹ 700.00 lakhs which will be paid as per the terms of agreement. During the quarter, 5% (March 31, 2024 - 20%) of the amount i.e. ₹ 35.00 lakhs (March 31, 2024 - ₹ 140.00 lakhs) has been contributed based on the drawdown notice received from the fund. Total contribution till June 30, 2024 is ₹ 215.00 lakhs.
- (b) The Company has entered into a Capital commitment agreement where contribution has to be made to Waterbridge Capital Management LLP (Investment Manager of WaterBridge Ventures II Trust (Fund)) and Vistra ITCL (India) Limited (Trustee Company of the Fund) in which the contributor has committed ₹ 1,000.00 lakhs which will be paid as per the terms of agreement. During the quarter, Nil (March 31, 2024 - 7.50%) of the amount i.e. Nil (March 31, 2024 - ₹ 75.00 lakhs) has been contributed based on the drawdown notice received from the fund. Total contribution till June 30, 2024 is ₹ 675.00 lakhs.

RELATED PARTY TRANSACTIONS

Related party transactions primarily relate to sale of goods, remuneration, director sitting fees and employee stock compensation expense. For further details of such related parties, see “*Related Party Transactions*” on page 37.

OFF-BALANCE SHEET ARRANGEMENTS AND CONTINGENT LIABILITIES

We have no other off-balance sheet commitments and arrangements that materially affect our financial condition or results of operations.

CAPITAL EXPENDITURES

Our capital expenditures include expenditures on property, plant and equipment, capital work in progress, investment property and intangible assets. Property, plant and equipment include plant and machinery primarily used for our manufacturing operations, land, building and office equipment and computers. Right-of-use assets include building and security deposits towards leasehold properties. In Fiscal 2024, Fiscal 2023 and Fiscal 2022, we spent towards capital expenditure for property, plant and equipment, capital work in progress, investment property and intangible assets of ₹ 16,652.78 lakhs, ₹ 5,927.30 lakhs and ₹ 4,436.96 lakhs, respectively.

QUALITATIVE DISCLOSURE ABOUT MARKET RISKS

Our principal financial liabilities, comprise borrowings, trade payables, lease liabilities and other financial liabilities. Our principal financial assets include investments, trade receivables, cash and cash equivalents, bank balances and other financial

assets. We are exposed to market risk, credit risk and liquidity risk. Our Company's senior management oversees the management of these risks. Our Company's senior management is supported by internal and external experts that advise on financial risks and the appropriate financial risk governance framework for our Company. Our Board of Directors reviews and agrees policies for managing each risk, which are as below:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. Our interest rate risk mainly arises from borrowings with variable rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. Our Company is exposed to sensitivity to a reasonably possible change in USD, GBP, EURO, HKD, AED, CNY, LKR and BDT exchange rates, with all other variables held constant.

Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to us. We continuously monitors defaults of customers and other counterparties and incorporate this information into our credit risk control. We also uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model. The credit risk also arises from cash and cash equivalents, deposits from banks and other financial assets measured at amortised cost.

Liquidity Risk

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

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

Except as set out below, there have been no reservations/ qualifications/ adverse remarks/ emphasis of matters highlighted by the statutory auditors of our Company in the five Fiscals immediately preceding the year of this Placement Document:

Financial Period	Reservation, qualification, emphasis of matter or adverse remark	Details of Observation Reservation, qualification, emphasis of matter or adverse remark	Impact on the Financial Statements and Financial Position of the Company	Corrective steps taken and/or proposed to be taken by the Company
Fiscal 2024	Auditor's Report on consolidated financial statements	While the auditor's report on our financial statements has expressed an unmodified opinion for the Fiscal 2024, the auditor's report contains certain observations on maintenance of books of accounts of certain entities which do not require adjustments. In case of the Holding Company and its 6 subsidiaries and joint venture companies incorporated in India, the	Nil	Management is in the process of evaluating whether any corrective actions required.

Financial Period	Reservation, qualification, emphasis of matter or adverse remark	Details of Observation Reservation, qualification, emphasis of matter or adverse remark	Impact on the Financial Statements and Financial Position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		<p>feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software (SAP 6.0 (EHP 7)) used for maintaining the books of accounts.</p> <p>In case of the 3 subsidiaries incorporated in India, and as communicated by the respective auditor of the subsidiaries, the feature of recording audit trail (edit log) was not enabled for the accounting software (Tally Prime 4.1) used for maintaining the books of accounts. Further, during the course of our audit we and respective auditors of the above referred subsidiaries and joint venture did not come across any instance of audit trail feature being tampered with on accounting software where this feature has been enabled.</p>		
Fiscal 2021	Emphasis of Matter	<p>We draw attention to note 50 to the accompanying consolidated financial statements, which describes the uncertainties and impact of the COVID-19 pandemic on the Group's operations and results as assessed by the management of the Holding Company. The impact of pandemic on the Group's operations significantly depend on future developments. Our opinion is not modified in respect of this matter.</p>	Nil	No corrective actions are required.
Fiscal 2020	Emphasis of Matter	<p>We draw attention to Note 51 of the accompanying consolidated financial statements which describes the uncertainties and impact of the Covid-19 pandemic on the Group's operations and results as assessed by the management of the Holding Company. The impact of the pandemic on the Group's operations significantly depends on</p>	Nil	No corrective actions are required.

Financial Period	Reservation, qualification, emphasis of matter or adverse remark	Details of Observation Reservation, qualification, emphasis of matter or adverse remark	Impact on the Financial Statements and Financial Position of the Company	Corrective steps taken and/or proposed to be taken by the Company
		future events. Our opinion is not modified in respect of this matter.		
Fiscal 2020	Emphasis of Matter	We draw attention to Note 48 to the accompanying consolidated financial statements regarding the restatement done by the management of the Holding Company, in accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors on account of the errors further described in the aforesaid note. Our opinion is not modified in respect of this matter.	Nil	No corrective actions are required.

KNOWN TRENDS AND UNCERTAINTIES

There are no known trends or uncertainties which are expected to have a material adverse impact on our revenues or income from continuing operations.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

As of the date of this Placement Document, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECTED OR ARE LIKELY TO AFFECT REVENUE FROM OPERATIONS

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in the sections "*Risk Factors*", "*Industry Overview*" and "*Our Business*" on pages 38, 116 and 167 respectively.

FUTURE RELATIONSHIPS BETWEEN COSTS AND INCOME

Other than as described in this section and the sections "*Risk Factors*" and "*Our Business*" and on pages 38 and 167, respectively, there are no known factors which will have a material adverse impact on our business operations or financial condition.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Placement Document, we have not announced and do not expect to announce in the near future any new products or business segments.

COMPETITIVE CONDITIONS

The global apparel sourcing space is highly competitive, driven by a dynamic landscape where speed, cost efficiency, and sustainability are key differentiators. Companies are increasingly pressured to balance quality with affordability, as they contend with rising production costs in traditional manufacturing hubs like Bangladesh, Sri Lanka, China amongst others and the growing appeal of alternative regions such as Southeast Asia, South Asia, and Africa. Additionally, the shift towards nearshoring and on-demand production to reduce lead times and carbon footprints has intensified competition. Brands and retailers are now prioritizing suppliers who can offer flexibility, innovation, and adherence to stringent environmental and social governance standards, further heightening the competitive environment. We face significant competition from a number of players across geographies and categories. We also face competition from large manufacturers based in emerging countries

who engage directly with retailers and brands. The intense competition that we face may result in increased pricing pressure, reduced profit margin or loss of market share or a failure to increase our market share. For further details, see “*Risk Factors – Internal Risk Factors - We face intense competition, which could adversely affect our results of operations and market share.*” on page 54.

SUPPLIERS OR CUSTOMERS CONCENTRATION

We are not dependent on any particular supplier or customer.

SEASONALITY OF BUSINESS

Our business is not seasonal in nature.

SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2024

Except as set out in this Placement Document, to our knowledge, no circumstances have arisen since the date of the last financial statements as disclosed in this Placement Document which have materially or adversely affected or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

INDUSTRY OVERVIEW

The industry-related information contained in this section is derived from the industry report titled “Report on Global and Indian Apparel Industry”, dated August 14, 2024 prepared by Technopak, which is a report exclusively commissioned and paid for by our Company and prepared and issued by Technopak pursuant to an engagement letter dated July 16, 2024, in connection with the Issue. Technopak Advisors Private Limited is not related in any manner to our Company, our Promoters, our Directors or Key Managerial Personnel or members of the Senior Management, our Subsidiaries or the BRLMs. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in the Technopak Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Issue. Unless otherwise indicated, financial, operational, industry and other related information derived from the Technopak Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

MACROECONOMIC OVERVIEW OF GLOBAL ECONOMY

Global Economic Indicators

GDP and GDP Growth

Following the onset of the COVID-19 pandemic crisis, the global economy has experienced a combination of both risks and opportunities. Progressing towards recovery, the global economy has started returning to normalcy with the government’s appropriate measures including widespread vaccination efforts and the consistent implementation of fiscal and monetary support strategies. On the back of continued fiscal and monetary stimuli across countries, the global GDP is forecasted to grow from USD 105.6 Tn in CY 2023 to USD 133.8 Tn by CY 2028, thus growing at a CAGR of 4.8% during the forecasted period. Also, the CAGR of other major economies such as China (6.0%), UK (5.6%), Japan (2.8%), Germany (3.2%), USA (4.2%) and India (11.9%) is expected to grow favourably for the similar period between CY 2023 to CY 2028 showcasing an upward trajectory in these years.

Exhibit 1.1: Nominal GDP (USD Tn) (CY) at current prices and Ranking of Key Global Economies based on GDP (USD Tn) in CY 2023

Country	Rank in GDP (CY 23)	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025P	2028P	CAGR (CY 2018 - 23)	CAGR (CY 2023 - 28P)
USA	1	18.7	19.5	20.5	21.4	21.1	23.3	25.5	27.4	28.8	29.8	33.6	5.9%	4.2%
China	2	11.2	12.3	13.9	14.3	14.7	17.8	18.0	17.7	18.5	19.8	23.6	4.9%	6.0%
Germany	3	3.5	3.7	4.0	3.9	3.9	4.3	4.1	4.5	4.6	4.8	5.2	2.2%	3.2%
Japan	4	5.0	4.9	5.0	5.1	5.1	5.0	4.3	4.2	4.1	4.3	4.8	-3.5%	2.8%
India	5	1.9	2.1	2.4	2.5	2.5	3.0	3.4	3.7	4.2	4.7	6.5	9.0%	11.9%
UK	6	2.7	2.7	2.9	2.9	2.7	3.1	3.1	3.3	3.5	3.7	4.4	3.1%	5.6%
France	7	2.5	2.6	2.8	2.7	2.6	3.0	2.8	3.0	3.1	3.2	3.5	1.6%	3.2%
Brazil	9	1.8	2.2	1.9	1.9	1.5	1.7	1.9	2.2	2.3	2.4	2.9	2.5%	6.0%
Australia	13	1.2	1.3	1.4	1.4	1.3	1.6	1.7	1.7	1.8	1.9	2.1	4.0%	3.9%
Netherlands	18	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.1	1.2	1.3	4.2%	3.3%
Turkey	19	0.9	0.9	0.8	0.8	0.7	0.8	0.9	1.1	1.1	1.1	1.2	7.6%	2.2%
United Arab Emirates	29	0.4	0.4	0.4	0.4	0.3	0.4	0.5	0.5	0.5	0.6	0.6	3.5%	4.6%
World	-	76.5	81.5	86.5	87.8	85.3	97.2	100.9	105.6	110.8	116.5	133.8	4.1%	4.8%

Source: World Bank Data, IMF, RBI; CY 2017 for India refers to FY 2018 data and so on.
1 USD= INR 80

The GDP of the World grew by 4.7% in CY 2023 and this positive trend is expected to continue into CY 2024, with a growth rate of 4.9%. The economies of Brazil and Turkey witnessed a remarkable growth in nominal GDP during CY 2022 and 2023, following the COVID-19 pandemic. Brazil demonstrated a substantial year-on-year nominal GDP growth rate of 16.4% in CY 2022 followed by a growth of 13.0% in CY 2023. Meanwhile Turkey experienced a notable growth rate of 11.0% in CY 2022 and 22.0% growth in CY 2023. On the other hand, major economies like the United States and India reported GDP growth rates of 9.2% and 14.2% respectively during CY 2022 followed by 7.5% and 9.6% GDP growths in CY 2023. Japan, however, experienced a negative growth in GDP (-1.2%) during CY 2023.

Exhibit 1.2: Nominal GDP Growth rate of Key Global Economies (CY) (%)

Country	2017	2018	2019	2020	2021	2022	2023	2024E	2025P	2028P
USA	4.3%	5.3%	4.1%	-1.5%	10.7%	9.2%	7.5%	5.2%	3.7%	4.0%
China	9.5%	13.0%	2.9%	2.7%	20.9%	1.1%	-1.7%	4.9%	6.8%	6.0%
Germany	6.6%	8.1%	-2.5%	0.0%	10.3%	-5.1%	9.3%	2.9%	3.9%	3.1%
Japan	-1.4%	2.2%	1.6%	-1.2%	-0.6%	-15.3%	-1.2%	-2.4%	4.9%	3.9%
India	11.0%	10.6%	6.4%	-1.4%	18.4%	14.2%	9.6%	13.5%	11.9%	11.4%
UK	-0.4%	7.1%	-0.7%	-5.3%	16.3%	-1.6%	8.1%	4.8%	5.4%	6.0%
France	5.3%	7.7%	-2.5%	-3.3%	12.1%	-6.1%	9.0%	3.3%	2.9%	3.2%
Brazil	20.0%	-11.1%	-2.6%	-20.9%	11.5%	16.4%	13.0%	7.4%	4.7%	5.9%
Australia	9.9%	7.5%	-2.8%	-4.3%	17.3%	8.3%	3.0%	2.9%	3.9%	4.3%
Netherlands	6.4%	9.6%	0.0%	0.0%	13.2%	-1.9%	10.9%	1.8%	3.5%	3.8%
Turkey	-2.3%	-9.4%	-1.3%	-5.3%	13.9%	11.0%	22.0%	0.0%	0.0%	3.8%
United Arab Emirates	5.4%	10.3%	-2.3%	-19.0%	23.5%	21.4%	0.0%	3.9%	3.8%	5.2%
World	6.5%	6.2%	1.4%	-2.9%	13.9%	3.9%	4.7%	4.9%	5.1%	4.7%

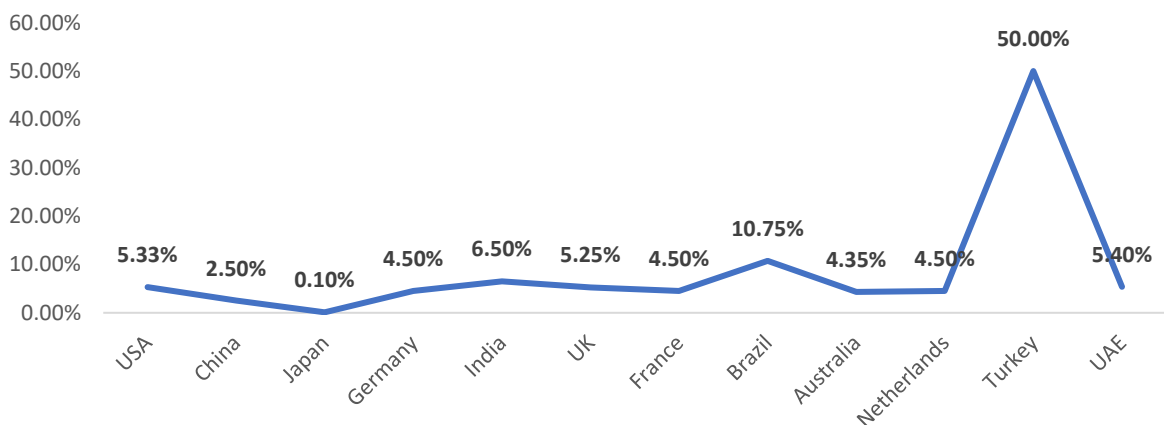
Source: Technopak Analysis

For India, CY 2017 represents FY 2018 and so on.

Interest Rates

Due to high inflation, there is a significant increase in the prices of goods and services. Thus, central banks of those countries usually increase their policy interest rates to tackle inflation and vice-versa. This influences the interest rates charged by commercial banks with a view to dampen demand across the economy, resulting in excess supply and lower inflation. Currently, prevailing policy interest rates in USA, China, India, and Brazil are 5.33%, 2.50%, 6.50% and 10.75% respectively.

Exhibit 1.3: Interest rates for Key Global Economies in April 2024 (%)



Source: Secondary Research, India data from RBI

Inflation

Inflation, measured by the consumer price index (CPI), is defined as the change in the prices of a basket of goods and services that are typically purchased by specific groups of households. The world has witnessed a significant rise in inflation during the year CY 2023 where the average global inflation is recorded at 6.8%. However, the global inflation rate is expected to drop to 5.9% in CY 2024 and 4.5% to CY 2025 as compared to a pre-pandemic level of 3.5% during CY 2019.

The CPI inflation in India is expected to fall from 5.4% in CY 2023 to 4.6% in CY 2024 and further dropping to 4.2% during the year CY 2025. Similarly, the CPI inflation of other major economies such as the United States and Germany is expected to fall from 4.1% and 6.0% respectively during CY 2023 to 2.9% and 2.4% by CY 2024 followed by 2.0% and 2.0% respectively by CY 2025. However, China will see a slight increase in its inflation rate from 0.2% in CY 2023 to 1.0% in CY 2024 and 2.0% in CY 2025.

Due to a substantial increase in global crude oil and commodity prices, India along with other developed countries are facing significant challenges related to high levels of inflation in recent years. Further, the pandemic has led to disruptions in global supply chains, affecting the availability of goods and raw materials. In response to this inflationary pressure, these countries are compelled to raise their domestic interest rates.

Exhibit 1.4: Inflation rates of Key Global Economies over the years (CY) (%)

Country	2017	2018	2019	2020	2021	2022	2023	2024E	2025P	2026P	2027P	2028P
USA	2.1%	2.4%	1.8%	1.2%	4.7%	8.0%	4.1%	2.9%	2.0%	2.1%	2.1%	2.1%
China	1.6%	2.1%	2.9%	2.5%	0.9%	2.0%	0.2%	1.0%	2.0%	2.0%	2.0%	2.0%
Japan	0.5%	1.0%	0.5%	0.0%	-0.2%	2.5%	3.3%	2.2%	2.1%	2.0%	2.0%	2.0%
Germany	1.7%	1.9%	1.4%	0.4%	3.2%	8.7%	6.0%	2.4%	2.0%	2.0%	2.0%	2.0%
India	3.6%	3.4%	4.8%	6.2%	5.5%	6.7%	5.4%	4.6%	4.2%	4.1%	4.0%	4.0%
UK	2.7%	2.5%	1.8%	0.9%	2.6%	9.1%	7.3%	2.5%	2.0%	2.0%	2.0%	2.0%
France	1.2%	2.1%	1.3%	0.5%	2.1%	5.9%	5.7%	2.4%	1.8%	1.8%	1.8%	1.8%
Brazil	3.4%	3.7%	3.7%	3.2%	8.3%	9.3%	4.6%	4.1%	3.0%	3.1%	3.0%	3.0%
Australia	2.0%	1.9%	1.6%	0.9%	2.8%	6.6%	5.6%	3.5%	3.0%	2.7%	2.7%	2.6%
Netherlands	1.3%	1.6%	2.7%	1.1%	2.8%	11.6%	4.1%	2.7%	2.1%	2.0%	2.0%	2.0%
Turkey	11.1%	16.3%	15.2%	12.3%	19.6%	72.3%	53.9%	59.5%	38.4%	22.4%	19.0%	18.6%
United Arab Emirates	2.0%	3.1%	-1.9%	-2.1%	-0.1%	4.8%	1.6%	2.1%	2.0%	2.0%	2.0%	2.0%
World	3.3%	3.6%	3.5%	3.2%	4.7%	8.7%	6.8%	5.9%	4.5%	3.7%	3.5%	3.4%

Source: IMF projections

Note: The exhibit reflects inflation measured based on the Consumer Price Index (CPI).

Purchasing Manager's Index (PMI)

PMI is an index of the prevailing direction of economic trends in the manufacturing and service sectors which is derived from the monthly surveys covering questions on output, employment, new orders, prices, costs and other aspects of the business activity of the private sector companies. It is conducted to provide information about current and future business conditions to company decision-makers, analysts and investors. It is identified as a number between 0 to 100 in which a score above 50 indicates expansion, while a score below 50 denotes contraction and a reading at 50 indicates no change.

PMI for USA in April 2024 in manufacturing was 50 points as compared to 50.2 points in April 2023 that denotes slow growth in the manufacturing sector while in services it is 51.3 points in April 2024 as compared to 53.6 points in April 2023 showing contraction in services sector as well. Similarly, India's manufacturing sector exhibited growth, rising from 57.2 points in April 2023 to 58.8 points in April 2024. Conversely, the manufacturing sector experienced a slight decline, with its PMI falling from 62 in April 2023 to 60.8 in April 2024.

Exhibit 1.5: Purchasing Manager's Indices of Key Global Economies for Manufacturing and Services Sectors (in points)

PMI, Manufacturing	Apr-23	Apr-24	% change
USA	50.2	50	-0.4%
China	49.5	51.4	3.8%
Japan	49.5	49.6	0.2%
Germany	44.5	42.5	-4.5%
India	57.2	58.8	2.8%
UK	47.8	49.1	2.7%
France	45.6	45.3	-0.7%
Brazil	44.3	55.9	26.2%
Australia	48	49.6	3.3%
Netherlands	44.9	51.3	14.3%
Turkey	51.5	49.3	-4.3%
United Arab Emirates	56.6	55.3	-2.3%

PMI, Services	Apr-23	Apr-24	% change
USA	53.6	51.3	-4.3%

PMI, Services	Apr-23	Apr-24	% change
China	56.4	52.5	-6.9%
Japan	55.4	54.3	-2.0%
Germany	56	53.2	-5.0%
India	62	60.8	-1.9%
UK	55.9	55	-1.6%
France	54.6	51.3	-6.0%
Brazil	54.5	53.7	-1.5%
Australia	53.7	53.6	-0.2%
Netherlands	NA	NA	NA
Turkey	NA	NA	NA
United Arab Emirates	NA	NA	NA

Source: Secondary Research and Technopak Analysis

Note: NA denotes Data Not Available

Growing Consumption and Discretionary Spending

Private Final Consumption Expenditure

Private consumption expenditure, which encompasses spending by households and non-profit institutions on goods (food, lifestyle, home, pharmacy, etc.) and services (food services, education, healthcare, etc.), plays a significant role in the economy. A high share of private consumption relative to GDP can provide insulation from external economic fluctuations. This indicates a strong correlation between sustainable economic growth and consistent consumer demand for goods and services. Recent trends show a shift in consumer behavior. Individuals are becoming more mindful of their spending habits, placing greater emphasis on saving and investment. Consumption priorities are evolving, potentially driven by factors like technological advancements, changing demographics, and evolving preferences. Discretionary categories like apparel and lifestyle may experience adjustments as needs-based categories and experiences take center stage.

Exhibit 1.6: Total Private Final Consumption Expenditure of Key Global Economies at Current Prices (USD Tn) (CY)

Country	2017	2018	2019	2020	2021	2022	2023	Contribution to GDP			CAGR (CY 2017-23)
								2019	2022	2023	
USA	16.0	16.8	17.4	17.4	19.4	21.1	NA	81.0%	81.9%	NA	NA
China	6.8	7.7	8.0	8.1	9.6	9.5	NA	56.0%	53.4%	NA	NA
Japan	3.7	3.8	3.8	3.8	3.8	3.3	NA	74.5%	77.2%	NA	NA
Germany	2.7	2.9	2.8	2.8	3.1	3.0	3.2	72.2%	73.0%	72.3%	2.9%
India	1.3	1.4	1.5	1.5	1.8	2.1	2.2	61.0%	60.9%	60.3%	9.2%
UK	2.2	2.4	2.4	2.2	2.6	2.6	2.8	83.0%	82.9%	82.6%	4.1%
France	2.0	2.2	2.1	2.1	2.3	2.2	2.3	76.6%	77.4%	77.0%	2.4%
Brazil	1.8	1.6	1.6	1.2	1.3	1.6	1.8	85.1%	81.5%	81.5%	0.0%
Australia	1.0	1.1	1.0	1.0	1.1	1.2	1.2	74.3%	70.7%	71.0%	3.1%
Netherlands	0.6	0.6	0.6	0.6	0.7	0.7	0.8	68.1%	68.0%	68.8%	4.9%
Turkey	0.6	0.6	0.5	0.5	0.6	0.6	0.8	72.2%	69.0%	73.0%	4.9%
United Arab Emirates	0.2	0.2	0.2	0.2	NA	NA	NA	51.4%	NA	NA	NA
World	59.8	63.0	64.1	62.6	70.1	72.5	NA	73.0%	70.5%	NA	NA

Source: World Bank, RBI

* For India, CY 2017 refers to FY 2018 and so on, NA= Not Available

1USD = INR 80

Purchasing Power Parity (PPP)

Purchasing Power Parity measures the total amount of goods and services that a single unit of a particular country's currency can buy in another country. It compares economic growth and standard of living in different countries with a common currency by eliminating the differences in price levels between countries. The purchasing power parity for the USA, China, Germany, and France has been on the rise from the period between CY 2017 to CY 2023 with an average growth rate of CAGR 5.1%, 8.8%, 4.8% and 5.3% respectively.

Exhibit 1.7: GNI per capita, PPP of Key Global Economies in CY (Current Prices USD)

Country	2017	2018	2019	2020	2021	2022	2023	CAGR (CY 2017-23)
USA	61,010	64,060	66,290	64,770	71,130	77,950	82,190	5.1%
China	14,730	15,430	16,610	17,070	19,350	21,250	24,380	8.8%
Japan	42,980	43,750	44,350	43,920	46,440	49,820	52,640	3.4%
Germany	54,340	57,060	60,430	59,560	64,330	69,210	72,110	4.8%
India	6,100	6,520	6,830	6,430	7,220	8,230	10,030	8.6%
UK	45,550	47,620	52,340	46,980	53,130	57,750	58,140	4.2%
France	45,580	47,620	51,580	49,880	55,020	58,610	62,130	5.3%
Brazil	14,030	14,550	14,900	14,590	15,750	17,270	19,990	6.1%
Australia	47,090	48,670	50,970	52,840	56,780	62,920	66,260	5.9%
Netherlands	54,460	57,610	59,850	59,070	68,780	73,850	77,750	6.1%
Turkey	27,840	27,900	28,020	28,340	31,230	37,990	43,700	7.8%
United Arab Emirates	69,700	77,020	79,230	65,800	68,790	78,530	83,750	3.1%
World	16,258	16,922	17,653	17,287	18,973	20,846	22,855	5.8%

Source: World Bank, Technopak Analysis

Per Capita Income

The per capita income for developed economies such as United States, Germany, France, and United Kingdom have been on the rise from the period between CY 2017 to CY 2023 with a CAGR of 5.2%, 3.6%, 2.7% and 2.3% respectively over the period between CY 2017-2023. Developing economies such as China and India, have witnessed similar trend in growth as compared to developed economies and have an average growth rate of CAGR 7.5% and 8.4% respectively over the period between CY 2017 to CY 2023.

In India, GDP per capita crosses USD 2,000 marking a significant economic milestone. However, despite this growth, the rate of growth in discretionary spending remains relatively slow and disproportionate. As of FY 2024, the total retail consumption basket in India accounted for USD 1,061 Bn with discretionary spending comprising 34% of total retail valued at USD 361 Bn. Looking ahead, similar growth patterns are expected in the future as well with total retail consumption basket of USD 1,417 Bn in FY 2027 and total discretionary spend of ~37% in total retail amounting to USD 531 Bn. Several factors such as focused agricultural practices yielding lower disposable income compared to urban employment, less share of urban population, low internet penetration restricting exposure to new products and trends etc. contributes to the lower discretionary spending in India. Nevertheless, positive trends are expected in the coming years as more people focus on convenience and adopting new trends driven by increased urbanization, improved internet penetration and a growing middle class with higher disposable incomes.

Exhibit 1.8: GNI Per Capita Income of Key Global Economies at Current Prices (USD) (CY)

Country	2017	2018	2019	2020	2021	2022	2023	CAGR (CY 2017-23)
USA	59,130	63,290	66,120	64,670	71,390	76,770	80,300	5.2%
China	8,670	9,540	10,310	10,520	11,950	12,850	13,400	7.5%
Japan	38,930	41,800	41,970	40,940	43,670	42,550	39,030	0.0%
Germany	43,760	47,490	49,410	47,970	52,050	54,030	53,970	3.6%
India	1,609	1,768	1,853	1,802	2,130	2,403	2,608	8.4%
UK	41,660	42,020	43,240	38,750	45,550	48,640	47,800	2.3%
France	38,320	41,170	42,460	39,250	43,810	45,290	45,070	2.7%
Brazil	8,670	9,140	9,220	7,910	7,850	8,140	9,070	0.8%
Australia	51,530	53,150	54,970	53,630	57,240	60,840	63,140	3.4%
Netherlands	46,270	50,540	51,930	50,170	58,170	60,230	60,670	4.6%
Turkey	11,090	10,650	9,800	9,160	10,010	10,640	11,650	0.8%
United Arab Emirates	42,090	44,350	46,210	41,600	43,590	49,160	53,290	4.0%
World	10,415	11,101	11,513	11,059	12,116	12,871	13,212	4.0%

Source: World Bank, India data from RBI, Technopak Analysis

Demographic

Increasing Young Population

India has one of the youngest populations globally compared to other leading economies. The median age in India is estimated to be 29.5 years in CY 2023 as compared to 38.5 years and 39.8 years in the United States and China, respectively and is expected to remain under 30 years until 2030. The younger segment of the population is naturally pre-disposed to adopting new trends and exploration given their educational profile and their exposure to media and technology, which presents an opportunity for domestic consumption in the form of branded products and organized retail among others.

Exhibit 1.9: Median Age of Key Global Economies (CY 2023)

Country	India	China	USA	Germany	Japan	Australia	France	Netherlands	Brazil	UK	Turkey	UAE
Median Age (Yrs.)	29.5	39.8	38.5	46.7	49.5	37.9	42.4	42.2	34.7	40.6	33.6	35.7

Source: World Population Review

Increasing Urbanization

Increasing urbanization is a key trend to note with strong implication on country's economic growth. It is due to the change in the standard of living, employment opportunities, industrialization, commercialization, rural-urban change, and other social benefits that leads to the movement towards the urban areas. Today, 57% of the population is classified as urban in the world in CY 2023 as compared to China (65%), the USA (83%), Australia (87%) etc. as of CY 2023. It is expected that the world's urban population will increase to ~68% by 2050.

Exhibit 1.10: Urban Population as a Percentage of Total Population of key Global Economies (CY 2023)

Country	World	India	China	USA	Germany	Japan	Australia	France	Netherlands	Brazil	UK	Turkey	UAE
% Share of Urban Population	57%	36%	65%	83%	78%	92%	87%	82%	93%	88%	85%	77%	88%

Source: World Bank

Exhibit 1.11: Urban Population y-o-y growth of key Global Economies (CY) (%)

Country	2017	2018	2019	2020	2021	2022	2023
USA	0.9%	0.8%	0.7%	1.2%	0.4%	0.6%	0.7%
China	2.7%	2.5%	2.3%	2.1%	1.8%	1.6%	1.5%
Japan	0.0%	0.0%	-0.1%	-0.2%	-0.4%	-0.3%	-0.4%
Germany	0.4%	0.4%	0.3%	0.2%	0.2%	0.9%	1.0%
India	2.4%	2.4%	2.3%	2.3%	2.1%	2.0%	2.2%
UK	1.0%	0.9%	0.9%	0.7%	0.2%	1.4%	1.1%
France	0.6%	0.7%	0.7%	0.6%	0.6%	0.6%	0.6%
Brazil	1.1%	1.1%	1.1%	1.0%	0.8%	0.7%	0.8%
Australia	1.8%	1.6%	1.6%	1.4%	0.3%	1.4%	2.5%
Netherlands	1.1%	1.0%	1.1%	0.9%	0.9%	1.3%	1.3%
Turkey	2.0%	1.5%	1.5%	1.4%	1.4%	1.3%	1.0%
United Arab Emirates	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
World	2.0%	1.9%	1.9%	1.8%	1.6%	1.6%	1.7%

Source: World Bank

Increasing Smartphone Users and Online Shoppers

While China boasts the most smartphone users (almost 1 Bn) compared to the US (~277 million), online shopping habits reveal a different story. Japan reigns supreme in online shopping ease, with nearly 97% of their smartphone users embracing online retail. This suggests a highly developed e-commerce infrastructure that makes online shopping convenient and accessible. In contrast, India, despite having a vast smartphone user base (~659 million), sees only ~28% of them shopping online. This lower penetration rate might indicate a cultural preference for traditional shopping or a lack of widespread internet access in some areas, potentially hindering the ease of online shopping for a significant portion of the population.

Exhibit 1.12: Number of Smartphone Users and Online Shoppers for key Global Economies (million) (CY 2023)

Country	Smartphone Users	Online Shoppers
USA	~277	~264
China	~974	~712

Country	Smartphone Users	Online Shoppers
Japan	~97	~94
Germany	~68	~59
India	~659	~185
UK	~67	~56
France	~54	~48
Brazil	~143	~108
Australia	~22	~9.8
Netherlands	~15	~14
Turkey	~64	~42
United Arab Emirates	~9.6	~3

Source: Secondary Research and Technopak Analysis

OVERVIEW OF THE GLOBAL APPAREL INDUSTRY

Global Apparel Industry

Manufacturing, distribution and retailing of clothing and accessories are all part of the vast and intricate global fashion and apparel sector. The global apparel industry is a significant economic force, generating billions of dollars in income and millions of jobs globally.

Over the last five years, there has been a noticeable trend in the worldwide retail apparel sector due to the influence of several causes such as the COVID-19 epidemic, changing customer preferences, and economic downturns. The market shrank from USD 1,408 Bn in CY 2019 to USD 1,170 Bn in 2020, which represents the pandemic's initial shock. Nevertheless, CY 2021 demonstrated tenacity and expansion, attaining USD 1,404 Bn, as customers adjusted to working remotely and adopting change in lifestyles. In CY 2022, the market grew further, reaching a total of USD 1,524.6 Bn, despite industrial interruptions caused by supply chain issues and sustainability concerns. The market reached USD 1,624.9 Bn in CY 2023, propelled by the adoption of online retail and a rebound in consumer confidence. As e-commerce, sustainability, and shifting fashion trends continue to impact the industry's evolution, projections point to a potential compound annual growth rate (CAGR) of roughly 6% from CY 2023 to CY 2028. The market is expected to reach USD 2,204 Bn in CY 2028.

Based on projections, the global apparel trade market is expected to reach USD 629 Bn in CY 2028, growing at a compound annual growth rate (CAGR) of 4% from CY 2023 to CY 2028.

Exhibit 2.1: Global Apparel trade (USD Bn)

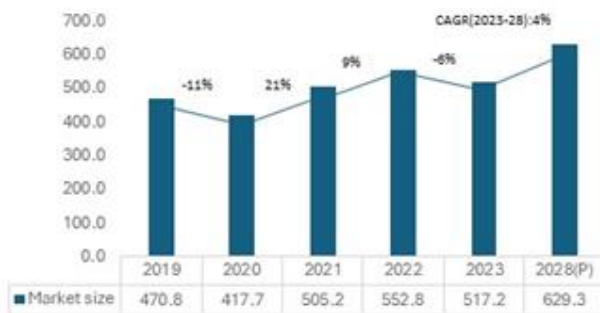
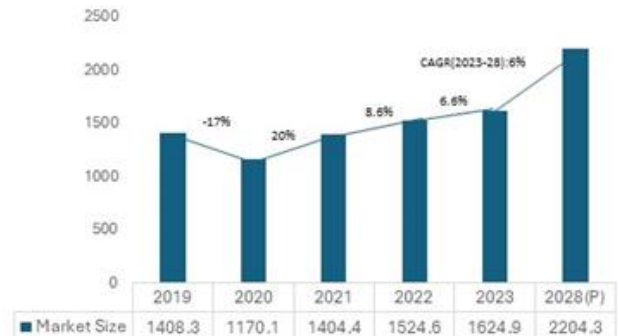


Exhibit 2.2: Global Retail Apparel Market Size (USD Bn)



Source: Secondary Research and Technopak Analysis

Drivers of the Market

Growth of E-commerce: The e-commerce industry has undergone a seismic transformation in recent years, becoming an integral part of modern consumer behaviour worldwide. This digital revolution has disrupted traditional retail models and revolutionized the way businesses interact with consumers. With advancements in technology, seamless payment gateways, and the proliferation of mobile devices, the e-commerce sector has witnessed exponential growth and is projected to continue its upward trajectory.

Growth of Emerging Markets: Emerging economies such as China, India, Brazil, Indonesia, Mexico etc exemplify this dynamic growth, fostering increased income and purchasing power among their citizens. This surge in prosperity propels a heightened demand for various goods and services, notably clothing and accessories, shaping their vibrant markets.

Multi-Modular Dressing: How consumer preferences are changing! Busy lives, filled with work, workouts, and social events, all demand different things from clothes. The rise of comfortable yet stylish athleisure has blurred the lines between traditional

categories like workwear and casual wear. On top of that, value-conscious consumers are looking to get the most out of each piece they own. This shift means one outfit for every occasion just doesn't cut it anymore, paving the way for trends like Multi-Modular Dressing, which offer adaptable clothing solutions for the modern, multi-faceted individual. This approach not only meets the diverse needs of consumers but also drives increased sales as people invest in versatile, multi-purpose apparel pieces.

Growing Demand for Sportswear and Performance Wear: Worldwide demand for performance wear and sportswear has been rising. The change in this category was mostly brought about by people's growing interest in fitness activities and increased awareness of leading healthy lives. By 2026, the global sportswear market is projected to grow to USD 248 Bn, with a 5.1% user penetration. The demand for sportswear and performance wear will be driven by people's shifting preferences for apparel made for fitness and other athletic activities worn in other settings, like the workplace, school, or casual or social occasions. This, in turn, is expected to drive the overall global apparel market.

Technology Advancements:

The apparel market has been significantly influenced by technological advancements. The "Other Robot" is a multifunctional manipulator that can be reprogrammed with the purpose of automating the assembly line for garment manufacturing by moving materials and equipment. The introduction of big data technology has significantly empowered brands in personalizing their offerings. Product technology innovation and industrial automation combined with big data may make manufacturing more accurate, affordable, and localized. Potential advantages include faster delivery times, more speed, and lower costs due to shorter shipping times and cheaper supplies. These technological advances benefited the apparel industry by offering high-quality products at reduced prices.

Increased Demand for Man-Made Fibers:

The industry has seen consumers opting for man-made fibres or fabrics with synthetic blends. Man-made fibres are manufactured from crude oil derivatives, and these are comparatively 30% - 40% cheaper than cotton. Man-made fibres are extensively used in apparel due to their low costs, demand and supply gap in cotton, and adaptable fibre type. The rising cotton prices during the historic period were the major drivers to boost the use of synthetic fibres. Recently apparel manufacturers have incorporated these fibres into their products and their usage accounts for above 70% of blended fabrics.

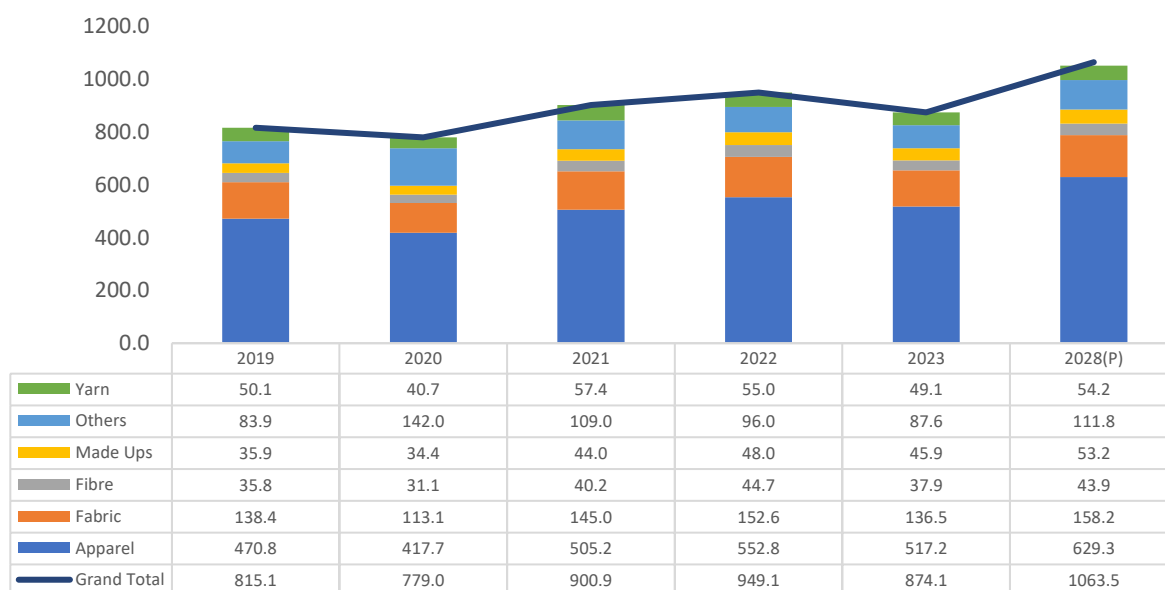
Global Textiles and Apparel Trade

Global T&A trade:

The global T&A trade is projected to increase from USD 874 Bn in CY 2023 to USD 1,063 Bn in CY 2028, reflecting a growth rate (CAGR) of 4.5%.

The global apparel trade is anticipated to rise from USD 517 Bn in CY 2023 to around USD 629 Bn by CY 2028, demonstrating a CAGR of 4% during that period.

Exhibit 2.3: Global Textile and Apparel Trade (USD Bn) - Value chain analysis



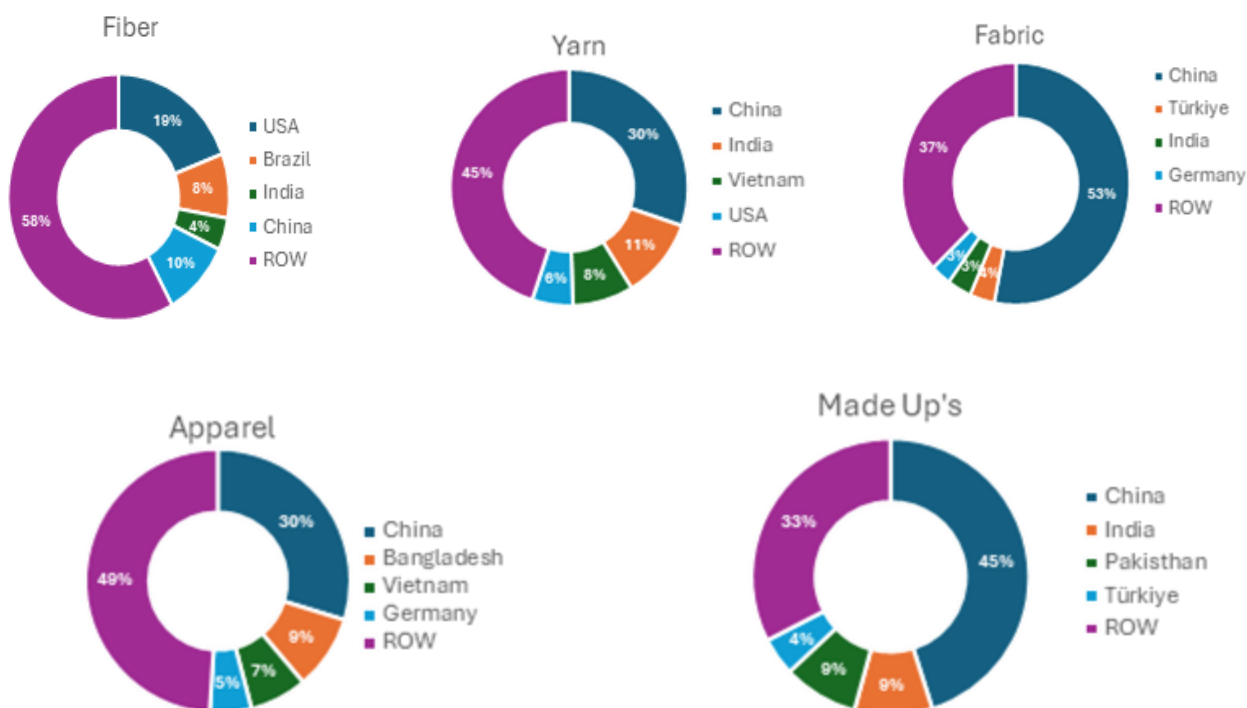
Source: Secondary Research and Technopak Analysis

Note: Values in USD Bn

Share of Top Exporting Nations

China dominates the global T&A export market share in CY 2023 with 10% in fiber, 30% in yarn, 53% in fabric, 30% in apparel and 45% in made ups. Bangladesh, Vietnam, Turkey, India, and Pakistan are other major exporters.

Exhibit 2.4: Share of top Exporting Nations in CY 2023 (%) - By Value Chain



Source: Secondary Research and Technopak Analysis,

Note: All Values in %

Major T&A Importing Nations

The data on textile and apparel imports by country from 2019 to 2028 indicates significant trends in growth and decline across various regions. The European Union (EU-27) leads with the highest import value of USD 262.9 billion in 2023, accounting for a 33.9% share of the market. The projected growth for the EU-27 is at a CAGR of 3.2% from 2023 to 2028. This growth can be attributed to the robust demand for textiles and apparel in European markets, driven by a combination of high consumer spending and fashion-conscious consumers.

The USA, with an import value of USD 114.4 billion in 2023, holds a 14.8% share and is expected to grow at a CAGR of 4.2% between CY2023 to 2028. This reflects a strong recovery post-pandemic and a resurgence in consumer spending on textiles and apparel. Germany, a key market within the EU, is expected to post a steady growth rate of 3.0%, with imports valued at USD 55.3 billion in 2023. This steady growth is supported by Germany's well-established fashion industry and high disposable incomes.

France and Japan exhibit stable market conditions with projected growth rates of 3.0% and 3.1% between CY2023 to 2028, respectively. France's import value in 2023 is USD 33.8 billion, and Japan's is USD 32.5 billion, indicating consistent demand for textiles and apparel in these countries. Italy, another significant European player, shows a similar projected growth trend with a 3.1% CAGR and an import value of USD 30.1 billion in 2023, likely due to its renowned fashion sector and strong domestic consumption.

China and Vietnam demonstrate notable trends. While China's import value is USD 29.9 billion in 2023, reflecting its substantial manufacturing capabilities and export-driven economy, Vietnam stands out with the highest projected growth rate of 6.8% and an import value of USD 28.0 billion in 2023. This rapid increase is driven by Vietnam's growing role as a major textile and apparel manufacturing hub, benefiting from trade agreements and competitive production costs.

The UK, with an import value of USD 27.8 billion in 2023, is projected to show a modest CAGR of 2.5% between CY2023 to 2028, which may be influenced by economic uncertainties and shifts in trade dynamics post-Brexit. Spain, Netherlands, and South Korea all show solid growth rates around 3-3.5%, indicating stable demand in these regions. Spain's import value is USD 25.5 billion, the Netherlands' is USD 21.4 billion, and South Korea's is USD 17.6 billion in 2023.

Poland, with a 4.5% projected CAGR and an import value of USD 17.3 billion in 2023, highlights the growing importance of emerging markets in Europe, driven by increasing consumer wealth and market expansion. Canada and Bangladesh also show strong growth at 3.0% and 6.0%, respectively. Canada's import value is USD 15.6 billion, while Bangladesh's is USD 13.9 billion in 2023, benefiting significantly from its role as a key textile and apparel exporter.

Mexico's growth at 3.2%, with an import value of USD 13.3 billion in 2023, reflects a recovery in demand and favourable trade conditions with the USA. Belgium, with a 3.1% growth rate and an import value of USD 12.7 billion in 2023, shows steady demand, possibly due to its role as a trading hub within Europe.

Exhibit 2.5: Major T&A Importing Nations (USD Bn)

Countries	2019	2020	2021	2022	2023	2028(P)	% Share (2023)	CAGR (2023-28)
EU-27	241.7	247.6	265.3	287.3	262.9	307.7	33.9%	3.2%
USA	119.4	117.3	127.8	145.5	114.4	140.6	14.8%	4.2%
Germany	53.3	57.7	59.1	63.2	55.3	64.1	7.1%	3.0%
France	31.3	34.3	33.1	36.0	33.8	39.2	4.4%	3.0%
Japan	37.1	35.9	33.4	35.4	32.5	37.9	4.2%	3.1%
Italy	25.8	25.4	26.7	31.6	30.1	35.1	3.9%	3.1%
China	32.2	29.3	35.5	31.4	29.9	35.6	3.8%	3.6%
Vietnam	20.8	18.7	22.8	24.1	28.0	38.9	3.6%	6.8%
UK	32.5	34.1	29.6	32.7	27.8	31.4	3.6%	2.5%
Spain	24.4	22.8	24.4	28.2	25.5	29.6	3.3%	3.0%
Netherlands	19.5	19.3	22.9	23.7	21.4	25.4	2.8%	3.5%
South Korea	16.1	15.1	17.1	18.8	17.6	21.2	2.3%	3.8%
Poland	13.1	15.5	18.5	18.4	17.3	21.6	2.2%	4.5%
Canada	14.7	15.1	15.3	18.2	15.6	18.1	2.0%	3.0%
Bangladesh	13.0	11.1	17.8	18.1	13.9	18.6	1.8%	6.0%
Mexico	10.7	8.7	11.2	13.5	13.3	15.6	1.7%	3.2%
Belgium	13.3	13.0	13.5	14.3	12.7	14.8	1.6%	3.1%

Source: Secondary Research and Technopak Analysis

Major T&A Exporting Countries

In CY 2023, China led the global apparel export market with a substantial share of 33.5%, amounting to USD 292.63 Bn, and is projected to grow at a CAGR of 4.0% by CY 2028. The sector's growth is supported by China's advanced manufacturing capabilities, economies of scale, and robust infrastructure. Innovations in technology, such as automation and AI, enhance efficiency and reduce labor costs, while a growing emphasis on sustainability reflects global standards for eco-friendly practices.

India, with exports valued at USD 34.2 billion and a 3.9% market share in 2023, is projected to grow at a CAGR of 4.2% from 2023 to 2028. Indian manufacturers are diversifying their product offerings to include technical textiles and high-fashion garments. The country is notable for its ability to handle smaller order quantities with shorter lead times, which is increasingly important for meeting the demands of fast fashion and quick turnaround times. Government initiatives, such as the Production Linked Incentive (PLI) scheme, aim to further strengthen the textile sector. There is also an increasing focus on sustainability and adherence to international labour standards, contributing to the sector's evolution.

Bangladesh, with exports of USD 49.5 billion in 2023 and a 5.7% share, is expected to grow at a CAGR of 4.5%. The country's textile sector remains heavily export-oriented, with the ready-made garment (RMG) industry being a major contributor. Improvements in factory safety and working conditions have enhanced Bangladesh's reputation. Cost competitiveness, due to affordable fabric and labor, continues to support its strong position in the global market.

Vietnam has emerged as a significant player, with exports reaching USD 46.7 billion and a 5.3% share in 2023. The country is projected to grow at a robust CAGR of 6.5% between CY2023 to 2028. Vietnam's rapid expansion is driven by its strategic location, favourable trade agreements, and a strong focus on sustainability and technological innovation. Despite this growth, challenges such as fluctuating global demand and profitability issues among leading enterprises persist.

Exhibit 2.6: Major T&A Exporting Countries (USD Bn)

Countries	2019	2020	2021	2022	2023	2028(P)	% Share (2023)	CAGR (2023-28)
China	260.2	280.5	304.8	319.7	292.6	356.0	33.5%	4.0%
Bangladesh	35.1	29.4	37.8	48.7	49.5	61.6	5.7%	4.5%

Countries	2019	2020	2021	2022	2023	2028(P)	% Share (2023)	CAGR (2023-28)
Vietnam	39.4	37.1	41.3	45.4	46.7	63.9	5.3%	6.5%
Germany	38.2	37.0	41.3	41.6	42.4	50.1	4.9%	3.4%
Italy	36.4	30.9	37.7	39.9	40.7	47.5	4.7%	3.1%
India	35.5	29.6	41.5	38.3	34.2	42.1	3.9%	4.2%
Türkiye	28.6	27.3	34.5	35.3	32.9	36.9	3.8%	2.4%
USA	26.1	22.8	25.6	30.8	26.5	32.4	3.0%	4.1%
France	17.4	15.1	18.1	19.6	21.4	26.1	2.4%	4.0%
Netherlands	17.2	17.2	21.1	20.5	20.4	23.4	2.3%	2.8%
Spain	19.1	15.8	20.7	20.9	19.3	21.8	2.2%	2.5%
Pakistan	13.7	13.1	17.5	18.9	16.1	18.7	1.8%	3.0%
Belgium	15.8	14.2	15.7	16.3	15.8	18.3	1.8%	3.0%
Poland	10.0	11.9	15.0	14.0	14.5	17.5	1.7%	3.8%
Indonesia	12.8	10.6	13.1	13.8	11.6	13.4	1.3%	2.8%
Cambodia	8.5	7.8	8.4	9.3	8.2	9.8	0.9%	3.8%
Sri Lanka	5.8	4.8	6.1	6.2	5.2	5.8	0.6%	2.5%
Myanmar	5.1	4.7	4.0	5.6	4.5	5.8	0.5%	5.4%
Egypt	3.2	2.9	3.9	4.5	4.4	5.4	0.5%	4.3%
Brazil	3.6	4.0	4.5	4.8	4.0	5.2	0.5%	5.3%
Sweden	3.1	3.4	4.0	4.0	3.9	4.3	0.4%	2.0%
Jordan	2.0	1.7	1.9	2.3	2.3	2.8	0.3%	4.0%

Source: Secondary Research and Technopak Analysis

All Values in USD Billion

Note: Germany and Italy do not have significant apparel manufacturing their numbers has a major share of intra-EU trade.

Market Segment Analysis

The global apparel market has been analysed based on various dimensions and segments to help suppliers within the industry have a better understanding of the structure of current demand and the components of demand, which will drive growth in the future.

Segment Name	Description
Region	APAC, North America, Europe, Middle East and Africa, and South America
End User	Women, Men, and Kids
Distribution Channel	Online & Offline
Value	Mass, Premium, & Luxury

Apparel retail market segment analysis - By Geography

The global retail apparel market exhibits a geographical distribution that reflects dynamic trends and varying growth rates. In CY 2023, the AP&C region led with a 36.3% market share, reflecting robust growth and a projected CAGR of 5.8% from CY 2023 to CY 2028. The American market, with a 28.5% share, also demonstrates healthy expansion and is expected to grow at a CAGR of 6% from CY 2023 to CY 2028. Europe holds a substantial share of 26.1%, with noteworthy growth propelled by changing consumer preferences and the Middle East & Africa contribute 3.8%, showcasing significant growth rates expected to grow at a CAGR of 18.1% from CY 2023 to CY 2028. The total global retail apparel market, valued at USD1,624.9 Bn in CY 2023, is anticipated to grow at a CAGR of 6.3% from CY 2023 to CY 2028, reaching USD 2,204.5 Bn.

Exhibit 2.7: Global Apparel Retail Market (USD Bn) (CY) - Segment Analysis by geography

Country	2019	2020	2021	2022	2023	2028(P)	% Share (2023)	CAGR (2023-28)
AP&C	549.1	470.2	525.1	538.7	590.0	781.1	36.3%	5.8%
Americas (North & South America)	444.9	360	483	529.9	548.4	733.8	28.5%	6.0%
Europe	367.7	298	348.1	402.9	424.9	548.2	26.1%	5.2%
Middle East & Africa	46.6	41.9	48.2	53.1	61.61	141.4	3.8%	18.1%
Total	1,408.3	1,170.1	1,404.4	1,524.6	1,624.9	2,204.5	100%	6.3%

Source: Secondary Research and Technopak Analysis

Exhibit 2.8: AP&C's apparel retail market (USD Bn) (CY)- Segment Analysis

AP&C	2019	2020	2021	2022	2023	2028(P)	% Share (2023)	CAGR (2023-28)
China	282.7	259.1	292.1	273.6	305.9	421.8	51.8%	6.6%
India	53.7	39.2	45.6	59.9	64.9	94.4	10.9%	7.9%
Japan	61.8	50.0	49.3	50.2	51.6	53.4	8.7%	0.7%
South Korea	46.4	38.5	44.8	48.4	52.5	66.0	8.9%	4.7%
Australia	20.7	18.9	22.5	27.9	28.9	33.3	4.9%	2.9%
Rest of Asia	83.8	64.5	70.8	78.7	86.5	112.1	14.7%	5.3%
Total	549.1	470.2	525.1	538.7	590	781.0	100.0%	5.8%

Source: Secondary Research and Technopak Analysis

The Asia Pacific region is the largest apparel market in the world, accounting for over 36.3% of the global market revenue.

China leads the market with a substantial share of 51.8% in CY 2023 and is expected to grow at a CAGR of 6.6%, reaching USD 421.8 Bn by CY 2028. India follows with a market share of 10.9% in CY 2023, exhibiting the highest CAGR of 7.9%, projected to reach USD 94.4 Bn by CY 2028. Japan and South Korea show modest growth rates, while Australia's market remains steady. The rest of Asia collectively holds a 14.7% share in CY 2023, growing at a CAGR of 5.3%. Overall, the AP&C market is set to expand at a CAGR of 5.8%, achieving a total value of USD 781.0 Bn by 2028.

This is due to several factors, including:

- **Large population:** The Asia Pacific region is home to over half of the world's population. This provides a large and growing consumer base for apparel products.
- **Rising disposable incomes:** Disposable incomes are rising in many Asia Pacific countries, such as China, India, and Indonesia. This is leading to increased spending on apparel products.
- **Growing urbanization:** Urbanization is also on the rise in the Asia Pacific region. This is leading to a growing demand for Western-style apparel.
- **Increasing young population:** The region has a significant and increasing young population, which tends to spend more on fashion and apparel.
- **Growing awareness of fashion trends:** There is a growing awareness and adoption of fashion trends, influenced by global media and increased internet penetration, which is driving demand for trendy and fashionable apparel.

Exhibit 2.9: Americas retail apparel market (USD Bn) (CY) - Segment Analysis

Americas	2019	2020	2021	2022	2023	2028(P)	% Share (2023)	CAGR (2023-28)
USA	354.7	291.1	392.6	414.7	415.1	491.1	75.7%	3.4%
Canada	24.3	19.3	22.8	26.8	28.2	34.3	5.1%	4.0%
Mexico	16.3	12.1	16.1	18.8	20.2	27.1	3.7%	6.1%
Rest of America	49.6	37.5	51.5	69.6	84.9	181.3	15.5%	16.4%
Total	444.9	360	483	529.9	548.4	733.8	100%	6.0%

The apparel market in the Americas (North & South Americas) is the second largest globally, accounting for 28.5% of the global market revenue.

In 2023, the Americas apparel retail market reached USD 548.4 Bn, with strong growth anticipated through 2028. The USA leads the market, commanding a substantial 75.7% share and showing moderate growth with a projected CAGR of 3.4%. Canada and Mexico contribute smaller shares, yet both exhibit positive growth trends, with Mexico experiencing the most rapid expansion at a CAGR of 6.1%. The "Rest of America," which includes prominent markets such as Brazil and Argentina, is expected to see significant growth, with a notable CAGR of 16.4%. This highlights the expanding opportunities and growth potential in these emerging Latin American markets.

This is due to several factors, including:

- **High disposable incomes:** The United States is the largest economy in the world, and its citizens have high disposable incomes. This leads to a strong demand for apparel products.
- **Diverse population:** The United States has a diverse population, with people from all over the world. This leads to a demand for a wide range of apparel products.

Exhibit 2.10: Europe apparel retail market (USD Bn) (CY) - Segment analysis

Europe	2019	2020	2021	2022	2023	2028(P)	% Share (2023)	CAGR (2023-28)
Germany	62.9	49.8	56.3	60.8	61.3	68.7	14.4%	2.3%
UK	49.8	40.9	46.1	53.3	54.6	61.8	12.9%	2.5%
Italy	51.3	40.0	47.2	50.0	51.1	62.5	12.0%	4.1%
France	35.8	28.3	32.5	37.8	38.1	40.5	9.0%	1.2%
Russia	38.1	32.0	36.0	35.8	34.3	36.6	8.1%	1.3%
Spain	26.5	19.7	24.5	28.9	30.1	31.9	7.1%	1.2%
Netherlands	15.1	12.2	14.3	17.3	17.7	19.2	4.2%	1.6%
Rest of Europe	88.4	75.2	91.3	119.1	137.9	226.9	32.5%	10.5%
Total	367.7	298.0	348.1	402.9	424.9	548.2	100%	5.2%

The European apparel market, the third largest globally, accounted for over 26.4% of global apparel market revenue in 2023. The market is experiencing steady growth with a Compound Annual Growth Rate (CAGR) of 5.2%, making it a highly attractive region for apparel brands and retailers. Germany leads the European market with a 14.4% share and is expected to grow at a CAGR of 2.3% from 2023 to 2028. Other significant markets include the UK, with a 12.9% share and a CAGR of 2.5%, and Italy, holding a 12.0% share with a projected CAGR of 4.1%. France, Russia, Spain, and the Netherlands also contribute notably to the market.

Key factors driving this growth include

- High disposable incomes: European countries have high disposable incomes, which leads to strong demand for apparel products.
- Established fashion industry: Europe has a long history of fashion, and many of the world's leading fashion brands are based in Europe.

Exhibit 2.11: Apparel retail market (USD Bn) (CY)- Segment analysis of other major economies

Other Major apparel Market	2019	2020	2021	2022	2023	2028(P)	CAGR (2023-28)
Saudi Arabia	14.5	13.2	14.6	15.9	17.0	21.6	4.9%
UAE	8.9	7.9	8.8	9.5	10.1	12.5	4.4%
Egypt	5.6	5.1	6.1	7.5	8.2	11.7	7.4%
Brazil	24.4	18.9	22.6	26.4	28.7	44.2	9.0%
Argentina	4.9	3.6	8.9	20.3	22.4	36.9	10.5%
Colombia	8.4	6.5	8.8	10.5	10.9	13.3	4.0%

Source: Source: Secondary Research, Technopak analysis

Market Segment Analysis -By End User

In CY 2023, Womenswear is the largest segment of the global apparel retail industry, accounting for 53% of the industry's total value. This segment is projected to grow at a CAGR of 5.7% from 2023 to 2028, showcasing its continued importance in the apparel industry. The Menswear segment accounts for a further 34% of the industry this segment expected to grow at a faster pace of 6.5% CAGR from 2023 to 2028, indicating a resurgence in demand for men's apparel indicating a resurgence in demand for men's apparel fuelled by lifestyle changes, social media influence, and a greater focus on grooming. This robust growth in both segments underscores the dynamic nature of the apparel industry, highlighting its adaptability to changing consumer preferences and market conditions, with an emphasis on innovation, inclusivity, and sustainability poised to drive continued development.

Exhibit 2.12: Apparel retail market (USD Bn) - Segment Analysis by End User

Category	2019	2020	2021	2022	2023	2028(P)	% Share (2023)	CAGR (2023-28)
Women's wear	740.0	598.0	737.8	802.2	854.7	1126.3	53%	5.7%
Menswear	482.0	401.7	478.6	517.9	552.5	756.0	34%	6.5%
Kids wear	186.4	170.3	188.0	204.5	217.7	321.8	13%	8.1%
Total	1,408.4	1,170.0	1,404.4	1,524.6	1,624.9	2,204.3	100%	6.3%

Source: Source: Secondary Research, Technopak analysis

Market Segment Analysis -By Distribution Channel

Exhibit 2.13: Market Segment Analysis Distribution Channel (USD Bn)

Distribution channel	2019	2020	2021	2022	2023	2028(P)	% Share (2023)	CAGR (2023-28)
Online retail	217.6	213.3	245.3	271.2	289.1	482.8	17.8%	10.8%
Instore retail	1190.8	956.8	1159.1	1253.4	1335.8	1721.5	82.2%	5.2%
Total	1,408.3	1,170.1	1,404.4	1,524.6	1,624.9	2,204.3	100.0%	6.3%

Source: Secondary Research, Technopak analysis

The global apparel retail market was valued at USD 1,624.9 Bn in CY 2023, and it is projected to reach in USD 2,204 Bn 2028, thereby registering a CAGR of 6.3% during the period CY 2023-28, with online sales accounting for ~18 % of the total sales. E-commerce is growing rapidly, driven by convenience, affordability, mobile shopping, and internet expansion. While offline retail still accounts for majority of the sales, offline retailers are also increasingly embracing e-commerce to reach a wider customer base and compete in the large market.

Key Trends include:

- The rise of omnichannel retail: Consumers are now shopping across multiple channels, both online and offline. Retailers are responding by developing omnichannel strategies that integrate their online and offline presence.
- The growth of mobile shopping: Mobile shopping is becoming increasingly popular, as consumers use their smartphones and tablets to shop on the go. Retailers are investing in mobile-friendly websites and apps to meet this demand.
- The expansion of e-commerce into new markets: E-commerce is growing rapidly in developing countries, as internet access and disposable incomes increase. Retailers are expanding their reach into these markets to tap into this growth potential.

Market segment analysis - By Value

Exhibit 2.14: Market Segment Analysis-By Consumer Segment

Consumer segment	Average Price Point	Market Share in CY 2023	Popular brands	Target audience
Value Fashion	USD 20 - USD 50	40%	H&M, Zara, Forever 21	Budget-conscious consumers
Mass Fashion	USD 50 - USD 100	30%	GAP, Uniqlo, Mango, Hanes	Mid-range consumers
Premium & Bridge to Luxury Fashion	USD 100 - USD 500	20%	Michael Kors, Coach, Calvin Klein, Ralph Lauren, Ted Baker	Affluent consumers
Luxury Fashion	USD 500+	10%	Chanel, Louis Vuitton, Gucci	Ultra-affluent consumers

Source: Secondary Research and Technopak Analysis

The Value Fashion segment of the global apparel market was valued at USD 650 Bn in CY 2023, and it is projected to reach USD 767 Bn in CY 2028, thereby registering a CAGR of 3.9% during the forecast period.

The value fashion market is substantial and continues to grow globally. It includes various segments, such as fast fashion brands, discount retailers, and online marketplaces that offer affordable clothing and accessories.

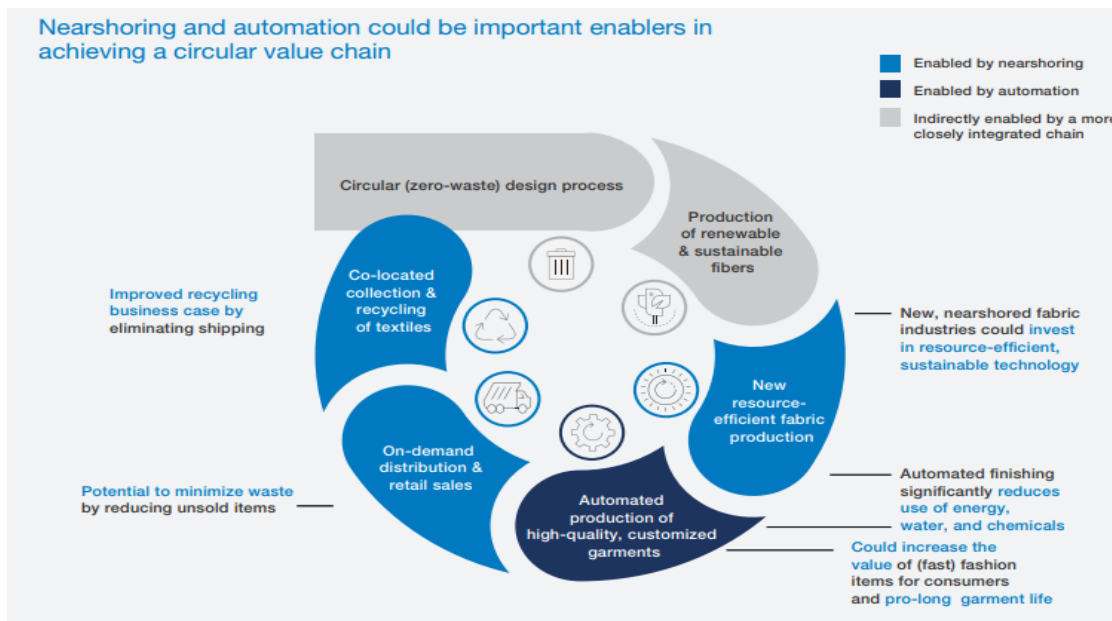
Value fashion consumers come from diverse demographic groups, including budget-conscious shoppers, students, young adults, and families looking for economical clothing options.

The COVID-19 pandemic has further increased the number of value fashion consumers, as economic uncertainty has led more people to prioritize affordability in their clothing choices.

Key Trends and Challenges of the Apparel Industry

Shortened Lead Times - Data shows that many apparel brands and retailers have reduced their lead times from suppliers. It is estimated that the average lead time in the apparel industry dropped by 30-50% between CY 2019 and CY 2021. This is a response to the "see now, buy now" trend driven by consumer demand for faster access to fashion trends.

Near Shoring and On Shoring - There is a growing preference for manufacturing closer to the point of sale and players across the globe are either considering or have already initiated reshoring or near-shoring activities.



This trend is driven by a desire for faster speed to market, in-season reactivity, and a more balanced approach to operational costs. Nearshoring and onshoring can lead to lower logistics, energy, transportation, and other operational costs, and more resilient supply chains.

Data-Driven Supply Chain Optimization - Apparel companies are increasingly using data analytics and technology to optimize their supply chains. They use data for demand forecasting, inventory management and real-time tracking of products in transit. This helps in reducing lead times and improving efficiency.

E-commerce Growth - The global e-commerce market is experiencing significant growth, with a forecasted rate of 8.9% for the year 2023. The steady pace of growth is set to continue, with experts predicting an average annual growth rate of 8.6% from CY2023 to CY2027. This robust growth underscores the increasing shift towards online shopping and the expanding digital economy. It's an exciting time for businesses to leverage this trend and tap into the vast potential of the global e-commerce market.

Consumer Personalization - Data-driven consumer insights are leading to more personalized and customized apparel products. Brands are using technology to create made-to-order or customizable options, which require agile supply chains to deliver these products quickly.

Sustainability and Transparency - Consumer demand for sustainable and ethically sourced products is driving changes in the supply chain. Brands are using technology to trace the origins of materials and ensure sustainability, which impacts supply chain decisions.

3D Design and Virtual Prototyping - The use of 3D design and virtual prototyping is on the rise, reducing the need for physical samples and accelerating the product development process. This technology streamlines the supply chain and reduces lead times.

Automation and Robotics - The textile and apparel industry has seen a significant increase in the use of automation and robotics. This shift from labour-intensive production to high-tech production centres has been driven by the need for improved quality, reduced cost, and reduced lead time.

Automation in this industry ranges from small tasks such as bobbin change to the use of sewing robots to produce the entire garment. The application of automation and robotics can increase production efficiency, reduce the number of faults, and reduce the overall cost of production.

Blockchain for Transparency - Blockchain technology is being used to enhance transparency and traceability across the supply chain. This ensures that products are genuine and sustainably sourced, aligning with consumer demands for transparency.

COVID-19 Impact - The COVID-19 pandemic accelerated the adoption of digital technologies and automation to cope with disruptions in the supply chain. This trend is likely to continue as brands prepare for potential future disruptions.

Restraints on the Market

Reduction in Free Trade - Many developed and developing economies are imposing restrictions on free trade to boost their local economies. The US government is taking a more protectionist stance, and renegotiating many trade agreements, including NAFTA (North America Free Trade Agreement) and increasing tariffs on Chinese manufactured goods. These changes could set off a wider trade war reversing the recent trend towards greater global free trade. For example, according to a report by the International Monetary Fund, a rise in trade barriers could increase import prices by 10% and decrease exports by 15% during the forecast period, thus affecting the growth of the Apparel market which relies on the easy and cheap movement goods between countries and thereby hampering the market growth.

Counterfeit Products – Consumer preferences are changing rapidly, which impacts brands, retailers and apparel manufacturers. Due to the constant changes in consumer preferences small manufacturers are producing counterfeit products to remain competitive. This production of counterfeit products is causing losses to major manufacturers and affecting the growth of the market. For example, in the European Union alone, apparel manufacturers lose approximately EUR 26.3 Bn (USD 29.9 Bn) annually to counterfeit products. The production of counterfeit products is causing losses to major manufacturers and affecting the growth of the market.

Limited Cotton Production – Cotton is a major raw material required for the textile and apparel industries and its shortage will adversely affect the apparel production. The cotton supply is limited owing to low agricultural land availability, limited rainfall, and price volatility. Global cotton production has experienced a notable decline over recent years. Specifically, production decreased from 122.1 million bales in FY 2019/20 to 114.4 million bales in FY 2022/23, representing a decline of approximately 6% over this period. However, the production is anticipated to see a slight recovery, with an expected increase to 116.8 million bales in FY 2023/24. This will majorly affect the market growth.

Consumers Being Environmentally Conscious – Consumers are becoming more aware of the environmental impact of consumer products and preferences are changing rapidly and are more likely to adopt eco-friendly clothing. Thus, consumers are expecting apparel manufacturers to improve the environmental performance of their products. The production of eco-friendly products has relatively higher cost, which adversely affect the revenues of apparel manufacturers and affecting the growth of the market. Spending of resources by fast fashion players and synthetic polymers that are non-renewable are also a concern. Synthetic polymers are used to extend the life of clothing. However, manufacturing of this type of material releases fumes that are 300 times more hazardous than carbon dioxide. The severe impact of fast fashion on the environment may lead to governments making amends to support the development of fabrics with a lower environmental impact and reduce wastage. Environment conscious consumers are shifting to other sustainable clothing alternatives, thus restraining the market. Therefore, while the focus on environmental impact restraints the growth of the market, it also opens avenues like sustainable clothing.

Russia-Ukraine War – The Russia-Ukraine war is expected to hinder the growth of the apparel market during the forecast period. The political turmoil between the two nations has led to material shortages and supply disruptions of various products and services. Russia and Ukraine are key producers of major agricultural commodities, minerals, and other essentials. The ongoing conflict between the two countries is causing anxiety among traders and manufacturers due to fear of continued shortage of products and services, thus impacting the apparel market growth during the forecast period.

Israel-Palestine conflict - The Israel-Palestine conflict is poised to exert a notable influence on the global apparel industry. The initiation of the conflict has already precipitated a surge in oil prices. This surge is particularly significant because oil is a crucial raw material in the manufacturing of synthetic fibres, pivotal components of the textile and apparel sector. As oil prices escalate, there is a direct impact on the costs associated with synthetic fibres and yarn production and the cost of transportation.

Global Apparel sourcing

The Global apparel sourcing market size was valued at USD 658.06 Bn in CY 2023. The total apparel revenue is expected to grow by 7.5% from CY 2024 to 2030, reaching nearly USD 1,091.75 Bn in CY 2030.

The apparel industry has witnessed a dramatic shift towards global sourcing, where manufacturing is outsourced to countries with lower labour costs.

This strategy offers significant advantages for retailers and brands, allowing them to:

Reduced Production Costs: Developing countries often boast significantly lower material and labour costs.

This translates to:

Higher Profit Margins: Increased profits enable brands to invest in growth initiatives like marketing campaigns, product development, and retail expansion.

Competitive Pricing: Brands can offer consumers lower prices, making their products more accessible to a wider audience. **Increased Value Proposition:** By offering a good balance between quality and affordability, brands can enhance their value proposition and attract budget-conscious consumers.

Focus on Core Competencies: By outsourcing production, brands can free up valuable resources and expertise to dedicate to: **Design and Innovation:** Invest in talented designers and cutting-edge technologies to create unique and trendsetting products that differentiate the brand in the marketplace.

Quality Assurance: Sourcing companies have extensive networks and established relationships with reputable suppliers globally. They ensure that brands receive the highest quality raw materials by thoroughly vetting suppliers and conducting regular quality checks.

Brand Marketing: Developing strong brand storytelling and targeted marketing campaigns to build brand awareness, loyalty, and emotional connection with consumers. Prioritizing exceptional customer service, personalized experiences, and loyalty programs to foster lasting customer relationships.

Case Study: Nike, a leading sportswear brand, successfully utilized global sourcing to focus on its core strength of innovative product design. By outsourcing manufacturing, they were able to streamline their operations and dedicate resources to developing cutting-edge athletic wear technologies.

Advantages of Outsourcing:

Increased Efficiency: Global sourcing partners often have established manufacturing expertise and infrastructure. This can lead to faster production times and improved efficiency compared to setting up in-house production facilities.

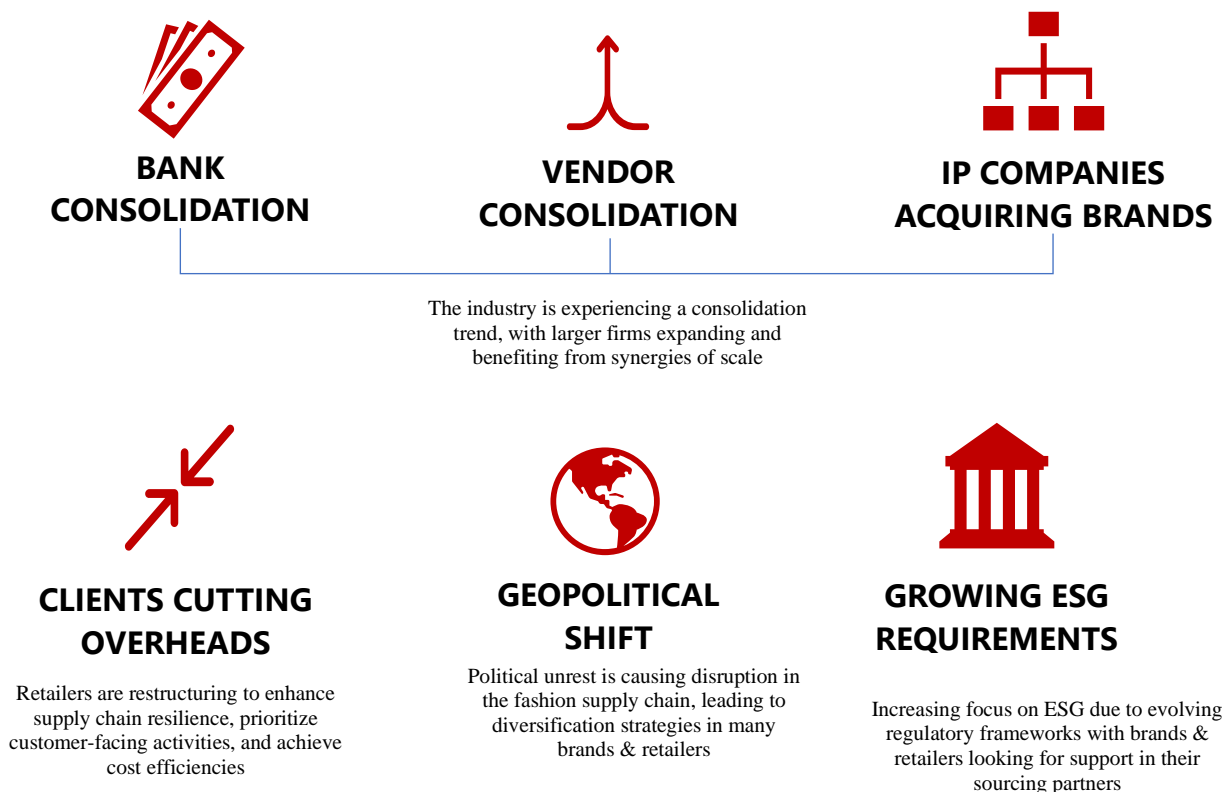
Access to Skilled Labor: Certain countries may have a skilled workforce specializing in specific garment types or techniques. Outsourcing allows brands to leverage this expertise and potentially enhance product quality.

Scalability: Global sourcing provides greater flexibility to scale production up or down based on market demand. This allows brands to adapt to seasonal trends and avoid the risks associated with overproduction.

Geographical Diversification: Sourcing from multiple locations can mitigate risks associated with natural disasters or political instability in any one region. Remember, global sourcing is a strategic decision that requires careful planning and execution. While it offers substantial benefits, brands must also be prepared to address challenges like quality control and long lead times. By implementing robust strategies and maintaining strong supplier relationships, companies can leverage the power of global sourcing to achieve a competitive advantage in the ever-evolving apparel industry.

Key Trends in Apparel Sourcing: Consolidation, Risk Management, and Sustainability

State of Industry: Resilience in tough times



Bank Consolidation

Bank consolidation can negatively impact the apparel industry by reducing access to customized banking services, particularly for smaller firms that may face higher borrowing costs and stricter lending criteria. The loss of relationship banking and decreased competition among financial institutions can result in less favourable loan terms and higher fees. Additionally, the slower response times and increased bureaucratic processes of larger banks can hinder apparel companies' ability to respond swiftly to market demands, while the potential closure of local branches can diminish local economic support and accessibility to banking services, affecting day-to-day operations and long-term growth strategies.

Vendor Consolidation

Apparel brands are increasingly consolidating their vendor base to streamline operations and reduce costs. By working with fewer, larger, and more reliable vendors, brands can negotiate better terms, ensure higher quality standards, and achieve faster turnaround times. This consolidation helps build stronger partnerships and improves compliance with regulatory requirements. Additionally, fewer and more reliable vendors lead to better coordination and reduced lead times. Bulk purchasing from fewer vendors can also result in better pricing and terms. However, this strategy can increase dependency on a limited number of suppliers, making brands more vulnerable to disruptions. It can also reduce the bargaining power of smaller vendors, potentially driving them out of business.

Example: Nike's reduction in the number of its suppliers has helped the company better manage quality and secure more favourable pricing terms, ensuring faster innovation and reliability in product development.

IP Companies Acquiring Brands

Intellectual Property (IP) companies are buying established apparel brands to capitalize on their market presence and customer loyalty. These acquisitions allow IP companies to diversify their portfolios, innovate with new product lines, and leverage brand equity to enter new markets. For the acquired brands, this often means access to more significant resources, advanced technology, and global distribution networks.

Example: Authentic Brands Group's acquisition of Reebok has diversified its portfolio, allowing it to use various suppliers for different product lines, improving its negotiating power for better material costs and supply terms.

Client Cutting Overhead

Retailers are restructuring to enhance supply chain resilience, prioritize customer-facing activities, and achieve cost efficiencies. This trend includes reducing administrative costs, optimizing store operations, and investing in digital transformation. For the apparel industry, it means focusing on core competencies, outsourcing non-essential functions, and adopting lean management practices to stay competitive and responsive to market changes. By optimizing logistics and inventory management, retailers can better withstand disruptions, enhancing supply chain resilience. Focusing on customer service and experience can drive sales and loyalty, as prioritizing customer-facing activities is key. Additionally, reducing overhead costs allows for more competitive pricing and better margins, helping retailers achieve cost efficiencies.

Example: Walmart's investment in automation and technology to streamline logistics and warehousing operations helps cut overhead and allows more resources to be dedicated to improving customer experience.

Geopolitical Shift

Political unrest and global tensions are causing disruptions in the fashion supply chain. Apparel brands and retailers are adopting diversification strategies to mitigate risks associated with geopolitical instability. These strategies include sourcing materials from multiple regions, shifting production to more stable countries, and exploring nearshoring options. By seeking alternative sourcing locations, brands can mitigate risks and enhance supply chain resilience. Diversifying suppliers and production locations helps ensure continuity and reduces dependency on any single region, allowing brands to respond swiftly to changing political climates. Such approaches help maintain supply chain continuity and strengthen the overall resilience of the fashion industry.

Growing ESG Requirements

Environmental, Social, and Governance (ESG) considerations are becoming increasingly critical in the apparel industry due to evolving regulatory frameworks. Brands and retailers are focusing on sustainable sourcing, ethical labour practices, and reducing their environmental footprint. Compliance with ESG standards not only meets regulatory demands but also aligns with consumer expectations and enhances brand reputation. Companies are investing in sustainable materials, adopting circular economy principles, and increasing transparency in their supply chains to demonstrate their commitment to ESG values.

Example: H&M's commitment to sourcing 100% sustainable cotton is an example of growing ESG requirements. By partnering with suppliers who meet these standards, H&M aims to ensure environmental and social compliance throughout its supply chain.

How large players are increasingly outsourcing

The past decade has seen a significant shift in the fashion industry, with major brands increasingly relying on overseas manufacturing for clothing production. This trend is driven by several key advantages:

Cost Reduction:

- **Lower Labor Costs:** Developing countries often boast significantly lower labour costs compared to developed nations. This translates to substantial cost savings for large brands, allowing them to:
 - **Increase Profit Margins:** These savings can be used to invest in growth initiatives like marketing campaigns, product development, and retail expansion.
 - **Offer Competitive Prices:** Large players can offer consumers lower prices, making their products more accessible to a wider audience.
 - **Maintain Profitability:** Even with competitive pricing, outsourcing allows brands to maintain healthy profit margins.

Focus on Core Competencies:

- **Freeing Up Resources:** By outsourcing production, large brands can free up valuable resources and expertise that were previously dedicated to manufacturing. They can then refocus on core competencies such as:
 - **Design and Innovation:** Investing in talented designers and cutting-edge technologies create unique and trendsetting products that differentiate the brand in the marketplace.
 - **Brand Marketing:** Developing strong brand storytelling and targeted marketing campaigns builds brand awareness, loyalty, and emotional connection with consumers.

- Customer Relationship Management: Prioritizing exceptional customer service, personalized experiences, and loyalty programs fosters lasting customer relationships.

Case study: Nike's transition to increased outsourcing over the years:

Early Days:

1960s-1970s: Nike, founded as Blue Ribbon Sports in 1964, initially imported shoes from the Japanese company Onitsuka Tiger (now Asics). The company's primary role was as a distributor rather than a manufacturer.

Expansion to South Korea and Taiwan:

1980s: By this time, Nike began to move its production from Japan to South Korea and Taiwan to capitalize on lower labour costs. This strategic shift allowed Nike to offer competitive pricing and maintain better margins.

Global Sourcing Strategy:

1992: Approximately 90% of Nike's shoes were produced in South Korea and Taiwan.

1990s Expansion: Nike continued to decentralize its production to other low-cost regions such as China, Indonesia, and Vietnam. This diversification helped mitigate risks related to labour disputes and rising costs in any single country.

Current Status:

2000s-2020s: Nike's outsourcing strategy became more pronounced. According to their Annual Reports:

FY 2014: By 2014, over 90% of Nike's footwear was produced in Vietnam, China, and Indonesia. Specifically, Vietnam alone accounted for about 43% of Nike's total footwear production at that time.

FY 2019: Nike had approximately 500+ factories in 41 countries.

FY 2020: More recent data show that, as of 2021, Vietnam produced approximately 50% of Nike's total footwear. Indonesia and China were also significant contributors.

FY 2023: The number of partner factories increased slightly, reflecting how Nike continues to diversify its production portfolio.

Additionally, the company's annual reports highlight its extensive global supply chain:

Financial Data:

Nike's gross margins and profitability have remained strong, in part due to its global outsourcing strategy, which has allowed the company to manage production costs effectively while focusing on innovation and marketing.

Q3 2021 Earnings Call: Nike reported a gross margin of 45.6%, attributing some of this to cost management through global sourcing and lean manufacturing practices.

FY 2023 Report: Nike's gross margin rose to 46.4%, further showcasing the financial benefits of their strategic outsourcing across different countries.

Labor and Compliance:

Nike regularly publishes Corporate Social Responsibility (CSR) reports that detail labour practices and compliance across its supplier network, reinforcing its commitment to ethical production standards despite widespread outsourcing.

It's important to note that outsourcing isn't without its challenges:

- **Quality Control:** Maintaining consistent quality across a geographically dispersed supply chain can be difficult. Large brands need to implement rigorous vetting processes and conduct regular inspections to ensure suppliers meet quality standards.
- **Ethical Concerns:** Labor exploitation and unsafe working conditions can be issues in some countries. Large players have a responsibility to ensure ethical sourcing practices throughout their supply chains.
- **Lead Times:** Long production and shipping schedules associated with overseas manufacturing can make it difficult to react quickly to trends or respond to unexpected demand surges.

Despite these challenges, the cost advantages and focus on core competencies make global sourcing an attractive strategy for large players in the apparel industry. However, successful implementation requires careful planning, strong supplier relationships, and a commitment to ethical practices.

The trend of nearshoring and friend shoring

Near-shoring is the practice of sourcing goods and services from countries that are geographically close to the customer market. Friend-shoring is the practice of sourcing goods and services from countries that are considered to be politically and economically stable allies.



In recent years, the Global Value Chain (GVC) strategy has shifted from globalisation towards implementing the various "-shoring" processes. Offshoring, reshoring, nearshoring, and friend shoring have all become common terms for businesses to consider when planning their manufacturing and global supply chain strategies. The COVID-19 pandemic has only accelerated this trend as companies seek to diversify their supply chains and mitigate risk.

The deterioration of relations between China and the West is increasingly motivating Western brands to reduce their exposure to Chinese suppliers. Globally, players are now considering or have already implemented a near-shoring or friend-shoring strategy. This suggests that the trend is likely to continue in the years to come.

For example:

- Target has shifted 30% of its apparel production to Central American countries like Honduras, Guatemala, and El Salvador, benefiting from the reduced lead times and proximity to the U.S. market.
- Levi Strauss & Co. sources 25% of its denim products from Mexico and other Latin American countries, capitalizing on the region's expertise in high-quality denim manufacturing.
- Banana Republic, Tommy Hilfiger, and Gap each source 30-35% of their products from India, strengthening the strategic partnership between the U.S. and India and enhancing supply chain reliability.
- Liz Claiborne and Polo Ralph Lauren have increased their Indian sourcing by 22% and 25% respectively over the past 4 years, diversifying their supplier base and mitigating geopolitical risks

The trend of near-shoring and friend-shoring has been accelerating in recent years, due to several factors, including:

- The COVID-19 pandemic, which highlighted the risks of relying on global supply chains that are vulnerable to disruptions.
- The rising cost of manufacturing in China, which has made other countries, such as Mexico, Vietnam, and India, more attractive alternatives.
- The increasing focus on geopolitical risk, as companies look to reduce their reliance on countries that are considered to be unstable or hostile.

- A shift in consumer behaviour has brought about a significant change in the retail landscape. Today's consumers increasingly seek novelty and unique experiences during each visit to a store. They expect fresh and innovative offerings every time they shop. To meet these ever-evolving demands and stay competitive, brands are finding it challenging to rely on traditional, long-term outsourcing strategies for their garment production. As a result, they are leaning towards smaller quantities with shorter lead times, prioritizing agility and responsiveness. This shift in sourcing strategies has given rise to a concept known as "nearshoring," where production is brought closer to the point of sale. This shift allows brands to better adapt to consumer preferences, reduce lead times, and introduce new, exciting products more swiftly, ultimately enhancing their competitiveness in the ever-changing retail landscape.
- Risk Mitigation and Resilience - Heavily relying on a single sourcing country, such as China, can expose businesses to significant vulnerabilities stemming from sudden regulatory changes, political instability, and unforeseen disruptions, like the impact of the COVID-19 pandemic. Diversification of sourcing locations serves as a proactive risk mitigation strategy, enhancing the resilience of businesses against region-specific uncertainties. This approach ensures that companies can maintain uninterrupted operations, even in the face of unexpected challenges.
- Sustaining Cost Competitiveness - China's escalating labour costs have eroded its historical cost advantage as a primary sourcing hub. This cost escalation is compelling businesses to reevaluate their sourcing strategies. Diversifying to alternative countries with more competitive labour rates ensures that businesses can sustain their cost competitiveness, maintain profit margins, and effectively allocate resources.
- Enhanced Supply Chain Efficiency - Geographic proximity to target markets is a key driver in optimizing supply chain operations. Sourcing from countries closer to these markets significantly reduces shipping times, thereby enhancing supply chain efficiency. This reduction in lead times not only fosters business agility but also elevates customer satisfaction levels through expedited product deliveries.

Emerging Growth

The emerging markets are expected to be the main beneficiaries of the trend towards near-shoring and friend-shoring. This is because they offer several advantages, such as:

- Competitive labour costs.
- Growing pool of skilled workers.
- Strategic geographical locations.
- Stable political and economic conditions.

It is estimated that emerging markets could capture up to USD 1 Tn in foreign direct investment (FDI) by 2030 as a result of the trend towards near-shoring and friend-shoring.

China+1 strategy

In 2022, China's apparel exports stood at USD 167.82 Bn, but in 2023, they declined to USD 153.91 Bn, registering a degrowth of 8%. This significant reduction highlights the impact of the 'China+1' strategy, where global companies are diversifying their supply chains beyond China to mitigate risks and ensure more resilient and flexible operations. This trend is driven by a desire for faster speed to market, in-season reactivity, and a more balanced approach to operational costs. Nearshoring and onshoring can lead to lower logistics, energy, transportation, and other operational costs, and more resilient supply chains.

However, despite the interest in nearshoring, the actual implementation has remained relatively flat. Although apparel companies are shifting sourcing away from China, production has moved primarily to other Asian countries. The main reason for this is that these countries offer competitive labour costs and established manufacturing infrastructure that are not as readily available in traditional nearshoring locations.

Automation is also playing a key role in increasing labour efficiency, throughput, and flexibility, and is crucial to increasing the financial viability of on-demand nearshoring or onshoring models. Advanced technologies are enabling manufacturers to respond more quickly to market changes and reduce dependency on low-cost labour, making nearshoring and onshoring more attractive options for the future.

The China+1 strategy is a business strategy that involves reducing reliance on China by sourcing goods and services from other countries. This strategy is being adopted by many companies in response to the rising costs of manufacturing in China, the increasing focus on geopolitical risk, and the ongoing trade tensions between the United States and China. According to a survey conducted by the American Chamber of Commerce in Shanghai, 62% of US companies are either considering or have

already implemented a China+1 strategy. This highlights the widespread adoption of the strategy among US-based businesses, demonstrating a significant shift towards diversifying supply chains to mitigate risks and improve operational resilience.

Exhibit 2.15: Apparel manufacturing - Countries landscape

Parameters	% Share of T&A Exports (2023)	% Share of Apparel Exports – (2023)	Apparel Exports in 2023 (USD Bn)	Apparel CAGR (2017-23)	Nominal GDP ranking	Labour Cost (USD/month)	Power Cost (USD/kWh)	Lending Rate (%)	Average Production Efficiency (%)	Sustainability Ranking
China	33.5%	29.8%	153.9	3.6%	2	550-600	0.15-0.16	4.35%	65%-75%	63
Bangladesh	5.7%	9.2%	47.3	8.3%	33	150-175	0.08-0.12	7.57%	45%-55%	101
Vietnam	5.3%	7%	36.3	6.9%	35	190-200	0.08-0.10	8.01%	65%-70%	55
India	3.9%	2.8%	14.5	-2.9%	5	160-180	0.10-0.12	8.57%	45%-55%	112
Sri-Lanka	0.6%	0.9%	4.3	-0.7%	79	140-160	0.13-0.16	11-12%	55%-65%	87
Türkiye	3.8%	3.5%	18.5	2.8%	17	260-280	0.28-0.32	35-40%	65%-70%	96

Source: Secondary Research, Technopak analysis

Among the most popular alternative destinations for the China+1 strategy are Vietnam, India, and Mexico. These countries offer competitive labour costs, diverse manufacturing capabilities, and established supply chain networks.

Vietnam has emerged as a preferred choice for businesses looking to diversify away from China. It has experienced robust growth in manufacturing and export activities, making it an attractive destination for businesses seeking lower costs and a strategic location.

In essence, the China+1 strategy is a response to evolving economic, geopolitical, and trade dynamics. It enables businesses to enhance supply chain resilience, mitigate risks, and explore more cost-effective manufacturing alternatives. The data points provided underscore the growing adoption of this strategy among businesses, especially in the United States, and the emergence of specific countries as key destinations for diversification.

Post-COVID acceleration

The COVID-19 pandemic has accelerated the trend towards near-shoring and friend-shoring. This is because the pandemic highlighted the risks of relying on global supply chains that are vulnerable to disruptions.

India as a Sourcing Destination

Exhibit 2.16: Indian T&A Exports (USD Bn)

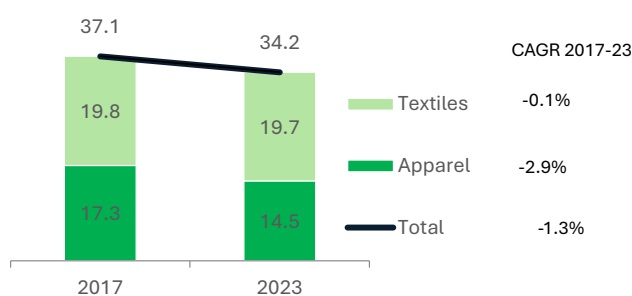
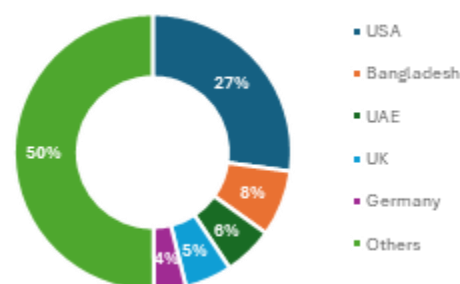


Exhibit 2.17: T&A Exported value in 2023 (%)



Source: Source: Secondary Research, Technopak analysis,

In CY 2023, India's total Textile and apparel exports were valued at USD 34.2 Bn.

The apparel manufacturing ecosystem in India is a significant contributor to the country's economy and holds immense growth potential.

Number of Factories: With approximately 20,000 apparel manufacturing units in India, the country has a robust industrial base. This large number of manufacturing units reflects the scale of the industry and the presence of a skilled workforce. About 15-20% of these manufacturing units are export focused.

Competitive Labor Costs: India's labour costs are relatively lower compared to many Western countries, making it cost-effective for apparel production. According to the World Bank, as of CY 2023, India's Labour Cost Index (LCI) has continued

to show growth. The latest data indicates that the LCI for 2023 stands at approximately 168, reflecting a growth of around 8.4% compared to CY 2021.

Large Textile Industry: India has a well-established textile industry, India is second largest producer of cotton with the expected production of 29.5 Million Bales in year FY 2023- FY 2024, and it is second largest exporter of Yarn & third largest exporter of Fabrics, India's share is 11% in global yarn trade & 3% for fabric in CY 2023. This vertical integration in the supply chain streamlines sourcing and manufacturing processes. India is known for its diverse range of raw materials, including cotton, silk, wool, jute, and synthetic fibres. This diversity allows for a wide variety of textile products.

Fashion Trends: The global fashion industry is witnessing a shift toward sustainability, customization, and faster product cycles. India's capabilities in terms of smaller quantities and reduced lead times are in line with these trends.

Government Policies to Boost Apparel manufacturing Ecosystem:

Rebate of State & Central Taxes and Levies For merchandise exports

This policy is designed to provide financial relief to exporters by refunding or exempting them from various state and central levies and taxes. The ROSCTL will provide 2.1% - 3.6% to the exporters.

PLI (Production Linked Incentive) is for production of MMF Fiber & Apparel and technical textile manufactured in India. Scheme is divided into two parts:

Part 1: Investment 100 crores – Turnover 200 crores

Part 2: Investment 300 crores – Turnover 600 crores

Incentives calculated on achieving threshold turnover in performance of 1 year and on incremental turnover from performance of 2 years. **PLI for the garments sector** is still not notified but is under discussion.

Under PLI the Central Government is providing financial assistance to develop large-scale textile infrastructure and has launched the Mega Textile Park project, which aims to create a textile and apparel ecosystem in seven states.

State Subsidies: Various states also provide capital and operating costs subsidies to promote employment for the garment manufacturing sector.

FTAS:

India has signed 13 Free Trade Agreements (FTAs) with its trading partners, including the 3 agreements, namely India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA), India-UAE Comprehensive Partnership Agreement (CEPA) and India-Australia Economic Cooperation and Trade Agreement (Ind Aus ECTA) signed during the last five years.

- India-Sri Lanka Free Trade Agreement (FTA)
- Agreement on South Asian Free Trade Area (SAFTA) (India, Pakistan, Nepal, Sri Lanka, Bangladesh, Bhutan, the Maldives and Afghanistan)
- India-Nepal Treaty of Trade
- India-Bhutan Agreement on Trade, Commerce and Transit
- India-Thailand FTA - Early Harvest Scheme (EHS)
- India-Singapore Comprehensive Economic Cooperation Agreement (CECA)
- India-ASEAN CECA - Trade in Goods, Services and Investment Agreement (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)
- India-South Korea Comprehensive Economic Partnership Agreement (CEPA)
- India-Japan CEPA
- India-Malaysia CECA
- India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement (CECPA)

- India-UAE CEPA
- India-Australia Economic Cooperation and Trade Agreement (ECTA)

Bangladesh as a Sourcing Destination

Exhibit 2.18: Bangladesh T&A Exports in USD Bn

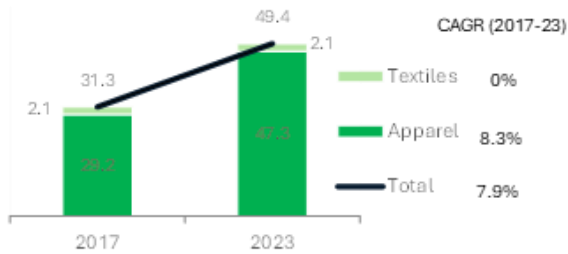
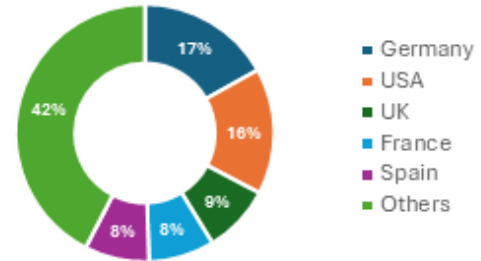


Exhibit 2.19: Apparel Exported value in CY 2023



Source: Secondary Research, Technopak analysis,

In CY 2017, Bangladesh's total Textiles and apparels exports were valued at USD 31.3 Bn. By 2023, these exports had increased to USD 49.4 Bn. Registering the Growth of CAGR 7.9% from Year 2017 to 2023.

Majority of the exports from Bangladesh come from 5 key products: Trousers, T-Shirts & Knitted shirts, Sweaters, Shirts & Blouses and Underwear, in addition to these key products, Bangladesh's efforts to diversify and expand into new categories, such as intimate apparel, outerwear, and seamless garments, demonstrate the industry's adaptability and willingness to cater to evolving consumer preferences. This diversification allows Bangladesh to capture a broader segment of the global fashion market and meet the demands of different customer segments.

The reference to "green transformation" likely indicates Bangladesh's efforts to adopt more sustainable and environmentally friendly practices in its textile and apparel industry. This could include initiatives related to reducing water usage, adopting eco-friendly dyes and materials, and improving waste management and recycling. The global fashion industry is increasingly recognizing the importance of sustainability, and such efforts can enhance Bangladesh's reputation as a responsible and environmentally conscious manufacturer.

Low Labor Costs:

- Bangladesh's labour force: Approximately 80 million people (2022).
- Average wage rate: Around USD 150-175 per month (one of the lowest in the world).

Duty-Free and Quota-Free Access:

- Bangladesh's preferential trade agreements:
- GSP+ status with the European Union, granting duty-free access to EU markets.
- Beneficiary of the U.S. Generalized System of Preferences (GSP) program, providing duty-free access to the U.S. market.

Vertical Integration:

- A significant percentage of textile and apparel manufacturers in Bangladesh operate vertically integrated facilities.
- Many companies handle everything from spinning yarn to finished garment production under one roof, increasing efficiency and reducing costs.

Improvements in Infrastructure:

- Infrastructure investment: Billions of dollars have been invested in improving infrastructure, including ports, roads, and energy supply.
- Key projects like the Padma Bridge and the Payara Deep-Sea Port have improved connectivity and logistics.

Skilled Workforce:

- Skilled labour: Over 2 million skilled workers in the textile and apparel sector (2022).
- Technical training programs and vocational education have enhanced the skills of the workforce.

Trade Agreements and Partnerships:

- Trade agreements: Bangladesh has signed trade agreements with countries like India, China, and Japan, expanding its market access.
- Membership in regional trading blocs like SAARC and BIMSTEC has facilitated trade.

Innovation and Product Diversification:

- Diversified products: Bangladesh now produces a wide range of apparel and textiles, including knitwear, denim, home textiles, and technical textiles.
- Innovation centres and research initiatives have fostered product development.

Global Retailer Partnerships:

- Collaboration with global retailers: Bangladesh's textile and apparel manufacturers have established strong partnerships with major international brands and retailers.
- These partnerships have led to a consistent flow of orders and increased demand.

Government Support:

- Government policies: The Bangladeshi government has implemented policies to support the textile and apparel industry.
- Incentives such as tax breaks, export subsidies, and streamlined regulatory processes have promoted export-oriented growth.
- The Export Promotion Bureau (EPB) provides support and incentives to boost exports, particularly in the garment and textile sectors.
- Bangladesh Scheme for export-oriented industry offers export incentives based on the value of exported goods. Currently, the government pays a 4 per cent cash incentive to garment exporters for new markets and 1 per cent for all the markets.
- Bangladesh Economic Zones Authority (BEZA) establishes SEZs to attract foreign and domestic investments by offering tax exemptions, infrastructure support, and simplified regulations.
- Bangladesh Scheme for export-oriented industry in which exporters can claim refunds on duties paid on imported inputs used in the production of exported goods.
- Women's Entrepreneurship development is to encourage and support women's participation in entrepreneurship and business.
- The industrial policy of Bangladesh provides subsidies and incentives for industries to encourage energy efficiency and reduce production costs.
- Tax benefits
- Bangladesh's apparel industry enjoys several tax benefits that make it an attractive hub for international investors

Low Corporate Tax Rates:

- Apparel manufacturers, who account for more than 80% of the country's export earnings, currently enjoy 12% corporate tax on incomes, nearly a third of the current corporate tax of 35% for non-listed companies. The rate is 10% for holders of green building certificates.

Source Tax Benefits:

- The National Board of Revenue (NBR) in Bangladesh has issued directives granting certain exporters enjoying corporate tax rates below 12% the privilege of paying source tax below 1%. However, it's important to note that the source tax rate on exports was proposed to be doubled to 0.5% from the next fiscal as the existing 0.25% tax benefit ends.

VAT Relief on Raw Materials:

The apparel export sector has sought VAT relief on raw materials in the budget.

Government Incentives: Investors can benefit from government incentives and investment-friendly policies established to facilitate overseas business ventures.

These tax benefits, coupled with low labour costs and a robust supply chain, make Bangladesh's apparel industry a compelling destination for investors.

China as a Sourcing Destination

Exhibit 2.20: China T&A Exports (USD Bn)

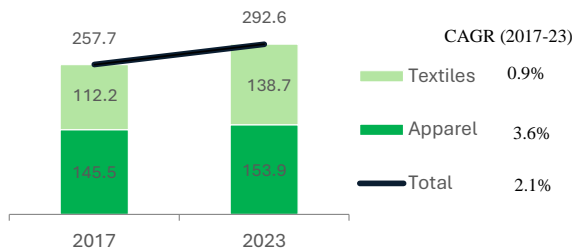
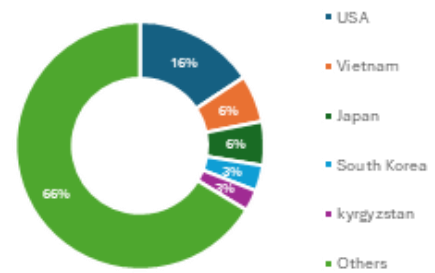


Exhibit 2.21: T&A Exported value in 2023 (%)



Source: Secondary Research, Technopak analysis,

China holds a significant position in the global textile and apparel value chain, exporting 9% of fibers, 29% of yarn, 53% of fabric, 30% of apparel, and 44% of made ups.

China's total textile and apparel exports increased from USD 257.7 Bn in CY 2017 to USD 292.6 Bn in CY 2023, indicating a significant Compound Annual Growth Rate (CAGR) of 2.1 % over this period.

Specifically, the CAGR for apparel exports was 3.6 %, and for textiles, it was 0.9%.

Factors contributing to China's apparel growth Trends:

Shift to Higher-Value Products: China has been gradually shifting its focus from low-cost, labor-intensive apparel production to higher-value, more specialized clothing items. This includes producing high-quality fashion, technical textiles, and innovative clothing, which may have a higher value per unit.

Evolving Consumer Preferences: As consumer preferences change, there is a growing demand for high fashion and customized clothing. This shift in consumer behavior may explain China's focus on value-added and specialized apparel products.

Increased Competition: China faces competition from other countries with lower labor costs, such as Bangladesh and Vietnam. This may have influenced China's decision to concentrate on higher-value apparel and textiles.

Supply Chain Diversification: Some companies and retailers have diversified their supply chains to reduce dependency on a single source, which can impact the distribution of export values. Massive

Manufacturing Capacity:

- The number of textile and apparel factories was over 110,000 in CY 2023.
- Skilled workforce: Approximately 16 million people employed in the textile and apparel industry CY 2023.

Cost Advantage:

- Average wage rate in China: Around USD 550-600 per month CY 2023, still lower compared to many Western countries.

Vertical Integration:

- In 2023, vertical integration in China's apparel and textile industry has been a significant trend. This strategy involves companies controlling multiple stages of production, from raw materials to finished products, to improve efficiency and reduce costs. Vertical integration has helped Chinese apparel and textile companies remain competitive and resilient in a challenging global market.

Access to Global Markets:

- Trade agreements: China has trade agreements and partnerships with over 20 countries and trading blocs, including the European Union, the United States, and ASEAN.
- These agreements provide duty-free and quota-free access for textile and apparel products.

Diverse Product Range:

- China produces a wide range of products, from basic clothing items to high-value fashion, technical textiles, and specialized products.
- This diversity caters to various consumer preferences and market demands.

Technological Advancements:

- Investments in advanced technology and automation: China has invested Billions of dollars to enhance production processes, improve product quality, and reduce costs.

Skilled Workforce:

- Large and skilled labor force: In CY 2023, the textile and apparel industry in China employed over 20 million people.
- Technical training programs and vocational education have further enhanced workforce skills.

Infrastructure Development:

- Infrastructure investment: Tens of Billions of dollars have been spent on ports, roads, and energy supply improvements to ensure efficient transportation and logistics.

Government Support:

- Supportive policies: The Chinese government has implemented policies, incentives, and investments in research and development to promote the growth of the textile and apparel sector.

Global Retailer Partnerships:

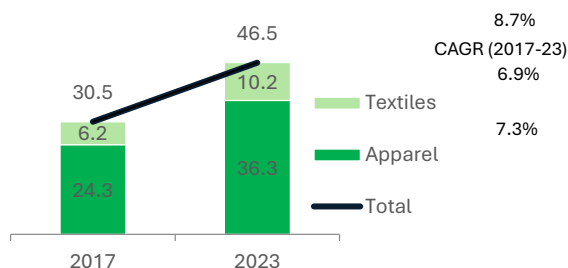
- Collaboration with international brands: Chinese manufacturers have established partnerships with major global brands and retailers, ensuring consistent orders and a reliable source of demand.

Economies of Scale:

- China's large-scale production: China is the world's largest textile and apparel exporter by volume.
- The scale of production allows for economies of scale, contributing to competitive pricing.
- Quality Control:
- Quality assurance and compliance: China places significant emphasis on quality control and adheres to international standards, enhancing its reputation as a reliable supplier.

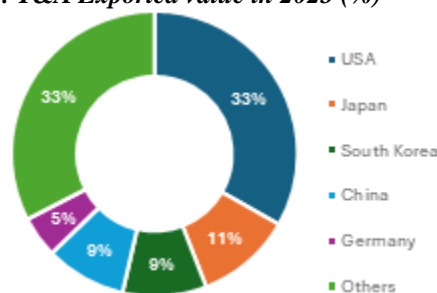
Vietnam as a Sourcing Destination

Exhibit 2.22: Vietnam T&A Exports (USD Bn)



Source: Source: Secondary Research, Technopak analysis,

Exhibit 2.23: T&A Exported value in 2023 (%)



Export Growth:

Vietnam's total exports in the apparel and textiles industry increased from USD 30.5 Bn in CY 2017 to USD 46.5 Bn in CY 2023, indicating a significant Compound Annual Growth Rate (CAGR) of 7.3% over this period.

Specifically, the CAGR for apparel exports was 6.9%, and for textiles, it was 8.7%.

US Market Dominance:

The United States imports approximately 45% of Vietnam's total apparel trade, making it a critical trading partner for the country's textile and apparel industry.

Fastest Growing Garment Manufacturer:

As of 2023, Vietnam has solidified its position as the fastest-growing country globally in terms of garments manufacturing.

Low Vertical Integration and Dependency on China:

Vietnam's textile and apparel industry typically operates with lower vertical integration, leading to increased dependency on external sources, especially China, for raw materials such as textiles and fabrics.

Attractiveness for Foreign Direct Investment (FDI):

Vietnam has actively attracted Foreign Direct Investment (FDI) in the textile and apparel industry, fostering industry growth.

Skilled Workforce and Product Diversity:

Vietnam boasts a skilled workforce capable of manufacturing a diverse range of clothing and textile products, making it versatile in catering to various market segments.

Environmental Challenges:

Environmental concerns persist within Vietnam's textile and apparel industry, with issues related to water pollution, chemical usage, and waste management needing further attention and sustainable solutions.

Benefits:

Vietnam's apparel industry enjoys several tax benefits and incentives that make it an attractive destination for international investors. Here are some key points:

- **Corporate Income Tax (CIT) Incentives:** Vietnam has a policy on tax incentives for 'Supporting Industries' which includes the apparel industry. The incentives include a tax exemption for four years, a reduction of 50% of tax payable for the following nine years, and a preferential tax rate of 10% for 15 years.
- **Import Tax Exemption:** There is an import tax exemption for goods used to form fixed assets.
- **EU-Vietnam Free Trade Agreement:** The EU-Vietnam free trade agreement has led to a reduction in import duties imposed in the EU on textile apparel. Starting from 2nd August 2025, cut and sewn knitwear carrying a Certificate of Origin EUR1 will enjoy 0% import tax.

- Quarterly Value-Added Tax Declarations: This is another incentive provided to the apparel industry.

These benefits, coupled with Vietnam's strategic location and growing domestic consumer spending on clothing and footwear, make its apparel industry a compelling destination for investors.

Türkiye as a Sourcing Destination

Exhibit 2.24 Türkiye T&A Exports (USD Bn)

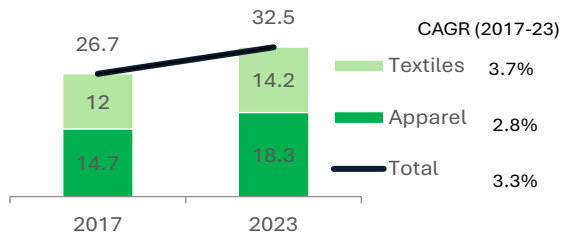
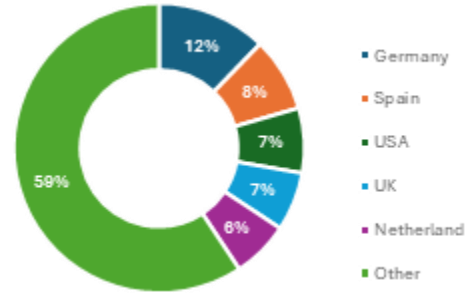


Exhibit 2.25: Apparel Exported Value in 2023 (%)



The Turkish apparel market has experienced significant growth in its exports over the years, as indicated by the data. In CY2017, apparel exports from Turkey amounted to USD 14.78 Bn, and by CY 2023, this figure rose to USD 18.3 Bn, reflecting a steady growth rate of 2.8%. Similarly, the textile export sector exhibited growth, increasing from USD 12 Bn in CY 2017 to USD 14.2 Bn in 2023, with a slightly higher compound annual growth rate (CAGR) of 3.7%. The combined export figures for both textiles and apparel in 2017 stood at USD 26.7 Bn, witnessing a continued growth trajectory with a 3.3% CAGR, reaching USD 35.1 Bn by CY 2023.

Germany, Spain, the UK, Netherlands, and France have emerged as key trading partners for Turkey in the textile and apparel industry. These countries play a crucial role in facilitating Turkey's export activities, underlining the importance of international collaborations in sustaining, and expanding the Turkish textile and apparel market. The positive export growth rates suggest that Turkey's textile and apparel sectors are competitive and able to meet the demands of major European markets.

Turkey has emerged as a major apparel-sourcing destination due to several factors such as:

Cost Advantages: Turkey offers cost advantages due to lower labor and material costs, enhancing the competitiveness of its apparel products in the global market.

Established Manufacturing Infrastructure: The country boasts a well-established manufacturing infrastructure, equipped with advanced facilities and a skilled labor force, ensuring efficient and high-quality production.

Strategic Geographic Location: Turkey's strategic geographic location, serving as a gateway between Europe and Asia, provides convenient access to major markets, making it an attractive choice for international sourcing.

Adaptability to Market Trends: Turkey demonstrates an ability to adapt to market trends, ensuring that its apparel offerings remain in line with evolving consumer preferences and industry demands.

Commitment to Quality: The commitment to quality in production, along with ethical manufacturing practices, positions Turkey as a source for high-quality apparel products.

Timely Delivery: The country's efficiency in production and distribution allows for timely delivery of products, meeting the demands of international markets.

Key Trading Partners: The significance of Germany, Spain, the UK, Netherlands, and France as top trading partners underscores Turkey's apparel is a reliable source for the European fashion industry. Turkey's apparel industry enjoys several benefits that make it an attractive hub for international investors.

Corporate Tax Reduction: Law number 7351, passed on 19 January 2022, allows for a corporate tax rate reduction of 1% on income generated from manufacturing and exportation. While the tax rate for other companies is 23% in 2022, for qualifying manufacturers and exporters it is 22% for the portion of their income resulting from exporting and manufacturing activities.

Sri Lanka as a Sourcing Destination

Exhibit 2.26: Sri Lankas T&A Exports (USD Bn)

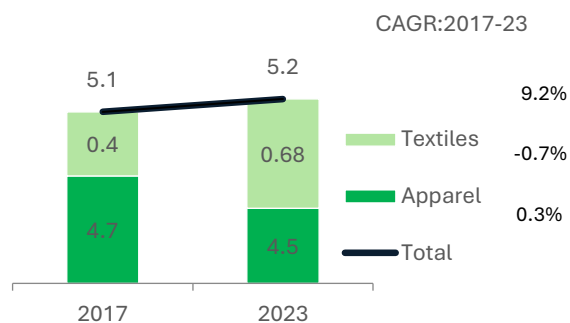
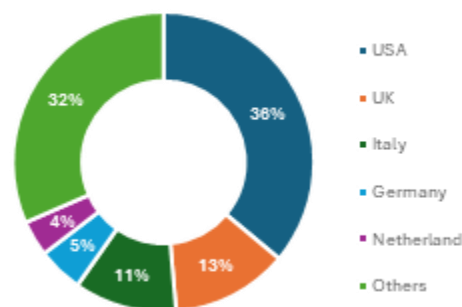


Exhibit 2.27: Apparel Exported value in 2023 (%)



Export Growth:

From CY 2017 to CY 2023, Sri Lanka's total textiles and apparel exports increased from USD 5.1 Bn to USD 5.2 Bn. This represents a growth of approximately 0.3%, with apparel exports having de-grown from USD 4.7 Bn to USD 4.5 Bn, and textiles growing from USD 0.46 Bn to USD 0.68 Bn.

Consolidation in Apparel Manufacturing:

The reference to "significant consolidation" suggests that Sri Lanka's apparel manufacturing industry has seen a trend of companies merging or collaborating to streamline operations and achieve economies of scale. This consolidation can lead to increased efficiency and competitiveness.

Early Adoption of Green and Sustainable Practices:

Sri Lanka has been a pioneer in adopting green and sustainable practices and compliance norms in its textile and apparel industry. This commitment to sustainability has earned the country a reputation as a responsible and eco-friendly producer in the global market.

Excellence in Needlework and Premium Customers:

Sri Lanka is known for its expertise in needlework, indicating a high level of skill and craftsmanship in the industry. The country collaborates with premium customers, which suggests a focus on producing high-quality and often customized or specialized clothing items.

Large Capacity of Intimate Wear: Sri Lanka possesses a significant capacity for the production of intimate wear, which includes products like lingerie and undergarments. This specialization in intimate wear demonstrates a niche focus and an ability to cater to specific market segments.

Challenges and Opportunities for Apparel Sourcing Companies

The global fashion and apparel industry, a cornerstone of the global economy, spans the entire spectrum from design and production to distribution and retail. It's not only a vital economic driver, generating substantial revenue, but also a major employer worldwide. Despite recent challenges, the market is projected to experience significant growth, reaching approximately USD 2,204.3 billion by 2028, up from USD 1,624.9 billion in 2023, with a compound annual growth rate (CAGR) of 6%. This growth is fuelled by the recovery of consumer confidence, the relentless expansion of e-commerce, an increasing focus on sustainability, and the dynamic nature of fashion trends. For sourcing companies, these developments present both challenges and opportunities as they navigate the complexities of a rapidly evolving market.

Opportunities:

Diversifying their sourcing base: Traditionally, the apparel industry has been heavily concentrated in a few countries, such as China, Bangladesh, and Vietnam. However, in recent years, there has been a trend towards diversification, as brands and retailers look to reduce their risk and improve their agility. This is creating opportunities for new sourcing destinations, such as Ethiopia, Myanmar, and Indonesia.

Needs for Diversification:

- **Risk Mitigation:** Relying heavily on a single country for sourcing, such as China, can expose businesses to significant risks. These risks include abrupt changes in regulations, political instability, and unforeseen disruptions like the COVID-19 pandemic. Diversifying sourcing locations reduces the vulnerability to region-specific risks, ensuring business continuity in the face of unforeseen challenges.
- **Cost Competitiveness:** The increasing labor costs in China have eroded its historical cost advantage as a sourcing hub. This cost escalation is making it less cost-effective for businesses to continue sourcing exclusively from China. By diversifying to other countries with more competitive labor rates, businesses can maintain their cost competitiveness.
- **Reduced Lead Times:** Sourcing from countries geographically closer to the target markets can significantly reduce shipping times and lead to more efficient supply chain management. Reduced lead times not only enhance the ability of a business but also improve customer satisfaction by enabling faster product delivery.
- **Geo-Political Effects:** Geo-political tensions, such as the trade war between the US and China, can have far-reaching consequences. Businesses that rely heavily on Chinese suppliers faced increased costs due to tariffs, which impacted their competitiveness. Diversifying sourcing locations can help businesses navigate these geopolitical effects, spreading the risk associated with such tensions.
- **Supply Chain Disruptions:** China's supply chain is known for its complexity and opacity. This complexity can make it challenging to track the movement of goods and ensure the quality and consistency promised by suppliers. Diversification allows businesses to tap into more transparent and well-managed supply chains, reducing the risk of disruptions and quality issues.
- **Focusing on sustainability:** Sustainability is becoming increasingly important to consumers, and many brands and retailers are now committing to using sustainable materials and manufacturing processes. Sourcing companies that can help brands and retailers meet their sustainability goals will be well-positioned to succeed in the future.
- **Providing value-added services:** Sourcing companies can also provide value-added services, such as product development, quality control, and logistics. This can help brands and retailers to reduce their costs and improve their efficiency.

Challenges

- **Short product lifecycles:** The fashion industry is known for its short product lifecycles, which can make it difficult for businesses to keep up with demand and manage inventory levels.
- **Competition from fast fashion brands:** Fast fashion brands can bring new products to market quickly and at a low cost, which can put pressure on traditional apparel businesses.
- **Rising consumer expectations:** Consumers are becoming increasingly demanding, and they expect high-quality products at a competitive price.
- **Poor human capital:** The top 10 apparel exporting countries display an average literacy rate of 75%, which lags behind the global average of 86%. Sourcing companies are instrumental in addressing this human capital challenge within the apparel industry. They actively contribute by implementing comprehensive
- **Limited access to infrastructure:** Despite their strength as apparel exporters, many developing countries grapple with limited infrastructure, averaging only 18 Km of paved roads per 1,000 Sq Km compared to the global average of 26 km. This disparity translates to operational bottlenecks: finished goods struggle to reach ports due to poor road conditions, raw material deliveries are delayed, and unreliable access to electricity disrupts production. These inefficiencies hinder competitiveness in the fast-paced fashion industry, highlighting the need for improved infrastructure to unlock the full potential of the apparel sector in these developing nations.
- **High input costs:** Facing rising input costs, particularly the substantial 50% increase in the average price of essential raw materials like cotton within the past year, sourcing companies are proactively adopting sustainable practices, such as the reuse and recycling of waste cloth. This strategic approach is aimed at not only mitigating the impact of soaring input costs but also reducing waste and minimizing the environmental footprint of the apparel production process.

Inclination of Brands and Retailers towards Outsourcing

The apparel industry is witnessing a pronounced shift towards global sourcing, driven by multiple factors that align with the strategic goals of modern brands. The rising consumer demand for sustainable fashion presents a significant opportunity for companies to prioritize sustainability throughout their supply chains. This involves sourcing materials from eco-friendly

suppliers, adopting sustainable manufacturing practices such as energy-efficient processes and waste reduction, and ensuring ethical labour standards in production facilities. These practices enable companies to meet consumer expectations while contributing positively to environmental and social concerns.

Brands are increasingly relying on sourcing companies for manufacturing and value-added services. This shift is driven by the desire to leverage the expertise of sourcing companies and enhance agility for market adaptation. By engaging with sourcing companies, brands can emphasize their core strengths such as design, innovation, and brand building while outsourcing back-end operations. The pursuit of cost efficiencies through economies of scale and supply chain risk mitigation is also a driving factor. Consolidating volumes with fewer but larger suppliers fosters stronger collaborations, enables demand-driven models, improves quality control and visibility, and drives faster response times to market demands and trends.

The 'see now, buy now' mentality among consumers has contributed to the shift towards global sourcing, reflecting a need for faster and more responsive supply chains. Brands are prioritizing fast fashion and just-in-time manufacturing to accelerate product development cycles and ensure timely delivery to market. While China's dominant role previously facilitated cost deflation, rising shipping and raw material prices, along with logistics disruptions, have eroded this advantage. Outsourcing to diverse regions with competitive production costs and efficient practices allows brands to stay cost-effective.

The shift towards on-demand and small-batch production demands a nimble and responsive supply chain. Outsourcing to agile partners enables brands to react quickly to changing trends and consumer preferences, minimizing inventory bloat and waste. Over-reliance on Chinese manufacturers exposed brands to geopolitical and supply chain risks, so diversifying across regions mitigates such risks and provides access to new production capabilities and resources. Additionally, competition from online fast fashion, with its fast pace and low-price points, necessitates quick turnaround times and cost-efficiency. Outsourcing enables brands to offer similar value propositions without sacrificing quality or brand identity. Overall, the inclination towards outsourcing is driven by the need for cost reduction, agility, sustainability, and competitiveness in a rapidly evolving market, allowing brands to balance efficiency, quality, and consumer demand effectively.

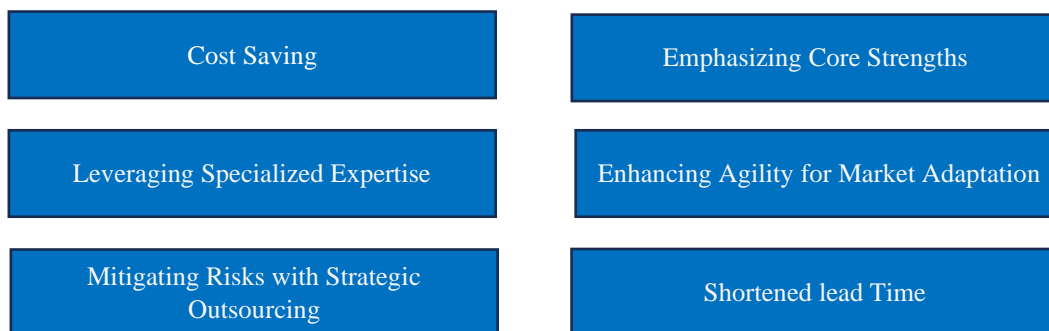
Challenges and Considerations:

Complexity and Management: Managing multiple suppliers across different regions requires robust and complex supply chain management systems to ensure quality control, ethical practices, and efficient communication.

Protecting Intellectual Property: Concerns around trade secrets and design theft need careful consideration when outsourcing. Building strong partnerships and implementing IP protection measures are crucial.

Balancing Cost and Value: Finding the sweet spot between cost optimization and maintaining brand value and quality can be tricky. Strategic partnerships and rigorous supplier selection are key.

Importance of companies providing sourcing, manufacturing, and value-added services to retailers & brands



Zara: The Strategic Advantage of Outsourcing

A prominent example of a fashion brand that has significantly benefited from outsourcing is Zara, the flagship brand of Inditex. Zara's fast fashion model relies heavily on a combination of in-house production for high-turnover items and outsourcing for basic garments, enabling it to quickly respond to market trends and consumer demands.

Benefits of Outsourcing for Zara:

Speed and Flexibility:

Lead Times: Zara has short lead times for new designs to appear in stores, compared to the industry average of around six months. This agility is partly because of its strategic approach to outsourcing.

Responsive Supply Chain: By outsourcing a significant portion of its production, Zara can quickly adjust its inventory in response to changing fashions. This flexibility reduces the risk associated with overproduction and markdowns.

Cost Efficiency:

Production Costs: Outsourcing helps Zara control production costs, allowing it to maintain competitive pricing. Basic items and larger batches of less time-sensitive products are produced in cost-effective locations like Asia and Africa.

Market Responsiveness:

Product Variety: By outsourcing less time-sensitive production, Zara can focus its in-house resources on producing trendy items that are more time-sensitive. This dual approach ensures a constant refreshing of products, encouraging frequent store visits.

Supporting Data and Examples:

Production and Outsourcing Strategy:

2018 Financial Report: Inditex's annual report indicated that Zara outsources about 40% of its production to low-cost countries, including China, Bangladesh, and Turkey.

Proximity Sourcing: Around 60% of its fast-fashion items are produced closer to its headquarters in Spain or nearby countries like Portugal, Morocco, and Turkey. This split ensures cost efficiency and speed.

Sales and Inventory Turnover:

2018 Sales Data: Zara reported annual sales of €18.9 Bn in 2018, attributing its success to the ability to quickly respond to consumer preferences.

Inventory Turnover: Inditex's annual report for FY 2019 highlighted that Zara's inventory turnover is significantly higher than industry averages, a direct benefit of its fast-fashion, responsive supply chain model enhanced by strategic outsourcing.

Financial Performance:

Profit Margins: Inditex consistently reports healthy profit margins. For example, in FY 2023-24, the company reported a gross profit margin of over 57.8 %, substantially higher than many competitors. Cost-effective outsourcing and optimised supply chains are key contributors.

Revenue Growth: Inditex's revenue has shown consistent growth year over year. In FY 2023, they reported revenues of Euro 32.6 Bn, a 12% increase from the previous year, showcasing their robust business model.

COVID-19 Resilience:

During the COVID-19 pandemic, Zara managed to quickly adapt its supply chain due to its flexible outsourcing strategy, allowing it to rapidly scale down production and then re-scale as demand recovered.

Zara's strategic use of outsourcing, combined with its hybrid production model, has been instrumental in its ability to maintain rapid product turnover, cost efficiency, and high responsiveness to fashion trends. This approach has cemented Zara's position as a leader in the fast fashion industry, and the supporting data from financial and operational reports underscores the effectiveness of this strategy.

Case Study - IT Outsourcing & Apparel Outsourcing Penetration Over the Years

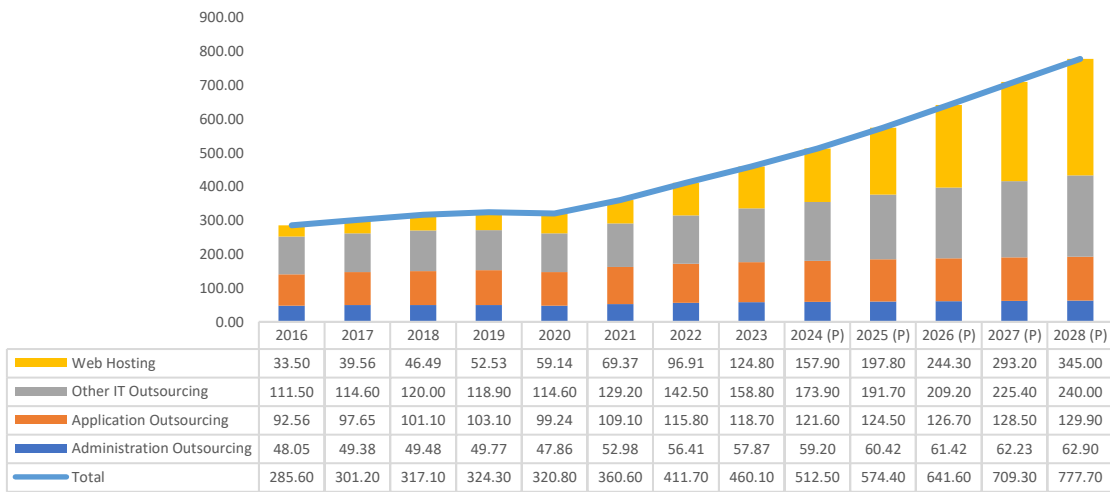
IT (Information Technology) outsourcing has evolved significantly, driven by globalization, technology, and specialization needs. Initially, in-house, the 1990s saw outsourcing for cost-cutting. The 2000s witnessed offshore outsourcing, transforming into strategic outsourcing by the 2010s. The mid-2010s embraced cloud computing for flexibility. Today, IT sourcing emphasizes specialization, hybrid models, and digital transformation focus.

On the other hand, Apparel retail outsourcing has evolved from in-house manufacturing to strategic global sourcing, emphasizing cost reduction and supply chain optimization. The 2010s saw a shift towards sustainability and digital transformation. In the 2020s, outsourcing focuses on flexibility, scalability, and sustainability goals, highlighting a strategic evolution in the industry.

Correlation b/w IT Outsourcing and Apparel Retailers based on Non-Core Activities

Non-Core Activities	IT Companies	Apparel Retailers
Administrative Outsourcing	Sourcing of typical IT administration tasks such as hardware supply, setup, configuration, maintenance, security, and support.	Retailers outsource raw material procurement to avoid negotiation and follow up.
Application Outsourcing	Source IT application services in a software production context, spanning from requirement assessments to concept and design of software applications.	Retailers outsource designing, product development merchandising, manufacturing, customized digital solutions development, or implementation etc.
Web Hosting	Includes all types of internet hosting services that allow companies or individuals to provide access to their web page via the World Wide Web.	In the comparable way, retailers also outsourcing the web hosting of their E-commerce platform, official website etc.
Others	Infrastructure outsourcing, network outsourcing, and managed services	It may include outsourcing of digital marketing, infrastructure, accounting etc.

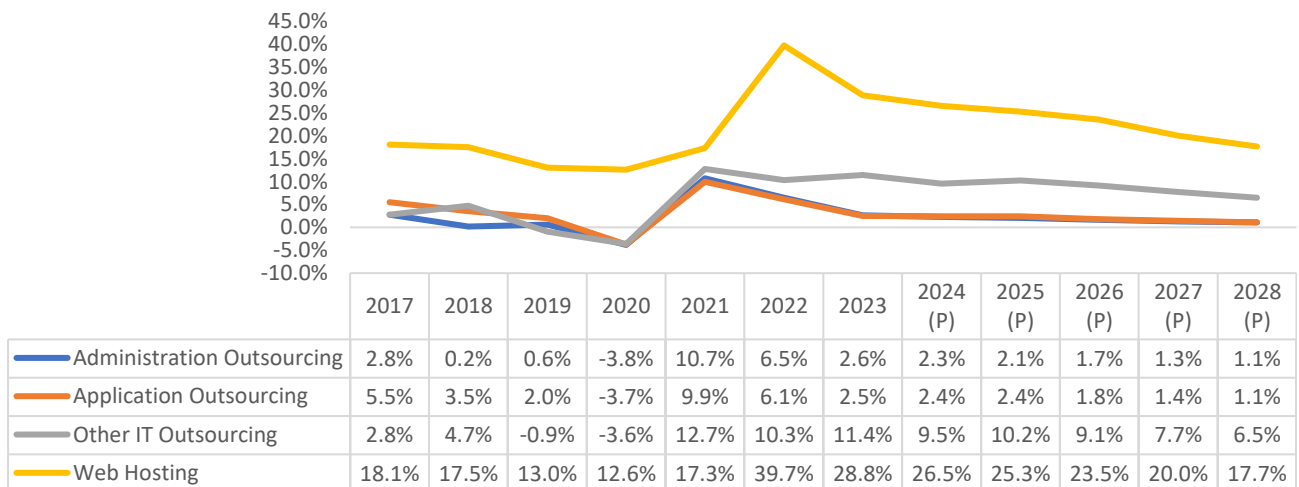
Exhibit 2.28: IT outsourcing penetration over the years (USD Bn) (CY)



Source: Secondary research, Technopak analysis,

Revenue in the IT Outsourcing market reached USD 460.10 Bn in CY2023. It is expected to show an annual growth rate (CAGR 2023-2028) of 11.07%, resulting in a market volume of USD 777.70 Bn by 2028. The Average Spend per Employee in the IT Outsourcing market is projected to reach USD 132.10 in CY2023.

Exhibit 2.29: IT outsourcing trend over the years (%) (CY)- By Non-core Activities Trend



Source: Secondary research, Technopak analysis,

Web hosting outsourcing has shown a sudden boom during the pandemic period due to the demand of digital requirements and remote access to everything to avoid direct contact, traveling etc. With digital transformation and increasing applications and extension provided by IT, the segment of IT outsourcing has been growing steadily in the past few years and is anticipated to witness significant growth in the upcoming years.

Increasing Role of Sourcing Companies

The role of sourcing companies in the apparel industry has been increasing due to several factors:

- **Demand Volatility:** The apparel industry has been facing demand volatility due to factors such as the COVID-19 pandemic and changing consumer preferences. Sourcing companies help brands adapt to these changes by ensuring a steady supply of materials and finished products.
- **Supply Chain Disruptions:** Issues such as shipping disruptions, raw material supply issues, and capacity constraints have made sourcing more challenging. Sourcing companies play a crucial role in managing these disruptions and ensuring the resilience of the supply chain.
- **Rising Costs:** The end of the era of sourcing-cost deflation has never been clearer. For the first time in ten years, hikes in shipping costs are a leading concern for sourcing executives. Sourcing companies can help brands navigate these cost increases by identifying cost-effective suppliers and negotiating favourable prices.
- **Sustainability:** There is an increasing emphasis on sustainability in the apparel industry. Sourcing companies can help brands find suppliers who adhere to sustainable practices.
- **Digital Transformation:** The apparel industry is undergoing a digital transformation¹. Sourcing companies can help brands leverage digital technologies to enhance their sourcing processes.
- **Global Uncertainty:** Factors such as geopolitics, global trade issues, and regulatory changes have made sourcing more difficult. Sourcing companies can help brands navigate this uncertainty by providing expert advice and guidance.

The increasing role of sourcing companies in the apparel industry can be attributed to their ability to help brands navigate the complex and rapidly changing landscape of global apparel sourcing.

Evolving Market Dynamics: The Rise of the Invisible Partners in Apparel

The current landscape of the apparel industry is undergoing a fascinating transformation. While brands focus on honing their core competencies and dazzling consumers with front-end developments, a crucial support system hums quietly behind the scenes: companies specializing in sourcing, manufacturing, and value-added services. These sourcing companies like PDS play an indispensable role in navigating the increasingly complex demands of the market, ensuring brands stay competitive and consumers are satisfied.

Efficient Ethical & Quality Sourcing

Gone are the days of solely chasing the lowest price tag. Today's consumers are more conscious, demanding ethically sourced products crafted with respect for labour standards and the environment. Ethical sourcing and labour practices are integral to the United Nations' Sustainable Development Goals (SDGs). Among the 17 goals, "Decent Work and Economic Growth" is crucial for ending poverty and promoting responsible economic growth that upholds human rights and preserves the planet.

Sourcing companies play a vital role here. They act as gatekeepers, vetting suppliers, negotiating favourable terms, and ensuring a smooth flow of sustainable materials. Through strategic partnerships with reliable, high-quality vendors, they streamline processes, enhance communication, and ensure consistent quality control. Many brands are also engaging in strategic partnerships with nonprofit organizations focused on key sustainability initiatives. For example, Better Cotton is investing over GBP 1 million in supply chain innovations to help brands improve their traceability. Organizations such as the Social & Labour Convergence Program and Better Work collaborate with retailers, factories, governments, workers, and unions to enhance working conditions for garment workers. Retailers participating in these partnerships include Adidas, Eileen Fisher, REI Cooperative, Levi Strauss & Co., J. Crew, and many more.

Sourcing companies are involved in several key activities to promote ethical and sustainable practices:

- **Supplier Audits and Compliance:** Sourcing companies conduct regular audits of supplier facilities to ensure compliance with labour laws, fair working conditions, and ethical business practices.
- **Worker Welfare:** They work to safeguard the rights and well-being of workers by monitoring health and safety standards, promoting fair wages, and prohibiting any forms of exploitation.

- **Transparency and Traceability:** Sourcing companies facilitate transparency by tracking and documenting the journey of materials from source to production, ensuring visibility and accountability in the supply chain.
- **Ethical Decision-making:** They make ethical decisions regarding sourcing practices, supplier partnerships, and production methods, prioritizing social responsibility over cost efficiencies.
- **Environmental Impact Assessments:** Sourcing companies evaluate the environmental footprint of sourcing activities, emphasizing the reduction of waste, energy consumption, and greenhouse gas emissions in the supply chain.
- **Material Sourcing:** They promote the use of sustainable materials such as organic cotton, recycled fibres, and eco-friendly alternatives to conventional textiles to minimize the environmental impact of apparel production.

Quality & Efficient Manufacturing

The fashion world is constantly changing, like fashions themselves! Trends come and go quickly, so brands need agile partners who can adapt quickly and efficiently. Sourcing companies equipped with a global network and deep industry knowledge are invaluable allies. They can identify emerging trends and source the perfect materials to bring your designs to life, all while maintaining the quality and consistency that defines your brand's reputation.

Value-Added Services: Where Personalization Meets Convenience

In today's hyper-personalized world, consumers crave unique experiences. This is where value-added services come in. From embroidery and monogramming to on-demand customization, these services elevate the shopping experience and foster stronger customer relationships. Furthermore, seamless omnichannel integration is key in the age of blended retail. Sourcing companies equipped for drop shipping, inventory management across channels, and impeccable fulfilment become indispensable partners, helping brands navigate the complexities of a converging online and offline world.

The Future of Fashion

The apparel industry's future lies not in isolated entities, but in a synergistic web of collaboration. Brands, sourcing companies, manufacturing partners, and value-added service providers play an orchestra of vital roles, each note contributing to the harmonious melody of success. By recognizing the contributions of these often-invisible partners and fostering strong partnerships, brands can not only thrive in the competitive market but also deliver a truly satisfying experience for the ever-evolving consumer.

Changing role of Buyer, Sourcing house and Manufacturers

Traditionally, buyers played a comprehensive role in overseeing the various stages of the supply chain in the apparel industry, including line concept development, product design, product development, source selection, material sourcing, material approval, sample approval, order placement, quality control (QC) inspection, and shipping. However, in the contemporary landscape, the role of buyers has evolved significantly, becoming more sourcing office and manufacturer centric. This transformation can be demonstrated through several key developments.

One crucial factor impacting this shift is the rising interest rates in both the USA and Europe. These rate increases have led to changes in the dynamics of the industry. Here's how:

Increased Cost of Capital: Rising interest rates mean that borrowing costs for companies have gone up. This impacts their ability to invest heavily in all stages of the supply chain, including product design and development. As a result, companies have had to be more selective in allocating their resources, leading to a reduced role for buyers in these phases.

Focus on Efficiency: Higher interest rates have pressured companies to streamline their operations. They have become more focused on core activities like sourcing and manufacturing, which have a direct impact on cost control and profit margins. This has naturally led to a shift away from activities like design and product development that may not offer immediate cost benefits.

Strategic Sourcing: With interest rates affecting financial strategies, buyers have shifted their focus towards strategic sourcing. They are now tasked with finding cost-effective sourcing solutions, negotiating favourable terms, and building strong relationships with suppliers to mitigate the impact of rising interest rates.

Outsourcing and Specialization: To remain competitive, many companies have outsourced non-core functions, including design and product development, while maintaining their focus on sourcing and manufacturing. This has allowed them to leverage external expertise, reduce costs, and adapt to the changing interest rate environment.

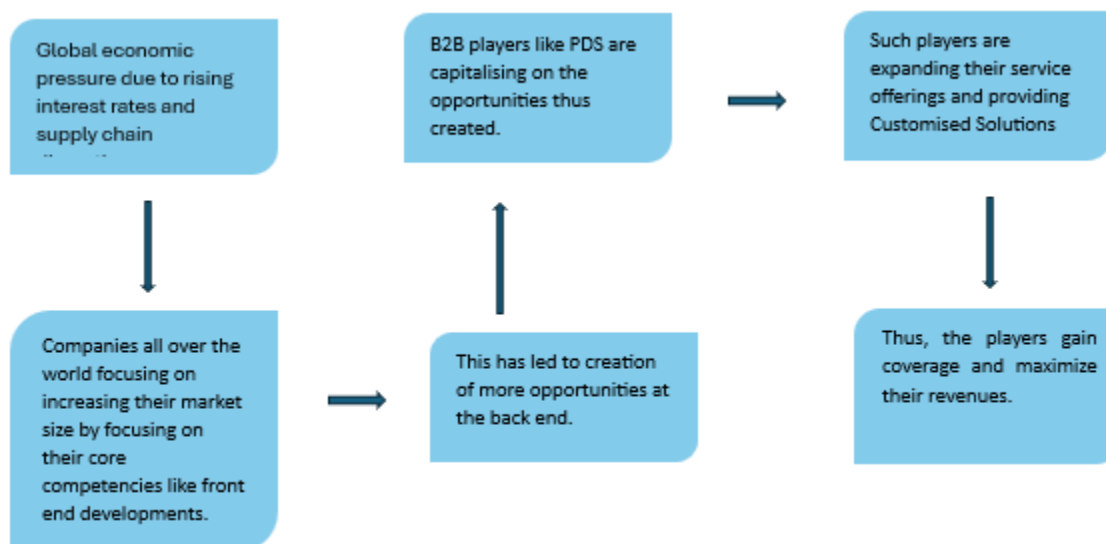
In the current scenario, the role of buyers has transformed into a more strategic and specialized one. They prioritize sourcing, manufacturing, and supplier relationships to manage costs effectively in the face of rising interest rates. This shift enables

companies to navigate the financial challenges posed by higher borrowing costs in both the USA and Europe while remaining competitive in the global apparel industry.

Traditional Process	Line concept	Product Design	Product Development	Source Selection	Material Sourcing	Material Approval	Sample Approval	Order Placement	QC Inspection	Shipping
Buyer	●	●	●	●	●	●	●			●
Sourcing House				●	●	●	●	●	●	●
Manufacturer							●			●

Today/ Current Process	Line concept	Product Design	Product Development	Source Selection	Material Sourcing	Material Approval	Sample Approval	Order Placement	QC Inspection	Shipping
Buyer	●	●	●				●	●	●	●
Sourcing House	●	●	●	●	●	●	●	●	●	●
Manufacturer	●	●	●	●			●			●

Companies like PDS are leveraging the opportunities created to expand their global reach.



In the current global economic landscape, the combined pressures of rising interest rates and persistent supply chain disruptions have compelled companies to re-evaluate their strategies for market expansion. Many businesses are now concentrating on optimizing their core competencies, particularly in areas like front-end developments. Amid these challenges, B2B players, exemplified by industry leaders such as PDS, are seizing the opportunities that have emerged. These forward-thinking players are strategically expanding their service offerings, leveraging their expertise to provide customized solutions to their clients. By doing so, they not only enhance their market coverage but also maximize their revenues. This proactive approach not only mitigates the economic strains posed by higher interest rates and supply chain disruptions but also positions these companies as key drivers of growth and innovation in an evolving global business landscape.

INDIAN APPAREL INDUSTRY

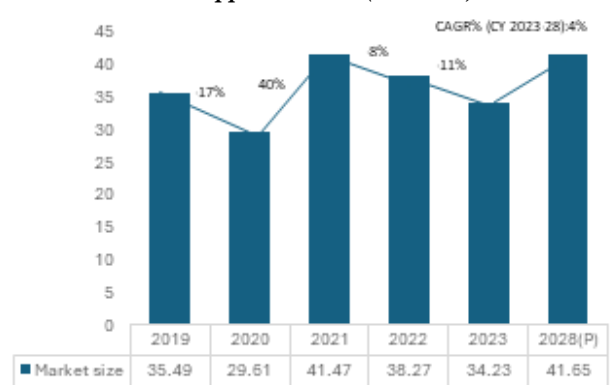
Growth of the Indian Apparel Industry.

India is a significant player in the global textile and apparel industry. The Indian Textile and Apparel Industry is valued at over USD 100 Bn (Domestic & Exports) in CY 2023, employing over 45 million people and accounting for 14% of the country’s industrial production

3.1 Indian Apparel Retail Market (USD Bn)



3.2 Indian Textile & Apparel Trade (USD Bn)



Source: Secondary Research, Technopak analysis

The Indian apparel market showed remarkable resilience and growth, bouncing back in CY 2022 to reach USD 60 Bn, driven by pent-up demand, increased consumer confidence, and a thriving e-commerce sector. This positive trajectory continued into CY 2023, with the market expanding further to USD 64.6 Bn. The market is projected to maintain this momentum, growing at a compound annual growth rate (CAGR) of 7.9%, and is expected to reach a staggering USD 94.4 Bn by CY 2028.

The data highlights the significant impact of the COVID-19 pandemic on Indian textile and apparel exports, with a sharp decline in 2020 followed by a recovery in 2021. However, the figures for 2022 and 2023 indicate a trend of fluctuating export values, suggesting ongoing challenges in the global market. Apparel remains the largest export category, while Yarn and Fibre have shown notable variability over the years.

Indian Textile & Apparel Exported by Value Chain

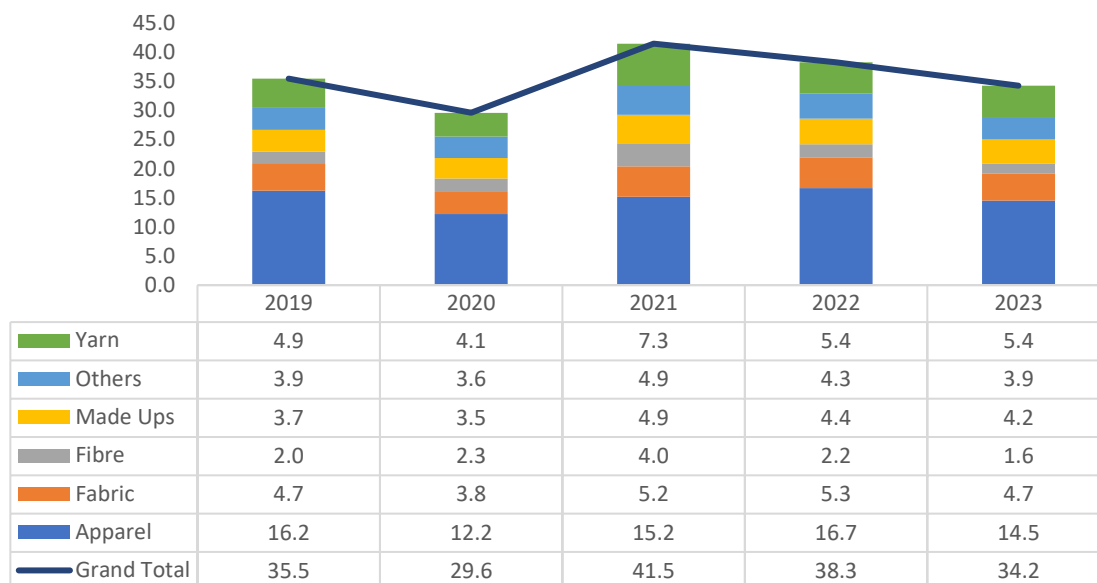
In CY 2019, India's fibre exports were valued at USD 2.0 Bn, which decreased to USD 1.6 Bn in CY 2023, registering a negative growth rate of -4.9%. India exports a wide range of textile fibres, including cotton, silk, wool, jute, and synthetic fibres, which are used to make garments, home textiles, carpets, and handicrafts. The major markets for Indian textile fibre exports are the United States, the European Union, and the United Arab Emirates, India is the second-largest producer of synthetic fibre.

India's yarn exports were valued at USD 4.9 Bn in CY 2019 and increased to USD 5.4 Bn in CY 2023, showing a growth rate of 2.2%. The yarn segment includes products such as cotton yarn, synthetic yarn, and blended yarns. India is one of the largest producers of cotton yarn in the world and has a significant presence in the global synthetic yarn market. Key markets for Indian yarn exports include China, Bangladesh, and Turkey.

Fabric exports from India were valued at USD 4.7 Bn in CY 2019 and maintained the same value in CY 2023, experiencing a marginal decline of -0.1%. The fabric sector includes the export of various textiles such as cotton, silk, wool, and synthetic fabrics. These fabrics are used for producing a variety of products, including garments, home textiles, and industrial applications. Major destinations for Indian fabric exports are the United States, the European Union, and Southeast Asian countries.

In CY 2019, India's apparel exports were valued at USD 16.2 Bn, which declined to USD 14.5 Bn in CY 2023, registering a negative growth rate of -2.8%. The apparel sector is a significant part of India's textile industry, producing a wide range of garments, including traditional ethnic wear, contemporary fashion, and activewear. The key markets for Indian apparel exports are the United States, the European Union, and the United Arab Emirates.

3.3 Indian Textile & Apparel Exported by Value Chain (USD Bn) (CY)



Source: Secondary Research, Technopak analysis

Trends and growth drivers of Indian Apparel Industry

Rising Domestic Demand: India's growing middle class and an increasingly fashion-conscious consumer base have led to a surge in domestic demand for apparel. The shift towards branded and quality clothing has created a substantial market within the country.

Export Growth: The Indian apparel industry has witnessed significant growth in exports. India is recognized as a global sourcing hub for apparel, benefiting from its cost-effective production capabilities and a skilled labour force. Exports to countries in Europe, the USA, and other regions have been on the rise.

Diverse Product Range: The Indian apparel industry offers a diverse range of products, from traditional and ethnic wear to contemporary and casual clothing. This diversity caters to both domestic and international markets, making India a versatile player in the global apparel market.

Sustainable Fashion: With increasing awareness about sustainability and environmental concerns, the Indian apparel industry is embracing eco-friendly and sustainable practices. There is a growing emphasis on organic and eco-conscious materials, ethical manufacturing, and recycling.

E-commerce and Online Retail: The rapid growth of e-commerce platforms has transformed the retail landscape. Indian consumers are increasingly shopping online, which has driven the growth of online apparel retail. E-commerce platforms offer a wider reach and convenience for consumers.

Government Initiatives: These policies aim to simplify taxation and promote manufacturing. The Ministry of Textiles has also undertaken several initiatives to strengthen India's textile industry and position it as a key player in the global market. The launch of initiatives like Kasturi Cotton and the signing of over 50 Memoranda of Understanding augment India's position as a sustainable sourcing hub for global fashion brands.

Brands that employ innovative designs and environmentally friendly practices tend to attract eco-conscious consumers. By employing cutting-edge marketing strategies and strong influencer alliances, companies can foster long-lasting brand loyalty and deep connections with their target customers. Projects such as circular fashion initiatives, transparent supplier chains, and carbon neutrality pledges offer compelling stories that build customer confidence in brands. These initiatives position companies as industry leaders and ignite positive change in the apparel industry.

Skill Development: India has a vast pool of skilled and semi-skilled labour in the apparel industry. Skill development programs and training initiatives are further enhancing the capabilities of the workforce, making India a competitive manufacturing destination.

Global Trade Agreements: Participation in trade agreements and partnerships, such as the ASEAN-India Free Trade Area (AIFTA), FTA with UAE & Australia and the India's ongoing negotiations with the European Union (EU), has opened up opportunities for Indian apparel exports to partner countries.

Digital Transformation: The adoption of technology and digital tools for design, production, and marketing is enhancing efficiency and reducing lead times in the apparel industry. This technological transformation is crucial for staying competitive in the global market.

Customization and Personalization: Consumer preferences are shifting towards personalized and customized clothing. The ability to offer tailored solutions and made-to-order products is a significant growth driver.

"Can India Emerge as the Next Major Player in Textile & Apparel Sector?"

Before we dive into the topic, let's begin by revisiting some key moments from our history book. As we speak of India and Textile, India is one of those countries which has the world's oldest textile histories. The earliest surviving Indian cotton threads date back to roughly 4000 BC, with dyed fabrics from the region dating back to 2500 BC. India was also well known for its silk production, especially during the Vedic period and the Gupta empire; it was through the "Silk Route" that India used to trade silk to various countries. Moving ahead it was not before 1854 when India's first textile mill was established in Bombay. It primarily focused on the production of cotton yarn and coarse cotton fabric. From then to now, we have come a long way, and this sector has been India's major contributor to GDP and in terms of employment also.

So, moving ahead, globally the apparel industry is one of the fastest growing and most dynamic, with a market value of approximately USD 1,624.9Bn in CY2023. The ever-increasing population, along with an increase in disposable income and urbanization, will make this sector further grow in the near future. In the present scenario, China, Vietnam, Bangladesh, and Italy are the leading exporters of apparel and textiles, constituting approx. 50% of the total share. Speaking of the Asian countries, they contribute to almost 50%–55% of the total export numbers.

As this industry is mostly labour-intensive, one of the major drivers for its growth is cheap labour costs. In US and EU countries, the average hourly labour cost is almost 8–10 times what it is in Asian countries. The availability of natural resources and climatic conditions is also one of the reasons. For example, cotton is one of the essential and basic raw materials in the apparel manufacturing value chain; China and India contribute to 45–50% of the world's cotton production. Other reasons, such as a large competitive supplier base, skilled labour, and trade agreements, helped this sector boom in this region.

Now, if we talk about the past 5 years of development in the sourcing scenario, there has been no significant rise in the percentage share of China in comparison to Bangladesh and Vietnam, speaking of which there has been a decline of 1% in the share of China in the T&A exports from 2021 to 2022. In 2022, China's apparel exports stood at USD 167.82 Bn, but in 2023, they declined to USD 153.91 Bn, registering a degrowth of 8%. This significant reduction highlights the impact of the 'China+1' strategy, where global companies are diversifying their supply chains beyond China to mitigate risks and ensure more resilient and flexible operations. As businesses seek alternative manufacturing hubs, countries like India, Bangladesh & Vietnam are emerging as attractive destinations, benefiting from increased investment and opportunities in the apparel sector. This shift is creating a more balanced global supply chain landscape, positioning India to capitalize on the changing dynamics and boost its own apparel exports.

Some factors have made companies think to diversify from China. After the COVID-19 pandemic, countries have realized that it is not wise to rely heavily on a single country. Any kind of disruption can lead to operations going for a toss if there is no major backup. In CY2023, labour costs in China's apparel industry saw a notable increase. The monthly minimum wages in regions like Guangdong rose by about 20%. Generally, labour costs in China for the apparel sector ranged from approximately USD132 to USD190 per month. This increase is part of a broader trend of rising labour costs in China, which have been growing by 5% to 15% annually. Trade wars between the US and China that began in 2018 haven't helped the cause. But each portion lost from China's share can be someone's gain, India is poised to emerge as a significant player in the global apparel industry, bolstered by the commendable efforts and strategic initiatives undertaken by the Indian government.

When it comes to India's apparel and textile export patterns, there has been a decline in the last year. This is a result of a slowdown in global demand, primarily because of inflation in the US, UK, Germany, etc. Also, the textile industry saw a decrease in FDI inflows after the pandemic. A comparative analysis will give us a clear picture of how India is positioned compared to its other competitors, like Bangladesh and Vietnam.

Parameters	India	Bangladesh	Vietnam
Share of T&A Exports -2023	3.9%	5.7%	5.3%
Share of Apparel Exports -2023	2.8%	7%	9.2%
Nominal GDP ranking	5	33	35
Labour Cost (USD-month)	160-180	150-175	190-200
Power Cost (USD-kWh)	0.10-0.12	0.08-0.12	0.08-0.10
Average Production Efficiency	45%-55%	45%-55%	65%-70%
Sustainability Ranking	112	101	55
Logistic Performance Index Ranking	38	88	43
Infrastructure Score (max. 5 points)	3.2	2.3	3.2

Parameters	India	Bangladesh	Vietnam
International Shipments Score (max. 5 points)	3.5	2.6	3.3
Tracking & Tracing Score (max. 5 points)	3.4	2.4	3.4
Ease of Doing Business	63	168	70

As we can see, there are aspects where India is lagging Bangladesh and Vietnam in terms of current market share efficiency, but there is a positive sign that in other factors like economic growth, infrastructure, logistics, and ease of doing business with other countries, India is a step ahead of its competitors.

In addition to this, there is huge support from the government to boost this sector. The Indian government has been promoting the textile and apparel industries with a number of other initiatives in the past few years. These include the production-linked incentive (PLI) scheme for technical textiles, the establishment of seven PM Mega Integrated Textile Region and Apparel (PM MITRA) parks in greenfield and brownfield sites, and the implementation of the Textile Cluster Development Scheme (TCDS) from 2021–2026. To increase the export competitiveness of Indian clothing and made-ups, the government has also approved the extension of the program for Rebate of State and Central Taxes and Levies on the Export of Garments and Made-ups (RoSCTL program) to March 2024. In order to encourage exports in the man-made fibre (MMF) industry, the government has also eliminated the anti-dumping tax (ADD) on acrylic, viscose staple fibre (VSF), and purified terephthalic acid (PTA).

Further, to better understand the entire scenario, a simple SWOT analysis of India’s position will give us a clear picture.

Strength	Weakness	Opportunity	Threat
<ul style="list-style-type: none"> Large Cotton producer and a Textiles base Low labour Cost Large domestic market Government Incentives and policies for textile and apparel industry Stable and growing economy Design-led manufacturing India stands out as a highly competitive apparel exporter due to its exceptional flexibility and efficiency in handling small order quantities with shorter lead times 	<ul style="list-style-type: none"> Low scale manufacturing Infrastructure: Although India’s ranking has improved it is still behind many developed countries No FTAs with key markets Seasonal products. Heavily focussed on SS rather than All Year products. Environmental concerns: need to catch up with competing countries 	<ul style="list-style-type: none"> Growing global demand for apparel and textile industry Growth of E-commerce industry India can invest in Brand building and become more competitive in the Global market Digitalization could be a big differentiator 	<ul style="list-style-type: none"> Competition from countries like Bangladesh and Vietnam. Changing consumer preferences towards sustainable products Trade wars between countries can disrupt the supply chain

We can conclude that with its rich heritage, skilled workforce, increasing focus on sustainability and ever- growing IT sector, India has the potential to become the next big thing in the global textile and apparel industry. As the country continues to build on its strengths while addressing its challenges, it will be able to not only fulfil market demands but also establish new standards for quality, variety, and responsible manufacturing. With a bright future ahead, India's textile and apparel sector is poised to weave a success story that resonates both domestically and internationally, securing its place as a major participant in the global fashion landscape. The road ahead may be difficult, but the opportunities are limitless, and all indications point to India becoming a significant power in the textile and clothing sector.

GLOBAL COMPETITIVE LANDSCAPE

Key Players in Global Competitive Landscape

The profile and other details of the key players in the global competitive landscape is given below:

New Times Group

Operating since 1960, the New Times Group specializes in apparel, accessories, and home product sourcing, product development, and supply chain management. Headquartered in Hong Kong, the group operates through 28 offices and 27 quality hubs and manufacturing facilities across 17 countries, including China, India, Vietnam, Bangladesh, and Turkey.

Their comprehensive apparel sourcing spans various categories such as tailored suits, jackets, dresses, outerwear, shirts, and formal pants. The New Times Group boasts a global network of over 600 partner factories, catering to more than 100 retailers and brands. Some notable clients include Ralph Lauren, Nordstrom, Nike, American Eagle, VF Corporation, and Limited Brands. Their main markets for exports are North America, Central America, South America, and Europe.

Facts & Figures about New Times Group	
Global Presence	17 countries; 28 Offices
No. of partnered factories	600+
No. of Employees	1500
Group revenue 2022	USD 305.2 Mn
Services offered:	Fabric Research & Development, Trend Forecasting, Global Sourcing & Logistic support, Third party & In-house Logistic support, CSR & ECG services, Quality Control PCC – Inspection Services - Per man day & Cost+, Quality Management Solutions (Factory Technical Evaluations, Quality Management Gap Analysis, CAP / Remediation, Continuous Improvement, Production Capacity Study, Quality Reporting Software, Forensic Analysis, Training & Development, Support for Technical Package)
Key Segments:	Apparel, & Home Decor

William E Connor

The Connor Group is a globally recognized merchandise-sourcing organization that oversees the supply chain for more than 60 premier retailers and brands on a worldwide scale. With a presence spanning 35 offices across 20 countries, they have established a network comprising 6,000 carefully vetted factories.

Specializing in a diverse range of products, including apparel, stylish home items, fashion accessories, and premium beauty products, the company employs 1,400 individuals and operates in 35 locations worldwide, with its headquarters situated in Kowloon Bay, Hong Kong. Serving as representatives for over 60 leading retailers and brands in North America, Europe, and Australia, the Group ensures the seamless delivery of global services.

The Connor Group operates through three distinct business units: Long-Term Sourcing Partnerships (Establishing sourcing partnerships, offering transparent global support for retailers and brands), Omega Compliance (Social Compliance, Supply Chain Security, Sustainability, and Integrity auditing services) and Spectra Private Brands (product development, design, production, importation, and fulfilment, ensuring a seamless process for clients)

Facts & Figures about William E. Connor	
Global Presence	20 countries; 35 Offices
No. of partnered factories	6,000
No. of Employees	1,400
Group revenue 2022	USD 582 Mn
Services offered:	Logistic Management, Manufacturing Control, Factory Sourcing, Vendor Compliance, Product Development, Product Design, Buyer Planning, Consumer mapping, Trend Forecasting, Full integrated Supply chain Management
Key Segments:	Apparel, Accessory, gift, and hardgoods

PDS Ltd.

Incorporated in 1999, PDS Ltd specializes in providing tailored and integrated solutions to global retailers and brands. Operating in over 20 countries, the company has offices spanning design, sourcing, and manufacturing sectors. Their comprehensive solutions cover the entire value chain, including design-led sourcing, sourcing as a service, brand management, and manufacturing. These offerings enable brands and retailers to focus on their point of sales. PDS collaborates with a network of 600+ factories worldwide and employs a team of 4200+ individuals, including over 250 specialized designers.

PDS Global has solidified its position as one of the India's multinational B2B Apparel player in terms of revenue, boasting an annual revenue of USD 1.32 Bn in FY 2022. Serving over 250 retailers and brands, some notable clients include Tesco, Primark, Tesco, Asda, Ted Baker, Ralph Lauren, Sainsbury, Kohls, Hanes, Walmart etc.

Facts & Figures about PDS Global	
Global Presence	22 countries; 60+ Offices
No. of partnered factories	600
No. of Employees	4,200+
Group revenue 2022	USD 1.32 Bn
Services offered:	Merchandise Planning, Product Designing & Development, Sourcing-Design led sourcing, Raw Material purchasing, Manufacturing, Cost Management, Quality Assurance, Brand Management
Key Segments:	Apparel, Footwears & Accessory

Li & Fung

Li & Fung is a provider of logistics and supply chain solutions, offering consumer goods sourcing and logistics services to major retailers and brands. The company specializes in supply chain management solutions for a diverse range of clients, including consumer brands, hypermarkets, specialty stores, department stores, catalogue-led companies, and e-commerce platforms. Their product offerings encompass a wide array, from garments and apparel to hard goods such as toys, home furnishings, sporting goods, footwear, and health and beauty products.

With headquarters in Kowloon, Hong Kong, Li & Fung operates through a vast network of offices and distribution centres across Asia-Pacific, the Americas, Europe, and Africa. The company's global presence includes approximately 5,000 employees situated in 41 offices across over 40 production countries. Operating through a supply chain network involving 15,000 suppliers, 230 offices, and 270 distribution centres worldwide, Li & Fung collaborates with over 4,800 factories in more than 40 production countries.

As a global supply chain company, Li & Fung manages approximately 350 licenses, including prestigious brands such as Tommy Hilfiger, Guess, Calvin Klein, Izod, Nautica, and Coach. The organization also oversees various brands directly controlled, such as Frye, Juicy Couture, and Rosetti.

Facts & Figures about Li & Fung	
Global Presence	40 countries; 41 Offices
No. of partnered factories	4,800
No. of Employees	5,000
Group revenue 2022	USD 11.41 Bn
Services offered:	Product design and development, Raw material sourcing, Production planning and management, Factory sourcing, Shipping, Forwarder, Customs clearance, Local forwarding, Warehousing, Distribution centre management, Transport management, Customs brokerage, Freight forwarding, Supply chain analytics, Research, design, and logistical advice
Key Segments:	Apparel, Footwear & Accessory

Comparison of Services Offered by global players and their Global presence.

Exhibit 4.1: Services offered by global players.

Services Offered	Product Design	Product R&D	Production planning & Management	Product Sourcing	Trend Forecasting	Buyers Planning	Logistic Support & Advice	Quality Management	Cost Management	Brand Management	Brand Promotion	Vendor Compliance
New Times Group	✓	✓	-	✓	✓	-	✓	✓	✓	-	-	✓
William E. Connor	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-	✓
Li & Fung	✓	✓	✓	✓	-	-	✓	✓	-	-	-	✓
PDS Limited	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓

Source: Secondary research

PDS Ltd excels in comprehensive fashion industry support, offering top-tier services in product design, R&D, sourcing, trend forecasting, buyer planning, logistics, quality, cost, brand management, and vendor compliance

Exhibit 4.2: Presence and other details for Global players.

	No. of Partnered factories	No. of Employees	No. of offices	Global presence in No. of countries	No. of retailers or Brand partnership	No. of Distribution Centres	Key Categories	Headquartered In
New Times Group	600+	1,500	28	17	100+	27+	Casual and sports wears, Swim sleep, Intimate Wear & Home textiles	Hong Kong
William E. Connor	6,000+	1,400	35	20	60+	20+	Apparel, Footwears, and home products including, furniture, luggage bags, toys, etc.	Hong Kong
Li & Fung	4,800+	5,000	41	40	350+	270	Apparel, general merchandise, home textiles, accessories and footwear	Hong Kong
PDS Limited	600+	4,200+	90	20+	250+	NA	Apparel, Footwears, accessories, home textiles and General Merchandise	India

Source: Secondary research

BRIEF PROFILES OF THE KEY INDIAN COMPETITORS AND PEERS

Indian Garment Manufacturers

KPR Mills Limited

Established in 1984, KPR Mill Limited stands as a prominent player in the textile and apparel industry. The company operates in key segments, including Yarn, Fabrics, Garments, and White Crystal Sugar. With a total of 11 manufacturing units and a workforce of over 30,000 personnel including Factory workers, KPR Mill boasts a substantial production capacity of 157 million pieces per annum in India. KPR mills also serve the market under its own brand name FASO. The brand has its distinctive style, comfortable wear, and complete in-house manufacturing competence.

KPR Mill is one of the vertically integrated apparel manufacturing companies in India, providing end-to-end solutions from yarn to finished garments. In India, the company's operation is located near Tirupur. Expanding its global footprint, KPR Mill has ventured into international operations in Ethiopia.

Geographically, the company classifies its operations into two regions India and Rest of the World. In FY2023-24, India accounted 63.7% of company's total revenue, followed by Rest of the World with 36.3%.

Facts & Figures about KPR Mills Limited	
Global presence	60 Countries
No. of manufacturing units	15
Production capacity/annum	157 Mn pieces
No. of employees	30,000 including factory Workers
Key segments:	Yarn, Fabrics, Garments, and White Crystal Sugar

Gokaldas Exports Limited

Gokaldas Exports Ltd, an India-based company specializing in the manufacturing and export of apparel, reaches customers in over 50 countries, including the US, Canada, Russia, Japan, and South America. The company's diverse product line encompasses outerwear, men's and women's wear, sportswear, casual wear, and formal wear. Serving various international fashion brands and retailers, Gokaldas maintains a network of 300+ partner manufacturing units globally and exports ready-made garments to over brands.

With a market presence in the US, Europe, Latin America, the Middle East, and Asia, Gokaldas Exports is headquartered in Bengaluru, Karnataka, India. The company operates through 20+ manufacturing units, boasting a production capacity of 36 million pieces annually. Gokaldas classifies its products into two categories: men's and women's. Men's offerings include jackets, shirts, suits, and bottoms, while women's products encompass jackets, tops, and lowers. In August 2023, Gokaldas Exports, through its subsidiary, finalized an agreement to acquire Atraco Group.

Facts & Figures about Gokaldas Exports Limited	
Global presence	50+ Countries
No. of manufacturing units	20+
Production capacity/annum	36 Mn pieces
No. of employees	48,000 including factory Workers
Key segments:	Sportswear, Casual wear & Formal wear

S.P. Apparels Limited

S.P. Apparels Limited, an Indian company founded in 1989 and headquartered in Tamil Nadu, is a prominent manufacturer and exporter specializing in knitted garments for infants and children. Equipped with state-of-the-art facilities for yarn production, knitting, fabric dyeing, sewing, cutting, printing, embroidery, and garment finishing, the company provides end-to-end solutions. Boasting a total of 17 manufacturing units, S.P. Apparels has an impressive annual production capacity of 50 million pieces. In addition to its manufacturing and exporting endeavour's, S.P. Apparels has a retail presence in India, offering menswear garments under the brand 'Crocodile.' S.P. Apparels has a global reach, exporting readymade garments and related products to different brands worldwide.

Facts & Figures about S.P. Apparels Limited	
Global presence	2 Countries
No. of manufacturing units	17
Production capacity/annum	50 Mn pieces
No. of employees	7,500 Including factory Workers
Key segments:	Knitted Garment for Infant & Kids wear

Note: Brief profile of other players including Williom E. Connor, New times Group, Li & Fung and PDS is included in chapter 4.

Comparison of services offered by Indian players and their Global presence.

Exhibit 5.1: Services offered by Indian players.

Services Offered	Product Design	Product R&D	Production planning & Management	Product Sourcing	Trend Forecasting	Buyers Planning	Logistic Support & Advice	Quality Management	Cost Management	Brand Management	Brand Promotion	Vendor Compliance
KPR Mills Limited	✓	✓	✓	-	-	-	-	✓	-	-	-	✓
Gokaldas Exports Limited	✓	✓	✓	✓	✓	-	✓	✓	✓	-	-	✓
S.P. Apparels Limited	✓	✓	✓	✓	-	-	-	✓	-	-	-	✓
PDS Limited	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	✓

Source: Secondary research

Exhibit 5.2: Presence and other details for Indian players.

	No. of factories	Production Capacity/ Annum	No. of Employees	No. of offices	Global presence in No. of countries	No. of retailers or Brand partnership	No. of Distribution Centers	Key Categories
KPR Mills Limited	15	157 Mn pieces	30,000+	8	60+	100+	NA	Yarn, Fabric Knitting, & Knitted Apparel
Gokaldas Exports Limited	35+	36 Mn pieces	48,000+	NA	50+	50+	5	Fashionwear, Outerwear, Bottom wear Casualwear & sportswear
S.P. Apparels Limited	17	50 Mn Pieces	7,500	NA	NA	50+	2	Yarn, Knitting, Fabrics, and Apparel
PDS Limited	600+ Partner factories	NA	10,200+	90+	20+	250+	NA	Apparel, Footwears, accessories, home textiles and General Merchandise

Note: The total number of employees at PDS Ltd. (10,200) includes 6,000 factory workers and 4,200 non-factory employees.

Financial Benchmarking of Indian key competitors and peers

Revenue from Operations

The key measure of a company's financial performance lies in its revenue from operations, serving as the primary indicator of its business success and income generation. In FY 2024, PDS Limited registered a revenue of INR 10,373 crores which was the highest among industry peers making it India's largest multinational B2B apparel business.

Exhibit 5.3: Revenue from Operations (INR Cr)

Company	FY 2021	FY 2022	FY 2023	FY 2024	CAGR (2021-24)
Gokaldas Exports	1,211	1,790	2,222	2,379	25.2%
KPR Mill Limited	3,530	4,822	6,186	6,060	19.7%
S.P. Apparels Limited	652	859	1,078	1,087	18.6%
Li & Fung (India) Pvt. Ltd.*	74	47	65	NA	-6.2%
New times Development (India)*	63	71	81	NA	13.0%
William E. Connor*	29	34	40	NA	16.2%
PDS Limited	6,213	8,828	10,577	10,373	18.6%

Source: Annual Reports

CAGR for companies marked with "*" is calculated for FY 21-23 due to unavailability of FY 24 financials.

Gross Profit and Gross Margin

Gross profit represents the difference between a company's total revenue and the cost of goods sold, indicating its profitability before considering operating expenses. Whereas Gross margin expresses this profit as a percentage of revenue from operations, revealing the efficiency of a company's core operations in generating profits. In FY 2024, PDS Limited registered a gross profit of INR 2,111 crores which was second highest after KPR Mills among industry peers.

Exhibit 5.4: Gross Profit (INR Cr) and Gross Profit Margin (%)

Company	FY 2021		FY 2022		FY 2023		FY 2024		CAGR (2021-24)
	GP	Margin	GP	Margin	GP	Margin	GP	Margin	
Gokaldas Exports	606	50.0%	902	50.4%	1,045	47.0%	1,244	52.3%	27.1%
KPR Mill Limited	1,567	44.4%	2,137	44.3%	2,433	39.3%	2,452	40.5%	16.1%
S.P. Apparels Limited	383	58.6%	505	58.8%	592	54.9%	636	58.5%	18.5%
Li & Fung (India) Pvt. Ltd.*	74	100.0%	47	100.0%	65	100.0%	NA	NA	-6.2%
New times Development (India)*	63	100.0%	71	100.0%	81	100.0%	NA	NA	13.0%
William E. Connor*	29	100.0%	34	100.0%	40	100.0%	NA	NA	16.2%
PDS Limited	1,028	16.5%	1,432	16.2%	1,771	16.7%	2,111	20.4%	27.1%

Source: Annual Reports

Note: Gross Profit = Revenue from Operations - Cost of Goods Sold (COGS)

Note: Gross Margin = Gross Profit / Revenue from Operation

Note: CAGR shown on basis of Gross Profit value.

CAGR for companies marked with "*" is calculated for FY 21-23 due to unavailability of FY 24 financials.

EBITDA and EBITDA Margin

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) measures a company's operating performance by focusing on profitability before non-operational expenses. EBITDA margin, calculated as EBITDA divided by net sales, indicates the efficiency and profitability of a company's core operations. A higher EBITDA margin suggests better cost control and operational efficiency, essential for navigating the diverse regulatory and competitive landscape in the industry. In FY 2024, PDS Limited registered an EBITDA of INR 392 crores which was the highest among industry peers after KPR Mills.

Exhibit 5.5: EBITDA (INR Cr) and EBITDA Margin (%)

Company	FY 2021		FY 2022		FY 2023		FY 2024		CAGR (2021-24)
	EBITDA	Margin	EBITDA	Margin	EBITDA	Margin	EBITDA	Margin	
Gokaldas Exports	101	8.4%	205	11.5%	271	12.2%	254	10.7%	35.8%
KPR Mill Limited	830	23.5%	1,219	25.3%	1,274	20.6%	1,237	20.4%	14.2%
S.P. Apparels Limited	104	16.0%	152	17.7%	143	13.2%	381	35.0%	54.0%
Li & Fung (India) Pvt. Ltd.*	8	10.6%	-8	-16.6%	3	4.2%	NA	NA	-40.9%

Company	FY 2021		FY 2022		FY 2023		FY 2024		CAGR (2021-24)
	EBITDA	Margin	EBITDA	Margin	EBITDA	Margin	EBITDA	Margin	
New times Development (India)*	9	14.6%	6	8.8%	7	8.1%	NA	NA	-16.1%
William E. Connor*	2	5.9%	3	8.2%	8	20.0%	NA	NA	113.5%
PDS Limited	230	3.7%	327	3.7%	459	4.3%	392	3.8%	19.5%

Source: Annual Reports

Note: EBITDA Margin = EBITDA/Revenue from Operations

Note: EBITDA = (Profit Before Tax + Depreciation & Amortization + Finance Costs) – Other Income – Share of P/I of an Associate

Note: CAGR shown on basis of EBITDA value.

CAGR for companies marked with "*" is calculated for FY 21-23 due to unavailability of FY 24 financials.

PAT and PAT Margin

PAT (Profit After Tax) represents the net earnings after all expenses, including taxes, have been deducted from total revenue. PAT margin, calculated as PAT divided by net sales, indicates the overall profitability of the company, with a higher margin showing greater efficiency in managing costs and maximizing profits. The PAT margin is under pressure across all players in the industry. In FY 2024, PDS Limited registered a PAT of INR 203 crores which was second highest after KPR Mills among industry peers.

Exhibit 5.6: Profit after Tax (INR Cr) and PAT Margin (%)

Company	FY 2021		FY 2022		FY 2023		FY 2024		CAGR (2021-24)
	PAT	Margin	PAT	Margin	PAT	Margin	PAT	Margin	
Gokaldas Exports	26	2.2%	117	6.5%	167	7.5%	131	5.5%	70.4%
KPR Mill Limited	515	14.6%	842	17.5%	814	13.2%	805	13.3%	16.1%
S.P. Apparels Limited	43	6.6%	85	9.9%	83	7.7%	90	8.2%	27.6%
Li & Fung (India) Pvt. Ltd.*	4	4.7%	4	8.6%	6	9.7%	NA	NA	34.2%
New times Development (India)*	5	8.6%	4	5.5%	5	5.7%	NA	NA	-8.0%
William E. Connor*	1	1.7%	1	3.7%	6	15.3%	NA	NA	247.1%
PDS Limited	148	2.4%	293	3.3%	327	3.1%	203	2.0%	10.9%

Source: Annual Reports

Note: PAT Margin= PAT/Revenue from operations

PAT = Profit Before Tax – Tax Expenses

Note: CAGR shown on basis of PAT value,

CAGR for companies marked with "*" is calculated for FY 21-23 due to unavailability of FY 24 financials.

Return on Equity

Return on equity (ROE) is a function of profit after tax and shareholder's equity. A sustainable business and increasing ROE over time can indicate a good value generation ability for the shareholders. A negative ROE indicates negative profit earned by the business. In FY 2024, PDS Limited registered a ROE of 16.3%, which was second highest after KPR Mills among industry peers.

Exhibit 5.7: Return on Equity (%)

Company	FY 2021	FY 2022	FY 2023	FY 2024
Gokaldas Exports	9.1%	16.5%	18.8%	10.1%
KPR Mill Limited	21.9%	26.4%	22.0%	18.5%
S.P. Apparels Limited	7.7%	13.3%	12.2%	11.7%
Li & Fung (India) Pvt. Ltd.	54.7%	63.7%	98.6%	NA
New times Development (India)	26.4%	16.1%	15.8%	NA
William E. Connor	2.0%	4.8%	18.8%	NA
PDS Limited	20.7%	31.3%	29.4%	16.3%

Source: Annual Reports

ROE = (PAT/ Shareholder's Equity)*100

Return on Capital Employed

Return on Capital Employed (ROCE) indicates a company's efficiency by measuring the profitability of the business after factoring in the capital used by the company to generate profits. ROCE is a good indicator of the company's performance over

long periods. PDS Limited continued to register a ROCE of above 20% consistently from FY 2021 to FY 2024. In FY 2024, PDS Limited registered a ROCE of 22.1% which was in top 2 among industry peers.

Exhibit 5.8: Return on Capital Employed (%)

	FY 2021	FY 2022	FY 2023	FY 2024
Gokaldas Exports	10.0%	20.7%	25.0%	15.3%
KPR Mill Limited	25.0%	27.4%	23.5%	20.9%
S.P. Apparels Limited	11.0%	16.4%	15.7%	43.9%
Li & Fung (India) Pvt. Ltd.	-91.9%	-102.5%	-12.6%	NA
New times Development (India)	8.0%	2.0%	4.8%	NA
William E. Connor	2.7%	7.4%	13.2%	NA
PDS Limited	25.8%	38.4%	43.7%	22.1%

Source: Annual Reports

$ROCE = \frac{EBIT (EBITDA - D\&A + Other\ Income)}{(Total\ Equity + Current\ Borrowings + Non\ Current\ Borrowings - Cash\ \&\ Cash\ Equivalents - Other\ Bank\ Balances)}$

Working Capital Cycle

Working capital days measures the time it takes for a company to convert its working capital into revenue. This metric is crucial for assessing liquidity and operational efficiency, with shorter working capital days indicating quicker turnover and better cash flow management. Effective management of working capital days helps companies maintain smooth operations and meet financial obligations.

PDS has had the lowest working capital in industry consistently for FY21, FY22, FY23 and FY24. Further, it operated on a negative working capital for FY22 and FY23

Exhibit 5.9: Working capital days

	FY 2021	FY 2022	FY 2023	FY 2024
Gokaldas Exports	162	149	87	173
KPR Mill Limited	180	173	189	221
S.P. Apparels Limited	269	275	184	190
Li & Fung (India) Pvt. Ltd.	Na(1)	Na(1)	Na(1)	NA
New times Development (India)	Na(1)	Na(1)	Na(1)	NA
William E. Connor	Na(1)	Na(1)	Na(1)	NA
PDS Limited	5	-3	-2	7

$Working\ Capital\ Days = Days\ Inventory + Days\ Receivables - Days\ Payables$

$Days\ Receivable = (Trade\ Receivables / Revenue\ from\ Operations) * 365$

$Inventory\ Days = (Inventory / COGS) * 365$

$Days\ Payable = (Trade\ Payables / COGS) * 365$

Note: Na (1)= can't be calculated due unavailability, negative numerator, denominator or both.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 15 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations” on pages 38 and 83, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2022, 2023 and 2024 included herein is derived from the Audited Consolidated Financial Statements included in this Placement Document and the financial information for the three months ended June 30, 2023 and June 30, 2024 included herein is derived from the Unaudited Special Purpose Interim Consolidated Financial Statements and the Unaudited Condensed Interim Consolidated Financial Statements, respectively, included in this Placement Document. For further information, see “Financial Statements” on page 284. Our Company’s Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.

Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Report on Global and Indian Apparel Industry” dated August 14, 2024 (the “Technopak Report”), exclusively commissioned by and paid for by our Company pursuant to an engagement letter dated July 18, 2024, in connection with the Issue. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. The relevant industry sources are indicated at all relevant places within this section. For more information, see “Risk Factors – Industry information included in this Placement Document has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.” on page 55.

Unless otherwise stated, references in this section to “we”, “our” or “us” (including in the context of any financial information) are to our Company along with our Subsidiaries, our Associates, our Joint Venture and our Trust, on a consolidated basis. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with “Risk Factors”, “Industry Overview” and “Management’s Discussions and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 38, 116, 83 and 284, respectively, as well as the financial and other information contained in this Placement Document. Additionally, see “Definitions and Abbreviations” on page 20 for certain terms used in the following section.

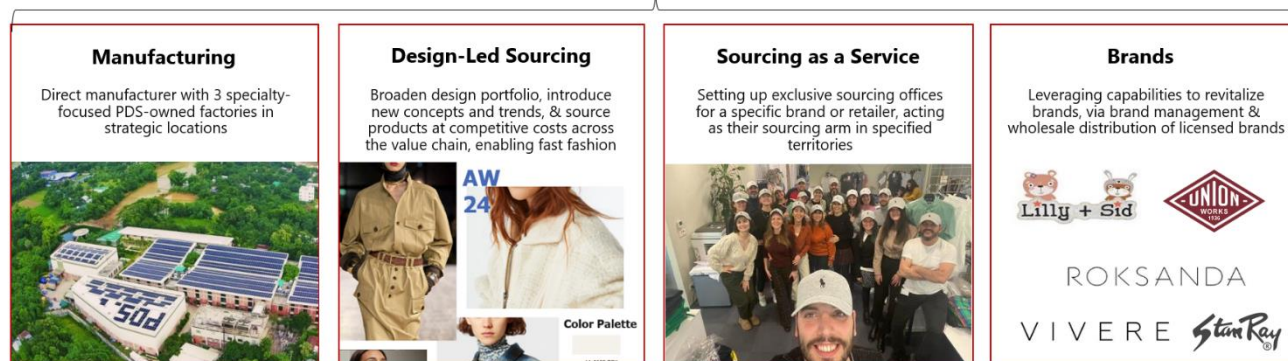
Overview

We are India’s largest multinational B2B apparel business in terms of revenue, basis Fiscal 2024 (Source: Technopak Report). We are a one-stop, global fashion infrastructure and solutions provider simplifying the fashion value chain. We operate in an industry where brands and retailers, who are our clients, are having to meet fast-changing trends and rapidly evolving preferences of their customers in a challenging environment of global economic pressures compounded by supply chain disruptions. According to the Technopak Report, in order to meet such challenges, retailers and brands have realized that they must focus on their front-end operations to increase their market share by customer acquisition and increasing store sales. This has led to more opportunities being created at the back-end of the fashion value chain for us as our business model allows our clients to focus on their front-end operations while we cater to their back-end operations such as supply chain and infrastructure requirements, including, design, sourcing, manufacturing, compliance, quality assurance and brand management. Our ability to provide services across the fashion value chain, has enabled us to capitalize on multiple opportunities created at the back-end operations of our clients by expanding our service offerings with customized solutions for our clients. We are involved in providing crucial services for the global fashion industry through our asset-light model. We provide supply chain management of high-volume, goods ensuring timely deliveries for many of the leading retailers and brands across the world through our extensive global network. Our multi-faceted versatile global operations allow us to tailor production to meet the specific needs of retailers and brands, addressing both near shoring and far shoring requirements efficiently. As of June 30, 2024, we cater to more than 250 retailers and brands. As per the Technopak Report, we have had the lowest working capital in industry consistently for Fiscal 2022, Fiscal 2023 and Fiscal 2024. Further, we operated on a negative working capital for Fiscal 2022 and Fiscal 2023.

We provide integrated and customized sourcing and manufacturing solutions to global retailers and brands across categories through our model of entrepreneur-led verticals. We are an ethical and entrepreneurial company with a strong sustainability focus. With our keen design sense, extensive industry experience and adoption of the latest techniques and technologies, we are enabling the global fashion industry to cater to the fast-evolving tastes and preferences of consumers more efficiently.

Our service offerings include design-led sourcing, sourcing as a service, brand management and manufacturing through our own facilities.

Customized Service offerings



- *Design led sourcing enabling customers to access quality designs and source products at competitive costs for their chosen categories.*

Through our design led sourcing, we provide end to end sourcing solutions to our clients who are retailers and brands. This includes designing and execution using vendor factories that we partner with for manufacturing the product. We are positioned at a critical point of the fashion value sourcing cycle with orders being placed with us which in turn are sourced from vendor factories at competitive costs. We leverage a global ecosystem of over 250 designers located across geographies to introduce new concepts and trends to our clients by combining creative inputs and market intelligence, enabling our clients access to a broad range of design portfolios. We provide services across the value chain ranging from design, product development based on requirements, order management, supplier management and compliance assurance, enabling our clients to meet the rapidly evolving preferences of their customers.

- *Sourcing as a service*

We launched sourcing as a service in 2021 through an agreement with a U.S. based basics apparel brand for sourcing from Bangladesh. We created an exclusive team with an independent office infrastructure in Bangladesh to provide services to the client.

Through sourcing as a service, we provide customised solutions involving bespoke management of brands and retailers' sourcing needs. We aim to reduce complexities of sourcing and associated costs for our clients. As part of sourcing as a service, we manage the value chain from market intelligence, trend forecasting, product development, designing, factory identification, pricing and negotiation, order management, quality control amongst others. We have exclusive teams and dedicated infrastructure for certain brands and retailers we engage. This provides transparency through cost-plus pricing for our clients. We generally agree with the brands and retailers to an annual budget which further enhances sourcing power, allowing better negotiations with suppliers and enables us to gain a competitive advantage.

We operate our sourcing as a service business through our Subsidiaries. For example, one of our Subsidiaries, CSS, has established a strategic partnership with a mass-market fashion label wherein CSS has dedicated a specialized team, exclusively focused on delivering market-leading solutions through an ethical value chain. CSS has expanded its operations to Dhaka, Bangladesh, enabling the sourcing of clothing, footwear, and accessories from both Bangladesh and India, further enhancing the competitiveness of our offerings. Further, recently, we have acquired the sourcing operations of the same mass-market fashion label in Turkey. As part of the acquisition, a dedicated team and infrastructure based in Turkey will provide sourcing as a service within the EMEA region for clothing, footwear and accessories category. We have also expanded our sourcing as a service offering into the homeware category through our Subsidiary, Casa Collective Ltd.

- *Brand management*

We have a portfolio of in-house, licensed, brand collaborations catering to various niches and preferences. Under our brand management services, we provide an extensive suite of services including designs, range planning, product development, buying and sourcing. We have collaborations with retailers and influencers in conceptualising new brands. For example, our UK focused subsidiary Poeticgem Limited, collaborated with a British actor and musician and a UK based retailer, for our brand Union Works. The collaboration includes design, development, manufacture, marketing and sourcing of the clothing collection which is to be sold exclusive through the UK based retail partner. We believe that by working closely

with such influencers, we can gain a better understanding of the end customers' preferences and create products that resonate with the influencers.

We also offer brand management solutions to intellectual property companies. We have entered into a license agreement with the Authentic Brands Group for the Forever 21 brand. Under the license agreement, we have been granted the rights for the manufacturing, marketing, and distribution of Forever 21 in the United Kingdom and European regions, including Germany, France, Spain, and Switzerland amongst others. In Fiscal 2023, we acquired New Lobster Limited through one of our Subsidiaries PDS Lifestyle Limited. New Lobster Limited entered into a strategic collaboration to establish the TDG as the Ted Baker brand's global hub for design and merchandising functions. TDG is responsible for the design and sourcing for Ted Baker's global retail partners. The global retail partners will purchase the brand's core categories from TDG, including men's and women's sportswear and outerwear, men's dress shirts, women's dresses, and fashion handbags. Additionally, TDG has a license agreement for wholesale distribution of Ted Baker brand in the UK and Europe.

➤ *Manufacturing through our own facilities*

We have three manufacturing facilities in strategic locations, with two of the facilities situated in Bangladesh and one in Sri Lanka. Our manufacturing units are certified with LEED Gold and HIGG Index Membership, demonstrating our commitment to environment responsibility and our commitment towards sustainability. Our manufacturing facilities have expanded its capabilities which enable us to enhance operational efficiencies. For example, we have also opened a centralised cutting plant at our facility in Sri Lanka, Norlanka, which uses automated machinery for smart cut planning and fabric cut efficiency to enhance the quality of the end product. Similarly, we have also commissioned a wash plant in one of our Bangladesh facility. Our multi-faceted versatile global operations allow us to tailor production to meet the specific needs of retailers and brands, addressing both near shoring and far shoring requirements effectively.

As of June 30, 2024, we have a global presence spanning more than 20 countries engaging with more than 250 retailers and brand partners. We have cultivated a global sourcing network of more than 600 vendor factories as of June 30, 2024, that we partner with for manufacturing products. We operate from more than 90 locations which have more than 10,000 employees. We strive to build an inclusive global business that respects diversity and benefits from varied perspectives and approximately 58% of our employees are women. Our employees are of more than 40 nationalities.

Our experience and presence in the locations from which we source products allow us to provide local expertise and insights to our customers on a broad range of aspects relating to the supply chain, including factory sourcing, logistics, forwarding, customs clearance, compliance and quality checking.

The following table provides the contribution of our customers located in United Kingdom & Europe, North America, Asia & Middle East, India and Others to our revenue:

Location	Three months ended				Fiscals					
	June 30, 2024		June 30, 2023		2024		2023*		2022*	
	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from operations in ₹ lakhs	As a percentage of total revenue from operations (%)	Revenue from operations in ₹ lakhs	As a percentage of total revenue from operations (%)
UK & Europe	175,755.16	70.36%	150,135.15	72.84%	708,222.88	71.00%	750,967.30	71.00%	679,772.46	77.00%
North America	38,967.89	15.60%	28,526.50	13.84%	129,674.61	13.00%	158,655.06	15.00%	141,251.42	16.00%
Asia & Middle East	28,826.24	11.54%	20,941.42	10.16%	139,649.58	14.00%	116,347.05	11.00%	35,312.86	4.00%
India	1,149.05	0.46%	1,463.43	0.71%	14,901.00	1.49%	7,022.36	0.66%	2,341.42	0.27%
Others	5,095.80	2.04%	5,049.85	2.45%	5,048.94	0.51%	24,708.65	2.34%	24,143.22	2.73%
Total	249,794.14	100.00%	206,116.35	100.00%	997,497.01	100.00%	1,057,700.42	100.00%	882,821.38	100.00%

*For Fiscal 2023 and Fiscal 2022, revenue from operations include other operating revenues amounting to ₹23,151.37 lakhs and ₹14,792.37 lakhs respectively. Note: For Fiscal 2023 and Fiscal 2022, geographical segment was reported as "Revenue from Operations" which comprises of sale of goods and other operating revenues. However, it has been changed to "Revenue from Sale of Goods" for the three months ended June 30, 2024 and three months ended June 30, 2023 and for Fiscal 2024.

The total global retail apparel market, valued at US\$ 1,624.9 billion in CY 2023, is anticipated to grow at a CAGR of 6.3% from CY 2023 to CY 2028, reaching US\$ 2,204.5 billion. (Source: Technopak Report) with Europe holding a substantial share of 26.1% in CY 2023. The European market is expected to grow at CAGR of 5.2%. The American market, with a 28.5% share, also demonstrates healthy expansion and is expected to grow at a CAGR of 6% from CY 2023 to CY 2028. (Source: Technopak

Report). Europe holds a substantial share of 26.1%, with noteworthy growth propelled by changing consumer preferences and the Middle East & Africa contribute 3.8%, showcasing significant growth rates expected to grow at a CAGR of 18.1% from CY 2023 to CY 2028. The total global retail apparel market, valued at USD1,624.9 billion in CY 2023, is anticipated to grow at a CAGR of 6.3% from CY 2023 to CY 2028, reaching USD 2,204.5 billion (Source: Technopak Report). This indicates a massive opportunity for companies engaged in the textile and apparel business, including us.

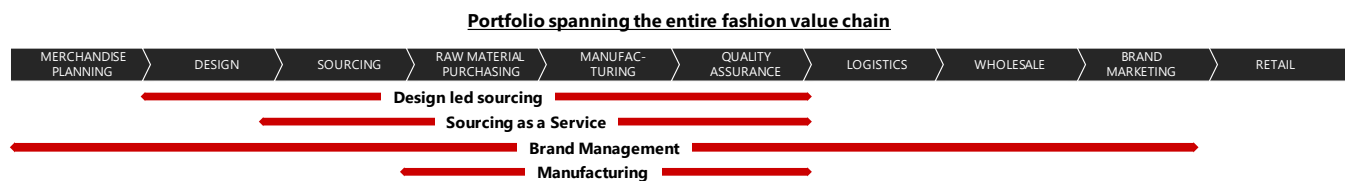
In the recent past, we have witnessed a consistent performance signifying our effective strategies and effective execution. Our revenue from operations has increased from ₹ 8,82,821.38 lakhs in Fiscal 2022 to ₹ 10,37,264.96 lakhs in Fiscal 2024. Our gross margin has grown from 16.22% in Fiscal 2022 to 20.35% in Fiscal 2024 and from 18.68% in the three months ended June 30, 2023 to 20.80% in the three months ended June 30, 2024.

OUR STRENGTHS

We offer our customized solutions to more than 250 brands and retailers through our global presence

Our presence across the fashion value chain, defines our business model. We are a one-stop, global fashion infrastructure and solutions provider simplifying the fashion value chain. We operate in an industry where brands and retailers, who are our clients, are having to meet fast-changing trends and rapidly evolving preferences of their customers in a challenging environment of global economic pressures compounded by supply chain disruptions. According to the Technopak Report, in order to meet such challenges, retailers and brands have realized that they must focus on their front end operations to increase their market share by customer acquisition and increasing store sales. This enables us to have the opportunity to capitalize on opportunities in multiple parts of the value chain and provide an extensive suite of services across the fashion value chain with our vast global network present across countries.

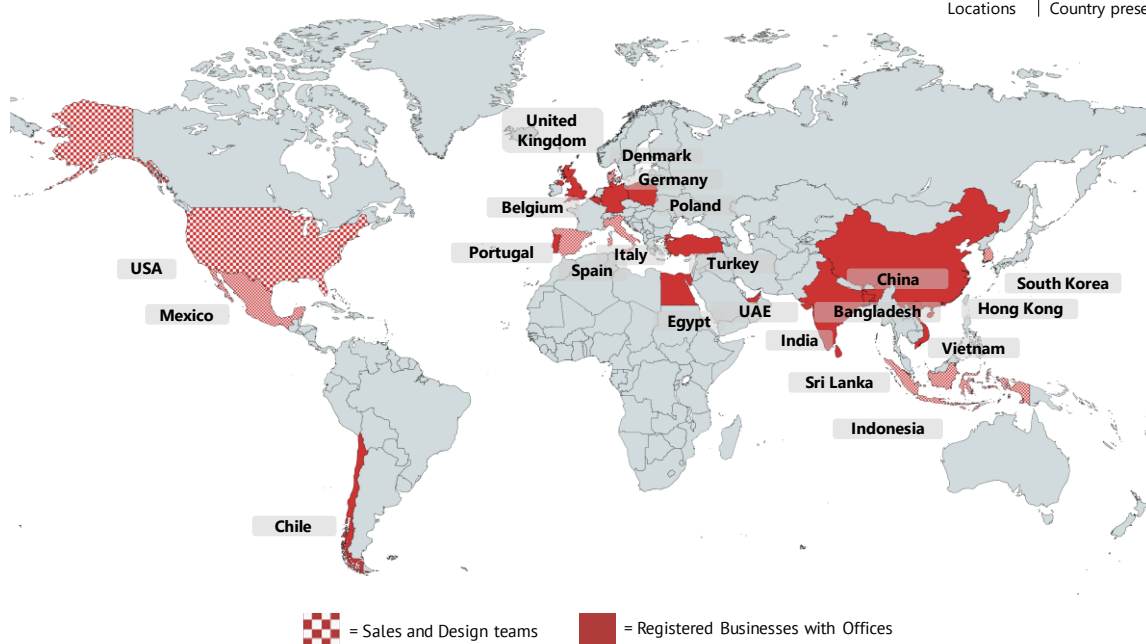
According to the Technopak Report, the current landscape of the apparel industry is undergoing a fascinating transformation. While brands focus on honing their core competencies and dazzling consumers with front-end developments, a crucial support system being companies specializing in sourcing, manufacturing, and value-added services, including our Company, are playing an indispensable role in navigating the increasingly complex demands of the market, ensuring brands stay competitive and consumers are satisfied.



Our supply chain expertise and extensive global network serves as a one-stop-shop service to brands and retailers through competitive pricing and consistency in quality. We have built a global footprint across more than 20 countries operating in more than 90 locations with more than 600 vendor factories. This has enabled us to build a strong customer base with more than 250 global retailers and brands, including ASDA, Primark, Tko and Tesco Plc.

Our multi-faceted versatile global operations allow us to tailor production to meet the specific needs of retailers and brands, addressing both near shoring and far shoring requirements efficiently. While we cater to markets like the United Kingdom, Europe, USA, Australia, amongst others, we have built strong in-roads across apparel manufacturing hubs including Bangladesh, Turkey, Sri Lanka and China.

90+ Locations | 20+ Country presence | 250+ Designers



Our experience and presence in the locations from which we source products allows us to provide local expertise and insights to our customers on a broad range of issues relating to the supply chain, logistics, forwarding, customs clearance, compliance and quality checking. By strategically matching the solutions with the customers’ business objectives, we ensure long-term relationships, evidenced by us having relationships of at least 5 years with a majority of our top 10 customers by revenue as of March 31, 2024.

Our global network has enabled us to cover a variety of apparel segments across men’s wear, women’s wear, children’s wear, and others.

The following table provides the contribution of our customers located in United Kingdom & Europe, North America, Asia & Middle East, India and Others to our revenue:

Location	Three months ended				Fiscals					
	June 30, 2024		June 30, 2023		2024		2023*		2022*	
	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from sale of goods in ₹ lakhs	As a percentage of total revenue from sale of goods (%)	Revenue from operations in ₹ lakhs	As a percentage of total revenue from operations (%)	Revenue from operations in ₹ lakhs	As a percentage of total revenue from operations (%)
UK & Europe	175,755.16	70.36%	150,135.15	72.84%	708,222.88	71.00%	750,967.30	71.00%	679,772.46	77.00%
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India	1,149.05	0.46%	1,463.43	0.71%	14,901.00	1.49%	7,022.36	0.66%	2,341.42	0.27%
Others	5,095.80	2.04%	5,049.85	2.45%	5,048.94	0.51%	24,708.65	2.34%	24,143.22	2.73%
Total	249,794.14	100.00%	206,116.35	100.00%	997,497.01	100.00%	1,057,700.42	100.00%	882,821.38	100.00%

*For Fiscal 2023 and Fiscal 2022, revenue from operations include other operating revenues amounting to ₹23,151.37 lakhs and ₹14,792.37 lakhs respectively
 Note: For Fiscal 2023 and Fiscal 2022, geographical segment was reported as “Revenue from Operations” which comprises of sale of goods and other operating revenues. However, it has been changed to “Revenue from Sale of Goods” for the three months ended June 30, 2024 and three months ended June 30, 2023 and for Fiscal 2024.

We have low customer revenue concentration and our reliance on any single customer is limited. On average basis, each of our top 10 customers contributes less than 7% of our revenue from operations. The following table details the contribution of our Top 10 customers to our revenue in the respective periods.

Customers	For the three months ended June 30, 2024		For the three months ended June 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ lakhs)	% of revenue from operation	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations
Top Ten Customers	1,69,935.16	64.83%	1,28,576.61	60.79%	5,80,214.75	55.94%	6,34,757.41	60.01%	5,37,464.02	60.88%

Further, with the shift towards global sourcing, there are very few global large apparel sourcing players to serve the market. We are able to leverage the opportunities created by such shortages to expand our global reach. For example, our strategic partnership with a mass-market fashion label, through CSS, has enabled sourcing of clothing, footwear, and accessories from both Bangladesh and India, has further enhanced the competitiveness of our offerings. Similarly, with our recent acquisition of New Lobster Limited and licensing arrangement for Ted Baker. Our services have extended to providing sourcing as a service and delivering expertise in brand development, design and merchandising respectively.

We also service brands and retailers through our Manufacturing Facilities for apparels which helps us better serve clients that require in-house manufacturing capabilities.

We have a business model which promotes entrepreneurship and attracts top talent

We have a business model which unites multiple operations and is based on the ethos of ‘partner and grow together’. Our business model attracts leaders in the field, creating synergistic growth opportunities. We prioritise innovation, creativity and adaptability at the workplaces, while upholding the entrepreneurial spirit.

We recruit business heads of diverse nationalities with pre-established relationships with retailers and brands in certain geographies. The business heads are given room to autonomously manage their business activities while adhering to the processes, guideline and policies set by us and have their independent teams within a well-structured organization. We operate a business model of profit sharing in which our business heads are responsible for delivering on the agreed budgets and have a minority equity stake or an economic interest in the respective Subsidiaries and resultant profit share as an incentive.

The business heads are able to cross leverage our ecosystem and expand product categories and sourcing geographies resulting in an increasing customer base enabling faster growth of their verticals. They are also supported by our Company providing administrative support including human resources, information technology, taxation, compliance. They also benefit from access to working capital. For example, Techno Design headed by Rajive Ranjan provided us an entry into Germany and leveraging the synergies provided by us has grown its revenue to ₹ 93,325.71 lakhs in Fiscal 2024.

As a result of our business model, we need to establish independent entities across geographies to provide full autonomy and transparency to business heads. Additionally, some of our customers, especially those for sourcing as a service, require independent entities to ensure full transparency. Consequently, as of the date of this Placement Document, we have 135 subsidiaries, five joint ventures, and five associate companies. This structure also enables our Company to have clear visibility into performance metrics of each business vertical.

The table below provides an illustrative list of business heads in our Subsidiaries:

Name of business head	Region of Operation	Name of Subsidiary	% of shareholding in the respective Subsidiary
Anuj Banaik	United Kingdom	Poeticgem International FZCO	25%
Sandeep Malhotra	Hong Kong	Simple Approach Limited	20%
Rakesh Chadha	United Kingdom	Design Arc UK Limited	15%
Rajive Ranjan	Germany	Techno Design GmBH	45% (indirectly)
Chandana Ranatunga	Sri Lanka	Norlanka Manufacturing Limited	6.5% ^{##}
Rajnish Kapoor	Bangladesh	Krayons Sourcing Limited	25%
Safak Kipik	Turkey	Spring Near East Manufacturing Company Limited	10%
Iftexhar Ullah Khan	Bangladesh	Kleider Sourcing FZCO	34%
Alex Feng	China	PDS Asia Star Corporation Limited	40%
Thomas Mueller	Hong Kong	Zamira Fashion Limited	33%

^{##} To be allotted | Most of the above business heads have been associated with PDS for over 10 years

Our growth over the years has been significantly driven by the talent of our employees across various geographies and our entrepreneurial model. We continue to focus on building and nurturing a high-performing, future-ready workforce capable of driving sustainable growth and innovation across our business verticals. Set out below is a table providing details of some of the top talent that we have recruited:

Sr No.	Name	Designation
1.	Harold Tillman [#]	Global Ambassador
2.	Mark Green ^{##}	Advisory Board Member
3.	Danny Santander	CEO, PDS Mexico and Central America
4.	Andrew Reaney	CEO, PDS Online Enterprise
5.	Daniel Coen ^{###}	President – Strategy and Markets
6.	Krishantha Rajapaksha	CEO, PDS North America
7.	Hatun Aytug	EVP – Business Development (USA)
8.	Katherine Lopez [#]	Consultant (USA)
9.	Melanie Wilson	Executive Director

[#] Under consultancy agreement

^{##} Agreement under renewal

^{###} Joining from September 2024

Our human capital initiatives are expected to further strengthen our objective of nurturing a high-performing, future-ready workforce capable of driving sustainable growth and innovation across our business verticals. Our growth over the years has been significantly driven by the talent of our employees across various geographies and our entrepreneurial model.

We believe in encouraging our teams to think outside the box, take calculated risks, and continuously adapt to changing market conditions which has led to increased competitiveness, growth and success for us and our teams. Through a focus on innovation, our teams are well positioned to deliver value to our clients. Through our commitment to collaborate and innovate, we drive growth by pushing boundaries and focusing on enhancing value for all stakeholders.

Talent acquisition is the cornerstone of our long-term success, enabling us to position ourselves for future growth strategically. We prioritise that we have the right talent in place to drive our organisation forward. We have a robust resume repository, which empowers us to swiftly access top talent whenever required. Additionally, we have partnered with leading management institutes to recruit fresh talent as part of our flagship Campus Engagement Programme, thereby building a talent pipeline. We have strong branding efforts on social media, which further helps us attract the talent for our organisation's growth agenda.

We continue to prioritise investing in our people and human resources and fostering an organisational culture that drives consistent improvement. In Fiscal 2024, we implemented several key initiatives to attract, develop and retain top talent across our global operations, including expanding digital learning and development programmes, promoting career growth opportunities through internal job rotations and mentorship programmes and enhancing employee engagement through improved communication channels and feedback mechanisms.

We have reputed Board and an experienced leadership team

Our management team has a successful track record in growing our business. Our Executive Vice Chairman, Pallak Seth is an alumnus of Northwestern University and Harvard Business School, having completed the executive program (Ownership/President Management).

We have a distinguished and experienced Board of Directors who have considerable experience and expertise in their fields of operations. The details of our Board of Directors are as follows:

Name	Designation
Deepak Kumar Seth	Chairman, Non- Executive and Non- Independent Director
Payel Seth	Non- Executive and Non- Independent Director
Pallak Seth	Executive Vice Chairman and Non- Independent Director
Nishant Parikh Ravindra	Independent Director
Parth Gandhi	Non- Executive and Non- Independent Director
Yael Gairola	Non- Executive and Non- Independent Director
Robert Lloyd Sinclair	Independent Director
Mungo Park	Independent Director
BG Srinivas	Independent Director
Sandra Campos	Independent Director

The following table provides details of some of our leadership team:

Sr No.	Name	Designation
1.	Sanjay Jain	Group Chief Executive Officer
2.	Rahul Ahuja	Group Chief Financial Officer
3.	Reenah Joseph	Deputy Group Chief Financial Officer

Sr No.	Name	Designation
4.	Raamann Ahuja	Group Chief Human Resource Officer
5.	Paul Wright	Executive Director, ESG
6.	Saurabh Saxena	Group Chief Information Officer
7.	Ajay Thakkar	Group Counsel
8.	Shahed Mahmud	Country Director - Bangladesh
9.	Suresh Punjabi	Executive Director – Audit, Assurance and Risk Management
10.	Abhishekh Kanoi	Head of Legal and Secretarial
11.	Sagar Ballari	Executive Director – New Business
12.	Ankur Agarwal	Investment Head – PDS Venture
13.	Kanhai Trivedi	Executive Director - General Procurement
14.	Nihar Das	Vice President – Procurement (Fabrics)

We prioritize continual investment in the development of our leaders and employees to position ourselves effectively for long-term success. We invite renowned faculty from leading business schools to take sessions for our senior leaders under the PDS Leadership Academy program which also offers a range of soft skill and functional training programs tailored to enhance the capabilities of all employees.

Robust financial performance

We believe that our complete end-to-end fashion value chain solutions, our established experience in sourcing, our coordinated global network of offices, vendor factories, and our business model have contributed to our track record of healthy financial performance and growth.

Our revenue from operations have grown at a CAGR of 8.39% from ₹ 8,82,821.38 lakhs in Fiscal 2022 to ₹ 10,37,264.96 lakhs in Fiscal 2024 and increased by 23.93% from ₹ 2,11,493.61 lakhs in the three months ended June 30, 2023 to ₹ 2,62,105.55 lakhs in the three months ended June 30, 2024. Our gross margin has grown from 16.22% in Fiscal 2022 to 20.35% in Fiscal 2024 and from 18.68% in the three months ended June 30, 2023 to 20.80% in the three months ended June 30, 2024. Our dividend payout ratio on a consolidated basis has increased from 25.00% in Fiscal 2022 to 43.26% in Fiscal 2024 and our net working capital days (debtor days has been calculated based on revenues and inventory days and payable days have been calculated based on cost of goods sold) increased from (3) in Fiscal 2022 to 7 in Fiscal 2024.

We believe that our financial performance aids us in strengthening our trust and engagement with our customers and further enhances our ability to retain these customers and extend our engagement across products and geographies.

Robust Risk Management Framework

We maintain a robust risk management framework which serves as the foundation of our sustained growth. We diligently monitor market trends and potential threats to ensure that our business remains resilient and forward moving. Our risk management framework focuses on identification of pertinent risks, evaluation of implications on business operations, prioritization of risks for effective management, execution of measures to mitigate identified risks and ongoing tracking and enhancement of risk management controls. We have safeguarded our business and operations against risks, which we are subject to. Our robust risk management systems have enabled us to maintain our operations successfully during uncertain times. Our risk management is ensured by diversifying our business associated risks and ensuring no dependence on any single or few customers, geographies, vendor factories or lenders. We have engaged a global agency partner to review our Employee Code of Conduct. Further, we engage a third-party agency to undertake reference checks for senior level hires.

Our risk management system is governed by credit, compliance, cost, currency, customer dependency, compliant capacity and inventory.

Credit: Prior to onboarding any customers and suppliers, we review their credit ability. We monitor our receivables and payables and also avail credit insurance.

Compliance: We have documented a PDS Group’s Code of Conduct for the group which lays down the internal policies, procedures and guidelines that all persons representing the group are expected to abide by. We have a zero tolerance against violation as a part of our supplier code of conduct and human rights policy.

Cost: We imbibe global practices driven by financial controllers who support us in reducing costs and increasing our savings. We review our operating expenditure on a regular basis while managing our costs.

Currency: While our business is largely denominated by the U.S dollar, we may avail foreign exchange forward contracts for other currencies.

Customer dependency: We have low customer revenue concentration and our reliance on any single customer is limited. On average basis, each of our top 10 customers contributes less than 7% of our revenue from operations. The following table details the contribution of our Top 10 customers to our revenue in the respective periods.

Customers	For the three months ended June 30, 2024		For the three months ended June 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations	Revenue (₹ lakhs)	% of revenue from operations
Top Ten Customers	1,69,935.16	64.83%	1,28,576.61	60.79%	5,80,214.75	55.94%	6,34,757.41	60.01%	5,37,464.02	60.88%

Compliant manufacturing facilities: Our own manufacturing facilities are subject to reviews and audits. We only partner with third-party manufacturers which operate compliant facilities.

Inventory risk which we manage by our business largely being on a FOB basis. The inventory, if any, is on a pre-sold basis.

Additionally, we have implemented Ethics Global Hotline for reporting possible violations of PDS Group’s Code of Conduct. This enables any person to report any possible illegal, unethical or improper conduct either through a multilingual Hotline or by filing a report through our website.

We have implemented a well-defined risk management framework to identify risks, assess threats, and devise appropriate mitigation measures to shield against both internal and external risks. To ensure the framework’s successful implementation, senior management individuals are designated to lead the risk management committee, thus integrating risk management seamlessly into our processes. We believe that the active involvement of senior management enables thorough review and continuous monitoring of risks in a constructive manner, fosters a culture of proactive risk management throughout the entire organisation.

Driving ESG initiatives and innovative solutions

As per the Technopak Report, the Ministry of Textiles has undertaken several initiatives to strengthen India's textile industry and position it as a key player in the global market. The launch of initiatives like Kasturi Cotton and the signing of over 50 Memorandum of Understanding, augment India’s position as a sustainable sourcing hub for global fashion brands. As per the Technopak Report, brands that employ innovative designs and environment friendly practices tend to attract eco-conscious consumers. By employing cutting-edge marketing strategies and strong influencer alliances, companies may foster long-lasting brand loyalty and deep connections with their target customers. Projects such as circular fashion initiatives, transparent supplier chains and carbon neutrality pledges offer compelling stories that build customer confidence in brands and position them as industry leaders, igniting positive change in the apparel industry.

Our sustainable practices are aimed at contributing to the development of a climate positive fashion industry. As part of our sustainability strategy, a dedicated sustainability team oversees the long-term sustainability goals centered around our four sustainability pillars i.e., respect water, reduce emissions, think circular and build a community. As of June 30, 2024, we had a team of 70 members to drive compliance and sustainability across the value chain. Our ESG team is led by Paul Wright who has extensive experience in retail and manufacturing. He has led teams for sourcing, compliance, quality and sustainability for some of UK’s well-known retailers. To effectively manage our emissions, we have adopted a multifaceted approach that encompasses several key areas. We prioritise energy efficiency and conservation measures across all our operations. We are minimising greenhouse gas emissions while also reducing costs and improving overall operational efficiency by optimising our energy consumption. In addition to energy efficiency, we have invested in renewable energy sources. We have started calculating our scope 1 and scope 2 emissions since 2023 and have committed to SBTis in December 2023.

We are transitioning to clean and sustainable energy alternatives, such as solar power, so that we can significantly reduce our reliance on fossil fuels and mitigate our carbon footprint. One of our manufacturing facilities in Bangladesh, GoodEarth, was certified LEED Zero and fulfilled its requirements of LEED Zero Carbon certification, being the first garment factory in Bangladesh to achieve this status. We have also implemented several water conservation initiatives at our manufacturing unit in Bangladesh and Sri Lanka to promote responsible water management. We have introduced water pressure reduction valves to minimise water usage by controlling the flow and pressure of water in one of our facilities.

We participated in S&P Global Ratings and were ranked in the 93rd percentile in the S&P Global CSA ranking for 2022. Our manufacturing units are certified with LEED Gold and HIGG Index Membership, demonstrating our commitment to environment responsibility and our commitment towards sustainability. Two of our facilities have installed solar panels.

As per the Technopak Report, with the rising consumer demand for sustainable fashion, there is a significant opportunity for companies to prioritise sustainability throughout their supply chains. This involves sourcing materials from eco-friendly suppliers, adopting sustainable manufacturing practices, such as energy-efficient processes and waste reduction, and ensuring ethical labour standards in production facilities. These practices will enable companies to meet consumer expectations while contributing positively to environmental and social concerns. Our Company intends to capitalise on the need for companies to engage with sustainable partners.

We incubated PDS Ventures, our venture capital arm, with the objective of nurturing scalable innovation and shaping the future of the industry through early-stage investments in sustainability, technology, and consumer brands. Through PDS Ventures, we aim to feed upcoming disruptive technologies and innovations into our ecosystem. We develop new partnerships and invest in businesses that fit our vision across the value chain including material science, manufacturing processes & solutions, circular solutions, transparency & traceability and fashion tech. Our intention is to create long-term value by futureproofing our enterprise and providing agile solutions for the future. Our investment strategy is synergised with the fashion value chain, our customers, suppliers and other relevant stakeholders.

PDS Ventures nurtures scalable innovation and aims to shape the future of the industry through early-stage investments in sustainability, technology, and consumer brands. As of June 30, 2024, we had total assets of ₹ 44,581.74 lakhs in PDS Ventures & others. It strives to contribute to the development of a circular economy and climate positive fashion industry. Our long-term sustainability goals are centred around four sustainability pillars of respecting water, reducing emissions, thinking circular and building a community.

The Company also collaborated with Global Fashion Agenda for TrailBlazer Programme 2024 and committed \$200,000 (₹ 166.78 lakhs*) (specific amount to invest is contingent upon the winning company's stage and status) as equity investment for the winner. Our Executive Vice Chairman, Pallak Seth attended the open innovation program for early stage innovators with a jury consisting of sustainability representatives from the fashion industry including brands, institutes and global collaborators.

*(Source: Exchange rate of ₹ 1 to US\$ 83.3913, as on June 30, 2024, based on the conversion rate provided by our bankers)

OUR STRATEGIES

Our strategy is focused on capitalizing on the opportunities presented by the evolving global fashion industry. As the fashion industry is experiencing a consolidation trend with larger firms expanding and benefiting from synergies of scale, retailers are restructuring to enhance supply chain resilience, focus on customer facing activities and trying to achieve cost efficiencies. Such challenges are amplified by political unrest leading to disruptions in the fashion supply chain, and increased costs due to focus on ESG due to evolving regulatory frameworks. These challenges present us with an opportunity to use our strengths above to enhance our support to our clients. In order to avail this opportunity, we intend to pursue the following strategies:

Increase focus on creating customized offerings

With retailers and brands focusing on the front-end services, there is ample potential to capitalize on the opportunity of providing back-end services to such retailers and brands. For further details, please see "*Our Business – Our Strengths - We offer our customized solutions to more than 250 brands and retailers.*" on page 170 of this Placement Document.

As per the Technopak Report, the apparel industry is witnessing a shift towards global sourcing wherein brands are increasingly relying on sourcing companies for manufacturing and value-added services. This shift is driven by the desire to leverage the expertise of sourcing companies and enhancing agility for market adaptation. By engaging with sourcing companies, brands are able to emphasize on their core strengths and focus on building the brand name while outsourcing back-end operations. Also, the pursuit of cost efficiencies through economies of scale and supply chain risk mitigation will help the brands in having a more concentrated supplier network. By consolidating volumes with fewer but larger suppliers apparel companies aim to foster stronger collaborations, enable demand-driven models, improve quality control and visibility and drive faster response times to market demands and trends.

As per the Technopak Report, 'see now, buy now' mentality amongst consumers has contributed to the shift towards global sourcing, reflecting a shift towards faster and more responsive supply chains. This trend is largely driven by the 'see now, buy now' mentality among consumers, who seek immediate gratification and want to wear the latest styles. As a result, apparel companies are prioritising fast fashion and 'just-in-time' manufacturing to accelerate their product development cycles and ensure timely delivery to market.

The total global retail apparel market, valued at US\$ 1,624.9 billion in CY 2023, is anticipated to grow at a CAGR of 6.3% from CY 2023 to CY 2028, reaching US\$ 2,204.5 billion. (Source: Technopak Report) with Europe holding a substantial share of 26.1% in CY 2023. The European market is expected to grow at CAGR of 5.2%. The American market, with a 28.5% share, also demonstrates healthy expansion and is expected to grow at a CAGR of 6% from CY 2023 to CY 2028. (Source: Technopak Report). Europe holds a substantial share of 26.1%, with noteworthy growth propelled by changing consumer preferences and the Middle East & Africa contribute 3.8%, showcasing significant growth rates expected to grow at a CAGR of 18.1% from

CY 2023 to CY 2028. The total global retail apparel market, valued at USD1,624.9 billion in CY 2023, is anticipated to grow at a CAGR of 6.3% from CY 2023 to CY 2028, reaching USD 2,204.5 billion (*Source: Technopak Report*).

We intend to partner with an increased number of retailers in newer geographies including U.S., Scandinavia and Continental Europe, as well as strengthen our operations in the current markets that we operate in. We have on-boarded Mark Green, an Advisory Board Member and Danny Santander, Chief Executive Officer of PDS in Mexico and Central America to drive our growth across the Americas. For details of some of the key talent acquisitions completed by us to drive our business, please see “*Our Business – Our Strengths - We have a business model which promotes entrepreneurship and attracts top talent*” on page 172 of this Placement Document.

We intend to continue to leverage the opportunity in the apparel market by increasing our presence in specialised categories of kidswear and activewear, amongst others and foray into newer categories of footwear, accessories and health and beauty.

Expanding manufacturing

Offshoring, reshoring, nearshoring, and friendshoring have all become common terms for businesses to consider when planning their manufacturing and global supply chain strategies. The COVID-19 pandemic has only accelerated this trend as companies seek to diversify their supply chains and mitigate risk. Globally, players are now considering or have already implemented a nearshoring or friendshoring strategy (*Source: Technopak Report*). We are currently sourcing a large share of our merchandise from the emerging markets, primarily Bangladesh, Sri Lanka, China and Turkey. However, there are other regions globally that are gaining traction due to near shoring and friendshoring.

This indicates an opportunity for us to expand our operations, including manufacturing units and CMT set-up beyond Bangladesh and Sri Lanka. We are seeking brownfield opportunities in Egypt, Portugal and Central America for strengthening our footprint in these regions and accessing manufacturing facilities in these geographies to magnify our sourcing footprint. This will enable us to leverage the potential of these markets and enhance our overall business operations in a sustainable manner.

Sourcing from countries geographically closer to the target markets can significantly reduce shipping times and lead to more efficient supply chain management. Reduced lead times not only enhance the ability of a business but also improve customer satisfaction by enabling faster product delivery. (*Source: Technopak Report*) Our strategy to increase our penetration in the North American markets by exploring investments in manufacturing units in countries such as Egypt, Portugal and Central America, with shorter lead times, further reinforces our commitment to our customers. We believe that this will help us capitalize on benefits flowing from reduced shipping time and duty-free exports to major markets like Europe, United Kingdom and North America.

As per Technopak Report, participation in trade agreements and partnerships, such as the ASEAN-India Free Trade Area (AIFTA), FTA with UAE & Australia and the India's ongoing negotiations with the European Union (EU), has opened up opportunities for Indian apparel exports to partner countries. Further, The China+1 strategy is a business strategy that involves reducing reliance on China by sourcing goods and services from other countries. Among the most popular alternative destinations for the China+1 strategy are Vietnam, India, and Mexico. These countries offer competitive labour costs, diverse manufacturing capabilities, and established supply chain networks. Currently, we have limited sourcing and manufacturing operations in these countries, and hence there is an opportunity for us to scale up through strategic partnerships in the manufacturing space.

Increase focus on brands and brand management

We operate a portfolio of brands that are created in-house, licensed, acquired or in collaboration with influencers driving end-to-end management for brands from concept to distribution. The merchandise for our brand portfolio is designed, curated, sourced by us and distributed through retail chain. We are collaborating with retailers and influencers in conceptualising new brands. An example of an influencer collaboration, our UK focused Subsidiary, Poeticgem Limited, collaborated with a British actor and musician and a UK based retailer, for our brand Union Works. The collaboration includes design, development, manufacture, marketing and sourcing of the clothing collection and sold exclusive through the retail partner.

We aim to leverage our relationship with companies owning intellectual property rights for brand management opportunities. We have entered into a license agreement with the Authentic Brands Group for the Forever 21 brand. Under the license agreement, we have been granted the rights for the manufacturing, marketing, and distribution of Forever 21 in the United Kingdom and European regions, including Germany, France, Spain, and Switzerland amongst others. In Fiscal 2023, we acquired New Lobster Limited through one of our Subsidiaries, PDS Lifestyle Limited. New Lobster Limited entered into a strategic collaboration to establish TDG as the brand's global hub for design and merchandising functions. TDG is responsible for the design and sourcing for Ted Baker's global retail partners. The global Ted Baker distribution partners purchase the brand's core categories from TDG, including men's and women's sportswear and outerwear, men's dress shirts, women's dresses, and fashion handbags. Additionally, TDG has a license agreement for wholesale distribution of Ted Baker brand in the UK and Europe.

We also intend to acquire small and medium sized brands with a large growth potential. In line with this strategy, we have acquired intellectual property of brands include Little Mistress, Roksanda, Vivere, Lily & Lionel. We also partnered with Damian Hopkins CBE for creation of PDS Radius Brand focused on brand management services.

Continue to grow through strategic growth opportunities

We have undertaken various acquisitions in the past which has significantly grown our scale and capabilities across geographies and intend to continue to pursue incremental acquisition opportunities. We adhere to a strategy of s growth and acquisitions, determined by what is appropriate for the prevailing business environment and market conditions. This approach drives long-term results and enables us to remain focused on our targets. To complement our organic growth, we have executed a select acquisitions over the years that have enhanced our scale and scope across the globe and will continue to do so from time to time on an opportunistic basis. We have in the past acquired entities and entered into strategic agreements.

For instance, in Fiscal 2024, we acquired New Lobster Limited through one of our Subsidiaries, PDS Lifestyle Limited. New Lobster Limited entered into a strategic collaboration to establish TDG as the brand's global hub for design and merchandising functions. TDG is responsible for the design and sourcing for Ted Baker's global retail partners. The global Ted Baker distribution partners purchase the brand's core categories from TDG, including men's and women's sportswear and outerwear, men's dress shirts, women's dresses, and fashion handbags. Additionally, TDG has a license agreement for wholesale distribution of Ted Baker branded products in the UK and Europe.

We have recently acquired the sourcing operations of a mass-market fashion label in Turkey. As part of the acquisition, a dedicated team and infrastructure based in Turkey will provide sourcing as a service within the EMEA region for clothing, footwear and accessories category.

In October 2022, we completed the acquisition of 51% stake in DBS Lifestyle India Private Limited, ("**DBS Lifestyle**") a design-led company catering to fashion and home categories. DBS Lifestyle's Italian trends and design studio combined with the sourcing business verticals, collectively offer end-to-end solutions from design, product development, and manufacturing to warehouse delivery, serving clients in USA and Europe. DBS Lifestyle also creates private brands for leading online and offline retailers.

We also acquired 100% stake in Sunny Up, a contemporary fashion design and distribution company, specialising in brand development and marketing which gave us access to licenses of well known brands and other distribution rights, enhancing our portfolio and improving our offerings.

More recently, we completed acquisition of 26% stake in Nobleswear Private Limited, a company engaged in apparel manufacturing, to expand our apparel manufacturing footprint in Sri Lanka and leveraging the acquisition to grow our sourcing business

We aim to continue to invest, acquire and enter into similar and other arrangement to target businesses that enhance our capability, increase geographical presence and increase access to a growing customer base.

Strengthening our technology capabilities:

The adoption of technology and digital tools for design, production, and marketing is enhancing efficiency and reducing lead times in the apparel industry. This technological transformation is crucial for staying competitive in the global market. (*Source: Technopak Report*)

We are committed to enhance our technology capabilities to drive tech-enabled solutions for customers, better decision making, streamlining processes. We use 3D technology in some of our businesses, which involves outfit building, garment design, outfit flatlays, fittings, store layouts, catwalks, and more. As the fashion industry continues to evolve, embracing 3D technology emerges not only as a technological advancement but as a sustainable and forward-thinking approach.

Our supplier collaboration platform enhances efficiency and ensures compliance by facilitating self-registration, onboarding and management of suppliers. The platform also helps incorporate ESG data for compliance. It streamlines the sourcing process through bidding and e-procurement, leading to optimal pricing and savings. With comprehensive vendor payment tracking and management, the platform substantially improves business performance.

We have developed in-house compliance and quality control tool "PDS Conquer" which enables us to effortlessly conduct quality audits at remote locations, ensuring efficiency and accuracy.

We intend to use technology as a key enabler to drive efficiency, productivity, and faster decision-making. We are evaluating upgrading our ERP systems for financial and operational efficiencies. We intend to leverage our data and curate customized dashboard for better decision-making and further develop tech team to strengthen our technology capabilities in line with the mission to provide tech enabled solutions to our customers

Strategic guardrails for new businesses closely monitoring parameters

While we intend to explore growth opportunities across categories and geographies through our unique model of entrepreneur-led verticals enabled by an asset-light platform, we aim to do so by keeping in mind certain prudential measures. Given our risk management framework, while onboarding new business and verticals, one of our key considerations is credit availability of the customer. This enables us to take comfort on the customer's financial health and credibility which in turn helps us to secure credit insurance or non-recourse factoring to mitigate credit risk of any customer. Such businesses should not undertake inventory risk and focus on business with a presold inventory model or FOB basis sales and should have business plans with visibility of turnover and profitability within 12 months of acquisition. Once such businesses are on-boarded, they are closely reviewed and monitored to track progress in line with the approved business plan.

Such measures are intended on achieving a high success rate to drive growth in these new businesses. Based on performance, in case a new business does not achieve the required profitability by the end of the second year of operations, we could take a strategic call on either merging it with another business to leverage synergies or shut down the business. Such measures are intended to recover any loss from failed businesses through other successful businesses.

Description of our Business

Our reported segments are: (i) sourcing; (ii) manufacturing; and (iii) others.

The table set forth below provides breakdown of our revenue from operations by business segment and as a percentage of revenue from operations for the periods indicated:

Sr. No	Business Segment	June 30, 2024		June 30, 2023		Fiscal 2024		Fiscal 2023		Fiscal 2022	
		Revenue contribution (in ₹ lakhs)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ lakhs)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ lakhs)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ lakhs)	Percentage of revenue from operations (%)	Revenue contribution (in ₹ lakhs)	Percentage of revenue from operations (%)
(A)	Sourcing	250,451.04	95.56	203,091.01	96.02	10,07,997.14	97.18	10,10,463.88	95.53	8,50,650.55	96.35
(B)	Manufacturing	17,984.85	6.86	11,712.34	5.54	59,666.10	5.75	70,300.09	6.65	54,710.45	6.20
(C)	Others	133.89	0.05	117.36	0.06	551.97	0.05	428.45	0.04	221.42	0.03
(D)	Adjustment/elimination	(6,464.22)	-2.47	(3,427.10)	-1.62	(30,950.26)	(2.98)	(23,492.00)	(2.22)	(22,763.05)	(2.58)
	Total	262,105.56	100.00	211,493.61	100.00	10,37,264.96	100.00	10,57,700.42	100.00	8,82,819.38	100.00

Note: Adjustment / elimination pertain to inter segment elimination and consolidation adjustments.

Sourcing

We play a crucial role in the apparel industry by facilitating the process of procuring products for leading retailers and brands globally while maintaining an asset light model. For our sourcing segment, as of June 30, 2024, we work with more than 600 vendor factory partners spread across Bangladesh, Sri Lanka, Turkey, China, India and others to source manufactured apparel products and other categories based on the requirements of retailers and brands. As part of the sourcing segment, we manage the value chain from market intelligence, trend forecasting, product development, designing, factory identification, pricing and negotiation, order management, quality control amongst others. By virtue of our established presence and longstanding relationships with our partner factories, we are able to place large purchase orders directly with our partner factories. All orders placed by us are based on the purchase orders raised by our customers.

Within the sourcing segment, we have three offerings:

Design led sourcing

Through our design led sourcing, we provide end to end sourcing solutions to retailers by entering to arrangements on a purchase order basis. We work closely with the merchandising teams of retailers and brands, leveraging our design expertise from having access to more than 250 designers across geographies to introduce new concepts by combining creative inputs from market intelligence and trends to our customers, curate customized offerings and manage overall sourcing requirements across various regions. This provides our customers access to a broad range of suppliers reducing the need for the retailers to maintain their own design teams.

Our design-led sourcing offering moves beyond the traditional sourcing model that prioritizes costs and production capacities and places design and product requirements as a crucial factor. Our services include design, product development based on requirements, order management, supplier management, compliance assurance and access to a vast global supplier base. This comprehensive offering enables us to provide our customers with quality designs, competitive sourcing, rapid speed-to-market and ESG compliant sourcing solutions.

We also use 3D technology for apparel design and development for sustainable fashion. The 3D technology involves outfit building, garment design, outfit flatlays, fittings, store layouts, etc. providing a convenient and comprehensive outlook to our customers to review designs. As the apparel industry continues to evolve, embracing 3D technology emerges not only as a technological advancement but as a sustainable and forward-thinking approach.

Sourcing as a service

Through sourcing as a service, we manage sourcing offices for retailers and brands in various markets enabling them to avoid local complexities and relieve their management of managing a large number of factories. We regularly engage with partner factories enabling us to identify and select suitable partner factories for our customers and negotiate the terms and conditions on behalf of our customers. Due to our constant engagement in the key manufacturing regions, mainly being developing countries, we are able to make available market intelligence on manufacturers, suppliers, products, supply chain, commodity movement, transportation pricing, and delivery schedules in relevant producing regions of the world and provide local expertise on compliance with relevant regulations and standards of compliance thereby also providing reduced costing. We also provide support functions including HR, IT, legal, finance, accounting ESG and risk management through our centralised platform.

As per the Technopak Report, the apparel industry has witnessed a dramatic shift towards global sourcing, where manufacturing is outsourced to countries with lower labor costs. This shift is driven by several factors such as the desire for leveraging the expertise of sourcing companies in their ability of having access to a skilled workforce specializing in specific garment types or techniques and potentially enhance product quality. By engaging with sourcing companies, retailers and brands are able to emphasize on their core strengths and dedicate their expertise to design and innovation, investment in talented design and cutting edge technologies to create unique and trendsetting products that differentiate them in the market. Also, sourcing companies having an established manufacturing and infrastructure can lead to faster production time and improve efficiency as compared to setting up in-house production facilities. Our ability to leverage the opportunity in the apparel market could impact the results of operations.

We typically enter into arrangements with our customers, including leading retailers having extensive product sourcing requirements, including in certain instances on an exclusive basis to provide global sourcing services with respect to product categories, acting as a sourcing arm within the agreed territories. We identify the manufacturers and suppliers suitable for the merchandise required by our customers and are involved in obtaining pricing quotes and negotiation of pricing. We obtain samples from our partner factories and submit the samples to our customers for their inputs. Basis the feedback given by the customers, we ensure that the product adheres to the customer's requirements. We are provided access to the customers manuals, which specify the technical requirements and quality standards which assists us in inspecting the quality of the product samples to ensure that the products meet the required standards. In addition, we work with the partner factories on packaging, including the materials, design and print of the packaging to ensure that the packaging meets the customer's marketing, design, artwork, sustainability and compliance requirements. Our services also involve joint budgeting, decision making processes, cost plus pricing structure with transparency on the pricing and operational expenses. The offering allows us to leverage our expertise in mitigating infrastructure set up risks for retailers and brands and also enables them to shift their focus and efforts on core retail operations.

Brand management

Our brand management model offers comprehensive oversight of the entire value chain, enhancing brand equity and optimizing the supply chain. We deliver full brand management services to retailers and brands worldwide, including merchandising planning, design, sourcing, and marketing. We also collaborate with retailers like Tesco and Sainsbury, as well as influencers, to conceptualize new brands and deliver merchandise. By working closely with these partners, we gain valuable insights into end customers' needs and create products that resonate with them.

Under our brand management services, we provide a comprehensive suite of services across the fashion value chain. We deliver full brand management services to retailers and brands, including merchandise planning, design, sourcing and marketing for retailers and brands as well as influencers, to conceptualize new brands and deliver merchandise which is then distributed across retailers on an exclusive and non-exclusive basis. We enter into arrangements with influencers as a collaboration to include design development and marketing of a clothing collection, branded by us with a royalty fee paid to the influencer and distributed by a retailer. The influencers distribute the social images and attend certain events to promote the brands including to create content for the collaboration.

We also collaborate with brand IP owners to craft tailored partnerships and serve as the global hub for the design, merchandising and innovation functions of brands while also becoming a core licensee and operating partner for the brand's wholesale

distribution business. Our brand management expertise, combined with our integrated platform spanning from design to distribution, makes us well positioned to revitalise brands and drive growth through new market entries and brand extensions, while offering a comprehensive suite of solutions tailored to meet the unique needs of brands. We enter into brand licensing agreements with IP companies under which we gain the right to design, develop, innovate, source and market products of the brands on a wholesale basis in agreed regions.

We also acquire the brands for which we undertake end to end design to distribution activities. We drive the growth of the brand across product categories and regions.

Manufacturing

We have three strategically located Manufacturing Facilities, two of which are located in Bangladesh, at Narayanganj (“**Progress Facility**”) and at Gazipur (“**GoodEarth Facility**”) and one in Sri Lanka (“**Norlanka Facility**”). Additionally, we have expanded our capability with specialized facilities, including a centralized cutting plant in Sri Lanka (**Norlanka Facility**) and a wash plant in Bangladesh (Progress Facility). Our manufacturing facilities showcase our capability to manage business operations and our understanding of the complex nature of manufacturing. Our manufacturing segment complements our sourcing segment. With our presence being across the supply chain we are also able to better serve our clients that require in-house manufacturing capabilities. We enter into manufacturing and distribution arrangements with retailers and brands for whom we manufacture apparel products at our manufacturing facilities as per the customer’s specifications and requirements of types of products.

The table below provides details of our Manufacturing Facilities:

Name of the entity	Location	Category of products manufactured
Progress Apparels (Bangladesh) Limited	Narayanganj, Bangladesh	Bottoms, Trousers, Skirts, Pants, Schoolwear, etc
GoodEarth Apparels Limited	Gazipur, Bangladesh	Shirts, Tops, Blouses, Dresses, etc
Nor Lanka Manufacturing Colombo Limited	Trincomalee, Sri Lanka	Baby and Children wear, Maternity wear, etc

We have a solar panels in Bangladesh at our GoodEarth Facility and Norlanka Facility which generates clean renewable energy, making our facility eco-friendly. Our Manufacturing Facilities are LEED certified and use the Higg Index to measure and grow its sustainability practice.

Others

Our Others segment comprises of PDS Ventures, treasury investments, real estate and others.

We have a dedicated venture capital arm, PDS Ventures, that focuses on investing in innovative solutions across the apparel, sustainability and circularity domains, spanning the entire value chain from design to consumer. PDS Ventures operates as a venture capital fund, making direct investments in start ups focused on innovation, sustainability, technology and direct-to-consumer digital brands. The investment strategy is aligned with our overall vision. By investing in pioneering businesses, PDS Ventures aims to support young entrepreneurs and accelerate their missions to drive positive impact within the fashion ecosystem. The venture arm leverages the broader PDS platform to facilitate strategic collaborations and enable portfolio companies to effectively scale their solutions. We develop new partnerships and invest in businesses that fit our vision across the value chain including material science, manufacturing processes & solutions, circular solutions, transparency & traceability and fashion tech.

Awards, accolades and industry representation

Over the years, we have received several awards and accolades, including:

- Gold award by the League of American Communications Professionals for excellence within the Company’s industry on the development of the organizations’ annual reports at the 2022 Vision Awards.
- Best sustainable initiative award by George at the supplier conference 2023.
- Strategic vendor award 2023 by Kohl’s.
- Certificate of recognitions for recognition of commitments to the NEXT Code of Practice Standards
- Participated at the Best of Bangladesh, Europe event in September 2023.

- Collaborated with GFA trailblazer program in Copenhagen, 2024.

Risk Management

We maintain a robust risk management framework which serves as the foundation of our sustained growth. We diligently monitor market trends and potential threats to ensure that our business remains resilient and forward moving. Our risk management framework focuses on identification of pertinent risks, evaluation of implications on business operations, prioritization of risks for effective management, execution of measures to mitigate identified risks and ongoing tracking and enhancement of risk management controls. We have a duly approved risk management policy which encompasses governance structure, risk identification and categorization, risk prioritization, mitigation, monitoring and reporting.

Our risk management framework focuses on the following:

Credit risk which we monitor through stringent checks on credibility during the onboarding process and maintain enhanced processes for factoring of receivables enabling timely cash flows.

Cost risk for which we review operational expenditure while managing costs and maintain practices driven by financial controllers.

Customer dependency risk which we keep in check by ensuring that there is no dependency on a single customer.

Compliance risk which we monitor by having a code of conduct and policies in place.

Currency risk is limited due to our business being largely dollar denominated. We may avail foreign exchange cover for other currencies.

Compliant capacity risk, for our Manufacturing Facilities and partner factories, being subject to reviews and audits. We maintain a code of conduct that guides onboarding of partner factories with quality and reputation checks.

Inventory risk which we manage by our business largely being on a FOB basis. The inventory, if any, is on a largely pre-sold basis.

ESG

As per the Technopak Report, environmental, social, and governance considerations are becoming increasingly critical in the apparel industry due to evolving regulatory frameworks. Brands and retailers are focusing on sustainable sourcing, ethical labour practices, and reducing their environmental footprint. Compliance with ESG standards not only meets regulatory demands but also aligns with consumer expectations and enhances brand reputation. Companies are investing in sustainable materials, adopting circular economy principles, and increasing transparency in their supply chains to demonstrate their commitment to ESG values.

We endeavor to contribute to the development of a circular economy and a climate positive fashion industry. Our ESG team is led by Paul Wright who has extensive experience in retail and manufacturing. He has led teams for sourcing, compliance, quality and sustainability for some of UK's well-known retailers.

To effectively manage our emissions, we have adopted a multifaceted approach that encompasses several key areas. We prioritise energy efficiency and conservation measures across all our operations. We are minimising greenhouse gas emissions while also reducing costs and improving overall operational efficiency by optimising our energy consumption. In addition to energy efficiency, we have invested in renewable energy sources. Our commitment to sustainability is exemplified by installation of solar panels at our manufacturing facilities in Bangladesh and Sri Lanka. These facilities harness clean, renewable energy, reducing our carbon footprint. As a result, both our Norlanka Facility and GoodEarth Facility are eco-friendly and have adopted green energy within the region. We have also implemented several water conservation initiatives at our manufacturing unit in Bangladesh to promote responsible water management. Our manufacturing facility in Bangladesh, GoodEarth, was certified LEED Zero and fulfilled its requirements of LEED Zero Carbon certification, being the first garment factory in Bangladesh to achieve this status.

We have introduced water pressure reduction valves to minimise water usage by controlling the flow and pressure of water throughout the facility. Additionally, we have conducted training for our employees to raise awareness about water conservation and encourage water saving practices. To further reduce our water footprint, we have installed a condenser reserve tank to reuse water from the boiler and steam generated during our manufacturing processes.

Information Technology

We believe that a robust IT infrastructure is essential for ensuring strong operational efficiencies and enhancing productivity and we continue to focus on building and improving our IT capabilities. As a result, over the years, we have implemented

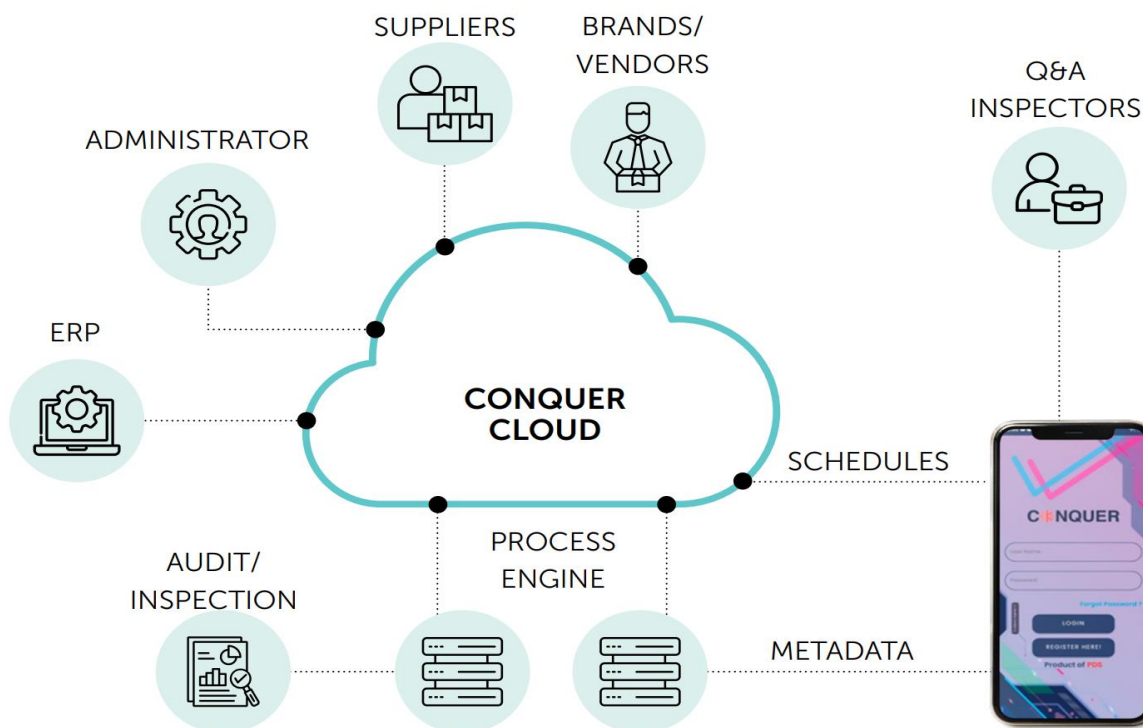
innovative technology initiatives at the front-end and back-end of our operations. We use a 3D technology for apparel design and development which also contributed to our vision for sustainable fashion. The 3D technology involves outfit building, garment design, outfit flatlays, fittings and store layouts. As the fashion industry continues to evolve, embracing 3D technology emerges not only as a technological advancement but as a sustainable and forward-thinking approach. PDS ventures has also invested in technology companies.

We are prioritising cybersecurity by hiring dedicated personnel, implementing risk management protocols and deploying advanced security software to safeguard its digital assets and ensure compliance with industry standards. Our Company has been certified by Intertek as confirming to the requirements of ISO / IEC 27001:2022. This certification implies that our information security management system is comprehensive and effective while meeting international standards.

Quality control and quality assurance

Quality control and quality assurance is one of the key factors of our business. As part of our sourcing and manufacturing business, we are responsible to the retailers and brands that we engage with for the conformity of the products with the standard prescribed by them. We are committed to maintaining high quality standards throughout our sourcing, manufacturing and distribution cycles, and have established quality control measures in various facets of our supply chain, including fabric and apparel inspections, quality audits and product quality tracking. At the time of engaging a partner factory, one of the key terms of engagement is the quality control procedures exercised by such partner factories. We have also introduced vendor quality improvement programs and training programmes for our partner factories to ensure that the operations are carried out in conformity with established regulatory processes as well as the specifications provided by our customers.

We have an in-house compliance and quality control process tool, PDS Conquer which operates as a standalone quality management tool for digitization and automation of audits and inspections and aims to reduce process errors and delays in reports and eradicates manual entries. The tool schedules regular audits and inspections and creates a standardized process for inspections and reporting. which enables us to effortlessly conduct quality audits at remote locations, ensuring efficiency and accuracy.



Intellectual Property

Our Company has obtained trademark registrations under the Trademarks Act, 1999 with respect to “PDS Global, Collaborative, Ethical” (under classes 3, 5, 9, 20, 24, 25, 35 and 42) and “PDS Global, Collaborative, Digital and Ethical (under classes 20,

23, 25, 26, 35 and 42). Our Company and our Subsidiaries have registered certain trademarks, including our logo . Our Subsidiary, Upcycle Labs Limited, has also applied for a patent for “Waste Recycling Process” which is currently pending registration. Through our Subsidiary, Poeticgem Limited, we also have registered trademarks for our core brands in United Kingdom and Europe, including for Adapt, Aubany, Big When I was Little, Bow & Batik, Cartelle, For all the love, Foundation



Kensetu, GEN, Hike & Seek, Jon Parka, Kindred, Laguna Vintage, Love Gem, Marlow and Me, Maybe Baby, Maybe Junior, Nothing for Nobody, Oh Me Oh My, 9 Peak, RDA, Raw Denim, Atelier, Rise, TooYoundToBeBored, Union Works (under classes 18, 25 and 35 for Union Works). We also have registered trademarks for our brands, including Lilly & Sid, Apex Black and Kult in various jurisdictions. Please see “*Risk Factors–Internal Risk Factors –If we or our customers are unable to obtain, protect or use the intellectual property rights, our business may be adversely affected*” on page 49.

Competition

The global apparel sourcing space is highly competitive, driven by a dynamic landscape where speed, cost efficiency, and sustainability are key differentiators. Companies are increasingly pressured to balance quality with affordability, as they contend with rising production costs in traditional manufacturing hubs like Bangladesh, Sri Lanka, China amongst others and the growing appeal of alternative regions such as Southeast Asia, South Asia, and Africa. Additionally, the shift towards nearshoring and on-demand production to reduce lead times and carbon footprints has intensified competition. Brands and retailers are now prioritizing suppliers who can offer flexibility, innovation, and adherence to stringent environmental and social governance standards, further heightening the competitive environment. We face significant competition from a number of players across geographies and categories. We also face competition from large manufacturers based in emerging countries who engage directly with retailers and brands. Our competition includes Li and Fung, William E Connor and New Times Group. The intense competition that we face may result in increased pricing pressure, reduced profit margin or loss of market share or a failure to increase our market share.

Employees

Our work force is a critical factor in maintaining quality and safety to strengthen our competitive position. As of June 30, 2024, we have more than 4,200 employees and more than 6,000 factory associates.

Our strategy is rooted in the principle that our people are the driving force behind our achievements. We take pride in our diverse and inclusive workforce, with individuals from over 40 nationalities, including approximately 58% women. Each business vertical cultivates its distinct culture, enriching our collective experience. We prioritize continual investment in the development of our leaders and employees to position ourselves effectively for long-term success. Every quarter we invite renowned faculty from leading business schools to take sessions for our senior leaders under the PDS Leadership Academy program. Additionally, the PDS Learning Academy offers a range of soft skills and functional training programs tailored to enhance the capabilities of all employees. We have engaged a global agency partner for the review of our Employee Code of Conduct and we also undertake a reference check for senior positions through a third-party agency.

Our human resource policies focus on recruiting talented and qualified personnel, whom we believe integrate well with our current workforce. We endeavour to develop and train our employees in order to facilitate the growth of our operations. The below table provides our function-wise employees:

Insurance

Our operations are subject to various risks inherent in the apparel sourcing industry including employee thefts, transit risk, legal expenses, cyber crime, credit risk, accidents, personal injury. Our principal types of insurance coverage include employee’s compensation, credit insurance, cargo policy, cyber liability, comprehensive general liability covering, inter alia, act of God, medical payments, cross liability, newly acquired subsidiary. We also maintain director and officer liability insurance policies and commercial general liability insurance. These insurance policies are generally valid for a term of one year, renewable annually.

We believe that the insurance coverage currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. See “*Risk Factors–Internal Risk Factors – Risks Related to Our Business – If we incur serious uninsured loss that significantly exceeds the limit of our insurance policies, it would have an adverse effect on our financial conditions, results of operation and cash flows.*” on page 47.

Corporate Social Responsibility

Through our CSR initiatives, we are committed to creating a sustainable future for the businesses, people and communities we serve.

We are dedicated to embracing sustainable business practices that integrate economic, environmental, and social considerations, extending beyond our operations to benefit the surrounding communities. We prioritize fulfilling our social and environmental responsibilities to meet the needs and expectations of these communities. Through our CSR Policy, we aim to foster dedicated efforts in areas such as supporting primary education and promoting the sustainable development of society and the environment.

We have undertaken to support 'Soham for Kids', a charity that works towards the development of disadvantaged children. We also undertake CSR initiatives outside of India, in Bangladesh and Hong Kong to promote education of underprivileged children and scholarship programs.

Properties

Our Registered and Corporate Office is on a leasehold basis. We own offices in India, Hong Kong and London. We have entered into a lease arrangement for our Registered and Corporate Office in Mumbai. Further, of our three manufacturing facilities, we own the land on which GoodEarth Facility and operate the Norlanka Facility and Progress Facility on a leasehold basis. We also own certain properties in India which we have leased to third parties.

ORGANIZATIONAL STRUCTURE

Corporate history

Our Company was incorporated as ‘PDS Multinational Fashions Limited’, under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 6, 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi and commenced its business on May 11, 2011 pursuant to a certificate of commencement of business issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi. Pursuant to a change in our registered office from A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi, Delhi, India – 110028 to No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bengaluru, Bangalore, Karnataka, India, 560102 by way of a special resolution passed by our Shareholders on January 7, 2016, a certificate of registration of regional director order in relation to the change of State was issued by the Registrar of Companies, Karnataka at Bengaluru dated June 14, 2016. The name of our Company was subsequently changed to ‘PDS Limited’ and a fresh certificate of incorporation was issued by the Registrar of Companies, Karnataka at Bengaluru on January 28, 2022. Thereafter, pursuant to a change in our registered office from No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bengaluru, Karnataka, India, 560102 to Unit No.971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai - 400093, Maharashtra, India by way of a special resolution passed by our Shareholders on January 12, 2022, a certificate of registration of regional director order in relation to the change of State was issued by the Registrar of Companies, Maharashtra at Mumbai (“**RoC**”) dated August 3, 2022.

Our Company’s CIN is L18101MH2011PLC388088. The Registered and Corporate Office of our Company is located at Unit No.971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai– 400093, Maharashtra, India.

Subsidiaries

As of the date of this Placement Document, our Company has 135 subsidiaries, namely:

S.No.	Name	Jurisdiction	Business	Address
1.	GoodEarth Apparels Limited	Bangladesh	Exporting 100% export oriented garments industries for the purpose of cutting, stitching, making, finishing, stone wash, dresses of all kinds of textiles, synthetic, silk and to run garments manufacturing industries.	Zubair Tower, House No. 39, (Floor No 4,5,6,7), Sonargaon Janapath Road, Sector # 12, Uttara, Dhaka-1230, Bangladesh.
2.	Grupo Sourcing Limited, Bangladesh	Bangladesh	Buying house, imports, exports, traders	Crystal Palace, 3rd Floor, House #22, Road 140, Gulshan-1 ,Dhaka, Bangladesh
3.	Kleider Sourcing Limited	Bangladesh	Buying house, imports, exports, traders & accessories sellers	Plot #10, 8th Floor, Road #12, Sector #06, Uttara PS, Dhaka-1230, Bangladesh
4.	PDS Sourcing Bangladesh Limited	Bangladesh	Buying house, imports, exports, traders & consultancy	Plot #10 (1st Floor), Road # 12, Sector # 6, Uttara, Dhaka-1213, Bangladesh
5.	Progress Apparels (Bangladesh) Limited	Bangladesh	Manufacturing and export of readymade garments and apparels	House – 490, Road – 08, East Side, DOHS Baridhara, Dhaka, Bangladesh
6.	Simple Approach Bangladesh Private Limited	Bangladesh	Buying house, imports, exports, traders & readymade garments	Ta 131 , Wakil Tower, 8th Floor, Gulshan Badda Link Road, Badda, PS Dhaka-1212; Bangladesh
7.	360 Notch Limited	Hong Kong	Designing, manufacturing, sourcing of consumer goods	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong

S.No.	Name	Jurisdiction	Business	Address
8.	Apex Black Limited	Hong Kong	Trading & garments exports	Unit 301, 3/F., China Insurance Group Building, 141 Des Voeux Road Central, Hong Kong
9.	Brand Collective Limited	Hong Kong	Import & export trading	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong.
10.	Casa Collective Limited	Hong Kong	Ready-made garments trading	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong.
11.	PDS Central America Limited	Hong Kong	Home goods trading.	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
12.	Clover Collections Limited	Hong Kong	Marketing, sourcing, branding and designing of garments and apparels	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon
13.	Design Arc Asia Limited	Hong Kong	Designing, manufacturing, trading & marketing garments & accessories	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
14.	Design Arc Europe Limited	Hong Kong	Designing, manufacturing, trading & marketing garments & accessories	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong.
15.	Fareast Vogue Limited	Hong Kong	Garments and trading	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong.
16.	GoodEarth Lifestyle Limited	Hong Kong	Manufacturing, investment in manufacturing companies, trading, import and export	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
17.	Grupo Sourcing Limited, Hong Kong	Hong Kong	Designing, sourcing & supplying apparel, footwear	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon
18.	Jcraft Array Limited	Hong Kong	Ready-made garments trading	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
19.	JJ Star Industrial Limited	Hong Kong	Designing, sourcing & trading in apparels and footwear	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
20.	Kindred Brands Limited	Hong Kong	Ready-made garments	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong

S.No.	Name	Jurisdiction	Business	Address
21.	Kleider Sourcing Hongkong Limited	Hong Kong	Designing, sourcing & supplying apparel and footwear	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
22.	Krayons Sourcing Limited	Hong Kong	Designing, sourcing & trading in garments, apparels, and footwear	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
23.	Nor Lanka Manufacturing Limited	Hong Kong	Trading in ready to wear garments and apparels	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
24.	Norwest Industries Limited	Hong Kong	Trading in ready to wear garments & apparels	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon.
25.	PDS Asia Star Corporation Limited	Hong Kong	Manufacturing, import and export, retailing-apparels, fashion products & fabrics	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong. manufacturing, import and export, retailing-apparels, fashion products & fabrics
26.	PDS Brands Manufacturing Limited	Hong Kong	Trading	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
27.	PDS Online Enterprise HK Limited	Hong Kong	Garments & accessories in textile, fashion & apparel	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
28.	PDS Far-East Limited	Hong Kong	Trading of readymade garments.	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
29.	PDS North America Limited	Hong Kong	Garments & accessories in textile, fashion & apparel business	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
30.	PDS Incubation Company Limited	Hong Kong	Garments & accessories in textile, fashion & apparel	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
31.	PDS Lifestyle Limited	Hong Kong	Garments & accessories in textile, fashion & apparel	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong

S.No.	Name	Jurisdiction	Business	Address
32.	PDS Smart Fabric Tech Limited	Hong Kong	Designing & manufacturing homeware	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
33.	PDS Tailoring Limited	Hong Kong	Contract manufacturing & trading in garments	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
34.	PDS Ventures Limited	Hong Kong	Investments in private equity and other securities	7/F, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
35.	PG Group Limited	Hong Kong	Corporation	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
36.	Poeticgem International Limited	Hong Kong	Designing, sourcing & supply, apparels and footwear	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
37.	Progress Manufacturing Group Limited	Hong Kong	Investment in manufacturing company, manufacturing, trading, import & export	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
38.	Rising Asia Star Hongkong Company Limited	Hong Kong	Designing, manufacturing, trading in footwear & leather accessories	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
39.	Simple Approach Home Limited	Hong Kong	Home goods trading	7/F., Park Fook Industrial Building, 615-617 Tai Nan garment trading. West Street, Cheung Sha Wan, Kowloon, Hong Kong
40.	Simple Approach Limited	Hong Kong	Garment trading	7/F, Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
41.	Sourcing Solutions Limited	Hong Kong	corporation	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
42.	Spring Near East Manufacturing Company Limited	Hong Kong	Contract manufacturing & trading in garments.	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
43.	Styleberry Limited	Hong Kong	Garment & trading	9/F., Surson Commercial Building, 140-142 Austin Road,

S.No.	Name	Jurisdiction	Business	Address
				Tsimshatsui, Kowloon, Hong Kong
44.	Techno Design HK Limited	Hong Kong	Trading of garments and apparels	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong.
45.	Twins Asia Limited	Hong Kong	Manufacturing, investment in manufacturing companies, trading, import and export	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
46.	Wonderwall (F.E.) Limited	Hong Kong	Trading of garments and apparels	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon
47.	Zamira Fashion Limited	Hong Kong	Business of trading of garments and apparels	10/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
48.	PG Group SPA	Chile	Advisory on designing and marketing	El Parque 4980 of 132 , Huechuraba, Santiago, Chile
49.	PG Home Group SPA	Chile	Advisory on designing and marketing	El Parque 4980 of 132 , Huechuraba, Santiago, Chile
50.	Smart Notch (Shanghai) Limited	China	Apparel and accessories sourcing	508, Canhong Elite Plaza, 1059, Wuzhong Road, Minhang, Shanghai, China
51.	PDS Trading (Shanghai) Company Limited	China	Apparel and accessories sourcing	508, Canhong Elite Plaza, 1059, Wuzhong Road, Minhang, Shanghai
52.	Zamira Fashion Limited, Zhongshan	China	Design, product development, wholesale and retail	Room 801, Floor8, No.348,350, Zhongxin Road, Dachong, Zhongshan, Guangdong, China
53.	Clover Collections FZCO	United Arab Emirates	Clothing accessories trading, clothing (including sports clothes and uniforms) trading and footwear trading	5WA 301, Building No. 5 West A, Dubai Airport Free Zone, United Arab Emirates
54.	Kleider Sourcing FZCO	United Arab Emirates	Garments accessories trading, handbags and leather products trading and readymade garments trading	Dubai Airport Free Zone in 5 West A, Office Number 5WA 302, United Arab Emirates
55.	Collaborative Sourcing Services FZCO	United Arab Emirates	Footwear trading, clothing accessories trading clothing, including sports clothes and uniforms trading	2W M106 Mezzanine Floor 2 West, Dubai Airport Freezone Dubai, United Arab Emirates
56.	Design Hub Sourcing FZCO	United Arab Emirates	Clothing, including sports clothes and uniforms, trading, clothing accessories trading, footwear trading	2E M034, Mezzanine Floor,2 East, Dubai Airport Freezone, Dubai, United Arab Emirates

S.No.	Name	Jurisdiction	Business	Address
57.	Infinity Fashion FZCO	United Arab Emirates	Business of clothing, including sports clothes and uniforms trading, clothing accessories such as gloves, ties, braces and handbags trading	2E M020, 2W, Dubai Airport Freezone, United Arab Emirates
58.	Design Arc FZCO	United Arab Emirates	Footwear trading, clothing accessories trading clothing, including sports clothes and uniforms trading	304, Building 5WA, Dubai Airport Free Zone, Dubai, United Arab Emirates
59.	Moda and Beyond Limited	United Kingdom	Clothing, including sports clothes and uniforms Trading, clothing accessories trading, footwear trading	Quadrant House, 4 Thomas More Square, London, E1W 1YW, United Kingdom
60.	Moda and Beyond FZCO	United Arab Emirates	Clothing, including sports clothes and uniforms trading, clothing accessories trading and footwear trading	2E M003, Mezzanine Floor, 2 East, Dubai Airport Freezone, Dubai, United Arab Emirates
61.	PDS DSGN FZCO	United Arab Emirates	Clothing, including sports clothes and uniforms trading, clothing accessories trading, footwear trading	2E M006, Mezzanine Floor, 2 East, Dubai Airport Freezone, Dubai, UAE
62.	PDS Logistics FZCO	United Arab Emirates	Clothing, including sports clothes and uniforms trading, clothing accessories trading, footwear trading	2E M096, Mezzanine Floor, 2 East, Dubai Airport Freezone, United Arab Emirates
63.	PDS Radius Brands FZCO	United Arab Emirates	Clothing, including sports clothes and uniforms trading, clothing accessories trading, footwear trading	2W M060, 2W, Dubai Airport Freezone, United Arab Emirates
64.	PDS Sourcing FZCO	United Arab Emirates	Clothing, including sports clothes and uniforms trading, clothing accessories trading, footwear trading	308, Building 5WA Dubai Airport Freezone Dubai, United Arab Emirates
65.	PG Capital F.Z.E.	United Arab Emirates	Commercial enterprises investment, institution and management	B.C. 1303912 Ajman United Arab Emirates
66.	SKOPE Apparels FZCO	United Arab Emirates	Clothing, including sports clothes and uniforms trading, clothing accessories such as gloves, ties, braces and handbags trading	2W M115, 2W, Dubai Airport Freezone, Dubai, United Arab Emirates
67.	Spring Near East FZCO	United Arab Emirates	Trading of garments and apparels	SNE 4EB 733-SD 40, Seventh Floor, 4 East B, Dubai Airport Freezone Dubai United Arab Emirates
68.	The Source Fashions Platform FZCO	United Arab Emirates	Footwear trading, clothing accessories trading clothing, including sports clothes and uniforms trading	6EA G09-SD16, Ground Floor, 6 East A, Dubai Airport Freezone, Dubai, United Arab Emirates

S.No.	Name	Jurisdiction	Business	Address
69.	Poeticgem International FZCO	United Arab Emirates	Footwear trading, clothing accessories trading clothing, including sports clothes and uniforms trading	301, Building 5WA, Dubai Airport Free Zone, Dubai, United Arab Emirates
70.	PDS Brands Manufacturing FZCO	United Arab Emirates	Footwear trading, clothing accessories trading clothing, including sports clothes and uniforms trading	6EB 339-SD30 Dubai Airport Freezone Dubai, United Arab Emirates
71.	PDS Multinational FZCO	United Arab Emirates	Commercial enterprises & management, clothing accessories trading and clothing, including sports clothes and uniforms trading	Dubai Airport Free Zone in 5 West A, Office Number 5WA 308, United Arab Emirates
72.	PDS Global Procurement Services FZCO	United Arab Emirates	Clothing, including sports clothes and uniforms trading, clothing accessories trading, footwear trading	5EA 233-SD06, 5E Dubai Airport Freezone Dubai, United Arab Emirates
73.	Brand Collective Corporation Limited	United Kingdom	Specialist designing of garments	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
74.	Casa Forma Limited	United Kingdom	Interior design	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
75.	Design Arc Brands Limited	United Kingdom	Wholesale of garments and footwear and retail sale of garments in specialised stores	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
76.	Design Arc UK Limited	United Kingdom	Wholesale of garments and footwear	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
77.	LillyandSid Limited	United Kingdom	Wholesale clothing and footwear and retail sale of clothing in specialised stores	Cedar Lodge Main Road, Kilsby, Rugby, Warwickshire, CV23 8XP, United Kingdom
78.	Moda & Beyond Limited	United Kingdom	Wholesale of garments and footwear	Quadrant House, 4 Thomas More Square, London, E1W 1YW, United Kingdom
79.	Lily and Lionel London Limited	United Kingdom	Garments and footwear and retail sales of garments in specialised stores	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
80.	PDS Fashions Limited	United Kingdom	Providing management and consultancy services to other companies within the group	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
81.	PDS Lifestyle Limited, UK	United Kingdom	Manufacturing wearing apparel and accessories	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom

S.No.	Name	Jurisdiction	Business	Address
82.	Poetic Brands Limited	United Kingdom	Wholesale of clothing and footwear	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
83.	Poeticgem Limited	United Kingdom	Import and distribution of garments and provisions of logistic services to the clothing industry	Quadrant House Floor 6, 4 Thomas More Square, London, E1W 1YW
84.	Recovered Clothing Limited	United Kingdom	Wholesale of garments and footwear	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
85.	Spring Design London Limited	United Kingdom	Providing other business support services for the design of garments	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
86.	Upcycle Labs Limited (formerly <i>Filkor Limited</i>)	United Kingdom	Upcycling services for fashion brands and retailers to convert their unwanted inventory into high quality décor products, shop-fittings and more	Unit 2 Teal Industrial Park, Cyan Close, Netherfield, Nottingham, NG14 5JX, United Kingdom
87.	Wonderwall (F.E.) Limited	United Kingdom	Manufacturing textiles, specialised design activities and wholesale of garments and footwear	Wonderwall (F.E) Ltd Office 1, Second Floor, Parsonage Chambers, 3 Parsonage, Manchester, M3 2HW, United Kingdom
88.	PDS Brands Private Limited	India	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	758 & 759, 2nd Floor, 19th Main Sector-2, HSR Layout, Bangalore, Bangalore, Karnataka, India, 560102
89.	Norlanka Manufacturing India Private Limited	India	Manufacturers, traders, agents, wholesalers, retailers, e-commerce business in dealing all kinds of readymade garments	758 & 759, 2 nd Floor 19 th Main HSR Layout NA, Bangalore, Karnataka, India – 560102
90.	Technocian Fashions Private Limited	India	Business of providing sourcing support services to the fellow subsidiaries	Plot No 222, 7th Floor, PDS Towers Udyog Vihar, Phase-1, Gurgaon, Gurugram, Haryana, India, 122016
91.	Suri Overseas Private Limited	India	Designing and manufacturing of cloth apparel including source intermediary services to clients in India as well as outside the country. Company gets its products manufactured through source manufacturing from various manufacturers and sell its products to client on bill to ship to modelq	A-161, 3 rd Floor, New Friends Colony, South Delhi, New Delhi, Delhi, India – 110025

S.No.	Name	Jurisdiction	Business	Address
92.	Techno Design GmBH	Germany	Development, production, procurement, as well as trading in and distribution of clothing, accessories and home textiles	Werftstraße 16, 40549 Düsseldorf, Germany
93.	Techno (Shanghai) Trading Co., Limited	China	Wholesale of clothing and accessories, sales of household items, import and export of goods, import and export of technology and purchasing agency services	No. 1954-1247, Fuqian Road, Changning District, Shanghai
94.	Techno Sourcing Dis Ticaret Anonim Sirketi	Istanbul	Textile and garment industry, international export and import and consulting in the said fields	Bağlar Mah. Yavuz Sultan Selim Cad. No: 15 İç Kapı No: 122 Bağcılar / İstanbul
95.	Techno Design USA LLC	USA	Textile and apparel	614 N. Dupont Hwy, Ste. 210 in the city of Dover, 19901 County of Kent, USA
96.	PDS Ventures Limited	Mauritius	Investment holding	C/o Rogers Capital Corporate Services Limited, 3 rd Floor, Rogers House, No.5 President John Kennedy Street, Port Louis, Mauritius
97.	PDS Manufacturing Limited	Mauritius	Investment holding in manufacturing and textile industry	C/o Rogers Capital Corporate Services Limited, 3 rd Floor, Rogers House, No.5 President John Kennedy Street, Port Louis, Mauritius
98.	PDS Sourcing Limited	Mauritius	Investment holding and provision of consultancy services	C/o Rogers Capital Corporate Services Limited, 3 rd Floor, Rogers House, No.5 President John Kennedy Street, Port Louis, Mauritius
99.	Sunny Up Limited	United Kingdom	Provision of management and consultancy services to other companies within the group	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
100.	PG Home Group Limited	Hong Kong	Corporation	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
101.	PDS Fashion USA Limited	Hong Kong	Production, distribution and design of ready-made garments	9/F., Surson Commercial Building, 140-142 Austin Road, Tsimshatsui, Kowloon, Hong Kong
102.	PG Shanghai Manufacturer Co. Limited	China	Apparel and accessories sourcing	201, No.678 Gubei Road, Changning Shanghai, China
103.	Simple Approach (Canada) Limited	Canada	Trading in readymade garments	3B,418, North Service Road East, Oakville, Ontario, Canada, L6H 5R2

S.No.	Name	Jurisdiction	Business	Address
104.	Multinational Textile Group Limited	Mauritius	Investment holding, provision of marketing services, management services, corporate services and consultancy services	C/o Rogers Capital Corporate Services Limited, 3 rd Floor, Rogers House, No.5 President John Kennedy Street, Port Louis, Mauritius
105.	S. Oliver Fashion India Private Limited	India	Business of providing sourcing support services to fellow subsidiaries	Plot No.222, Phase I, 7th floor, Udyog Vihar, Gurgaon, Gurugram 122001, Haryana, India
106.	Nor Lanka Manufacturing Colombo Limited	Sri Lanka	Manufacture and export of apparel	Rotunda Towers, No 109, Galle Road, Colombo 03, Sri Lanka
107.	Nor Lanka Progress Private Limited	Sri Lanka	Manufacture & export of apparel	No 231, Negombo Road, Wattala, Sri Lanka
108.	DBS Lifestyle India Private Limited	India	Designing and manufacturing cloth apparel, including sourcing services to clients in India and outside India. Apart from providing design services, DBS is also involved in selling designs made in-house and as per customer requirements	A-161, Third Floor, New Friends Colony, South Delhi, Delhi, India 110057
109.	Pangram Brands Global Private Limited	India	Designing and manufacturing of cloth apparel including source intermediary services to clients in India as well as outside the country	A-161, Third Floor, New Friends Colony, South Delhi, Delhi, India - 110057
110.	Techno Sourcing BD Limited	Bangladesh	Buying house	Ta 131, Wakil Tower, 8th Floor, Gulshan Badda Link Road, Badda, PS, Dhaka-1212, Bangladesh
111.	Design Arc Europe SPA	Spain	Specialised design activities	Calle Gran de Gracia 15, BJ, 08015 Barcelona, Spain
112.	PDS Fashions Bangladesh Limited	Bangladesh	Services & consultancy, buying house, imports, exports & trading	A. R. Tower, Level 08, 24 Kemal Ataturk Avenue, Banani C/A, Dhaka -1213, Bangladesh
113.	PDS Far East USA Inc.	United States of America	Garment trading	1013 Centre Road, Suite 403S, Wilmington, Delaware 19805
114.	Nodes Studio LDA	Portugal	Conception, design, manufacturing, productions and finishing of garments	Rua Professor Hermano Padrão, n° 122, 4795 102 Vila das Aves, Portugal
115.	Progressive Crusade Unipessoal LDA	Portugal	Trading of textiles, other consulting activities, technical and similar ones	Rua Nossa Senhora da Guadalupe, n.º 113, Quinta da Barca, Loja 2, Gandra, Portugal
116.	Home Sourcing Solutions Limited	Hong Kong	Home goods & furniture trading	7/F., Park Fook Industrial Building, 615-617 Tai Nan West

S.No.	Name	Jurisdiction	Business	Address
				Street, Cheung Sha Wan, Kowloon, Hong Kong
117.	Vivere London Limited	United Kingdom	Wholesale of textiles, garments and footwear, retail sale of garments in specialised stores and online retail sales	Quadrant House Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
118.	Sourcing Solutions Europe BVBA	Belgium	Trading in garments and apparels	Louizalaan 65/11, 1050 Brussels, Belgium
119.	The Brand Group Limited	Hong Kong	Traders, exporters, importers of all kinds of branded clothing, garments and accessories	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
120.	Infinity Fashion Tedarik Hizmetleri Anonim Şirketi	Istanbul	Wholesale and foreign trade of garments, apparels and accessories	Esentepe Mah. Büyükdere Cad. Maya Akar Center (B Blok) No:100-102 1.Kat İÇ Kapi No: 7-8 / 34394 Esentepe / Şişli / Istanbul
121.	Collective Near East Sourcing Services FZCO	United Arab Emirates	footwear trading clothing accessories trading clothing, including sports clothes and uniforms trading	2E M043, 2E, Dubai Airport Freezone Dubai, United Arab Emirates
122.	DH Sourcing Limited	Bangladesh	Buying house, imports, exports, traders & consultancy	Ta 131 , Wakil Tower, 8th Floor , Gulshan Badda Link Road, Badda; PS; Dhaka-1212; Bangladesh
123.	New Lobster Limited	United Kingdom	Wholesale of clothing and footwear and retail sale of clothing in specialised stores	111-117 Cleveland Street, London, England, W1T 6PX
124.	Positive Materials Limited	United Kingdom	Wholesale of textiles, scientific and technical activities	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom.
125.	Roksanda UK Limited	United Kingdom	Wholesale of textiles, garments and footwear and retail sale of garments in specialised stores and online retail sales	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
126.	PDS Online Enterprise UK Limited	United Kingdom	Wholesale of garments and footwear, retail sales of garments in specialised stores.	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
127.	Substract Retail Limited	United Kingdom	Wholesale of retail sale of garments in specialised stores	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
128.	Poeticgem Europe Limited	Ireland	Wholesale and online sale of garments (B2B and B2C)	black church, St. Mary's Place, Dublin 7, Dublin, Ireland, D07 P4AX
129.	Sunny Up US Limited	USA	Textile and apparel	C/o Corporate Creations Network Inc., 1521 Concord Pike Suite 201, Wilmington, DE 19803, USA

S.No.	Name	Jurisdiction	Business	Address
130.	PDS MEA Limited	Egypt	Design, manufacturing, sourcing and supply of ready to wear apparel garments for menswear, ladieswear, childrenswear, essentials and brands	Apartment No.402 Building 3 Floor 4, Hafez Ramadan Street, Delta Flowers buildings, Nasr city, Cairo, Egypt
131.	PDS Online Enterprise USA Inc	United States of America	Textile and apparel	51 Little Falls Drive, County of New Castle, Wilmington, DE 19808
132.	Angelic Partners Limited	Hong Kong	Readymade garments	10/F Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
133.	Unhidden UK Limited	United Kingdom	Wholesale of textiles, garments and footwear and retail sale of garments in specialised stores and online retail sales	Quadrant House, Floor 6, 4 Thomas More Square, London, E1W 1YW, United Kingdom
134.	Brand Collective BCPT, Unipessoal LDA	Portugal	Conception, design, manufacturing, productions and finishing of garments. Business Consulting	Rua Professor Hermano Padrão, nº 122, 4795 102 Vila das Aves.
135.	PDS North America LLC	United States	Textile and apparels	251 Little Falls Drive, County of New Castle, Wilmington, DE 19808

Associate company

As on the date of this Placement document, our company has five Associates, namely;

S.No.	Name	Jurisdiction	Business	Address
1.	Reflaut Pte Limited	Singapore	Internet Search Engines	2 Havelock Road, #07-13, Havelock2, Singapore 059763
2.	GWD Enterprises Limited	United Kingdom	Activities of other holding companies	Studios Gd International, Draycott Business Village, Moreton-In-Marsh, Gloucestershire, England, GL56 9JY
3.	Loop Digital Wardrobe Limited	United Kingdom	Integrating multiple second life options into customers retail experience and gain access to customers wardrobes	Quadrant House, 4 Thomas More Square, London, E1W 1YW, United Kingdom
4.	Mambo Leisure Masters Limited	United Kingdom	Leasing of intellectual property and similar products, except copyright works	18A/20 King Street, Maidenhead, London, England, SL6 1EF
5.	Nobleswear (Private) Limited	Sri Lanka	Manufacture & export of apparel	No.1136/E, Pannipitiya Road, Thalawathugoda, Sri Lanka

Joint Ventures

As on the date of this Placement document, our company has five Joint Ventures, namely;

S.No.	Name	Jurisdiction	Business	Address
1.	Digital Ecom Techno Private Limited	India	Offering a cloud based software which renders end to end human resource management services such as talent management, records database, payroll processing, expenses, security and employee self-service.	758 & 759, 2 nd Floor, 19 th Main, Sector – 2, HSR Layout, Bangalore, Karnataka, India – 560102
2.	Digital Internet Technologies Limited	Hong Kong	Internet, mobile, investment, private equity and retail	7/F., Park Fook Industrial Building, 615-617 Tai Nan West Street, Cheung Sha Wan, Kowloon, Hong Kong
3.	Yellow Octopus EU SA	Poland	Wholesale of clothing and footwear	05-806 Sokołów, Gromadzka Str. 5, Poland
4.	Yellow Octopus Ventures F.Z.C	United Arab Emirates	Commercial Enterprises Investment, Institution and Management	B.C. 1304461 Ajman, United Arab Emirates
5.	Yellow Octopus UK Limited	United Kingdom	Wholesale of clothing and footwear	Unit 1 Teal Industrial Park, Cyan Close, Nottingham, Nottinghamshire, United Kingdom, NG14 5JX

Trust

As on the date of this Placement document, our company has one Trust, namely;

1. PDS Multinational Fashions ESOP Trust (“**Trust**”)

Business of Trust:

The Trust was formed to acquire Equity Shares of the Company by subscribing to the Equity Shares and/or the Equity Shares from the secondary market subject to SEBI ICDR Regulations.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its powers subject to the Memorandum of Association and Articles of Association and as per the requirements of the applicable laws. The composition of our Board is governed by the provisions of the Companies Act, the Articles of Association and the SEBI Listing Regulations. The Articles of Association provides that the number of Directors shall not be less than three and not more than twelve, or such higher number not exceeding fifteen as may be approved by the Central Government. As on the date of this Placement Document, our Company has ten Directors on its Board, comprising of one Executive Director and nine Non-Executive Directors out of which five are Non-Executive, Independent Directors. Our Company has three women Directors, including one woman Independent Director.

The following table sets forth details regarding the Board of Directors as of the date of this Placement Document:

S. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
1.	<p>Deepak Kumar Seth</p> <p>Address: #2A, Building 2, Bulgari Residences, Jumeirah Bay Islands 2, PO Box: 72223, Dubai, UAE</p> <p>Occupation: Business</p> <p>DIN: 00003021</p> <p>Term: Director since incorporation, and liable to retire by rotation</p> <p>Nationality: Indian</p>	73	Chairman, Non-Executive and Non-Independent Director
2.	<p>Pallak Seth*</p> <p>Address: Flat 3, 22 Down Street, London W1J 7AR GB</p> <p>Occupation: Business</p> <p>DIN: 00003040</p> <p>Term: For a period of five years with effect from November 2, 2022, and liable to retire by rotation</p> <p>Nationality: Indian</p>	47	Executive Vice Chairman and Non-Independent Director
3.	<p>Payel Seth</p> <p>Address: #2A, Building 2, Bulgari Residences, Jumeirah Bay Islands 2, PO Box: 72223, Dubai, UAE</p> <p>Occupation: Business</p> <p>DIN: 00003035</p> <p>Term: Appointed on Director since incorporation, and liable to retire by rotation</p> <p>Nationality: Indian</p>	66	Non-Executive, Non-Independent Director
4.	<p>Parth Dashrath Gandhi</p> <p>Address: G-79 Gujarati Society, Ground Floor Extension, Nehru Road Vile Parle East, Mumbai, Maharashtra, India 400057</p>	53	Non-Executive, Non-Independent Director

S. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	<p>Occupation: Business</p> <p>DIN: 01658253</p> <p>Term: Appointed on May 27, 2021, and liable to retire by rotation</p> <p>Nationality: Indian</p>		
5.	<p>Yael Gairola</p> <p>Address: 13 Primrose Gardens London, United Kingdom, NW3 4UJ</p> <p>Occupation: Service</p> <p>DIN: 08434509</p> <p>Term: For a period of five years with effect from July 26, 2023, and liable to retire by rotation.</p> <p>Nationality: British Citizen</p>	51	Non-Executive, Non-Independent Director
6.	<p>Robert Lloyd Sinclair</p> <p>Address: R/o. 318 Upper East Coast, Road Unit #01-07, Breeze by the East, Singapore – 465521</p> <p>Occupation: Service</p> <p>DIN: 09390821</p> <p>Term: For a period of five years with effect from November 9, 2021</p> <p>Nationality: Canadian</p>	61	Non-Executive, Independent Director
7.	<p>Mungo Park</p> <p>Address: 31, The Piper Building, Peterborough Road, London, United Kingdom SW63EF</p> <p>Occupation: Service</p> <p>DIN: 09390792</p> <p>Term: For a period of five years with effect from November 9, 2021</p> <p>Nationality: Irish</p>	68	Non-Executive, Independent Director
8.	<p>Nishant Parikh Ravindra</p> <p>Address: Marathon Era 2101, Era-4, Veer Santaji Marg, Lower Parel – West, Mumbai – 400013</p> <p>Occupation: Service</p> <p>DIN: 07349640</p> <p>Term: For a period of five years with effect from December 8, 2021</p>	46	Non-Executive, Independent Director

S. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	Nationality: Indian		
9.	BG Srinivas Address: 5042, Four Seasons Place, 8 Finance Street, Central, Hong Kong Occupation: Service DIN: 00517585 Term: For a period of five years with effect from March 28, 2023 Nationality: British Citizen	63	Non-Executive, Independent Director
10.	Sandra Campos Address: 1040 Country Route, 13 Old Chatham, NY 12136 Occupation: Service DIN: 10390929 Term: For a period of two years with effect from November 28, 2023 Nationality: United States of America	57	Non-Executive, Independent Director

Profiles of our Directors

Pallak Seth is the Executive Vice Chairman Non-Independent Director of our Company. He plays a pivotal role in shaping the group's strategy, fostering strategic engagement with new and existing customers, and orchestrating collaboration across the business network. He is also responsible for identifying new business opportunities, developing additional revenue streams, and expanding manufacturing capabilities.

Deepak Kumar Seth is the Non-Executive, Non-Independent Director and Chairperson of our Company.

Parth Dashrath Gandhi is the Non-Executive, Non-Independent Director of our Company.

Payel Seth is the Non-Executive, Non-Independent Director of our Company.

Yael Gairola is the Non-Executive, Non-Independent Director of our Company.

Robert Lloyd Sinclair is the Non-Executive, Independent Director of our Company.

Mungo Park is the Non-Executive, Independent Director of our Company.

Nishant Parikh Ravindra is the Non-Executive, Independent Director of our Company.

BG Srinivas is the Non-Executive, Independent Director of our Company.

Sandra Campos is the Non-Executive, Independent Director of our Company.

Relationship amongst the Directors

Apart from Deepak Kumar Seth, Payel Seth and Pallak Seth, none of our Directors are related to each other or to any Key Managerial Personnel or Senior Management Personnel.

Borrowing powers of the Board

In accordance with our Articles of Association, subject to applicable laws and pursuant to a resolution of the Shareholders of our Company passed via postal ballot held on December 3, 2023, in accordance with Section 180 of the Companies Act, our Board is authorised to borrow any sum or sums of money, from time to time from banks, firms, bodies corporate, foreign lender/s financial institutions or from any other source in India or outside India whomsoever on such terms and conditions and with or without security as the Board of Directors may think fit notwithstanding that the monies already borrowed and the monies to be borrowed (apart from temporary loans obtained from Company's bankers in the ordinary course of business) shall not at any time exceed the aggregate of the paid up share capital, free reserves and securities premium of our Company by more than ₹ 2,50,000 lakhs.

Interest of the Directors

Our Executive Director is interested to the extent of any remuneration, reimbursement of expenses and Equity Shares held by them or their relatives and associates or held by the companies, firms, partnerships or entities in which they are interested as a director, member, partner and/or trustee, executive officer and to the extent of benefits arising out of such shareholding.

Except as stated below, all of our Non-Executive Directors may be deemed to be interested to the extent of sitting fees being paid to them for attending Board meetings and commission or incentive, if any, and to the extent of reimbursement of expenses and Equity Shares held by their relatives and associates or held by the companies, firms, partnerships or entities in which they are interested as a director, member, partner and/or trustee, executive officer and to the extent of benefits arising out of such shareholding.

Other than as disclosed in this Placement Document or in the ordinary course of business, there are no outstanding transactions undertaken by our Company in which the Directors are interested parties.

Except as otherwise stated in this Placement Document and as set out in the section "*Related Party Transactions*" on page 37, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of this Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on date of this Placement Document, no Director has taken any loans from our Company.

Shareholding of Directors

The following table sets forth details regarding the shareholding of the Directors as on the date of this Placement Document:

Name of the Director	Number of Equity Shares	Percentage shareholding (%)
Pallak Seth	13,94,190	1.05%
Deepak Kumar Seth	1,57,78,670	11.92%
Parth Dashrath Gandhi*	42,500	0.03%
Payel Seth	6,96,26,570	52.58%
Robert Lloyd Sinclair	Nil	Nil
Mungo Park	Nil	Nil
Yael Gairola	Nil	Nil
Nishant Parikh Ravindra	Nil	Nil
BG Srinivas	Nil	Nil
Sandra Campos	Nil	Nil

*Parth Dashrath Gandhi, Non-Executive, Non-Independent Director, has been granted 1,25,000 stock options on October 22, 2021

Remuneration of the Directors

Terms of appointment and remuneration of our Executive Director:

Pallak Seth

Pallak Seth was appointed as the Director of our Company pursuant to a resolution passed by our Board of Directors at their meeting held on April 25, 2011 as the First Director of our Company, and he was designated as the Executive Director pursuant to a resolution passed by our shareholders by way of a postal ballot on December 21, 2022. He was reappointed for a term of five years with effect November 2, 2022 pursuant to a resolution passed by our Board of Directors at their meeting held on November 2, 2022. Pursuant to the resolution of our Board of Directors dated November 2, 2022, he is not entitled to any remuneration or commission during his tenure as an Executive Director of our Company, other than reimbursement of travel and out of pocket travel expenses incurred for business purpose of our Company.

Remuneration paid to our Executive Director

Our Executive Vice Chairman and Non-Independent Director, Pallak Seth, did not receive any remuneration from our Company in the three month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

Compensation of our Non-Executive Directors

Our Non-Executive, Non-Independent Directors are not entitled to any sitting fees / commission in their capacity as Directors of our Company.

None of our Non-Executive Directors received any remuneration from our Company in the three month period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022.

Remuneration/sitting fees from our Subsidiaries

Our Directors receive remuneration/sitting fees from our Subsidiaries. The details of remuneration paid to our Directors for Fiscal 2024 are set out below:

Name of Director	Name of Subsidiary	Remuneration/Sitting Fees (in ₹ lakhs)
Pallak Seth	Simple Approach Limited	338.90
Pallak Seth	PDS Multinational FZCO	330.91
Pallak Seth	PDS Fashions Limited	355.39
Mungo Park [^]	PDS Multinational FZCO	45.50
Yael Gairola ^{^^}	Norwest Industries Limited	46.64
Nishant Parikh Ravindra [^]	Multinational Textile Group Limited	41.39
Robert Lloyd Sinclair [^]	PDS Multinational FZCO	41.36
B G Srinivas [^]	Norwest Industries Limited	41.39

[^] Sitting fees paid in the capacity of an Independent Director in the respective subsidiaries as listed above

^{^^} Sitting fees paid in the capacity of a Non-Independent Director in the subsidiary as listed above

Key Managerial Personnel and Senior Management Personnel

The details of our Key Management Personnel and Senior Management Personnel as on the date of this Placement Document, are set out below:

Sr No.	Name	Age	Designation
Key Managerial Personnel			
1.	Sanjay Jain	53	Group Chief Executive Officer
2.	Rahul Ahuja [*]	52	Group Chief Financial Officer
3.	Abhishekh Kanoi [*]	41	Head of Legal, Company Secretary and Compliance Officer
Senior Management Personnel			
1.	Reenah Joseph	41	Deputy Group Chief Financial Officer
2.	Ajay Thakkar	47	Group Counsel
3.	Raamann Ahuja	52	Group Chief Human Resource Officer
4.	Saurabh Saxena	43	Group Chief Information Officer
5.	Mansi Agrawal	37	Head – Taxation

^{*}Also Senior Management Personnel in accordance with the provisions of the SEBI ICDR Regulations.

Details of our Key Managerial Personnel and their profile

Sanjay Jain is the Group Chief Executive Officer (“CEO”) of the Company. He is responsible for driving operational excellence, spearheading transformation initiatives, and implementing strategic goals. Additionally, he is focused on driving operational excellence within the manufacturing business. He leads key functions including Finance, HR, IT, Legal, and Compliance, and actively engages with stakeholders to ensure the company's sustained success.

Rahul Ahuja is the Group Chief Financial Officer (“CFO”) of our Company. He leads the overall finance function, including financial reporting, audit, taxation, treasury, M&A, investor relations and stakeholder relationship of our Company. He is also responsible for delivering on aspects of internal audit and risk management.

Abhishekh Kanoi is the Head of Legal, Company Secretary and Compliance Officer of our Company. He is responsible for overseeing the company's legal affairs and corporate secretarial functions. Additionally, he oversees aspects of the Listing Regulations, RBI matters, mergers and acquisitions, intellectual property rights, amongst others and collaborates with management on legal and compliance related matters.

Shareholding of our Key Managerial Personnel and Senior Management Personnel

The following table sets forth details regarding the shareholding of the Key Managerial Personnel and Senior Management Personnel in our Company as on the date of this Placement Document:

Name	Number of Equity Shares	Percentage shareholding (%)
<i>Key Managerial Personnel</i>		
Sanjay Jain	1,21,736	0.09
Rahul Ahuja	24,250	0.02
Abhishekh Kanoi	Nil	Nil
<i>Senior Management Personnel</i>		
Reenah Joseph	Nil	Nil
Ajay Thakkar	12,500	0.01
Raamann Ahuja	10,943	0.01
Saurabh Saxena	Nil	Nil
Mansi Agrawal	Nil	Nil

Relationship amongst the Key Managerial Personnel and Senior Management Personnel and Directors

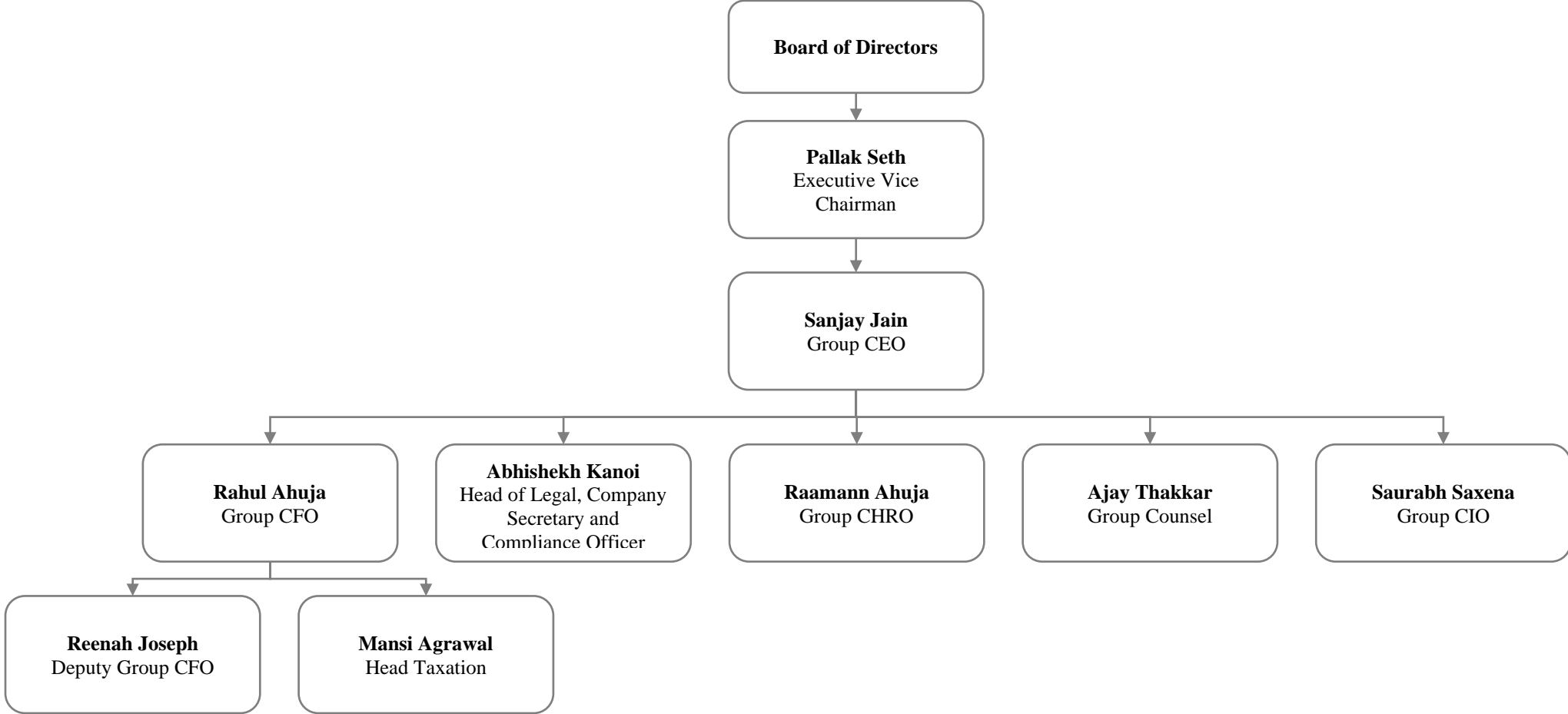
None of our Key Managerial Personnel or Senior Management Personnel are related to each other or to the Directors.

Interest of Key Managerial Personnel and Senior Management Personnel

None of the Key Managerial Personnel or Senior Management Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business or other incidental expenses and to the extent of the Equity Shares held by them or the companies, firms and trusts in which they are interested as director, member, partner and/or trustee, and to the extent of benefits arising out of such shareholding.

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Management organization chart of our Company



Corporate governance

The Board of Directors presently consists of ten Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board has five Non-Executive, Independent Directors including one woman Independent Director.

Committees of the Board of Directors

The Board of Directors have constituted the following committees, in accordance with the relevant provisions of the Companies Act and the SEBI Listing Regulations.

The following table sets forth the details of the members of the said committees as of the date of this Placement Document:

S. No.	Committee	Members
1.	Audit Committee	i. Nishant Parikh Ravindra (Chairman) ii. Deepak Kumar Seth (Member) iii. Mungo Park (Member)
2.	Nomination and Remuneration Committee	i. Robert Lloyd Sinclair (Chairman) ii. Nishant Parikh Ravindra (Member) iii. Deepak Kumar Seth (Member)
3.	Stakeholders' Relationship Committee	i. Parth Dashrath Gandhi (Chairman) ii. Deepak Kumar Seth (Member) iii. Robert Lloyd Sinclair (Member)
4.	Risk Management Committee	i. Nishant Parikh Ravindra (Chairman) ii. Parth Dashrath Gandhi (Member) iii. Deepak Kumar Seth (Member) iv. Pallak Seth (Member) v. Sanjay Jain (Member) vi. Rahul Ahuja (Member) vii. Suresh Punjabi (Member)
5.	Corporate Social Responsibility Committee	i. Mungo Park (Chairman) ii. Pallak Seth (Member) iii. Parth Dashrath Gandhi (Member)

Policy on disclosures and internal procedure for prevention of insider trading

Our Company has adopted a code of conduct for prohibition of insider trading (“**Insider Code**”) with a view to regulate trading in securities by the directors and employees of our Company while in possession of unpublished price sensitive information (“**UPSI**”). The Insider Code requires pre-clearance for dealing in our Company’s shares and prohibits the purchase or sale of our Company’s shares by the persons falling within the scope of definition of ‘designated persons’, as defined under the Insider Code, while in possession of UPSI in relation to our Company or its securities. Our Company has appointed the Company Secretary and Compliance Officer of our Company as a compliance officer to ensure compliance of the Insider Code by all the directors and employees likely to have access to UPSI. Further, our Company has also adopted the code of fair disclosure of UPSI to regulate and monitor the flow of UPSI. The aforementioned Code is posted on the website of our Company at the link: <https://pdsltd.com/wp-content/uploads/2023/06/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf> .

Other confirmations

None of the Directors, Promoters, Key Managerial Personnel or Senior Management Personnel of our Company have any financial or other material interest in the Issue.

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Except as stated below, our Company does not have any bonus or profit-sharing plan with its Directors, Key Managerial Personnel and Senior Management Personnel:

Our Chief Executive Officer, Sanjay Jain, is entitled to a fund raise incentive which includes incentive amounts or cash awards upon the occurrence of any transaction or a series of transactions through which our Company or any of its Subsidiaries raise any funds by issuing equity shares, any instruments convertible, exchangeable or exercisable into equity shares, or through any quasi-equity transactions, and the quantum of such incentive/cash awards will be linked to the amount of funds so raised by our Company or its Subsidiaries (“**Fund Raise Incentive**”). The Fund Raise Incentive has been approved by the Shareholders of our Company by way of an ordinary resolution dated February 25, 2021 in compliance with Regulation 26(6) of the SEBI Listing Regulations.

Except as provided below, none of our Directors, Key Managerial Personnel and Senior Management Personnel hold employee stock options of our Company as on the date of this Placement Document:

S. No.	Name	ESOPs Outstanding
Directors		
1.	Parth Dasharath Gandhi	82,500
KMP		
2.	Sanjay Jain	3,32,230
3.	Abhishekh Kanoi	43,750
4.	Rahul Ahuja	1,61,500
SMP		
5.	Ajay Thakkar	37,500
6.	Saurabh Saxena	60,000
7.	Raamann Ahuja	58,000
8.	Reenah Joseph	1,00,000

None of the Directors or the companies with which they are or were associated as promoter or director, are debarred from accessing the capital markets under any order or direction passed by the SEBI or any other governmental authority. Neither our Company, nor our Promoters or the companies with which our Promoters are or have been associated with as a promoter or a person in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other governmental authority.

Neither our Company, nor any of our Directors or Promoters have been declared as a Wilful Defaulter or Fraudulent Borrower.

None of our Directors or Promoters have been declared as a Fugitive Economic Offender.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscal Years immediately preceding the date of this Placement Document, please see “*Related Party Transactions*” on page 236.

Employee stock option schemes

For details with respect the employee stock option schemes of our Company, please see “*Capital Structure - Employee stock option schemes*” on page 79.

SHAREHOLDING PATTERN OF OUR COMPANY

The following table sets forth the details regarding the equity shareholding pattern of our Company as on June 30, 2024:

Category	Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)
(A)	Promoter & Promoter Group	3	86,799,430	-	-	86,799,430	65.73	86,799,430	-	86,799,430	65.73	-	65.73	-	-	-	-	86,799,430
(B)	Public	28,734	45,020,123	-	-	45,020,123	34.09	45,020,123	-	45,020,123	34.09	-	34.09	-	-	NA	NA	44,586,638
(C)	Non Promoter - Non Public															NA	NA	
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
(C2)	Shares Held By Employee Trust	1	232,088	-	-	232,088	0.18	-	-	-	-	-	0.18	-	-	NA	NA	232,088
	Total	28,738	132,051,641	-	-	132,051,641	100.00	131,819,553	-	131,819,553	100.00	-	100.00	-	-	-	-	131,618,156

The following table sets forth the details regarding the equity shareholding pattern of our Promoter and Promoter Group as on June 30, 2024:

	Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
									No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
									Class eg: X	Class eg: y	Total								
(I)			(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C 2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C 2)	(XII)		(XIII)		(XIV)
1	Indian																		
(a)	Individuals / Hindu Undivided Family		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Central Government / State Government(s)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Foreign																		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		3	86,799,430	-	-	86,799,430	65.73	86,799,430	-	86,799,430	65.73	-	65.73	-	-	-	-	86,799,430
	Payel Seth	Promoters	1	69,626,570	-	-	69,626,570	52.73	69,626,570	-	69,626,570	52.73	-	52.73	-	-	-	-	69,626,570
	Deepak Kumar Seth	Promoters	1	15,778,670	-	-	15,778,670	11.95	15,778,670	-	15,778,670	11.95	-	11.95	-	-	-	-	15,778,670
	Pallak Seth	Promoters	1	1,394,190	-	-	1,394,190	1.06	1,394,190	-	1,394,190	1.06	-	1.06	-	-	-	-	1,394,190
(b)	Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)		3	86,799,430	-	-	86,799,430	65.73	86,799,430	-	86,799,430	65.73	-	65.73	-	-	-	-	86,799,430
	Total Shareholding Of Promoter And Promoter Group (A)= (A)(1)+(A)(2)		3	86,799,430	-	-	86,799,430	65.73	86,799,430	-	86,799,430	65.73	-	65.73	-	-	-	-	86,799,430

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

(1) PAN would not be displayed on website of Stock Exchange(s)

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
								No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		Shareholding(No. of shares) under		
								Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C 2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C 2)	(XII)	(XIII)	(XIV)	(XV)					
(e)	Foreign Portfolio Investors Category II	3	95,174	-	-	95,174	0.07	95,174	-	95,174	0.07	-	0.07	-	-	NA	NA	95,174	-	-	-
(f)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-	-	-	-
(g)	Any Other (Specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-	-	-	-
	Sub Total (B)(2)	50	4,873,245	-	-	4,873,245	3.69	4,873,245	-	4,873,245	3.69	-	3.69	-	-	NA	NA	4,873,245	-	-	-
3	Central Government/ State Government(s)																				
(a)	Central Government / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-	-	-	-
(b)	State Government / Governor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-	-	-	-
(C)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-	-	-	-
	Sub Total (B)(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-	-	-	-
4	Non-Institutions																				
(a)	Associate companies / Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-	-	-	-
(b)	Directors and their relatives (excluding Independent Directors and nominee Directors)	1	42,500	-	-	42,500	0.03	42,500	-	42,500	0.03	-	0.03	-	-	NA	NA	42,500	-	-	-
(C)	Key Managerial Personnel	2	64,306	-	-	64,306	0.05	64,306	-	64,306	0.05	-	0.05	-	-	NA	NA	64,306	-	-	-
(D)	Relatives of promoters (other than 'immediate relatives' of	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-	-	-	-

Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percent age of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	Sub-categorization of shares		
							No of Voting Rights			Total as a % of Total Voting Rights			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		Shareholding(No. of shares) under		
							Class eg: X	Class eg: y	Total									Sub-category(i)	Sub-category(ii)	Sub-category(iii)
(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C 2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C 2)	(XII)		(XIII)		(XIV)	(XV)		
Trusts	2	1,535	-	-	1,535	0.00	1,535	-	1,535	0.00	-	0.00	-	-	NA	NA	1,535	-	-	-
Body Corp-Ltd Liability Partnership	37	714,229	-	-	714,229	0.54	714,229	-	714,229	0.54	-	0.54	-	-	NA	NA	714,229	-	-	-
Hindu Undivided Family	772	912,662	-	-	912,662	0.69	912,662	-	912,662	0.69	-	0.69	-	-	NA	NA	912,662	-	-	-
Unclaimed Shares	2	279,855	-	-	279,855	0.21	279,855	-	279,855	0.21	-	0.21	-	-	NA	NA	279,855	-	-	-
Clearing Member	4	1,913	-	-	1,913	0.00	1,913	-	1,913	0.00	-	0.00	-	-	NA	NA	1,913	-	-	-
Sub Total (B)(4)	28,674	38,950,929	-	-	38,950,929	29.50	38,950,929	-	38,950,929	29.50	-	29.50	-	-	NA	NA	38,517,839	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+b(4)	28,734	45,020,123	-	-	45,020,123	34.09	45,020,123	-	45,020,123	34.09	-	34.09	-	-	NA	NA	44,586,638	-	-	-

The following table sets forth the details of our non-promoter, non-public shareholders as on June 30, 2024:

	Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form	
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)		
								Class eg: X	Class eg: y	Total									
(I)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+(VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI) = (VII)+(X) As a % of (A+B+C2)	(XII)		(XIII)		(XIV)		
1	Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	NA	-
2	Employee Benefit Trust / Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	1	232,088	-	-	232,088	0.18	232,088	-	232,088	0.18	-	0.18	-	-	-	NA	NA	232,088
	Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	1	232,088	-	-	232,088	0.18	232,088	-	232,088	0.18	-	0.18	-	-	-	NA	NA	232,088

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below and Bidders are assumed to have apprised themselves of the same from our Company or the BRLMs. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Eligible QIBs that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the BRLMs and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible QIBs on whether such Eligible QIB was eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 230 and 236, respectively.

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document has not been, and this Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue was being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and other applicable provisions of the Companies Act, and the rules made thereunder, to the extent applicable, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules, our Company being a listed Company in India may issue equity shares to Eligible QIBs provided that certain conditions are met by our Company. Some of these conditions are set out below:

- the Shareholders of our Company have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify that, (a) the allotment of the Equity Shares is proposed to be made pursuant to the QIP, and (b) the Relevant Date;
- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the Issue or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on recognized Stock Exchanges in India having nationwide trading terminals, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to seek approval of our Shareholders for the above-mentioned special resolution. For details, see "Capital Structure" on page 76;
- invitation to apply in the Issue must be made through a private placement offer-cum-application form (i.e., the Placement Document) and an application form, serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;
- our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or shall have withdrawn or abandoned any such invitation or offer made by our Company, except as permitted under the Companies Act;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;
- in accordance with the SEBI ICDR Regulations, the Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees;
- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;
- our Promoters and Directors are not Fugitive Economic Offenders; and
- our Directors are not declared as ‘Fraudulent Borrower’ by the lending banks or financial institution or consortium, in terms of the RBI master circular dated July 1, 2016

At least 10.00% of the Equity Shares issued to Eligible QIBs was made available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remained unsubscribed, it may be allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise their Bids downwards after the Bid/Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the Equity Shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer’s equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of up to 5.00% of the floor price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated November 1, 2023, and our Shareholders by way of a special resolution through postal ballot passed on December 3, 2023, have authorised our Board to decide the quantum of discount of up to 5.00% of the Floor Price at the time of determination of the Issue Price.

The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as mentioned in Regulation 176 (4) of the SEBI ICDR Regulations.

The “Relevant Date” referred to above means the date of the meeting in which the Board or a committee of directors duly authorised by the Board of our Company decides to open the Issue and “Stock Exchange” means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders’ resolution approving the Issue, being December 3, 2023, and also within 60 days from the date of receipt of Bid Amount from the relevant Eligible QIBs, failing which our Company shall refund the Application Amount in accordance with applicable laws. For details of refund of Application Amount, see “– Pricing and Allocation” and “–Designated Date and Allotment of Equity Shares” on pages 225 and 226, respectively.

The Equity Shares issued pursuant to the Issue were issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document *are* private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees with respect to the QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 25,000.00 lakhs; and
- five, where the issue size is greater than ₹ 25,000.00 lakhs.

No single Allottee shall be Allotted more than 50.00% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes “same group” or “common control”, see “—*Bid Process—Application Form*” on page 222.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of the Preliminary Placement Document and will file a copy of this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on November 1, 2023, and our Shareholders by way of a special resolution through postal ballot passed on December 3, 2023.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States, in “offshore transactions”, as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares, see are transferable only in accordance with the restrictions described under “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 230 and 236, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Bid / Issue Opening Date, our Company in consultation with the BRLMs circulated serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Forms were specifically addressed to each such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company has maintained complete records of Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form were dispatched, as the case may be. Our Company will make the requisite filings with the RoC within the stipulated time period as required under the Companies Act and the PAS Rules.
2. The list of Eligible QIBs to whom the Preliminary Placement Document and the Application Form were delivered will be determined by our Company in consultation with the BRLMs. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount was to be deposited, was addressed to a particular Eligible QIB, no invitation to make an offer to subscribe was deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer was deemed to have been made to such person and any application that did not comply with this requirement is treated as invalid.
3. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB was required to submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case of an upward revision before the Bid/Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the escrow account specified in the application form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLMs.
5. Eligible QIBs were required to indicate the following in the Application Form:
 - a representation that it is outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S and it has agreed to certain other representations set forth in the Application Form;
 - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;
 - number of Equity Shares Bid for;
 - price at which they were agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
 - Equity Shares held by the Bidder in our Company prior to the Issue;
 - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue; and
 - it has agreed to certain other representations set forth in the Application Form and the Preliminary Placement Document.

***NOTE:** Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund have not been treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them could not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable laws.*

6. Eligible QIBs were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of “PDS Limited – QIP Escrow A/c” with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company has maintained a record of the bank account from where such payment has been received. No payment was required to be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares are kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, (d) any Eligible QIB lowered or withdrew their Bid after submission of the Application Form but prior to the Bid/Issue Closing Date, or (e) the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in “- Refunds” on page 226.
7. Once a duly completed Application Form was submitted by a Bidder, whether signed or not, and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not have been withdrawn or revised downwards after the Bid/Issue Closing Date. In case of an upward revision before the Bid/Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/Issue Closing Date was notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.
8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or before the Bid/Issue Closing Date, our Company has, in consultation with BRLMs determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLMs on

behalf of our Company have sent the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and this Placement Document to a Successful Bidder are deemed valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. **Please note that the Allocation has been made at the absolute discretion of our Company and shall be in consultation with the BRLMs.**

9. The Eligible QIBs acknowledge that in terms of the requirements of the Companies Act, pursuant to Allocation, our Company has disclosed the names of proposed Allottees and the percentage of their post- Issue shareholding in this Placement Document and have consented to such disclosure, if any Equity Shares are Allocated to it.
10. Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.
11. Upon determination of the Issue Price and issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.
12. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.
13. After passing the resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.
14. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.
15. Our Company will then apply for the final trading approvals from the Stock Exchanges.
16. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.
17. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non- receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.
18. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for, through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in “- Refunds” on page 226.

Eligible QIBs

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules have been considered as Eligible QIBs. FVCIs not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds, VCFs, AIFs, each registered with SEBI;
- pension funds with minimum corpus of ₹ 2,500 lakhs registered with the Pension Fund Regulatory and Development Authority established under sub – section (1) of Section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹ 2,500 lakhs;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies; and
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005, of the Government published in the Gazette of India.

ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. OTHER ELIGIBLE NON RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIS ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) should not exceed 10.00% of post-Issue Equity Share capital of our Company. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. Further, in terms of the FEMA Rules, the total holding of each FPI or an investor group shall be below 10.00% of the post-issue total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all Eligible FPIs put together shall not exceed 24.00% of the paid-up Equity Share capital of our Company.

Further, with effect from April 1, 2020, the limit of total holdings of all Eligible FPIs put together shall be the sectoral cap applicable to our Company, currently being 100.00% under the automatic route. As of June 30, 2024, the aggregate FPI shareholding in our Company is 3.62 % (FPI Category – I) and 0.07% (FPI Category – II) of our Company’s paid-up Equity Share capital on a fully diluted basis. For further details, see “*Shareholding Pattern of our Company*” on page 208. In case our Company decreases its aggregate limit, it may increase such aggregate limit to the prescribed limits with the approval of our Board and our Shareholders through a special resolution. However, our Company shall not be allowed to reduce the aggregate limit to a lower threshold once such limit has been increased.

In case the holding of an FPI including its investor group increases to 10.00% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done, the total investment made by such FPI together with its investor group will be re- classified as FDI as per the procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors

are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. As per the circular issued by SEBI dated November 5, 2019 (circular no. IMD/FPI&C/CIR/P/2019/124), these investment restrictions shall also apply to subscribers of Offshore Derivative Instruments. Two or more subscribers of Offshore Derivative Instruments having a common beneficial owner shall be considered together as a single subscriber of the Offshore Derivative Instruments. In the event an investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI and Offshore Derivative Instruments investments held in the underlying company.

Pursuant to the SEBI Circular dated April 05, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed NSE as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3.00% below the overall limit a red flag shall be activated. The designated depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs were permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on page 230 and 236, respectively.

Please note that participation by non-residents in the Issue is restricted to participation by FPIs under Schedule II of the FEMA Rules, in the Issue subject to limit of the individual holding of an FPI below 10.00% of the post- Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100.00% (sectoral limit of the sector in which our Company operates) of the paid-up capital of our Company. Other non- residents such as FVCIs are not permitted to participate in the Issue.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being our Promoters, or any person related to, the Promoters. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoters:

- rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLMs and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs were advised to ensure that any single application from them did not exceed the investment limits or maximum number of Equity Shares that could be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations, and ensure compliance with applicable laws.

A minimum of 10.00% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB was deemed to have made all the following representations and warranties, acknowledgements and undertakings, and the representations, warranties and agreements made under the sections “*Notice to Investors*”, “*Representations by Investors*”, “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 1, 4, 230 and 236, respectively:

1. Each Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;
2. Each Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;
3. Each Eligible QIB confirms that it has no rights under a shareholders’ agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoters;
4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;
5. Each Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid/Issue Closing Date;
6. Each Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;
7. Each Eligible QIB confirms that the Eligible QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Eligible QIB further confirms that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;
8. The Bidder confirms that in the event it is resident outside India, it is not an FVCI;
9. Each Eligible QIB confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;
10. Each Eligible QIB agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Eligible QIB agrees that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;
11. Each Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLMs. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;
12. Each Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company was required to disclose the names as “proposed Allottees” and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as

“proposed Allottees” in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs.

13. Each Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50.00% of the Issue. For the purposes of this representation:
 - (a) Eligible QIBs “belonging to the same group” shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and
 - (b) ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;
14. Each Eligible QIB acknowledges that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.
15. Each Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.
16. Each Eligible QIB acknowledges, represents and agrees that its total voting rights in our Company does not exceed 10.00% of the total issued share capital of our Company.
17. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) in our Company does not exceed 10.00% of the post-Issue paid-up capital of our Company on a fully diluted basis.
18. The Bidder acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, or “**Holding**”), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the SEBI Takeover Regulations.
19. Each Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.
20. The Eligible QIB confirms that:
 - a. It is outside the United States and is subscribing to the Equity Shares in an “offshore transaction” as defined in and in reliance on Regulation S, and is not an affiliate of the Company or a person acting on behalf of such an affiliate; and
 - b. it has agreed to certain other representations set forth in the sections titled, “*Selling Restrictions*” and “*Transfer Restrictions and Purchaser Representations*” on pages 230 and 236 respectively, and the other representations made in the Application Form.

ELIGIBLE QIBs WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN (IF APPLICABLE), DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLMs, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMs TO EVIDENCE THEIR STATUS AS AN “ELIGIBLE QIB” AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLMs, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs WHO SUBMITTED A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form, whether signed or not, and payment of the Bid Amount pursuant to the Application Form by a Bidder was deemed to be valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter. The Bid Amount was required to be deposited in the Escrow Account as was specified in the Application Form and the Application Form was required to be submitted to the BRLMs either through electronic form or through physical delivery at the following address(s):

Name	Address	Contact Person	Website and Email	Phone (Telephone)
JM Financial Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India	Prachee Dhuri	Website: www.jmfl.com E-mail: pds.qip@jmfl.com Investor Grievance E-mail: grievance.ibd@jmfl.com	+91 22 66303030
Ambit Private Limited	Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India	Sandeep Sharma	Website: www.ambit.co E-mail: pds.qip@ambit.co Investor Grievance E-mail: customerservicemb@ambit.co	+91 22 6623 3030

The BRLMs were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the duly completed Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of “PDS Limited – QIP Escrow A/c” with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder was required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders were required to make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were required to be made only through electronic fund transfer. Payments made through cash or cheques were liable to be rejected. Further, if the payment were not made favouring the Escrow Account, the Application Form was liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in “PDS Limited – QIP Escrow A/c” only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event, a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in “- Refunds” on page 226.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, our Company has offered a discount of 4.90% of the Floor Price in accordance with the

approval of our Shareholders, accorded by way of a special resolution through postal ballot passed on December 3, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

The “Relevant Date” referred to above will be the date of the meeting in which the Board or Fundraising Committee decided to open the Issue and “stock exchange” means any of the recognized stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed the same with the Stock Exchanges as the Placement Document.

Build up of the Book

The Eligible QIBs were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids could not be withdrawn or revised downwards after the Bid/Issue Closing Date. The book was maintained by the BRLMs.

Method of Allocation

Our Company has determined the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Eligible QIBs at or above the Issue Price were grouped together to determine the total demand. The Allocation to all such Eligible QIBs was made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10.00% of the Issue Size was undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, Company in consultation with BRLMs had the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs AND ELIGIBLE QIBs HAVE RECEIVED ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMs ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allocation Note or CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, has decided the Successful Bidders to whom the serially numbered CAN has been dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them has been notified to such Successful Bidders. Additionally, the CAN will include the details of amount to be refunded, if any, probable Designated Date, being the date of credit of the Equity Shares to the Bidders’ account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document (when dispatched), to the Eligible QIBs is deemed to be valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB were deemed to have made the representations and warranties as specified in “Notice to Investors” on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.
2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.
3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.
4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.
5. Following the credit of Equity Shares into the successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.
6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.
7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed it with the Stock Exchanges as this Placement Document, which included names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5.00% of the Equity Shares offered in the Issue, namely, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder has lowered or withdrawn the Bid prior to the Bid/Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN. In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12.00% p.a from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and our Company files the return of Allotment in connection with the Issue with the RoC.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form was required to be submitted as soon as practicable.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the Income Tax Act, 1961. A copy of PAN card was required to be submitted with the Application Form. Further, the Application Forms submitted without this information were considered incomplete and were liable to be rejected. It is to be specifically noted that applicants were not required to submit the GIR number instead of the PAN as the Application Form was liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, could have rejected Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids is final and binding. In the event the Bid was rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see “ - Bid Process” and “- Refunds” on pages 222 and 226, respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

An Eligible QIB who have applied for Equity Shares to be issued pursuant to the Issue were required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

Placement Agreement

The BRLMs have entered into the Placement Agreement with our Company, pursuant to which the BRLMs have agreed to manage the Issue and to act as placement agents in connection with the proposed Issue and, subject to certain conditions procure subscription for the Equity Shares to be issued pursuant to the Issue, on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company and it is subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, registered as a prospectus with the Registrar of Companies, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Equity Shares offered in this Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares were offered and are being sold only outside the United States in “offshore transactions” as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. See “*Offshore Derivative Instruments*” and “*Representations by Investors*” on pages 10 and 4, respectively.

Relationship with the Book Running Lead Managers

Affiliates of the Book Running Lead Managers may purchase the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of Offshore Derivative Instruments. Please see “*Offshore Derivative Instruments*” on page 10. From time to time, the Book Running Lead Managers, and their affiliates and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiaries, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their respective affiliates and associates.

Lock-up

Our Company agrees, subject to the exceptions set out below, not to: (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or exchangeable for equity share; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of equity shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of equity shares, or such other securities, in cash or otherwise, for a period from the date hereof up to 90 days after the Closing Date without the prior written consent of the BRLMs, however, the foregoing restriction shall not be applicable to the (i) the issuance of the Issue Shares pursuant to the Issue; (ii) issuance of Equity Shares pursuant to conversion of ESOPs issued by the Company pursuant to the ESOP 2021, ESOP 2021 – Plan A, ESOP 2021 – Plan B and PDS Phantom Stock Units Plan 2021; and (iii) any transaction required by law or an order of a court of law or a statutory authority .

Promoter and Promoter Group Lock – in

Our Promoters and members of our Promoter Group agree that, without the prior written consent of the BRLMs, they shall not, announce any intention to enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing on the date the Preliminary Placement Document and ending 90 days from the date of the Placement Document (both dates inclusive) (“**Lock-up Period**”) directly or indirectly:

- (1) offer, issue, pledge, sell, encumber, contract to sell or announce the intention to sell, lend, purchase any option or contract to sell, grant or sell any option, right, contract or warrant to purchase, lend, make any short sale or otherwise transfer or dispose of any Equity Shares or any other securities of the Company substantially similar to the Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Lock-up Shares or any such substantially similar securities, whether now owned or hereinafter acquired;
- (2) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Equity Shares and the securities that are convertible into, exercisable or exchangeable for or any such substantially similar securities, whether now owned or hereinafter acquired;

whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Equity Shares or such other securities, in cash or otherwise,
- (3) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Shares in any depository receipt facility; or
- (4) publicly announce its intention to enter into the transactions referred to in (1) to (3) above.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under “Notice to Investors”, “Representations by Investors” and “Purchaser Representations and Transfer Restrictions” on pages 1, 4 and 236, respectively

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under the section entitled “Purchaser Representations and Transfer Restrictions” on page 236.

Additionally, in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Securities is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. Further, the Bidders need to confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside of the United States in “offshore transactions” as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. For further information, see “Purchaser Representations and Transfer Restrictions” on page 236.

Australia

This Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the “Corporations Act”);
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (“ASIC”), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;

- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a “retail client” (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors (“**Exempt Investors**”), available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under this Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. Our Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency (“BMA”) has not reviewed, nor has it approved, the Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a “**BVI Company**”), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the “SIBL”), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL.

European Economic Area

In relation to each Member State of the European Economic Area (each a “Relevant State”), no Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Shares at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Shares shall require the Issuer or any Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948 as amended) (the “**FIEA**”) and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan (“**Japanese Resident**”) or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree is not a “qualified institutional investor” (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the “**Qualified Institutional Investor**”), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA will not be made.

If an offeree is a Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA will not be made. To subscribe to the Equity Shares (the “**QII Equity Shares**”) such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of the Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia (“**Commission**”) for the Commission’s approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds

RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Placement Document is subject to Malaysian laws. This Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Sultanate of Oman

This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority (“CMA”) and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in the Placement Document will not take place inside Oman. The Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar (excluding the Qatar Financial Centre)

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Center (“QFC”), and accordingly should not be construed as such. This Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, may not be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, of Singapore as

modified and amended from time to time (the “SFA”) or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Placement Document nor any other offering or marketing material relating to the offering, our Company or the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, “Promotion”) of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the “UAE”) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “SCA”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Chairman Decision no. (3/R.M.) of 2017 (the “Promotion and Introduction Regulations”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to “Qualified Investors” (excluding “High Net Worth Individuals”) (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority (“DFSA”). This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor. In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of

investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or
- (c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any placement agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Other Jurisdictions

The distribution of this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares

Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the BSE or the NSE. Due to the following restrictions, investors are advised to consult their respective legal counsels prior to Bidding for the Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the BSE or the NSE. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see “*Selling Restrictions*” on page 230.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.
- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.
- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.
- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.
- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S.
- It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any “directed selling efforts” as defined in Regulation S.
- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.
- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe

to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment

- It has been provided access to this Placement Document and will be provided access to the Placement Document which it has read in its entirety.
- It agrees to indemnify and hold the Company and each of the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.
- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.
- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the BRLMs and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Rules, which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the SEBI Act, SEBI Listing Regulations and various guidelines and regulations issued by the SEBI and the stock exchanges. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting .

The SCRR requires all listed companies to maintain a minimum public shareholding of 25%, subject to certain time bound expectations.

Minimum Level of Public Shareholding

All listed companies are required to ensure a minimum public shareholding at 25.00%. Further, where the public shareholding in a listed company falls below 25.00% at any time, such company is required to bring the public shareholding to 25.00% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10.00%, 15.00% and 20.00%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets

nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchanges of India. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading (“**BOLT**”) facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“**NEAT**”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management’s discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

SEBI Insider Trading Regulations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the “**Insider Trading Regulations**”) have been notified by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information (“**UPSI**”).

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term “unpublished price sensitive information” to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and ordinarily includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and (e) changes in key managerial personnel. Further, in terms of the Insider Trading Regulations, “generally available information” is defined as information that is accessible to the public on a non-discriminatory basis. An “insider” means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term “connected person” means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles and the Companies Act. Bidders are urged to read the Memorandum and Articles carefully, and consult with their advisers, as the Memorandum and Articles and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹50,00,00,000 divided into 25,00,00,000 Equity Shares having a face value of ₹ 2 each. For further details please see “*Capital Structure*” on page 76.

Dividends

Under the Companies Act, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each Fiscal. Subject to certain conditions laid down by Section 123 of the Companies Act, no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous Fiscal(s) arrived in a manner laid down by the Companies Act and remaining undistributed or out of both or out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government.

Further, as per the Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the event of inadequacy or absence of profits in any year, a company may declare dividend out of free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this shall not apply to a company, which has not declared any dividend in each of the three preceding financial years (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves of the company as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15.00% of the company’s paid up share capital as per the most recent audited financial statement of the company.

Our Board may retain any dividends on which our Company may have a lien and may apply the same towards the satisfaction of the debts or liabilities or engagement in respect of which the lien exists. No member shall be entitled to receive payment of interest and dividend in respect of his Equity Shares while any money may be due or owing from him to our Company and our Board may deduct from any dividend payable to any member all sums of money, if any, payable by him to our Company on account of calls in relation to the Equity Shares of our Company or otherwise.

According to the Articles of Association, dividends may be paid to the members according to their respective rights and interest in the profits and may, subject to the provisions of Section 207 of the Companies Act, fix the time for payment. However, our Company may declare a smaller dividend in the general meeting.

Unclaimed and unpaid dividend shall not be forfeited by our Company before the claim becomes barred under the applicable laws.

Capitalisation of Profits and issue of bonus shares

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act permits the board of directors of a company subject to approval of shareholders in a general meeting to issue fully paid up bonus shares to its members out of (a) the free reserves of the company, (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalise its profits or reserves for issue of fully paid up bonus shares, provided: (a) its authorised by articles, (b) it has been, on the recommendation of the board of directors, been authorised by the shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues such as contribution to provident fund, gratuity and bonus, and (e) there are no partly paid-up shares. The issue of bonus shares once declared cannot be withdrawn.

These bonus shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalising reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares by listed companies would be subject to the SEBI ICDR Regulations.

Our Company may by a resolution passed in a general meeting of the Shareholders, upon a recommendation by the Board, resolve that any moneys standing to the credit of the share premium account or capital redemption reserve account or any moneys, investments or other assets forming part of the undivided profits of the Company (including profits or surplus money

realised on the sale of capital assets of the Company) standing to the credit fund or reserve of the Company and available for dividend to be capitalised and distributed. The Board may issue fractional certificates and make such arrangements for acceptance, allotment and sale of such shares, bonds or otherwise as they may think fit, and may make cash payment to holders of shares, on the footing of the value so fixed in order to adjust rights and may vest any shares, bonds or other obligations in trustees upon such trust for adjusting such rights.

Pre-Emptive Rights and Alteration of Share Capital

Our Company may from time to time by ordinary resolution increase its authorised share capital by such sum to be divided into shares of such amount as may be specified in the resolution. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing Shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting.

Our Articles of Association provide that our Company, may, at a general meeting, from time to time, by an ordinary resolution, consolidate, increase, reduce, divide and/or sub-divide the Share Capital or reclassify them into several classes and attached thereto respectively such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether in regard to Dividend, voting, return of Capital, distribution of assets or otherwise, as determined in accordance with the Law and the regulations from time to time of the Company and provisions of the Companies Act, 1956 for the time being in force including Statutory modifications, amendments or re-enactment of the Act thereof and to vary, modify or abrogate any such rights, privileges, conditions or restrictions in such manner as may, from time to time, be provided by the regulations/ resolutions of the Company and to consolidate or sub-divide or reorganise shares or issue shares of higher or lower denomination, Minimum paid-up capital shall be ₹ 5,00,000.

General Meetings of Shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall lapse between two AGMs, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board of Directors may convene an EGM *suo motu* when it deems fit.

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of the company and every director of the company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95.00% of the shareholders entitled to vote. Further, a general meeting, other than an annual general meeting may be called after giving a shorter notice if consent is received, by the majority in number of shareholders of the company who are entitled to vote and who represent not less than 95.00% of the paid up share capital of the company. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendments to the objects clause of the Memorandum of Association, a variation of the rights attached to a class of shares or debentures or other securities, buy-backs of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, on a show of hands, every member holding equity shares shall have one vote and every person present as a duly authorised representative of a body corporate being a holder of an equity share shall, if not entitled to vote in his own right, have one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay.

Directors

The Articles of Association provide that the number of Directors on the Board shall not be less than three and not more than twelve, or such higher number not exceeding fifteen as may be approved by the Central Government. The first directors of the Company shall be Deepak Seth, Payel Seth and Pallak Seth. The Articles of Association also permit our Directors to appoint any other person as a director as an additional director but so that the total number of Directors shall not at any time exceed the maximum number, as fixed under the Articles of Association. However, any additional director so appointed shall retire from office at the date of the next following annual general meeting of our Company but shall be eligible for election at such meeting as a Director.

Buy-back

Our Company may buy back its own Equity Shares or other specified securities subject to the provisions of the Companies Act and any related SEBI guidelines issued in connection therewith.

Registration of Transfers and Register of Members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders.

Winding Up

In the event of our winding up, if the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. If in the winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the shares held by them respectively, without prejudice to the rights or the rights of the holders of shares issued upon preferential or special terms and conditions. The liquidator on any winding-up (whether voluntary, or otherwise) may, with the sanction of Special Resolution, divide amongst the contributories in specie or kind, the whole or any part of the assets of the Company and may sanction, vest the whole or any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories, or any of them as the liquidation with the like sanction shall think fit.

TAXATION

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors

PDS Limited

Unit No. 971, Solitaire Corporate Park,
Andheri Ghatkopar Link Road, Andheri East,
Mumbai-400093,
Maharashtra, India

Date: 20 August 2024

Subject: Statement of possible special tax benefits (“the Statement”) available to PDS Limited (“the Company”) and its shareholders prepared for inclusion in the Preliminary Placement Document and Placement Document in accordance with the requirement under Schedule VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“the SEBI ICDR Regulations”)

This report is issued in accordance with the Engagement Letter dated 1 July 2024. We hereby report that the enclosed **Annexure II and III** prepared by the Company, initialled by us for identification purpose, states the possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together “the Tax Laws”), presently in force in India as on the date of this letter, which are defined in **Annexure I**. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed **Annexure II and III** cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed **Annexure II and III** and its contents is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 22 August 2024. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. Further, the benefits discussed in the **Annexure II and III** are not exhaustive. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering of equity shares of the Company (the “Proposed Offer”) particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

- i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or
- ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.

This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Placement Document, prepared in connection with the Offering to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges. It is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

Amit Kumar
Partner
Membership No.: 060995
UDIN: 24060995BKNQQJ7038

Date: 22 August 2024
Place: Hyderabad

Annexure I

List of Direct and Indirect Tax Laws (“Tax Laws”)

S.No	Details of tax laws
	<u>Direct Tax Laws:</u>
1.	The Income tax act, 1961 and Income-tax Rules 1962
	<u>Indirect Tax Laws:</u>
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017
5.	Applicable goods and services tax legislations, as promulgated by various states
6.	Union Territories Goods and Services Tax Act, 2017
7.	Customs Act, 1962 and Customs Tariff Act, 1975
8.	Foreign Trade Policy 2023

Annexure II

Statement of Possible Special Tax Benefits available to PDS Limited ('The Company') and its Shareholders under the applicable tax laws in India – The Income-tax Act, 1961 (the "Act")

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Income-tax Act, 1961 as amended by the Finance Act (No.2) 2024 (herein after referred to as 'the Act') read along with applicable Income-tax Rules and Circulars and Notifications issued thereunder (hereafter referred to as 'Income Tax Regulations') (collectively referred as "Income Tax Laws"). These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant Income Tax Laws.

A. Possible special tax benefits available to the Company

1. Lower corporate tax rate on income of domestic companies – Section 115BAA of the Act

With effect from Assessment year 2020-21 relevant to Financial Year 2019-20 a Company has an option to pay income tax on its total income at a concessional tax rate of 25.17% (22% Plus surcharge of 10% and cess of 4%) under section 115BAA of the Act, provided the company does not avail specified exemptions/incentives as specified under the section.

The following deductions/ exemptions shall not be allowed to the company opting for low tax rates u/s 115BAA of the Act:

- i. Deduction under the provisions of Section 10AA of the Act (deduction for units in Special Economic Zone);
- ii. Deduction under clause (iia) of sub-section (1) of Section 32 of the Act (Additional depreciation);
- iii. Deduction under Section 32AD, Section 33AB or Section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund);
- iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or subsection (2AB) of Section 35 of the Act (Expenditure on scientific research);
- v. Deduction under Section 35AD or Section 35CCC of the Act (Deduction for specified business, agricultural extension project);
- vi. Deduction under Section 35CCD of the Act (Expenditure on skill development);
- vii. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M of the Act;
- viii. Deduction under Section 80LA of the Act other than deduction applicable to a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA of the Act;
- ix. No set off of any loss carried forward or depreciation from any earlier assessment year(s), if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (viii) above; and
- x. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred from clause (i) to (viii) above.

Further, the Central Board of Direct Taxes ("CBDT") vide Circular No. 29/ 2019 dated 2 October 2019, clarified that the provisions of section 115JB relating to Minimum Alternate Tax (MAT) shall not be applicable to the company opting for concessional tax rate u/s 115BAA of the Act. Further the Company will not be entitled to utilize any brought forward MAT credit.

PDS Limited has opted to pay Income tax at a reduced tax rate of 25.17% u/s 115BAA of the Act from Assessment Year 2020-21 relevant to Financial Year 2019-20. Accordingly, PDS limited will not be entitled to claim any of the above listed tax benefits and will also not be assessed under the provisions of section 115JB of the Act.

2. Deductions in respect of employment of new employees – Section 80JJAA of the Act

In accordance with and subject to fulfilment of conditions as laid out u/s 80JJAA of the Act, a company shall be allowed deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a previous year, for three consecutive years including the year in which such additional employee cost is incurred.

Additional employee cost means the total emoluments paid or payable to additional employees employed in the previous year through an account payee cheque or account payee bank draft or by use of electronic clearing system through a bank account or through such other electronic mode as may be prescribed. These employees should have total salary not more than Rs. 25,000/- per month and should also be a member of a recognized provident fund. In addition, company availing the deduction is required to submit the prescribed form with the Income-tax authorities within the specified due date.

3. Deduction in respect of inter- corporate dividends – Section 80M of the Act

As per the provisions of Section 80M of the Act, if the Company is in receipt of dividend from any other domestic company or a foreign company or a business trust, in a previous year, it will be allowed to claim a deduction of amount equal to the said dividend, not exceeding the amount of dividend distributed by the company on or before one month prior to due date of furnishing the income-tax return under Section 139(1) of the Act for the relevant previous year.

B. Possible special tax benefits available to the Shareholders of the Company

1. Taxation of dividend

Dividend income earned by the shareholders would be taxable in their hands at the applicable tax rates, surcharge and cess based on the tax regime opted by the individual/corporate shareholder.

Further, in case of domestic corporate shareholder, deduction under Section 80M of the Act would be available as discussed above.

The shareholders would be entitled to take credit of the any Tax Deducted at Source on Dividend, by the Company.

2. Taxation of Capital Gains

As per Section 112A of the Act, long-term capital gains arising from the transfer of listed equity shares on or after 23rd July 2024 on which securities transaction tax ("STT") is paid at the time of acquisition and sale, shall be taxed at the rate of 12.5% (without indexation) (plus applicable surcharge & health & education cess). Further no tax would be levied on capital gain upto INR 125,000 per annum.

As per Section 111A of the Act, short-term capital gains arising from the transfer of listed equity shares on or after 23rd July 2024 on which STT has been paid at the time of sale shall be taxed at the rate of 20% (plus applicable Surcharge and health and education cess).

3. Taxation in case of non-resident shareholders

Taxation of long term and short-term capital gain is similar to that of taxation in hands of resident share holder except of the followings.

- The first proviso to Section 48 of the Act entitles a non-resident to factor in the effects of exchange rate fluctuation while computing the capital gains in the manner prescribed in the Income tax regulations, where the shares are purchased in foreign currency.
- Section 90(2) of the Act, entitles a non-resident shareholders to be governed by the beneficial provisions under the Double Taxation Avoidance Agreement ("DTAA"), if any, executed between India and the country of resident of the shareholder, in accordance with and subject to fulfilment of conditions as laid out in the section.
- Any income by way of capital gains/ dividends accruing to non-residents may be subject to withholding tax per the provisions of the Act or under the relevant DTAA, whichever is beneficial. The non-resident shareholders may be able to avail credit of any taxes paid in India, in their respective country of residence, subject to local laws of that country.

4. Capping on surcharge rate:

The surcharge payable by shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, ranges from 0% to 37% based on their respective total income and subject to provisions of 115BAC. However, the surcharge on dividend and capital gains would be restricted to 15%, irrespective of the quantum of dividend and capital gains.

Notes:

1. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is

dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The possible special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India.
4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
 - i. the Company or its shareholders will continue to obtain these benefits in future;
 - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
 - iii. the revenue authorities/courts will concur with the view expressed herein.
5. This annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
6. In respect of non-resident shareholders, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.
7. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
8. The above Statement of Possible Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

Annexure III

Statement of Possible Special Tax Benefits Available to the Company Under The Applicable Tax Laws In India – Indirect Tax Laws

Outlined below are the tax benefits available to the Company under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable goods and services tax legislations, as promulgated by various states, Union Territories Goods and Services Tax Act, 2017 (“GST Acts”), Customs Act, 1962, Customs Tariff Act, 1975 and Foreign Trade Policy 2023, presently in force in India.

A. Tax benefits available to the Company

1. Refund of taxes paid on export of goods/services or refund of tax paid on inputs/input services used in export of goods/services.

Under the GST laws, ‘export of goods and/or services’ has been treated as a “zero rated supply” i.e, the goods or services exported shall be exempted or refunded of GST levied upon them.

Thus, Sec 16 of IGST law provides the following two refund mechanisms in case of export of goods and/or services:

- a registered person making zero rated supply shall be eligible to claim refund of unutilised input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking,
- The Government may, on the recommendation of the Council, and subject to such conditions, safeguards and procedures, by notification, specify-
 - (i) a class of persons who may make zero rated supply on payment of integrated tax and claim refund of the tax so paid;
 - (ii) a class of goods or services which may be exported on payment of integrated tax and the supplier of such goods or services may claim the refund of tax so paid.

Therefore, in case of export of goods or services, the Company has an option to either pay GST on the supply and claim refund of the same or it can export goods or services without payment of GST and claim refund of the GST paid on inputs and input services used in such export. Going forward, with effect from a date to be notified, the refund of tax paid on export of goods/services would be available only to notified taxpayers. However, refund of tax paid on inputs and input services used in export would continue to be available as before.

2. South Asian Free Trade Area (SAFTA)

India and Bangladesh are both members of the South Asian Association for Regional Cooperation (SAARC), which includes the South Asian Free Trade Area (SAFTA) agreement. Under SAFTA, member countries, including India and Bangladesh, aim to reduce tariffs and promote trade within the region. The SAFTA agreement, signed in 2004 and implemented in 2006, was designed to promote and sustain mutual trade and economic cooperation among the SAARC member countries. It provides for the reduction of tariffs on a vast range of goods, with the goal of achieving duty-free access for most products.

In 2011, India granted duty-free access to all products from Least Developed Countries (LDCs) within SAARC, which includes Bangladesh. This move was aimed at boosting economic cooperation and regional trade. As a result, ready-made garments from Bangladesh can be imported into India without any customs duties, subject to meeting the rules of origin criteria.

Thus, ready-made garments imported from Bangladesh to India are generally duty-free under the SAFTA agreement, provided they meet the specified rules of origin criteria.

3. Free trade Warehousing Zone (FTWZ)

In India, FTWZ is considered as a special category of Special Economic Zone wherein the activities of trading, warehousing, labeling, packing, or re-packing without any processing are permitted. Any Indian entity who are Trader, Importers / Exporters, 3PLs, CHAs, Freight Forwarders, Shipping Lines, Manufacturers etc., can become Units in the FTWZ.

Units operating in the FTWZ enjoy the following benefits:

- Any goods imported in to a Unit in SEZ for authorized operations, would be exempt from payment of any duty of customs.
- Furthermore, as FTWZ is a form of SEZ, any supply to or from the FTWZ will enjoy the same special status in the GST law as that of SEZ i.e. supply of goods from DTA to FTWZ will be considered as zero-rated supply as per Section 16 of the IGST Act,2017.
- Supply of goods from FTWZ to DTA will be considered as import of goods in the hands of the DTA and accordingly, Customs duty along with the IGST will be discharged.

4. Manufacturing and Other Operations in Warehouse Regulations (MOOWR)

Central Board of Indirect Taxes and Customs (CBIC) launched MOOWR scheme to defer the Customs duties on imported goods that are used for the intended purposes of manufacture or carrying out other activities such as re-labelling, re-packing, grading, sorting, testing, and repair.

Individuals or any type of businesses can register for this scheme by meeting the following MOOWR scheme eligibility criteria:

- Anyone holding a license for a warehouse under section 58 of the Act, in compliance with the Private Warehouse Licensing Regulations, 2016.
- Individuals seeking a license for a warehouse under section 58 of the Act, along with permission to conduct manufacturing or other operations within the warehouse under section 65 of the Act, are also eligible to apply.

No duty has to be discharged upon export, the corresponding BCD+IGST is waived off; Further, for home consumption, Customs Duty and IGST needs to be paid at the time of removal from the factory i.e. bonded area.

5. Duty Drawback under Sec. 74

According to section 74 of Customs Act 1962, when duty-paid imported goods are re-exported in used or unused condition within two years, the importer may claim refund of import duty up to maximum 98 % of the Customs duties paid at the time of importation as duty drawback.

However, no drawback of import duty will be allowed in respect of the following goods, if they have been used after their importation in India:

- Wearing Apparel;
- Tea Chests;
- Exposed cinematograph films passes by Board of Film Censors in India i
- Unexposed photographic films, paper and plates, and X-ray

The above statement implies that if these goods are not used after their importation into India and subsequently re-exported in the condition they were imported, then they would be entitled to drawback.

Therefore, the company has an option to either import goods as per SAFTA as mentioned in point B above or claim duty drawback as per Section 74 of Customs Act, 1962.

B. Tax benefits available to the Shareholders of the Company

The shareholders of the Company are not eligible to indirect tax benefits under the provisions of the Customs Act, 1962, Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, Circular, Notifications), Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act (read with respective State Goods and Services Tax Rules, Circular, Notifications), respective Union Territory Goods and Services Tax Act, 2017 (read with Rules, circulars and Notifications made thereunder), and the Goods and Services Tax (Compensation to States) Act, 2017, The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20) and Special Economic Zone Act 2005, including the relevant rules, notifications and circulars issued there under.

Notes:

1. These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
2. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.
3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing its equity shares.
4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
 - i. the Company or its shareholders will continue to obtain these benefits in future;
 - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
 - iii. the revenue authorities/courts will concur with the view expressed herein.
5. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
6. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
7. The above Statement of Possible Special Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

For and on behalf of **PDS Limited**

Abhishekh Kanoi

Head of Legal & Company Secretary

Place: Mumbai

Date: 22.08.2024

To,

The Board of Directors

PDS Limited (*erstwhile PDS Multinational Fashions Limited*)

Unit No. 971, Solitaire Corporate Park

Andheri Ghatkopar Link Road

Andheri East, Mumbai 400 093

Maharashtra, India

JM Financial Limited

7th Floor, Cnergy

Appasaheb Marathe Marg, Prabhadevi

Mumbai 400 025

Maharashtra, India

Ambit Private Limited

Ambit House, 449,

Senapati Bapat Marg, Lower Parel

Mumbai 400013

Maharashtra, India

(JM Financial Limited and Ambit Private Limited are hereinafter collectively referred to as the “**Book Running Lead Managers**” or “**BRLMs**”)

Dear Sirs,

Sub: Statement on possible special tax benefits (the “Statement”) available to PDS Limited (the “Company”), and its material subsidiaries prepared in connection with the proposed qualified institutions placement of equity shares of face value of ₹2 each of the Company (the “Proposed Issue”) in accordance with the requirement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”)

1. We, M/s MLR and Associates LLP, Chartered Accountants, (Firm Registration Number 138605W), are an independent firm of chartered accountants with respect to the Company and its group pursuant to the rules promulgated in Clause 4 of Part I of the Second Schedule of the Code of Conduct of the Institute of Chartered Accountants of India (“ICAI”) and have been appointed by the Company in terms of our engagement letter dated July 22, 2024 in relation to the Issue.
2. We hereby report that the enclosed **Annexure II** prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company’s material subsidiaries, which are defined in **Annexure I (List of material subsidiaries considered as part of the Statement)** (“**Material Subsidiaries**”), under direct and indirect taxes (together the “**Tax Laws**”) presently in force in India and respective jurisdictions of Material Subsidiaries as on the date of this certificate. These possible special tax benefits are dependent on the Material Subsidiaries, fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Material Subsidiaries to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives of Company’s Material Subsidiaries may face in the future and accordingly, Company’s Material Subsidiaries may or may not choose to fulfill.
3. The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company’s Material Subsidiaries and do not cover any general tax benefits available to the Material Subsidiaries. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company.
4. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.
5. We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (the “**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

- i) the Company's Material Subsidiaries will continue to obtain the possible special tax benefits included in Annexure II in future; or
 - ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.
7. The contents of the enclosed annexures are based on the information, explanation and representations obtained from the Company's Material Subsidiaries, and on the basis of our understanding of the business activities and operations of the Company and its Material Subsidiaries.
8. We have not verified the special tax benefits available to the list of Material Subsidiaries given in **Annexure I**. The statement of possible special tax benefits for the list of Material Subsidiaries given in Annexure I has been verified by the auditors/accountants of the respective Material Subsidiaries, whose reports have been furnished to us by the management of the Company, and our opinion, insofar as it relates to the special tax benefits included in respect of such subsidiaries, is based solely on the reports of such other auditors/accountants.
9. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable laws.
10. We hereby give consent to include this certificate along with the annexures in the Preliminary Placement Document and Placement Document and in any other material used in connection with the Proposed Issue, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.
11. Kindly note that for the purpose of our examination and confirmation, we have relied upon the documents shared with us (by the Company) and have not independently tested the authenticity of the documents.

Yours sincerely,

For **M/s MLR and Associates LLP**
Chartered Accountants
Firm Registration Number: 138605W
Peer Review Number: 013706

Mr. Rishabh Bafna
Partner
Membership Number: 170211
Mumbai, August 20, 2024
UDIN: 24170211BKCUFF6276

cc:

Cyril Amarchand Mangaldas
5th floor, Peninsula Chambers,
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Maharashtra, India

ANNEXURE I

LIST OF MATERIAL SUBSIDIARIES CONSIDERED AS PART OF THE STATEMENT

Name of Material subsidiary	Date of Statement of Tax Benefits	Name of other auditor/ accountant/ consultant
Simple Approach Limited	August 14, 2024	Grant Thornton Tax Services Limited
Multinational Textile Group Limited	August 14, 2024	Rogers Capital Tax Specialist Services Limited
PDS Manufacturing Limited	August 14, 2024	Rogers Capital Tax Specialist Services Limited
PDS Ventures Limited	August 14, 2024	Rogers Capital Tax Specialist Services Limited
PDS Sourcing Limited	August 14, 2024	Rogers Capital Tax Specialist Services Limited
Norwest Industries Limited	August 14, 2024	Ernst & Young Tax Services Limited
New Lobster Limited	August 14, 2024	UHY Hacker Young LLP.
Poeticgem Limited	August 14, 2024	UHY Hacker Young LLP
PDS Multinational FZCO	August 14, 2024	Alia Chartered Accountancy
PDS Ventures Limited (Hong Kong)	August 14, 2024	Falcon Certified Public Accountants Limited

Note 1: Material subsidiaries identified in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended includes a subsidiary whose income or net worth in the immediately preceding year (i.e. March 31, 2024) exceeds 10% of the consolidated income or consolidated net worth respectively, of the holding company and its subsidiaries in the immediately preceding year.

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARIES UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES (“TAX LAWS”)

Outlined below are the possible special tax benefits available to the Company’s material subsidiaries under the respective direct tax and indirect tax laws in jurisdictions of material subsidiaries (together referred to as “Tax Law”) applicable for the Financial Year 2023-24, presently in force in India and respective jurisdictions of material subsidiaries as on the signing date. These possible special tax benefits are dependent on the material subsidiaries fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the material subsidiaries to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE TAX LAWS

Special tax benefits available to its material subsidiaries

Simple Approach Limited

1. General charging principle

Hong Kong Profits Tax is chargeable on any person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits from the sale of capital assets).

Unless otherwise provided in the IRO, expenses incurred in the production of chargeable profits are generally deductible for Hong Kong Profits Tax purposes provided that they are not capital expenditure. Expenses which are not incurred for producing taxable profits (e.g. private or personal expenses of the owner) are not deductible for Profits Tax purposes.

2. Two-tiered profits tax rate regime

Under the two-tiered profit tax rate, the first HK\$2 million of assessable profits of corporations will be taxed at a reduced rate of 8.25%. Assessable profits above HK\$2 million will continue to be taxed at the rate of 16.5%.

Please note that the two-tiered tax rate is restricted to only one enterprise nominated among “connected entities”. For this purpose, “entity” means a natural person, a body of persons or a legal arrangement including a corporation, a partnership and a trust. “Connected entity” means at the end of the basis period: -

- one of them has control over the other,
- both of them are under the control of the same entity, or
- in case of the first entity being a natural person carrying on a sole proprietorship business, the other entity is the same person carrying on another sole proprietorship business.

Generally, an entity is regarded as having control over another entity if the first entity, whether directly or indirectly through one or more than one other entity: -

- owns or controls more than 50% of the second entity’s issued share capital,
- is entitled to exercise or control the exercise of more than 50% of the second entity’s voting rights, or
- is entitled to more than 50% of the second entity’s capital or profits.

Election is required to be made in every year of assessment.

In fact, the Group has nominated the Company to elect for the two-tiered tax rates for year of assessment 2023/24 while the Company’s connected entities carrying on a trade, profession or business in Hong Kong will not elect the two-tiered tax rates for 2023/24, hence the Company will be eligible to enjoy such preferential tax rates for year of assessment 2023/24.

3. Deduction claim of capital expenditure incurred for acquisition of property, plant and equipment

Capital expenditure incurred for acquiring various property, plant and equipment is not deductible for Hong Kong profits tax purpose. However, depending on the nature of the relevant assets, property, plant and equipment acquired by the Company to generate its taxable income may be eligible for various capital allowances under the IRO. For examples, the Company has claimed the following tax depreciation allowances in the years of assessment 2020/21, 2021/22 and 2022/23:

- 100% immediate write-off in respect of the acquisition costs computer hardware and software and accessories under section 16G of the IRO.
- tax depreciation allowances under 20% pool, 30% pool, commercial building allowances and building refurbishment expenses in respect of various fixed assets (e.g. office furniture and equipment, decoration) acquired/used under sections 16F, 33A and 37 under the IRO.

If the Company also acquires/uses such fixed assets/computer hardware and software in the year ended 31 March 2024 to generate its taxable income, it will be eligible for such capital allowances.

4. Offshore claim on loan interest income

If a particular sum of income is sourced outside Hong Kong (i.e. offshore), it is generally not taxable. Based on the Departmental Interpretation and Practice Note (“DIPN”) No. 13 (revised) issued by the Hong Kong Inland Revenue Department (“IRD”) in December 2004, the place of derivation of loan interest income is the place where the credit was provided to the borrower, i.e. the place where the funds from which the interest is derived were provided to the borrower (i.e. provision of credit test). However, if the Company is regarded as having money lending business by the IRD, the IRD will also look at the place where the loan agreements are negotiated, concluded and executed.

Based on the Company’s profits tax filing documents for years of assessment 2021/22 and 2022/23, the Company has claimed that its interest income from loans to unrelated parties in Sri Lanka and Bangladesh before 1 January 2023 as offshore sourced and not taxable on the basis that the loan funds were first remitted to the borrowers’ bank accounts outside Hong Kong and the provision of credit was outside Hong Kong).

Subject to the Foreign-Sourced Income Exemption (“FSIE”) regime mentioned below, the Company may also be eligible to claim such loan interest income (if any) for the year ended 31 March 2024 to be offshore and not taxable.

5. FSIE regime

Although offshore income and capital gains have been exempted from Hong Kong profits tax, since the new FSIE regime in Hong Kong has become effective 1 January 2023, four types of offshore passive income, i.e. interest income, income from intellectual properties (“IP”), dividends or disposal gains (notwithstanding arising from the same of capital assets) received in Hong Kong by a Hong Kong entity of a multinational enterprise group (“MNE entity”) on or after 1 January 2023 may be deemed as under the new FSIE regime to be sourced from Hong Kong and chargeable to Hong Kong profits tax unless certain exemption requirements are satisfied as follows:-

- Economic Substance Requirement (“ESR”, for non-IP income)
- Nexus Approach (for IP income)
- Participation Requirement (“PR”, for dividend and disposal gains)

A specified foreign-sourced income is regarded as “received in Hong Kong” when:

- the income is remitted to, or is transmitted or brought into, Hong Kong;
- the income is used to satisfy any debt incurred in respect of a trade, profession or business carried on in Hong Kong; or
- the income is used to buy movable property, and the property is brought into Hong Kong. The income is regarded as being received at the time when the moveable property is brought into Hong Kong.

For the Company (which is a non-pure equity-holding entity) to satisfy the ESR, the Company is required to employ adequate number of employees with necessary qualifications to carry out the “specified economic activities” (i.e. making necessary strategic decisions in respect of the any assets the entity acquires, holds or disposes of; and managing and bearing principal risks in respect of such assets) in Hong Kong and incur adequate amount of operating expenditure for carrying out the “specified economic activities” in Hong Kong.

The Company can satisfy the PR if it has continuously held not less than 5% of the equity interests in the investee entity for a period of not less than 12 months immediately before the income accrues and subject to the following anti-abuse rules: -

- if the relevant income is not subject to a qualifying similar tax for at least 15% in a foreign jurisdiction, the tax relief available will be switched over from full exemption to tax credit,

- In case of dividend, the PR is not applicable only the dividend is allowed for deduction when computing the amount of tax of the investee company,
- If the Commission is satisfied that the main purpose, or one of the main purposes, of the Company in entering into the arrangement is to obtain a tax benefit, the PR will not apply.

If the Company continues to earn offshore interest income from loans as mentioned in 5 above during the year ended 31 March 2024, such offshore interest income can be exempted from profits tax if the Company satisfies the ESR or such income is not “received in Hong Kong” during the year.

Multinational Textile Group Limited

1. Corporate tax rate

A Company resident in Mauritius is subject to tax on worldwide income. The income tax rate for a Company is currently 15%.

Corporate Social Responsibility (CSR) is a mandatory requirement for profitable companies. Introduced through the Finance Act of 2009, CSR mandates that companies allocate 2% of their book profits to CSR activities. The primary goal is to promote sustainable development and improve social and economic conditions.

Certain companies, such as Global Business Companies and Freeport operators, are exempt from this requirement. Hence, CSR is not applicable to the Company.

However, following the enactment of the Finance (Miscellaneous Provisions) Act 2024, a Corporate Climate Responsibility (CCR) levy of 2% on the company’s profits will be introduced and it will apply to companies having a turnover exceeding MUR 50m. This levy is applicable retrospectively from 1 July 2024 (basis for year of assessment 2024-2025) and onwards.

2. Partial Exemption

a) Interest income

With effect from 1 January 2019, Mauritius has introduced an 80% Partial Exemption (PE) regime on specified income streams. The PE is available if, amongst others, a company carries its Core Income Generating Activities (CIGA) in Mauritius and meets the required substance as prescribed.

For the purpose of PE on interest income, Regulation 23D(2) of the Income Tax Regulation 1996 (‘ITR’) provides that the 80% Partial Exemption is available to a company provided that the company:

- Carries its core income generating activities in Mauritius (“CIGA”);
- Employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
- Incurs a minimum expenditure proportionate to its level of activities.

In the context of interest income, CIGA includes the following:

- Agreeing funding terms;
- Setting the terms and duration of any financing;
- Monitoring and revising any agreements; and
- Managing any risks

The Company must ensure the above are met in the case it is claiming the 80% Partial Exemption. As of 1 July 2023, partial exemption on interest income derived by a Collective Investment Scheme or a Close-end Fund set up in Mauritius now increased from 80% to 95%.

In addition, as of 1 July 2023, interest income from bonds, debentures, or sukuks issued by an overseas entity to finance approved renewable energy projects now exempted.

b) Dividend income

To claim the 80% Partial Exemption in relation to foreign source dividend, the Income Tax Regulations 1996 ('IT Reg') provides that:

- i. the dividend has not been allowed as a deduction in the country of source;
- ii. the company satisfies the conditions relating to the substance of its activities as follows:
 - complies with its filing obligations under the Companies Act or the Financial Services Act; and
 - has adequate resources for holding and managing share participation

Note: In line with the Second Schedule to the ITA 1995, dividends paid by a company resident in Mauritius is exempt from tax in Mauritius and is not included in gross income.

Since the CIGA requirements are cumulative, failure to satisfy one condition will disqualify a taxpayer from benefitting from the partial exemption regime

Additionally, a recent tax judgement has brought added scrutiny from the tax authorities regarding the employment requirement for CIGA purposes. As such, it is important to have a sufficient number of staff employed in relation to the nature and level of activities involved in the company's core business activities.

It is important to note that as per Section 26 to the ITA 1995, any expenses directly attributable to that exempt income must be disallowed for tax purposes and any common expenses attributable to exempt income should be allowed on a proportionate basis where the proportion of exempt to total taxable and exempt income exceeds the threshold of 10%.

3. Dividend from resident companies

Companies are exempt from tax on dividends paid by a company resident in Mauritius.

By virtue of section 2 to the ITA 1995, dividends mean a distribution authorised by the Board of Directors of a company and made out of the retained earnings of the company, after having made good any accumulated losses at the beginning of its accounting period, either in cash or in shares to its shareholders.

The Company should ensure that the dividend meet the above requirement to benefit from the exemption.

4. Foreign Tax Credit

a) Withholding Tax Credit ("WHT")

To avoid double taxation, Mauritius offers unilateral credit relief for foreign taxes paid. This relief is calculated by grossing up the net amount of foreign income that has been taxed at the foreign tax rate. The foreign tax paid is then credited against the Mauritius tax liability.

However, the tax credit is limited to the amount of Mauritius tax attributable to the relevant foreign income. Any unused credit cannot be refunded.

It is important to note that official receipts and any other documentary evidence needs to be readily available should the MRA query on the WHT suffered. The Company will have up to 2 years to provide such documentary evidence to the Director General, post filing of the Tax Return. Should the Company fail to provide the documentary evidence to the MRA after 2 years, the tax authorities may claw back the WHT tax claimed and re-adjust the tax position of the company and impose penalties and interest. On a related note, the WHT certificate should in preference be in English or French.

b) Underlying Foreign Tax Credit

In addition to WHT, Mauritian companies may claim an underlying tax credit for the corporate tax paid on the profits from which the dividend is distributed, provided that the company holds more than a 5% shareholding in the dividend-paying entity.

c) Tax Sparing

If the Director-General finds that a foreign country has enacted laws to encourage industrial, commercial, scientific, educational, or other forms of development, and these laws either reduce the tax rate or exempt certain income from tax,

the Director-General will allow a credit for the foreign tax that would have been payable had such provisions not been introduced. This credit reflects the amount of tax that would have been imposed under normal circumstances.

To claim such credits, the Company must provide evidence that the relevant laws and provisions exist in the foreign country. No actual foreign tax credit is allowed on foreign-source income if the company has claimed the 80% exemption.

5. Capital gains

In Mauritius, capital gains are not subject to tax. Any gain the Company will receive out of the sale of shares will be considered as capital in nature. Therefore, the Company will not be subject to tax on the sale of shares in Mauritius.

In the case of a company involved in the trading of securities, the profit will normally be viewed as trading income. However, as per the Second Schedule to the ITA 1995, the gains or profits derived from the sale of units and securities are exempt from tax in Mauritius.

6. Tax Losses

As per section 59 of the Income Tax Act 1995 (“ITA 1995”) - ‘Losses:

“(1) Where a company satisfies the Director-General that it has, in an income year incurred a loss, it may deduct that loss in computing its net income for that income year.

(2) Where the amount of loss cannot be fully relieved under subsection (1), the company may, subject to subsection (3), claim that the unrelieved amount of the loss be carried forward and set-off against its net income derived in the following 5 income years, subject to such conditions as may be prescribed. “

As per Section 59 to the ITA 1995, tax losses incurred in an accounting year can be used to be offset against any future tax liabilities. Any unrelieved losses may be carried forward for a maximum of 5 years and will lapse in the 6th year for tax purposes, provided the company can demonstrate a 50% continuity of shareholding at the end of those income years.

7. Annual allowances

In Mauritius, annual allowances are tax deductions that businesses can claim on capital expenditures. These allowances help reduce taxable income by allowing companies to deduct a portion of the cost of assets over time. Rates vary by asset type. The relevant rates can be consulted in Annexure I.

PDS Manufacturing Limited

1. Corporate tax rate

A Company resident in Mauritius is subject to tax on worldwide income. The income tax rate for a Company is currently 15%.

Corporate Social Responsibility (CSR) is a mandatory requirement for profitable companies. Introduced through the Finance Act of 2009, CSR mandates that companies allocate 2% of their book profits to CSR activities. The primary goal is to promote sustainable development and improve social and economic conditions.

Certain companies, such as Global Business Companies and Freeport operators, are exempt from this requirement. Hence, CSR is not applicable to the Company.

However, following the enactment of the Finance (Miscellaneous Provisions) Act 2024, a Corporate Climate Responsibility (CCR) levy of 2% on the company’s profits will be introduced and it will apply to companies having a turnover exceeding MUR 50m. This levy is applicable retrospectively from 1 July 2024 (basis for year of assessment 2024-2025) and onwards.

2. Partial Exemption

a) Interest income

With effect from 1 January 2019, Mauritius has introduced an 80% Partial Exemption (PE) regime on specified income streams. The PE is available if, amongst others, a company carries its Core Income Generating Activities (CIGA) in Mauritius and meets the required substance as prescribed.

For the purpose of PE on interest income, Regulation 23D(2) of the Income Tax Regulation 1996 ('ITR') provides that the 80% Partial Exemption is available to a company provided that the company:

- i. Carries its core income generating activities in Mauritius ("CIGA");
- ii. Employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
- iii. Incurs a minimum expenditure proportionate to its level of activities.

In the context of interest income, CIGA includes the following:

- i. Agreeing funding terms;
- ii. Setting the terms and duration of any financing;
- iii. Monitoring and revising any agreements; and
- iv. Managing any risks

The Company must ensure the above are met in the case it is claiming the 80% Partial Exemption. As of 1 July 2023, partial exemption on interest income derived by a Collective Investment Scheme or a Close-end Fund set up in Mauritius now increased from 80% to 95%.

In addition, as of 1 July 2023, interest income from bonds, debentures, or sukuks issued by an overseas entity to finance approved renewable energy projects now exempted.

b) Dividend income

To claim the 80% Partial Exemption in relation to foreign source dividend, the Income Tax Regulations 1996 ('IT Reg') provides that:

- i. the dividend has not been allowed as a deduction in the country of source;
- ii. the company satisfies the conditions relating to the substance of its activities as follows:
 - complies with its filing obligations under the Companies Act or the Financial Services Act; and
 - has adequate resources for holding and managing share participation

Note: In line with the Second Schedule to the ITA 1995, dividends paid by a company resident in Mauritius is exempt from tax in Mauritius and is not included in gross income.

Since the CIGA requirements are cumulative, failure to satisfy one condition will disqualify a taxpayer from benefitting from the partial exemption regime

Additionally, a recent tax judgement has brought added scrutiny from the tax authorities regarding the employment requirement for CIGA purposes. As such, it is important to have a sufficient number of staff employed in relation to the nature and level of activities involved in the company's core business activities.

It is important to note that as per Section 26 to the ITA 1995, any expenses directly attributable to that exempt income must be disallowed for tax purposes and any common expenses attributable to exempt income should be allowed on a proportionate basis where the proportion of exempt to total taxable and exempt income exceeds the threshold of 10%.

3. Dividend from resident companies

Companies are exempt from tax on dividends paid by a company resident in Mauritius.

By virtue of section 2 to the ITA 1995, dividends mean a distribution authorised by the Board of Directors of a company and made out of the retained earnings of the company, after having made good any accumulated losses at the beginning of its accounting period, either in cash or in shares to its shareholders.

The Company should ensure that the dividend meet the above requirement to benefit from the exemption.

4. Foreign Tax Credit

a) Withholding Tax Credit (“WHT”)

To avoid double taxation, Mauritius offers unilateral credit relief for foreign taxes paid. This relief is calculated by grossing up the net amount of foreign income that has been taxed at the foreign tax rate. The foreign tax paid is then credited against the Mauritius tax liability.

However, the tax credit is limited to the amount of Mauritius tax attributable to the relevant foreign income. Any unused credit cannot be refunded.

It is important to note that official receipts and any other documentary evidence needs to be readily available should the MRA query on the WHT suffered. The Company will have up to 2 years to provide such documentary evidence to the Director General, post filing of the Tax Return. Should the Company fail to provide the documentary evidence to the MRA after 2 years, the tax authorities may claw back the WHT tax claimed and re-adjust the tax position of the company and impose penalties and interest. On a related note, the WHT certificate should in preference be in English or French.

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In addition to WHT, Mauritian companies may claim an underlying tax credit for the corporate tax paid on the profits from which the dividend is distributed, provided that the company holds more than a 5% shareholding in the dividend-paying entity.

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If the Director-General finds that a foreign country has enacted laws to encourage industrial, commercial, scientific, educational, or other forms of development, and these laws either reduce the tax rate or exempt certain income from tax, the Director-General will allow a credit for the foreign tax that would have been payable had such provisions not been introduced. This credit reflects the amount of tax that would have been imposed under normal circumstances.

To claim such credits, the Company must provide evidence that the relevant laws and provisions exist in the foreign country.

No actual foreign tax credit is allowed on foreign-source income if the company has claimed the 80% exemption.

5. Capital gains

In Mauritius, capital gains are not subject to tax. Any gain the Company will receive out of the sale of shares will be considered as capital in nature. Therefore, the Company will not be subject to tax on the sale of shares in Mauritius.

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(2) Where the amount of loss cannot be fully relieved under subsection (1), the company may, subject to subsection (3), claim that the unrelieved amount of the loss be carried forward and set-off against its net income derived in the following 5 income years, subject to such conditions as may be prescribed. “

As per Section 59 to the ITA 1995, tax losses incurred in an accounting year can be used to be offset against any future tax liabilities. Any unrelieved losses may be carried forward for a maximum of 5 years and will lapse in the 6th year for tax purposes, provided the company can demonstrate a 50% continuity of shareholding at the end of those income years.

7. Annual allowances

In Mauritius, annual allowances are tax deductions that businesses can claim on capital expenditures. These allowances help reduce taxable income by allowing companies to deduct a portion of the cost of assets over time. Rates vary by asset type. The relevant rates can be consulted in Annexure I.

PDS Ventures Limited

1. Corporate tax rate

A Company resident in Mauritius is subject to tax on worldwide income. The income tax rate for a Company is currently 15%.

Corporate Social Responsibility (CSR) is a mandatory requirement for profitable companies. Introduced through the Finance Act of 2009, CSR mandates that companies allocate 2% of their book profits to CSR activities. The primary goal is to promote sustainable development and improve social and economic conditions.

Certain companies, such as Global Business Companies and Freeport operators, are exempt from this requirement. Hence, CSR is not applicable to the Company.

However, following the enactment of the Finance (Miscellaneous Provisions) Act 2024, a Corporate Climate Responsibility (CCR) levy of 2% on the company's profits will be introduced and it will apply to companies having a turnover exceeding MUR 50m. This levy is applicable retrospectively from 1 July 2024 (basis for year of assessment 2024-2025) and onwards.

2. Partial Exemption

a) Interest income

With effect from 1 January 2019, Mauritius has introduced an 80% Partial Exemption (PE) regime on specified income streams. The PE is available if, amongst others, a company carries its Core Income Generating Activities (CIGA) in Mauritius and meets the required substance as prescribed.

For the purpose of PE on interest income, Regulation 23D(2) of the Income Tax Regulation 1996 ('ITR') provides that the 80% Partial Exemption is available to a company provided that the company:

- (i) Carries its core income generating activities in Mauritius ("CIGA");
- (ii) Employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
- (iii) Incurs a minimum expenditure proportionate to its level of activities.

In the context of interest income, CIGA includes the following:

- (i) Agreeing funding terms;
- (ii) Setting the terms and duration of any financing;
- (iii) Monitoring and revising any agreements; and
- (iv) Managing any risks

The Company must ensure the above are met in the case it is claiming the 80% Partial Exemption.

As of 1 July 2023, partial exemption on interest income derived by a Collective Investment Scheme or a Close-end Fund set up in Mauritius now increased from 80% to 95%.

In addition, as of 1 July 2023, interest income from bonds, debentures, or sukuku issued by an overseas entity to finance approved renewable energy projects now exempted.

b) Dividend income

To claim the 80% Partial Exemption in relation to foreign source dividend, the Income Tax Regulations 1996 ('IT Reg') provides that:

- i. the dividend has not been allowed as a deduction in the country of source;
- ii. the company satisfies the conditions relating to the substance of its activities as follows:
 - complies with its filing obligations under the Companies Act or the Financial Services Act; and

- has adequate resources for holding and managing share participation

Note: In line with the Second Schedule to the ITA 1995, dividends paid by a company resident in Mauritius is exempt from tax in Mauritius and is not included in gross income.

Since the CIGA requirements are cumulative, failure to satisfy one condition will disqualify a taxpayer from benefitting from the partial exemption regime.

Additionally, a recent tax judgement has brought added scrutiny from the tax authorities regarding the employment requirement for CIGA purposes. As such, it is important to have a sufficient number of staff employed in relation to the nature and level of activities involved in the company's core business activities.

It is important to note that as per Section 26 to the ITA 1995, any expenses directly attributable to that exempt income must be disallowed for tax purposes and any common expenses attributable to exempt income should be allowed on a proportionate basis where the proportion of exempt to total taxable and exempt income exceeds the threshold of 10%.

3. Dividend from resident companies

Companies are exempt from tax on dividends paid by a company resident in Mauritius.

By virtue of section 2 to the ITA 1995, dividends mean a distribution authorised by the Board of Directors of a company and made out of the retained earnings of the company, after having made good any accumulated losses at the beginning of its accounting period, either in cash or in shares to its shareholders.

The Company should ensure that the dividend meet the above requirement to benefit from the exemption.

4. Foreign Tax Credit

a) Withholding Tax Credit ("WHT")

To avoid double taxation, Mauritius offers unilateral credit relief for foreign taxes paid. This relief is calculated by grossing up the net amount of foreign income that has been taxed at the foreign tax rate. The foreign tax paid is then credited against the Mauritius tax liability.

However, the tax credit is limited to the amount of Mauritius tax attributable to the relevant foreign income. Any unused credit cannot be refunded.

It is important to note that official receipts and any other documentary evidence needs to be readily available should the MRA query on the WHT suffered. The Company will have up to 2 years to provide such documentary evidence to the Director General, post filing of the Tax Return. Should the Company fail to provide the documentary evidence to the MRA after 2 years, the tax authorities may claw back the WHT tax claimed and re-adjust the tax position of the company and impose penalties and interest. On a related note, the WHT certificate should in preference be in English or French.

b) Underlying Foreign Tax Credit

In addition to WHT, Mauritian companies may claim an underlying tax credit for the corporate tax paid on the profits from which the dividend is distributed, provided that the company holds more than a 5% shareholding in the dividend-paying entity.

c) Tax Sparing

If the Director-General finds that a foreign country has enacted laws to encourage industrial, commercial, scientific, educational, or other forms of development, and these laws either reduce the tax rate or exempt certain income from tax, the Director-General will allow a credit for the foreign tax that would have been payable had such provisions not been introduced. This credit reflects the amount of tax that would have been imposed under normal circumstances.

To claim such credits, the Company must provide evidence that the relevant laws and provisions exist in the foreign country.

No actual foreign tax credit is allowed on foreign-source income if the company has claimed the 80% exemption.

5. Capital gains

In Mauritius, capital gains are not subject to tax. Any gain the Company will receive out of the sale of shares will be considered as capital in nature. Therefore, the Company will not be subject to tax on the sale of shares in Mauritius.

In the case of a company involved in the trading of securities, the profit will normally be viewed as trading income. However, as per the Second Schedule to the ITA 1995, the gains or profits derived from the sale of units and securities are exempt from tax in Mauritius.

6. Tax Losses

As per section 59 of the Income Tax Act 1995 (“ITA 1995”) - ‘Losses:

“(1) Where a company satisfies the Director-General that it has, in an income year incurred a loss, it may deduct that loss in computing its net income for that income year.

“(2) Where the amount of loss cannot be fully relieved under subsection (1), the company may, subject to subsection (3), claim that the unrelieved amount of the loss be carried forward and set-off against its net income derived in the following 5 income years, subject to such conditions as may be prescribed. “

As per Section 59 to the ITA 1995, tax losses incurred in an accounting year can be used to be offset against any future tax liabilities. Any unrelieved losses may be carried forward for a maximum of 5 years and will lapse in the 6th year for tax purposes, provided the company can demonstrate a 50% continuity of shareholding at the end of those income years.

7. Annual allowances

In Mauritius, annual allowances are tax deductions that businesses can claim on capital expenditures. These allowances help reduce taxable income by allowing companies to deduct a portion of the cost of assets over time. Rates vary by asset type. The relevant rates can be consulted in Annexure I.

PDS Sourcing Limited

1. Corporate tax rate

A Company resident in Mauritius is subject to tax on worldwide income. The income tax rate for a Company is currently 15%.

Corporate Social Responsibility (CSR) is a mandatory requirement for profitable companies. Introduced through the Finance Act of 2009, CSR mandates that companies allocate 2% of their book profits to CSR activities. The primary goal is to promote sustainable development and improve social and economic conditions.

Certain companies, such as Global Business Companies and Freeport operators, are exempt from this requirement. Hence, CSR is not applicable to the Company.

However, following the enactment of the Finance (Miscellaneous Provisions) Act 2024, a Corporate Climate Responsibility (CCR) levy of 2% on the company’s profits will be introduced and it will apply to companies having a turnover exceeding MUR 50m. This levy is applicable retrospectively from 1 July 2024 (basis for year of assessment 2024-2025) and onwards.

2. Partial Exemption

a) Interest income

With effect from 1 January 2019, Mauritius has introduced an 80% Partial Exemption (PE) regime on specified income streams. The PE is available if, amongst others, a company carries its Core Income Generating Activities (CIGA) in Mauritius and meets the required substance as prescribed.

For the purpose of PE on interest income, Regulation 23D(2) of the Income Tax Regulation 1996 (‘ITR’) provides that the 80% Partial Exemption is available to a company provided that the company:

- (i) Carries its core income generating activities in Mauritius (“CIGA”);
- (ii) Employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
- (iii) Incurs a minimum expenditure proportionate to its level of activities.

In the context of interest income, CIGA includes the following:

- (i) Agreeing funding terms;

- (ii) Setting the terms and duration of any financing;
- (iii) Monitoring and revising any agreements; and
- (iv) Managing any risks.

The Company must ensure the above are met in the case it is claiming the 80% Partial Exemption.

As of 1 July 2023, partial exemption on interest income derived by a Collective Investment Scheme or a Close-end Fund set up in Mauritius now increased from 80% to 95%. In addition, as of 1 July 2023, interest income from bonds, debentures, or sukuk issued by an overseas entity to finance approved renewable energy projects now exempted.

b) Dividend income

To claim the 80% Partial Exemption in relation to foreign source dividend, the Income Tax Regulations 1996 ('IT Reg') provides that:

- a. the dividend has not been allowed as a deduction in the country of source;
- b. the company satisfies the conditions relating to the substance of its activities as follows:
 - complies with its filing obligations under the Companies Act or the Financial Services Act; and
 - has adequate resources for holding and managing share participation

Note: In line with the Second Schedule to the ITA 1995, dividends paid by a company resident in Mauritius is exempt from tax in Mauritius and is not included in gross income.

Since the CIGA requirements are cumulative, failure to satisfy one condition will disqualify a taxpayer from benefitting from the partial exemption regime

Additionally, a recent tax judgement has brought added scrutiny from the tax authorities regarding the employment requirement for CIGA purposes. As such, it is important to have a sufficient number of staff employed in relation to the nature and level of activities involved in the company's core business activities.

It is important to note that as per Section 26 to the ITA 1995, any expenses directly attributable to that exempt income must be disallowed for tax purposes and any common expenses attributable to exempt income should be allowed on a proportionate basis where the proportion of exempt to total taxable and exempt income exceeds the threshold of 10%.

3. Dividend from resident companies

Companies are exempt from tax on dividends paid by a company resident in Mauritius.

By virtue of section 2 to the ITA 1995, dividends mean a distribution authorised by the Board of Directors of a company and made out of the retained earnings of the company, after having made good any accumulated losses at the beginning of its accounting period, either in cash or in shares to its shareholders.

The Company should ensure that the dividend meet the above requirement to benefit from the exemption.

4. Foreign Tax Credit

a) Withholding Tax Credit ("WHT")

To avoid double taxation, Mauritius offers unilateral credit relief for foreign taxes paid. This relief is calculated by grossing up the net amount of foreign income that has been taxed at the foreign tax rate. The foreign tax paid is then credited against the Mauritius tax liability.

However, the tax credit is limited to the amount of Mauritius tax attributable to the relevant foreign income. Any unused credit cannot be refunded.

It is important to note that official receipts and any other documentary evidence needs to be readily available should the MRA query on the WHT suffered. The Company will have up to 2 years to provide such documentary evidence to the Director General, post filing of the Tax Return. Should the Company fail to provide the documentary evidence to the MRA after 2 years, the tax authorities may claw back the WHT tax claimed and re-adjust the tax position of the company and impose penalties and interest. On a related note, the WHT certificate should in preference be in English or French.

b) Underlying Foreign Tax Credit

In addition to WHT, Mauritian companies may claim an underlying tax credit for the corporate tax paid on the profits from which the dividend is distributed, provided that the company holds more than a 5% shareholding in the dividend-paying entity.

c) Tax Sparing

If the Director-General finds that a foreign country has enacted laws to encourage industrial, commercial, scientific, educational, or other forms of development, and these laws either reduce the tax rate or exempt certain income from tax, the Director-General will allow a credit for the foreign tax that would have been payable had such provisions not been introduced. This credit reflects the amount of tax that would have been imposed under normal circumstances.

To claim such credits, the Company must provide evidence that the relevant laws and provisions exist in the foreign country.

No actual foreign tax credit is allowed on foreign-source income if the company has claimed the 80% exemption.

5. Capital gains

In Mauritius, capital gains are not subject to tax. Any gain the Company will receive out of the sale of shares will be considered as capital in nature. Therefore, the Company will not be subject to tax on the sale of shares in Mauritius.

In the case of a company involved in the trading of securities, the profit will normally be viewed as trading income. However, as per the Second Schedule to the ITA 1995, the gains or profits derived from the sale of units and securities are exempt from tax in Mauritius.

6. Tax Losses

As per section 59 of the Income Tax Act 1995 (“ITA 1995”) - ‘Losses:

“(1) Where a company satisfies the Director-General that it has, in an income year incurred a loss, it may deduct that loss in computing its net income for that income year.

(2) Where the amount of loss cannot be fully relieved under subsection (1), the company may, subject to subsection (3), claim that the unrelieved amount of the loss be carried forward and set-off against its net income derived in the following 5 income years, subject to such conditions as may be prescribed. “

As per Section 59 to the ITA 1995, tax losses incurred in an accounting year can be used to be offset against any future tax liabilities. Any unrelieved losses may be carried forward for a maximum of 5 years and will lapse in the 6th year for tax purposes, provided the company can demonstrate a 50% continuity of shareholding at the end of those income years.

7. Annual allowances

In Mauritius, annual allowances are tax deductions that businesses can claim on capital expenditures. These allowances help reduce taxable income by allowing companies to deduct a portion of the cost of assets over time. Rates vary by asset type. The relevant rates can be consulted in Annexure I.

Norwest Industries Limited

1. General charging principle

Hong Kong adopts a territorial source principle of taxation. Only profits which have a source in Hong Kong are taxable under Hong Kong profits tax, while profits sourced elsewhere are not subject to Hong Kong profits tax.

Pursuant to Section 14(1) of the IRO, profits tax shall be charged for each year of assessment on every person carrying on a trade, profession or business in Hong Kong in respect of his assessable profits arising in or derived from Hong Kong for that year from such trade, profession or business (excluding profits arising from the sale of capital assets).

Norwest has adopted the position of carrying on a business in Hong Kong in its Profits Tax filings in prior years and is expected to adopt the same for the year ended 31 March 2024. As such, Norwest’s profits will be subject to Hong Kong profits tax if the profits are sourced in Hong Kong and not treated as capital in nature.

2. Offshore claim on trading income

Under *CIR v Hang Seng Bank Limited* [1991] 1 AC 306, trading income is derived from the place where the contracts of purchase and sale were effected and under *CIR v Magna Industrial Co Ltd* [1997] HKLRD 173, all relevant operations carried out to earn trading profits, including the solicitation of orders, negotiation, conclusion, trade financing, shipment and performance of the contracts, are to be considered in determining the source of trading profits. If trading income is regarded as offshore sourced, such income is non-taxable under Section 14(1) of the IRO.

The IRD has raised an enquiry letter to the Company on 8 January 2009 in respect of the Company's offshore income for the year of assessment 2008/09. Pursuant to the submission of a reply to the enquiry letter to the IRD, the offshore claim of the Company on partial trading income was agreed by the IRD, and part of the trading income of the Company has been treated as offshore sourced and non-taxable over the years.

The Company may be entitled to lodge the offshore claim on part of its trading income for the year ended 31 March 2024 on the understanding that the initiation, negotiation, conclusion and execution of purchases and sales contracts of the corresponding trading income was carried out by the Company's offices in Bangladesh and Sri Lanka, and the Company's fellow subsidiary in the United Kingdom, Poeticgem Limited, on behalf of the Company outside Hong Kong.

The offshore claim on the Company's trading income will be subject to fulfilment of conditions specified under Section 14 of IRO and relevant case laws and availability of supporting documents. The offshore claim of the Company on partial trading income will be subject to IRD's review and agreement.

3. Offshore claim on service income

Accordingly, to DIPN 21, source of service income is determined by the location where the services are rendered. If a service income is regarded as offshore sourced, such income is non-taxable in Hong Kong under Section 14(1) of the IRO.

The Company's handling fee income and sales and marketing commission income derived by services rendered by the Company's office in Bangladesh for the year ended 31 March 2024 may have grounds for offshore claim, subject to fulfilment of conditions specified under Section 14 of IRO, DIPN, relevant case laws and availability of supporting documents. The offshore claim of the Company on service income will be subject to IRD's review and agreement.

4. Offshore claim on fair value gains on financial instruments

Under DIPN 21, the source of profits from the purchase and sale of listed shares and other listed securities is determined by the location of the stock exchange where the shares or securities are traded. Source of profits derived from the purchase and sale of unlisted shares and other unlisted securities is determined by the place where the contracts of purchase and sale are affected (except for financial institutions). The source of gains derived from fair value changes in financial assets will be assessed under same principles.

The Company may be entitled to lodge offshore claim on fair value gains of equity instruments and bond instruments which were listed outside Hong Kong for the year ended 31 March 2024, subject to fulfilment of conditions specified under Section 14 of IRO, DIPN, relevant case laws and availability of supporting documents. The offshore claim of the Company on fair value gains on financial instruments is subject to IRD's review and agreement.

5. Non-taxable claims under FSIE regime

Under the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022, the Inland Revenue (Amendment) (Taxation on Foreign-sourced Disposal Gains) Ordinance 2023 and Section 15I of the IRO, effective from 1 January 2023, specified foreign-sourced income will be deemed to be sourced from Hong Kong and chargeable to profits tax, if the relevant income is received in Hong Kong by a MNE carrying on a trade, profession or business in Hong Kong, and the relevant economic substance requirements (for interest income, dividend income and disposal gains on non-intellectual properties ("IP") assets), or the nexus approach (for IP income and disposal gain on IP assets), or participation exemption conditions (for dividend and disposal gains on equity interests) under the FSIE regime are not satisfied.

In-scope offshore passive income of the FSIE regime includes interest income, income from IP, dividend income and disposal gains from the sale of equity interests. The scope of passive income under FSIE regime is expanded to disposal gain on other assets effective from 1 January 2024.

Under the FSIE regime, a specified foreign-sourced income is regarded as received in Hong Kong when:

- i. the income is remitted to, or is transmitted or brought into, Hong Kong;

- ii. the income is used to satisfy any debt incurred in respect of a trade, profession or business carried on in Hong Kong;
or
- iii. the income is used to buy movable property, and the property is brought into Hong Kong. The income is regarded as being received at the time when the moveable property is brought into Hong Kong.

The interest income from overseas bank(s) may be regarded as offshore sourced during the year ended 31 March 2024, and may be eligible for non-taxable claim, subject to fulfillment of exemption conditions under the FSIE regime. The non-taxable claim of the Company on the above interest income is subject to IRD's review and agreement and will need to be substantiated by sufficient supporting documentation.

6. Exempted dividend income from subsidiaries in Hong Kong

Under Section 26(a) of IRO, a dividend from a corporation which is chargeable to Hong Kong Profits Tax shall not be included as assessable profits. The Company may be entitled to lodge non-taxable claim on dividend income derived from subsidiaries in Hong Kong for the year ended 31 March 2024, subject to fulfilment of conditions specified under Section 26(a) of IRO and availability of supporting documents. The claim is subject to IRD's review and agreement.

7. Exempted bank interest income

Under Exemption from Profits Tax (Interest Income) Order 1998, for a corporation carrying on trade, profession or business in Hong Kong, interest derived from any deposit placed in Hong Kong with an authorized institution is exempt from the payment of Profits Tax. The exemption shall not apply in the case where the relevant bank deposit was used to secure or guarantee any money borrowed where the interest expense thereon can be allowed for deduction for Hong Kong profits tax purpose.

The Company may be entitled to lodge non-taxable claim on bank interest income derived from non-pledged deposits placed in Hong Kong banks for the year ended 31 March 2024, subject to fulfilment of conditions specified under Exemption from Profits Tax (Interest Income) Order 1998 and availability of supporting documents. The claim for exempted bank interest income is subject to IRD's review and agreement.

8. Offshore claim on rental concession income

We understand the Company derived rental concession income for the year ended 31 March 2024 as a rebate from the landlord of the office premises rented in Bangladesh. We understand that the Bangladesh office was used by the Company for generation of its offshore trading income.

The Company may be entitled to lodge offshore claim on rental concession income for the year ended 31 March 2024, in which the relevant property was located in Bangladesh and was used by the Company for conducting activities related to its offshore trading business. The offshore claim of the Company on rental concession income is subject to fulfilment of conditions specified under Section 14 of IRO, DIPN, relevant case laws and availability of supporting documents. The offshore claim is also subject to IRD's review and agreement.

9. Non-taxable claim on reversal of impairment loss

Under Section 17(1)(c) of the IRO, no deduction shall be allowed on any expenditure of a capital nature or any loss or withdrawal of capital. Accordingly, reversal of the relevant capital expenditure/loss should be treated as non-taxable.

The Company may be entitled to lodge non-taxable claim on reversal of impairment loss of Sourcing Solutions Limited for the year ended 31 March 2024, on the understanding the corresponding impairment loss was regarded as capital in nature and treated as non-deductible in prior years. The non-taxable claim is subject to fulfilment of conditions specified under Section 17 of IRO, DIPN, relevant case laws and availability of supporting documents, and is subject to IRD's review and agreement.

10. Non-taxable claim on write-back of general provision of doubtful debts

Under Section 16(1)(d) of the IRO, bad debts incurred in any trade, business or profession, proved to the satisfaction of the assessor to have become bad during the basis period for the year of assessment, and doubtful debts to the extent they are respectively estimated to the satisfaction of the assessor to have become bad during the said basis period notwithstanding that such bad or doubtful debts were due and payable prior to the commencement of the said basis period were deductible. Accordingly, general provision of doubtful debts that was calculated based on high-level estimation is not deductible.

Accordingly, the write-back of general provision of doubtful debts should be treated as non-taxable.

The Company may be entitled to lodge non-taxable claim on the write-back of general provision of doubtful debts for the year ended 31 March 2024 on the understanding the corresponding general provision of doubtful debts was treated as non-deductible in prior years. The non-taxable claim is subject to fulfilment of conditions specified under Section 16(1)(d) of IRO, relevant case laws and availability of supporting documents, and is subject to IRD's review and agreement.

11. Deduction claim / depreciation allowances on fixed assets

1. Depreciation allowance

Pursuant to Section 37 of the IRO, where a person carrying on a trade, profession or business in Hong Kong incurs capital expenditure on the provision of machinery or plant for the purposes of producing chargeable profits, allowance is to be granted under the pooling system.

Initial allowance of 60% on the capital expenditure on the provision of machinery or plant for the purposes of producing chargeable profits is allowed in the year of purchase of the relevant assets. 10%, 20% or 30% (as applicable) on the reducing value of the pool under the pooling system is allowed annually once the fixed asset is owned and used by the Company for the purposes of producing chargeable profits.

2. Commercial building allowance ("CBA")

Under Section 33A of the IRO, where any person is, at the end of the basis period for any year of assessment, entitled to an interest in a building or structure which is a commercial building or structure and where that interest is the relevant interest in relation to the capital expenditure incurred on the construction of that building or structure, an allowance for depreciation by wear and tear of that building or structure, to be known as "annual allowance", of an amount equal to, 4% of the expenditure, shall be made to the person for that year of assessment.

3. Refurbishment allowance

Under Section 16F of the IRO, a person who incurs capital expenditure on the renovation or refurbishment of a building or structure other than a domestic building or structure may claim the expenditure as a deductible expense, to the extent it is incurred in the production of profits chargeable to profits tax. A deduction is allowed for one-fifth of the expenditure in the basis period in which the expenditure was actually incurred and the remaining part is to be allowed by four equal deductions, one in each of the basis periods for the next succeeding four years of assessment.

4. Prescribed fixed assets

Under Section 16G of the IRO, specified capital expenditure incurred by a Company on the provision of a prescribed fixed asset including but not limited to computer hardware as well as computer software and computer system can be deducted from its assessable profits given that it is used in the production of the profits so chargeable to Profits Tax and the capital expenditure has not been deducted under any other section(s) of the IRO.

5. Potential tax benefits available to the Company's additions of fixed assets for the year ended 31 March 2024

The Company may be entitled to initial and annual depreciation allowances under 20% pool (for furniture and fixtures), 100% deduction for expenditure on prescribed fixed assets under Section 16G of the IRO (for computer equipment and accessories), and 20% deduction for expenditure on building refurbishments under Section 16F of the IRO for its additions of fixed assets during the year ended 31 March 2024. The claim for depreciation allowances and deductions will be subject to onshore/offshore apportionment based on ratio of the Company's onshore income vs. offshore income for FY2024. The claim will also be subject to fulfilment of conditions under relevant sections of the IRO and availability of supporting documents, and is subject to IRD's review and agreement.

The Company may opt for annual depreciation allowances under 10%, 20% and 30% pool, commercial building allowances, and 20% deduction for expenditure on building refurbishments under Section 16F of the IRO for assets acquired in prior years, subject to onshore/offshore apportionment, fulfilment of conditions under relevant sections of the IRO and availability of supporting documents, and is subject to IRD's review and agreement.

12. Two-tiered profits tax rate regime

Pursuant to Inland Revenue (Amendment) (No. 3) Ordinance 2018 and Schedule 8B of the IRO, the profits tax rate for the first \$2 million of assessable profits will be reduced by half (i.e., reduced from 16.5% to 8.25%). The remaining assessable profits will continue to be subject to the normal applicable rate of 16.5%.

All entities with profits chargeable to Hong Kong profits tax would qualify for the two-tiered profits tax rates, provided that no connected entity (ies) of the entity has been nominated to be chargeable at the two-tiered profits tax for the same year. Under Section 14AAB of the IRO, two entities are regarded as "connected entities" if one entity has control over the

other, or both of them are under the control of a third entity. “Control” is defined as (a) one entity owns or controls more than 50% in aggregate of the issued share capital of another entity; (b) one entity is entitled to exercise or control the exercise of more than 50% in aggregate of the voting rights in another entity; or (c) one entity is entitled to more than 50% in aggregate of the capital or profits of another entity.

On the understanding the Group will nominate another company within the Group namely Simple Approach Limited to adopt the two-tiered profits tax rate regime for the year ended 31 March 2024, the Company is not entitled to the two-tiered profits tax rate regime for the year ended 31 March 2024.

13. Profits Tax reduction announced in 2024-25 Hong Kong Budget

In the 2024-25 Budget delivered by the Financial Secretary on 28 February 2024, the Financial Secretary proposed a one-off reduction of Profits Tax for the year of assessment 2023/24 by 100%, subject to a ceiling of \$3,000. The relevant legislation was passed by the Legislative Council and gazetted on 31 May 2024. Therefore, the Company will be entitled to a reduction of Profits Tax of HK\$3,000 for the year ended 31 March 2024.

New Lobster Limited

1. Corporation Tax

UK companies are taxed on worldwide income, including capital gains. The corporate tax rate has changed from 1st April 2023 which is outlined below.

Taxable profit thresholds	Tax rate
Up to £50,000	19%
£50,001 to £249,999 (subject to marginal relief)	26.5% (effective)
£250,000 or more	25%

Taxable profit thresholds are divided by associated entities. Marginal relief lowers the Corporation Tax rate if augmented profits (including dividend income) reach a certain level. Companies with income mainly from investments are taxed at a higher 25% rate, ineligible for lower Corporation Tax rates or marginal relief.

2. Corporation Tax on Capital Gains

Capital gains are included in a company’s total taxable profits and taxed at the corporate rate. Companies with at least 10% shareholdings in other company may be exempt from tax on capital gains from share disposals under the Substantial Shareholdings Exemption (SSE), subject to conditions. Rollover relief could defer tax on gains from a disposed business asset if proceeds are reinvested in another qualifying asset and the gain is deferred until the new qualifying asset is sold.

3. Dividends

Dividends paid by a UK resident company are not subject to withholding tax in the UK. Medium or large UK companies receiving dividends from UK or non-UK companies may be exempt from corporation tax, subject to various conditions such as whether the distribution is in respect of non- redeemable, ordinary shares. Where small UK companies receive dividends, these may be exempt if the paying company is a UK resident or resident in a 'qualifying territory' (i.e. where the UK has a double tax agreement containing a non-discrimination provision with the territory).

4. Corporate Interest Restriction

UK companies are limited in tax relief on finance interest expenditure, known as the Corporate Interest Restriction. The first £2 million of net interest expense is tax-deductible, with restrictions applying where this is exceeded. Companies can choose the most beneficial method each year: the Fixed Ratio method allows a deduction up to 30% of the UK group’s tax-EBITDA, while the Group Ratio method applies the worldwide group’s average debt to tax-EBITDA ratio to the UK group. Disallowed finance expenses can be carried forward for future use.

5. Loss Relief

Company trading losses can be offset against total taxable profits of the same year, with remaining losses carried back to the previous year’s profits. The Finance Act 2021 allows carrying back losses up to 3 years for losses between 1 April 2020 and 31 March 2022, capped at £2 million per year. Unutilized losses before 1 April 2017 can be carried forward against future profits arising from the same trade. There are various restrictions, such as whether the trade has ceased or become small or negligible. Losses after 1 April 2017 can be offset against profits up to £5 million as well as up to 50% of taxable profits over £5 million, shared among UK group companies.

Group relief allows offsetting profits and losses within a group where a parent company owns at least 75% of a subsidiary or two companies have the same parent. The loss-making company surrenders the loss to the profitable one.

UK companies form part of the same Capital Gains Group if they are 75% owned and controlled by another company, with indirect subsidiaries 50% owned. Capital assets can be transferred between group companies without tax implications. A member company can elect to treat a gain as arising in another group company to utilise its capital losses.

6. Capital Allowances

UK tax laws offer Capital Allowances at 18% (main rate) and 6% (special rate) annually depending on the capital asset type. The Annual Investment Allowance provides full relief at 100% of the cost for eligible expenditure in the purchase year, if criteria are met. Alternatively, enhanced First Year Allowances (FYA) allow a 130% deduction on qualifying expenditure on new plant and machinery from 1 April 2021 to 31st March 2023, subject to conditions. From 1 April 2023 to 31st March 2026, the enhanced FYA is reduced to 100%. This is known as the full expensing allowance.

7. Research & Development (R&D) Tax relief

UK companies can claim R&D expenditure relief if they meet certain conditions. Large companies are eligible for the Research & Development Expenditure Credit (RDEC) scheme, which offers a 13% credit on qualifying expenditure after 1st April 2020, taxable as trading income. From 1st April 2023, the RDEC credit rate will increase to 20% of qualifying R&D expenditure. The company has not taken advantage of this benefit.

8. Double Tax Relief

Double taxation can occur when two or more jurisdictions tax the same income or capital gains. UK companies can claim foreign tax credit to reduce their corporation tax on foreign income, provided they have minimised their foreign liability. This includes claiming all allowances, reductions, reliefs, and deductions. Alternatively, they can claim foreign tax as a deduction which reduces the amount of foreign income or gain subject to corporation tax in the UK.

9. Corporate Intangible Regime - Intangible Fixed Assets (“IFAs”)

Most intangible assets fall under the corporate intangible regime, with some exclusions. This regime interacts with other tax regimes for qualifying expenditures. Tax treatment of debits and credits on intangible assets generally aligns with their accounting treatment, with some adjustments. Companies can opt to write down an intangible asset at a fixed rate.

Restrictions apply to debits related to goodwill or customer-related intangible assets, denying tax relief in line with accounting policies and allowing relief upon asset disposal. The nature of a debit or credit on an intangible asset depends on its use in trade, property business, or non-trading purposes.

Intangible assets within groups follow similar tax rules as chargeable assets. Relief is available when intangible assets are sold and the proceeds reinvested in similar assets. Trading and non-trading debits and credits on IFAs affect trade profits and are pooled respectively. Non-trading gains on IFAs are taxable, while non-trading losses can offset total company profits.

Intangible fixed assets transferred during a company reconstruction, including a demerger, are treated as transferred on a tax-neutral basis, similar to intra-group transfers.

10. Statement of possible special tax benefits available to the Company under applicable indirect tax laws

There are a number of Indirect Taxes. For the purposes of this document, we are focused on Value Added Tax (VAT), as this is the most broadly applicable Indirect Tax.

There are no obvious or meaningful special UK Indirect Tax benefits available to the Company. There are VAT accounting easements but these are applied to all businesses equally.

There are a number of VAT reliefs available, depending on the nature of trade. These are generally related to supplies where there is a public interest and taxation would be either unfair or contrary to the intention of parliament. These reliefs are narrowly applied.

UK VAT registered businesses can make VAT deductions on their VAT returns where appropriate.

The UK authorities apply penalties for any errors, as well as interest. Penalties can be mitigated if there is evidence of reasonable care being exercised.

Poeticgem Limited

1. Corporation Tax

UK companies are taxed on worldwide income, including capital gains. The corporate tax rate has changed from 1st April 2023 which is outlined below.

Taxable profit thresholds	Tax rate
Up to £50,000	19%
£50,001 to £249,999 (subject to marginal relief)	26.5% (effective)
£250,000 or more	25%

Taxable profit thresholds are divided by associated entities. Marginal relief lowers the Corporation Tax rate if augmented profits (including dividend income) reach a certain level. Companies with income mainly from investments are taxed at a higher 25% rate, ineligible for lower Corporation Tax rates or marginal relief.

2. Corporation Tax on Capital Gains

Capital gains are included in a company's total taxable profits and taxed at the corporate rate. Companies with at least 10% shareholdings in other company may be exempt from tax on capital gains from share disposals under the Substantial Shareholdings Exemption (SSE), subject to conditions. Rollover relief could defer tax on gains from a disposed business asset if proceeds are reinvested in another qualifying asset and the gain is deferred until the new qualifying asset is sold.

3. Dividends

Dividends paid by a UK resident company are not subject to withholding tax in the UK. Medium or large UK companies receiving dividends from UK or non-UK companies may be exempt from corporation tax, subject to various conditions such as whether the distribution is in respect of non-redeemable, ordinary shares. Where small UK companies receive dividends, these may be exempt if the paying company is a UK resident or resident in a 'qualifying territory' (i.e. where the UK has a double tax agreement containing a non-discrimination provision with the territory).

4. Corporate Interest Restriction

UK companies are limited in tax relief on finance interest expenditure, known as the Corporate Interest Restriction. The first £2 million of net interest expense is tax-deductible, with restrictions applying where this is exceeded. Companies can choose the most beneficial method each year: the Fixed Ratio method allows a deduction up to 30% of the UK group's tax-EBITDA, while the Group Ratio method applies the worldwide group's average debt to tax-EBITDA ratio to the UK group. Disallowed finance expenses can be carried forward for future use.

5. Loss Relief

Company trading losses can be offset against total taxable profits of the same year, with remaining losses carried back to the previous year's profits. The Finance Act 2021 allows carrying back losses up to 3 years for losses between 1 April 2020 and 31 March 2022, capped at £2 million per year. Unutilised losses before 1 April 2017 can be carried forward against future profits arising from the same trade. There are various restrictions, such as whether the trade has ceased or become small or negligible. Losses after 1 April 2017 can be offset against profits up to £5 million as well as up to 50% of taxable profits over £5 million, shared among UK group companies.

Group relief allows offsetting profits and losses within a group where a parent company owns at least 75% of a subsidiary or two companies have the same parent. The loss-making company surrenders the loss to the profitable one.

UK companies form part of the same Capital Gains Group if they are 75% owned and controlled by another company, with indirect subsidiaries 50% owned. Capital assets can be transferred between group companies without tax implications. A member company can elect to treat a gain as arising in another group company to utilise its capital losses.

6. Capital Allowances

UK tax laws offer Capital Allowances at 18% (main rate) and 6% (special rate) annually depending on the capital asset type. The Annual Investment Allowance provides full relief at 100% of the cost for eligible expenditure in the purchase year, if criteria are met. Alternatively, enhanced First Year Allowances (FYA) allow a 130% deduction on qualifying expenditure on new plant and machinery from 1 April 2021 to 31st March 2023, subject to conditions. From 1 April 2023 to 31st March 2026, the enhanced FYA is reduced to 100%. This is known as the full expensing allowance.

7. Research & Development (R&D) Tax relief

UK companies can claim R&D expenditure relief if they meet certain conditions. Large companies are eligible for the Research & Development Expenditure Credit (RDEC) scheme, which offers a 13% credit on qualifying expenditure after 1st April 2020, taxable as trading income. From 1st April 2023, the RDEC credit rate will increase to 20% of qualifying R&D expenditure. The company has not taken advantage of this benefit.

8. Double Tax Relief

Double taxation can occur when two or more jurisdictions tax the same income or capital gains. UK companies can claim foreign tax credit to reduce their corporation tax on foreign income, provided they have minimised their foreign liability. This includes claiming all allowances, reductions, reliefs, and deductions. Alternatively, they can claim foreign tax as a deduction which reduces the amount of foreign income or gain subject to corporation tax in the UK

9. Corporate Intangible Regime - Intangible Fixed Assets (“IFAs”)

Most intangible assets fall under the corporate intangible regime, with some exclusions. This regime interacts with other tax regimes for qualifying expenditures. Tax treatment of debits and credits on intangible assets generally aligns with their accounting treatment, with some adjustments. Companies can opt to write down an intangible asset at a fixed rate.

Restrictions apply to debits related to goodwill or customer-related intangible assets, denying tax relief in line with accounting policies and allowing relief upon asset disposal. The nature of a debit or credit on an intangible asset depends on its use in trade, property business, or non-trading purposes.

Intangible assets within groups follow similar tax rules as chargeable assets. Relief is available when intangible assets are sold and the proceeds reinvested in similar assets. Trading and non-trading debits and credits on IFAs affect trade profits and are pooled respectively. Non-trading gains on IFAs are taxable, while non-trading losses can offset total company profits.

Intangible fixed assets transferred during a company reconstruction, including a demerger, are treated as transferred on a tax-neutral basis, similar to intra-group transfers.

PDS Multinational FZCO

There are no tax benefits available under Federal Decree-Law No. (8) of 2017 on Value Added Tax.

For the Financial Year 01st April 2023 to 31st March 2024 corporate tax is not applicable to the company

PDS Ventures Limited (Hong Kong)

1. General charging principle

Hong Kong Profits Tax is chargeable on any person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession, or business (excluding profits from the sale of capital assets). Unless otherwise provided in the IRO, expenses incurred in the production of chargeable profits are generally deductible for Hong Kong Profits Tax purposes provided that they are not capital expenditure. Expenses which are not incurred for producing taxable profits (e.g. private or personal expenses of the owner) are not deductible for Profits Tax purposes.

2. Two-tiered profits tax rate regime

Pursuant to Inland Revenue (Amendment) (No. 3) Ordinance 2018 and Schedule 8B of the IRO, the profits tax rate for the first \$2 million of assessable profits will be reduced by half (i.e., reduced from 16.5% to 8.25%). The remaining assessable profits will continue to be subject to the normal applicable rate of 16.5%. All entities with profits chargeable to Hong Kong profits tax would qualify for the two-tiered profits tax rates, provided that no connected entity (ies) of the entity has been nominated to be chargeable at the two-tiered profits tax for the same year. Under Section 14AAB of the IRO, two entities are regarded as “connected entities” if one entity has control over the other, or both of them are under the control of a third entity. “Control” is defined as (a) one entity owns or controls more than 50% in aggregate of the issued share capital of another entity; (b) one entity is entitled to exercise or control the exercise of more than 50% in aggregate of the voting rights in another entity; or (c) one entity is entitled to more than 50% in aggregate of the capital or profits of another entity.

On the understanding that the Group will nominate another company within the Group namely Simple Approach Limited to adopt the two-tiered profits tax rate regime for the year ended 31 March 2024, the Company is not entitled to the two-tiered profits tax rate regime for the year ended 31 March 2024.

3. Deduction claims of capital expenditure incurred for acquisition of property, plant and Equipment

Capital expenditure incurred for acquiring various property, plant and equipment is not deductible for Hong Kong profits tax purpose. However, depending on the nature of the relevant assets, property, plant and equipment acquired by the Company to generate its taxable income may be eligible for various capital allowances under the IRO.

The Company has not claimed tax depreciation allowances in the years of assessment 2021/22.

If the Company also acquires/uses such fixed assets/computer hardware and software in the year ended 31 March 2024 to generate its taxable income, it will be eligible for such capital allowances.

1. FSIE regime

Although offshore income and capital gains have been exempted from Hong Kong profits tax, since the new FSIE regime in Hong Kong has become effective 1 January 2023, four types of offshore passive income, i.e. interest income, income from intellectual properties (“IP”), dividends or disposal gains (notwithstanding arising from the same of capital assets) received in Hong Kong by a Hong Kong entity of a multinational enterprise group (“MNE entity”) on or after 1 January 2023 may be deemed as under the new FSIE regime to be sourced from

Hong Kong and chargeable to Hong Kong profits tax unless certain exemption requirements are satisfied as follows:-

- Economic Substance Requirement (“ESR”, for non-IP income)
- Nexus Approach (for IP income)
- Participation Requirement (“PR”, for dividend and disposal gains)

A specified foreign-sourced income is regarded as “received in Hong Kong” when: the income is remitted to, or is transmitted or brought into, Hong Kong.

the income is used to satisfy any debt incurred in respect of a trade, profession or business carried on in Hong Kong;
or

the income is used to buy movable property, and the property is brought into Hong Kong. The income is regarded as being received at the time when the moveable property is brought into Hong Kong.

For the Company (which is a non-pure equity-holding entity) to satisfy the ESR, the company is required to employ adequate number of employees with necessary qualifications to carry out the “specified economic activities” (i.e. making necessary strategic decisions in respect of the any assets the entity acquires, holds or disposes of; and managing and bearing principal risks in respect of such assets) in Hong Kong and incur adequate amount of operating expenditure for carrying out the “specified economic activities” in Hong Kong.

The Company can satisfy the PR if it has continuously held not less than 5% of the equity interests in the investee entity for a period of not less than 12 months immediately before the income accrues and subject to the following anti-abuse rules:-

if the relevant income is not subject to a qualifying similar tax for at least 15% in a foreign jurisdiction, the tax relief available will be switched over from full exemption to tax credit, in case of dividend, the PR is not applicable only the dividend is allowed for deduction when computing the amount of tax of the investee company, if the Commission is satisfied that the main purpose, or one of the main purposes, of the Company in entering into the arrangement is to obtain a tax benefit, the PR will not apply.

If the Company continues to earn offshore interest income from loans as mentioned in 5 above during the year ended 31 March 2024, such offshore interest income can be exempted from profits tax if the Company satisfies the ESR or such income is not “received in Hong Kong” during the year.

LEGAL PROCEEDINGS

We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of, amongst others, civil suits, criminal cases, tax proceedings, regulatory and statutory actions. These legal proceedings may have been initiated by us or by customers, business partners, regulators, or other parties, and are pending at different levels of adjudication before various courts and tribunals. We assess each such legal proceeding filed by or against us and monitor the legal position on an ongoing basis.

There are no outstanding legal proceedings which have been considered material in accordance with our Company's 'Policy for Determination of Materiality of Events or Information' framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated, as approved on November 11, 2015 (and last amended on July 26, 2023).

Additionally, solely for the purpose of this Issue, this section of the Placement Document also discloses (i) Any outstanding actions initiated (including any notices received) by any regulatory and/or statutory authorities such as SEBI or such similar authorities or stock exchanges, involving the Company, Subsidiaries, Promoters and Directors ("**Relevant Parties**"), (ii) all outstanding criminal litigation filed by and against the Relevant Parties. (iii) all outstanding civil litigation involving (which includes cases filed by and against) the Relevant Parties, where the amount involved exceeds the lowest of: (a) two percent of turnover, as per the last audited consolidated financial statements of the Company, i.e. ₹ 20,745.30 lakhs; (b) two percent of net worth, as per the last audited consolidated financial statements of the Company i.e. ₹ 1,808.71 lakhs; and (c) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company, i.e. ₹ 1,370.45 lakhs ("**Materiality Threshold**"), (iv) consolidated disclosure of all outstanding tax (both direct and indirect) proceedings (including show cause notices) involving the Relevant Parties, provided that if the amount involved in any such claim exceeds the Materiality Threshold, such matter has been disclosed on an individual basis, and (v) any other outstanding legal matter where the aggregate amount involved is not quantifiable, but which, in the view of our Company, could have a material adverse effect on the business or operations of the Company and its Subsidiaries including penalties and proceedings under environmental laws, intellectual property laws and labour laws, whether quantifiable or not. The Materiality Threshold was adopted by our Fund Raising Committee solely for the purpose of the Issue pursuant to its resolution dated August 5, 2024;

Except as disclosed elsewhere, this section of the Placement Document also discloses (i) any inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies law in the last three years immediately preceding the year of this Placement Document involving our Company, our Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or our Subsidiaries; (ii) any material fraud committed against our Company in the last three years, and if so, the action taken by our Company; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) any default by our Company (on a consolidated basis) including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) any default in annual filing of our Company under the Companies Act or the rules made thereunder; and (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any, will be disclosed; (vii) disclosure on status of promoters or directors of our Company as fugitive economic offenders, and disclosure, if any, on the wilful defaulter status of our Company, subsidiaries the promoters or directors, if any; and (viii) any reservation, qualification or adverse remark of auditors in the last five Fiscals immediately preceding the year of this issue and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties, as the case may be, shall not, unless otherwise decided by the board of directors of the Company, be considered material until such time that the Relevant Parties are not impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

I. Litigation involving our Company

Criminal proceedings against our Company

As on the date of this Placement Document, there are no criminal proceedings initiated against our Company.

Criminal proceedings by our Company

As on the date of this Placement Document, there are no criminal proceedings initiated by our Company.

Material Civil Proceedings against our Company

As on the date of this Placement Document, there are no material civil proceedings initiated against our Company.

Material Civil Proceedings by our Company

As on the date of this Placement Document, there are no material civil proceedings initiated by our Company.

Regulatory and/or statutory proceedings involving our Company

As on the date of this Placement Document, there are no regulatory and/or statutory proceedings involving our Company.

Tax proceedings involving our Company

Nature of cases	Number of cases	Amount involved (in ₹ lakhs)*
Direct Tax		
By our Company	1	15.86
Against our Company	Nil	Nil
Indirect Tax		
By our Company	Nil	Nil
Against our Company	Nil	Nil

* To the extent quantifiable

II. Litigation Involving our Subsidiaries

Criminal proceedings against our Subsidiaries

As on the date of this Placement Document, there are no criminal proceedings initiated against our Subsidiaries.

Criminal proceedings by our Subsidiaries

As on the date of this Placement Document, there are no criminal proceedings initiated by our Subsidiaries.

Material Civil Proceedings against our Subsidiaries

As on the date of this Placement Document, there are no material civil proceedings initiated against our Subsidiaries.

Material Civil Proceedings by our Subsidiaries

As on the date of this Placement Document, there are no material civil proceedings initiated by our Subsidiaries.

Regulatory and/or statutory proceedings involving our Subsidiaries

As on the date of this Placement Document, there are no regulatory and/or statutory proceedings involving our Subsidiaries.

Tax proceedings involving our Subsidiaries

Nature of cases	Number of cases	Amount involved (in ₹ lakhs)*
Direct Tax		
By our Subsidiaries	2	59.89**
Against our Subsidiaries	Nil	Nil
Indirect Tax		
By our Subsidiaries	Nil	Nil
Against our Subsidiaries	Nil	Nil

*To the extent quantifiable

**Exchange rate of (i) ₹ 1 to US\$ 83.3913, and (ii) 1 GBP to US\$ 1.2645, as on June 30, 2024, based on the conversion rate provided by our bankers

III. Litigation involving our Directors

Criminal proceedings against our Directors

As on the date of this Placement Document, there are no criminal proceedings initiated against our Directors.

Criminal proceedings by our Directors

As on the date of this Placement Document, there are no criminal proceedings initiated by our Directors.

Material Civil Proceedings against our Directors

As on the date of this Placement Document, there are no material civil proceedings initiated against our Directors.

Material Civil Proceedings by our Directors

As on the date of this Placement Document, there are no material civil proceedings initiated by our Directors.

Regulatory proceedings involving our Directors

As on the date of this Placement Document, there are no regulatory and/or statutory proceedings involving our Directors.

IV. *Litigation involving our Promoters*

Criminal proceedings against our Promoters

As on the date of this Placement Document, there are no criminal proceedings initiated against our Promoters.

Criminal proceedings by our Promoters

As on the date of this Placement Document, there are no criminal proceedings initiated by our Promoters.

Material Civil Proceedings against our Promoters

As on the date of this Placement Document, there are no material civil proceedings initiated against our Promoters.

Material Civil Proceedings by our Promoters

As on the date of this Placement Document, there are no material civil proceedings initiated by our Promoters.

Regulatory proceedings involving our Promoters

As on the date of this Placement Document, there are no regulatory and/or statutory proceedings involving our Promoters.

V. *Other Material Proceedings*

As on the date of this Placement Document, there are no other material proceedings.

VI. *Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law against our Company and / or our Subsidiaries in the last three years immediately preceding the year of this Placement Document.*

As on the date of this Placement Document, there are no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous company law against our Company and its Subsidiaries in the last three years immediately preceding the year of this Placement Document.

VII. *Prosecutions filed against (whether pending or not), fines imposed on, or compounding of offences by our Company and/or our Subsidiaries under the Companies Act in the last three years immediately preceding the year of issue of this Placement Document.*

1. Our Company received a notice *vide* email dated February 21, 2023 and May 22, 2023 from the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”) regarding non-compliance of Regulation 19(1) and 19(2) of the SEBI Listing Regulations with reference to composition of the nomination and remuneration committee for the quarter ended on December 31, 2022 and March 31, 2023, respectively. The NSE and the BSE had each imposed fines of ₹ 1,41,600 and ₹54,280 (including applicable taxes), for the quarter ended on December 31, 2022 and March 31, 2023, respectively, on our Company. Our Company has paid the fine to the NSE and the BSE on February 28, 2023 and May 24, 2023 and the nomination and remuneration committee has thereafter been regularized.
2. Our Company received a notice dated February 22, 2024 from the National Stock Exchange of India Limited (“NSE”) and the BSE Limited (“BSE”) regarding non-compliance of Regulation 17(1) of the SEBI Listing Regulations in

relation to composition of board of directors including failure to appoint a woman director for the quarter ended on December 31, 2023. The NSE and the BSE had each imposed a fine of ₹ 2,00,600 (including applicable taxes) on our Company. Our Company has paid the fine to NSE and the BSE on February 26, 2024 and the board composition has thereafter been regularised.

VIII. *Material frauds committed against our Company in the last three years, and if so, the action taken by our Company*

There have been no material frauds committed against our Company in the last three years preceding the date of this Placement Document.

IX. *Litigation or legal action pending or taken against our Promoters by any ministry or department of the government or any statutory authority in the last three years*

There is no litigation or legal action pending or taken against our Promoters by any ministry or department of the government or any statutory authority in the last three years immediately preceding the year of issue of this Placement Document and directions issued by such ministry or department of the government or statutory authority upon conclusion of such litigation or legal action.

X. *Details of default in annual filings under the Companies Act, 2013 or rules made thereunder*

As on the date of this Placement Document, our Company has not defaulted in submitting the annual filings under the Companies Act or rules made thereunder.

XI. *Details of the Promoters or Directors as Wilful Defaulter or Fraudulent Borrower*

As on the date of this Placement Document, neither our Company, nor our Promoters or Directors are a Wilful Defaulter or Fraudulent Borrower.

XII. *Details of the Promoters or Directors as Fugitive Economic Offender*

As on the date of this Placement Document, none of the Promoters or Directors of our Company are Fugitive Economic Offender.

XIII. *Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations*

As on the date of this Placement Document, there have been no significant and material orders passed by the regulators, courts and tribunals which impacts the going concern status of our Company and its future operations.

XIV. *Defaults by our Company (on a consolidated basis) in repayment of (i) statutory dues; (ii) debentures (including interest thereon); (iii) deposits (including interest thereon); and (iv) loans from any bank or financial institution (including interest thereon)*

As on the date of Placement Document, there have been no defaults by our Company (on a consolidated basis) in respect of repayment of (i) statutory dues; (ii) debentures (including interest thereon); (iii) deposits (including interest thereon); and (iv) loans from any bank or financial institution (including interest thereon).

OUR STATUTORY AUDITORS

Our Company's Statutory Auditors, Walker Chandiook & Co LLP (Firm Registration No. 001076N/N500013), ("WCC"), are independent auditors with respect to our Company, as required by the Companies Act and in accordance with the guidelines issued by the Institute of Chartered Accountants of India. They were appointed as our Company's Statutory Auditors pursuant to a resolution adopted by our Shareholders at the 8th Annual General Meeting ("AGM") of the Company held on November 13, 2019 to hold office from the conclusion of the 8th AGM until the conclusion of the 13th AGM of the Company held for the financial year 2023-24. Further, the shareholders approved re-appointment of WCC, for the second term of five consecutive years from the conclusion of the 13th AGM held on July 26, 2024 until the conclusion of 18th AGM of the Company to be held for the financial year 2028-29.

GENERAL INFORMATION

- Our Company was incorporated as ‘PDS Multinational Fashions Limited’, under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 6, 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi and commenced its business on May 11, 2011 pursuant to a certificate of commencement of business issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi. Pursuant to a change in our registered office from A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi, Delhi, India – 110028 to No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bengaluru, Karnataka, India, 560102 by way of a special resolution passed by our Shareholders on January 7, 2016, a certificate of registration of regional director order in relation to the change of State was issued by the Registrar of Companies, Karnataka at Bengaluru dated June 14, 2016. The name of our Company was subsequently changed to ‘PDS Limited’ and a fresh certificate of incorporation was issued by the Registrar of Companies, Karnataka at Bengaluru on January 28, 2022. Thereafter, pursuant to a change in our registered office from No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bengaluru, Karnataka, India, 560102 to Unit No.971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai - 400093, Maharashtra, India by way of a special resolution passed by our Shareholders on January 12, 2022, a certificate of registration of regional director order in relation to the change of State was issued by the Registrar of Companies, Maharashtra at Mumbai (“**RoC**”) dated August 3, 2022.
- Our Registered and Corporate Office is located at Unit No. 971, Solitaire Corporate Park, Andheri, Ghatkopar Link Road, Andheri (East), Mumbai - 400093, Maharashtra, India.
- Our CIN is L18101MH2011PLC388088. The website of our Company is <https://pdsLtd.com/>.
- Our Equity Shares are listed on BSE and NSE since October 21, 2014.
- The Issue was authorized and approved by our Board of Directors on November 1, 2023. Our Shareholders have authorized and approved the Issue by way of a special resolution through postal ballot passed on December 3, 2023.
- Our Company has received in-principle approvals in terms of Regulation 28(1) of the SEBI Listing Regulations from BSE and NSE each dated August 22, 2024, to list the Equity Shares issued pursuant to the Issue on the Stock Exchange. We will apply for final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.
- Copies of our Memorandum and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on any weekday (except Saturdays and public holidays) during the Issue Period at our Registered Office and Corporate Office.
- Except as disclosed in this Placement Document, there has been no material adverse change in our financial or trading position since June 30, 2024, the date of the latest Unaudited Condensed Interim Consolidated Financial Statements included in this Placement Document.
- Our Company confirms that it is in compliance with the minimum public shareholding requirements as specified in the SCRR.
- The Floor Price is ₹ 563.59 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company has offered a discount of 4.90% on the Floor Price in accordance with the approval of our Shareholders accorded by way of a special resolution through postal ballot passed on December 3, 2023 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
- Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.
- Except as disclosed in this Placement Document, there are no litigation pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see “*Legal Proceedings*” on page 277.
- The Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.
- Abhishekh Kanoi is the Head of Legal of Company Secretary and Compliance Officer of our Company. His details are as follows:

Unit No. 971, Solitaire Corporate Park, Andheri, Ghatkopar Link Road, Andheri (East), Mumbai - 400093, Maharashtra, India

Telephone: +022 41441100
E-mail: abhishekh.kanoi@pdsLtd.com

FINANCIAL STATEMENTS

Sl. No.	Financial Information	Page No.
1.	Audited consolidated financial statements for Fiscal 2024	285-358
2.	Audited consolidated financial statements for Fiscal 2023	359-443
3.	Audited consolidated financial statements for Fiscal 2022	444-518
4.	Unaudited Condensed Interim Consolidated Financial Statements	519-546
5.	Unaudited Consolidated Quarterly Financial Results	547-558
6.	Unaudited Special Purpose Interim Consolidated Financial Statements	559-582

Consolidated Financial Statements and Independent Auditors' Report

PDS Limited

31 March 2024

Contents

	Page
Independent Auditors' Report	
Balance Sheet	1
Statement of Profit and Loss	2
Statement of Changes in Equity	3-4
Statement of Cash Flow	5-6
Summary of significant accounting policies and other explanatory information	7 - 55

Walker Chandiook & Co LLP

Independent Auditor's Report

To the Members of PDS Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of PDS Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint ventures, as at 31 March 2024, their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit procedures addressed the Key Audit Matter
<p>1. Impairment assessment of Goodwill Refer note 3(n) and note 7 to the consolidated financial statements.</p> <p>The carrying value of goodwill aggregates to ₹ 10,407.14 lakhs as on 31 March 2024. Such goodwill is tested for impairment annually by the management in accordance with Ind AS 36, Impairment of Assets, by determining the fair value of the cash generating units (CGUs) to which the goodwill is allocated, using discounted cash flow method.</p> <p>In determining the recoverable amount of CGUs, the management has applied significant judgements and assumptions including projections of future sales, operating and finance costs, terminal growth rates and the weighted average cost of capital (discount rate).</p> <p>Due to the significance of the carrying amounts of Goodwill and the inherent subjectivity involved in determining the impairment loss, if any, impairment assessment of goodwill has been considered as a Key Audit Matter for the audit of the current year.</p> <p>The auditor of one subsidiary has determined "impairment of investment in subsidiaries" as a Key Audit matter. These investments are eliminated on consolidation in the consolidated financial statement of the Group.</p>	<p>Our audit procedures for the impairment assessment of goodwill included, but were not limited to the following -</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for identification of CGUs and impairment testing of goodwill; • Evaluated the design and implementation and tested operating effectiveness of key controls with respect to group's process of impairment assessment of goodwill; • Assessed reasonableness of the future cash flow projections prepared by the management and compared them with past trends; • Traced the projections used by the management with the approved business plans; • Obtained management's external valuation specialist's report on determination of recoverable value of CGUs and assessed the competence, capability, and objectivity of the management's expert; • Involved the auditor's expert to assist in examining the Group's valuation models where applicable, and analyzed key assumptions, including long-term growth rates and discount rates considered by the management's expert and compared the assumptions to corroborating information including industry benchmarks and data from historic performances; • Tested the mathematical accuracy of the management's computations; • Performed independent sensitivity analysis on the valuation, resulting from changes to key assumptions applied; • Obtained an understanding from the component auditors to understand the procedures performed by them in respect of impairment of goodwill as part of group audit instructions sent to them; • Assessed the work performed by such other component auditors including discussions with the component auditors to understand their response and findings to the extent applicable; and • Assessed the appropriateness and adequacy of presentation and disclosures in the consolidated financial statements in accordance with the applicable accounting standards.



<p>2. Evaluation of the consolidation process</p> <p>Refer note 2 for basis of consolidation.</p> <p>The Group's consolidation process involves 127 components (including step-down subsidiaries and excluding Joint ventures, Associates and a controlled trust) located across multiple geographies and audited by other auditors. These components comprise significant portions of the Group's assets, liabilities, income and expenses.</p> <p>The process of consolidation involves assessment of control/ significant influence and the corresponding accounting treatment, alignment of generally accepted accounting principles ("GAAP"), elimination of inter-company balances and transactions.</p> <p>Considering the significance of the components, materiality to the financial statements and complexities involved, the consolidation process has been identified as a Key Audit Matter for the audit of the current year.</p>	<p>Our audit procedures for the evaluation of consolidation process included, but were not limited to the following -</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process of preparation of consolidated financial statements comprising the Holding Company and its components; • Evaluated the design and implementation and tested operating effectiveness of key controls with respect to Group's process of consolidation; • Identified and determined the 'significant components' of the Group based on materiality, discussions with the Holding Company management and thereby developed an overall audit plan to perform work around the identified significant components in accordance with the Guidance Note on consolidated financial statements and SA 600 - Using the work of another auditor; • Communicated the group audit instructions to the respective component auditors of identified significant components including and not limited to the materiality, audit risks identified at the Group level and a questionnaire to understand the procedures performed by the component auditors to mitigate those audit risks and their response to the significant transactions and matters identified at the component level; • Assessed the work performed by such other component auditors including discussions with the component auditors to understand their response and findings to the extent applicable; • Obtained the audited financial statements of the components from the management of the Holding Company/Group reporting from the component auditor (where applicable) and traced the information to the consolidation workings provided by management; • Reviewed inter-company eliminations, consolidation adjustments, foreign currency translation adjustments, alignment of Group accounting policies, GAAP conversion adjustments and the resultant tax impacts; and • Assessed the adequacy and appropriateness of disclosures made in accordance with the applicable accounting standards in these consolidated financial statements.
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6. In addition to the above key audit matters, we have identified the following matter, reproduced below, as a key audit matter to be communicated in our report, based on the communication received from the component auditor, Falcon Certified Public Accountants Limited of PDS Ventures Limited, a step-down subsidiary of the Holding Company:

Key audit matter	How our audit addressed the key audit matter
<p>A subsidiary of the Company has made investments in various unlisted companies, and these are measured at FVTPL and FVTOCI categorised under Level 3 of the fair value measurement hierarchy, amounting to (HKD 2,551.51 lakhs).</p> <p>During the Fair value estimation of such investments, the management has applied significant judgements and assumptions. The determination of such fair value involves use of several key assumptions, including projections of future sales, operating and finance costs, terminal growth rates and the weighted average cost of capital (discount rate).</p> <p>Due to the significance of the carrying amounts of such instruments and the inherent subjectivity involved in determining the fair value, this matter was considered as a Key Audit Matter for the audit of the current year.</p>	<ul style="list-style-type: none"> • Assessed the management process and interviewed the team involved in investment management and its fair valuation at the end of the year. • Understood & evaluated the design and key controls with respect to the Company's process of fair valuation of such investments. • Assessed the reasonableness of future cash flow projections prepared by managements and evaluated by external valuers and compared with past trend. • Reviewed the Company's valuation models and reviewed explanations on the key assumptions including year-on-year growth rates, stage of business, discounts used relevant to that stage of business. • Reviewed the risk assessment process implemented by management to evaluate the existence and future prospect of investments. • Tested the mathematical accuracy of the external valuer's computations. • Evaluated sensitivity analysis performed on the valuation by external valuers, resulting from changes to key assumptions applied; and • Assessed the appropriateness and adequacy of presentation and disclosures in accordance with the applicable accounting standards.

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

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

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

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

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



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

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, and its associate companies and joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint ventures.

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

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



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- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, and its associates and joint ventures, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements / financial information of 85 subsidiaries, whose financial statements / financial information reflects total assets of ₹ 588,638.32 Lakhs as at 31 March 2024, total revenues of ₹ 742,188.13 Lakhs and net cash outflows amounting to ₹ 3,327.03 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 617.86 Lakhs for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of 4 associates and 4 joint ventures, whose financial statements / financial information have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associates and joint ventures, are based solely on the reports of the other auditors.



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Further, of these subsidiaries, associates and joint ventures, 82 subsidiaries, 4 associates and 4 joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries, associates and joint ventures located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

17. We did not audit the financial statements/financial information of 9 subsidiaries, whose financial statements / financial information reflects total assets of ₹ 3,261.37 Lakhs as at 31 March 2024, total revenues of ₹ 2,485.06 Lakhs and net cash inflows amounting to ₹ 245.35 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ Nil for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of 1 associate, whose financial statements / financial information has not been audited by us. These financial statements/financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries and associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements/ financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

18. As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company and 9 subsidiaries incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable in respect of Holding company and such subsidiaries. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to 1 joint venture incorporated in India whose financial statements have been audited under the Act, since such company is not a public company as defined under Section 2(71) of the Act.



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19. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. Further, following are the companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under that Act that are audited by us, for which the respective reports under section 143(11) of the Act of such companies have not yet been issued by us.

S No	Name	CIN	Subsidiary/ Associate/ Joint Venture
1	DBS Lifestyle India Private Limited	U17299DL2021PTC389431	Subsidiary
2	Digital Ecom Techno Private Limited	U52609KA2016PTC094215	Subsidiary
3	Norlanka Manufacturing India Private Limited	U18101KA2020PTC141803	Subsidiary

20. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 20(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company, its subsidiaries and joint venture and taken on record by the Board of Directors of the Holding Company, its subsidiaries and joint venture, respectively, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Group companies and joint venture company, are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 20(b) above on reporting under Section 143(3)(b) of the Act and paragraph 20(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; Further, in our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 143(3)(i) for reporting on the adequacy of internal financial controls with reference to financial statements and the operating effectiveness of such controls of 1 Joint Venture covered under the Act, are not applicable; and



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- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint venture as detailed in note 42(b) to the consolidated financial statements;
 - ii. The Holding Company, its subsidiaries and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries and joint venture covered under the Act, during the year ended 31 March 2024;
 - iv.
 - a. The respective managements of the Holding Company and its subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in note 50(f) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries and joint venture to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries and joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The respective managements of the Holding Company, its subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 50(f) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries and joint venture from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries and joint venture shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The final dividend paid by the Holding Company and its subsidiary during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Holding Company during the year ended 31 March 2024 and until the date of this audit report is in compliance with Section 123 of the Act.

As stated in note 17 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.



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- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries and joint venture of the Holding Company which are companies incorporated in India and audited under the Act, except for the matters mentioned below, the Holding Company, its subsidiaries and joint venture, in respect of the financial year commencing on 1 April 2023, have used an accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software where this feature has been enabled.
- i. In case of the Holding company and its 6 subsidiaries and joint venture companies incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software (SAP 6.0 (EHP 7)) used for maintaining the books of accounts.
- ii. In case of the 3 subsidiaries incorporated in India, and as communicated by the respective auditor of the subsidiaries, the feature of recording audit trail (edit log) was not enabled for the accounting software (Tally Prime 4.1) used for maintaining the books of accounts.

Further, during the course of our audit we and respective auditors of the above referred subsidiaries and joint venture did not come across any instance of audit trail feature being tampered with on accounting software where this feature has been enabled.

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



Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 24210122BKEWLH3215

Place: Mumbai
Date: 14 May 2024



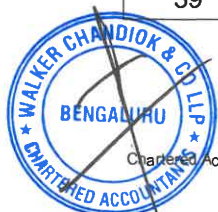
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Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited on the consolidated financial statements for the year ended 31 March 2024

List of entities included in the consolidated financial statements

Subsidiaries

Sl. No	Name of the entity
1	Technocian Fashions Private Limited
2	Multinational Textile Group Limited
3	Casa Forma Limited
4	PDS Sourcing Limited
5	PDS Asia Star Corporation Limited
6	Simple Approach Limited
7	Simple Approach Home Limited
8	Moda & Beyond Limited (Erstwhile Moda and Beyond Limited)
9	Wonderwall (F.E) Limited (HK)
10	Wonderwall (F.E) Limited
11	Simple Approach Bangladesh Private Limited
12	Zamira Fashion Limited Zhongshan
13	PG Group Limited
14	Techno Design HK Limited
15	Norwest Industries Limited
16	Poeticgem International Limited
17	PDS Sourcing Bangladesh Limited (Formerly known as Multinational OSG Services Bangladesh Private Limited)
18	PDS Smart Fabric Tech Limited (Formerly known as Funky Brands Company Limited and Full House Manufacturing Limited)
19	Techno Design GmBH
20	Poetic Brands Limited
21	Poeticgem Limited
22	PDS Trading (Shanghai) Co. Limited
23	Simple Approach (Canada) Limited
24	PDS Brands Manufacturing Limited
25	PG Home Group Limited
26	PG Shanghai Manufacturer Co. Limited
27	360 Notch Limited
28	PDS Fashions Bangladesh Limited
29	Design Arc Europe SPA
30	Sourcing Solutions Limited
31	PDS Brands Private Limited
32	Krayons Sourcing Limited
33	Design Arc Asia Limited
34	Nor Lanka Manufacturing Limited
35	Design Arc Europe Limited
36	Kleider Sourcing Hong Kong Limited
37	Kleider Sourcing Limited
38	Rising Asia Star Hong Kong Co., Limited
39	PDS Tailoring Limited



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Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited on the consolidated financial statements for the year ended 31 March 2024 (Cont'd)

Subsidiaries (Cont'd)

Sl. No	Name of the entity
40	Spring Near East Manufacturing Co. Limited
41	Clover Collections Limited
42	PG Group SPA
43	PG Home Group SPA
44	Nor Lanka Manufacturing Colombo Limited
45	Brand Collective Limited
46	PDS Fashion USA Limited
47	PDS Ventures Limited
48	Progress Manufacturing Group Limited
49	Progress Apparels (Bangladesh) Limited
50	GoodEarth Lifestyle Limited (Erstwhile Green Apparel Industries Limited)
51	Grupo Sourcing Limited
52	JJ Star Industrial Limited
53	Twins Asia Limited
54	Nor Lanka Progress Private Limited
55	Blueprint Design Limited
56	Design Arc UK Limited
57	Grupo Sourcing Limited, Bangladesh
58	Fareast Vogue Limited
59	PDS Far-east Limited
60	Kindred Brands Limited
61	Styleberry Limited
62	PDS Global Procurement Service FZCO
63	GoodEarth Apparels Limited. (Erstwhile Green Smart Shirts Limited)
64	Zamira Fashion Limited
65	PDS Far East USA, Inc.
66	PDS Ventures Limited (Erstwhile Smart Notch Industrial Limited)
67	Apex Black Limited
68	Casa Collective Limited
69	Smart Notch (Shanghai) Limited
70	Jcraft Array Limited
71	TECHNO SOURCING DIŞ TİCARET ANONİM ŞİRKETİ
72	Upcycle labs Limited
73	Kindred Fashion Limited
74	Recovered Clothing Limited
75	PDS Fashions Limited
76	Design Arc FZCO



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Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited on the consolidated financial statements for the year ended 31 March 2024 (Cont'd)

Subsidiaries (Cont'd)

Sl. No.	Name of the entity
77	Spring Near East FZCO
78	Kleider Sourcing FZCO
79	Twins Asia FZCO
80	Techno Sourcing BD Limited
81	Clover Collections FZCO
82	PG Capital FZE
83	PDS Manufacturing Limited
84	Norlanka Manufacturing India Private Limited
85	Poeticgem International FZCO
86	PDS Multinational FZCO
87	Spring Design London Limited
88	DIZBI Private Limited
89	LillyandSid Limited
90	Brand Collective Corporation Limited
91	S.O.T. Garments India Private Limited
92	DBS Lifestyle India Private Limited
93	Pangram Brands Global Private Limited
94	Suri Overseas Private Limited
95	S.Oliver Fashion India Private Limited
96	Sunny Up Limited
97	Techno Design USA LLC
98	Techno (Shanghai) Trading Co. Limited
99	Lily And Lionel London Limited
100	Design Arc Brands Limited
101	PDS Collective Sourcing Limited (formerly Casa Collective Sourcing Limited)
102	PDS Incubation Company Limited (PDS Sourcing Hong Kong Limited)
103	PDS Fashions Hong Kong Limited
104	New Lobster Limited
105	PDS Design Services Limited
106	PDS Lifestyle Limited
107	SKOPE Apparels FZCO
108	Infinity Fashion FZCO
109	PDS Logistics FZCO
110	PDS Lifestyle Limited UK
111	PDS Sourcing FZCO
112	PDS Brands Manufacturing FZCO



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Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited on the consolidated financial statements for the year ended 31 March 2024 (Cont'd)

Subsidiaries (Cont'd)

Sl. No	Name of the entity
113	PDS DSGN FZCO (formerly PDS Lifestyle FZCO)
114	Moda and Beyond FZCO (formerly PDS Design Services FZCO)
115	Design Hub Sourcing FZCO
116	PDS Radius Brands FZCO
117	The Source Fashions Platform FZCO
118	Collaborative Sourcing Services FZCO
119	Nodes Studio LDA
120	Progressive Crusade Unipessoal LDA
121	Home Sourcing Solutions Limited
122	Vivere London Limited
123	Sourcing Solutions Europe BVBA
124	The Brand Group Limited
125	INFINITY FASHION TEDARIK HİZMETLERİ ANONİM ŞİRKETİ (Formerly known as GEORGE TEDARIK HİZMETLERİ ANONİM ŞİRKETİ)
126	Collective Near East Sourcing Services FZCO
127	DH Sourcing Limited

Associates

Sl. No	Name of the entity
1	Reflaunt Pte Limited
2	GWD Enterprises Limited
3	Loop Digital Wardrobe Limited
4	MAMBO LEISURE MASTERS LIMITED
5	Nobleswear (Private) Limited

Joint Ventures

Sl. No	Name of the entity
1	Digital Ecom Techno Private Limited
2	Digital Internet Technologies Limited
3	Yellow Octopus EU SA (Joint Stock Company)
4	Yellow Octopus Ventures FZCO
5	Yellow Octopus-UK Limited (Formerly Yellow Octopus Fashion Limited)

Controlled Trust

Sl. No	Name of the entity
1	PDS Multinational Fashions ESOP Trust



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of PDS Limited on the consolidated financial statements for the year ended 31 March 2024

Annexure II

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

1. In conjunction with our audit of the consolidated financial statements of PDS Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies which are companies covered under the Act, as at that date.

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

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

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

3. The audit of the internal financial controls with reference to financial statements of the 1 Joint venture, which is a Company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of PDS Limited on the consolidated financial statements for the year ended 31 March 2024 (Cont'd)

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.



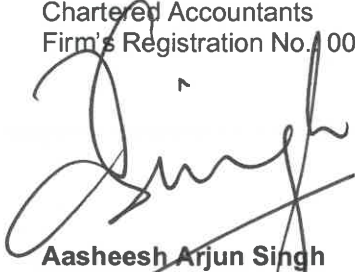
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Annexure II to the Independent Auditor's Report of even date to the members of PDS Limited on the consolidated financial statements for the year ended 31 March 2024 (Cont'd)

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 3 subsidiary companies, which are companies covered under the Act, whose financial statements / financial information reflect total assets of ₹ 181.48 lakhs and net assets of ₹15.43 lakhs as at 31 March 2024, total revenues of ₹ Nil and net cash outflows amounting to ₹ 1.74 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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



Aasheesh Arjun Singh
Partner
Membership No.: 219122
UDIN: 24210122BKEWLH3215

Place: Mumbai
Date: 14 May 2024

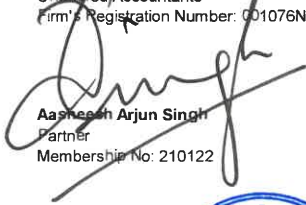


Particulars	Note no.	As at	
		March 31, 2024	March 31, 2023
Assets			
I. Non-current assets			
(a) Property, plant and equipment	4	34,416.64	35,001.70
(b) Capital work in progress	5	11,461.04	415.65
(c) Investment property	6	2,562.40	2,476.00
(d) Goodwill	7	10,407.14	7,981.27
(e) Other Intangible assets	8	3,037.54	2,910.30
(f) Intangible assets under development	8A	-	349.31
(g) Investments accounted for using the equity method	9B	11,048.02	9,780.51
(h) Financial assets			
(i) Investments	9A	33,292.47	26,750.33
(ii) Other financial assets	10	1,026.18	165.26
(i) Deferred tax assets (net)	24	1,077.22	836.23
(j) Non-current tax asset (net)		2,653.56	1,846.20
(k) Other non-current assets	11	150.86	77.13
Total non-current assets		1,11,133.07	88,589.90
Current assets			
(a) Inventories	12	32,863.83	25,574.21
(b) Financial assets			
(i) Investments	9A	1,366.47	5,304.83
(ii) Trade receivables	13	1,67,713.55	97,843.44
(iii) Cash and cash equivalents	14	46,148.64	51,124.87
(iv) Bank balances other than (iii) above	15	22,259.72	21,787.83
(v) Other financial assets	10	9,498.01	8,635.43
(c) Other current assets	11	15,205.24	12,043.24
Total current assets		2,95,055.46	2,22,313.85
Total assets		4,06,188.53	3,10,903.74
II. Equity and liabilities			
Equity			
(a) Equity share capital	16	2,634.73	2,615.91
(b) Other equity	17	1,14,015.03	1,02,751.92
Equity attributable to equity holders of the parent		1,16,649.76	1,05,367.83
Non-controlling interest		7,917.09	5,893.13
		1,24,566.85	1,11,260.96
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	4,549.62	193.21
(ii) Lease liabilities	45	7,636.08	7,924.55
(iii) Other financial liabilities	19	176.64	82.45
(b) Provisions	20	2,801.91	2,222.41
(c) Other non-current liabilities	22	36.90	49.33
Total non-current liabilities		15,201.15	10,471.95
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	89,740.46	59,881.61
(ii) Lease liabilities	45	3,467.25	3,901.28
(iii) Trade payables	21		
- Total outstanding dues to micro enterprises and small enterprises		20.99	15.93
- Total outstanding dues to creditors other than micro and small enterprises		1,50,398.35	1,12,469.11
(iv) Other financial liabilities	19	4,785.96	4,269.22
(b) Other current liabilities	22	11,464.35	3,293.38
(c) Provisions	20	1,683.51	1,525.24
(d) Current tax liabilities (net)	23	4,859.66	3,815.06
Total current liabilities		2,66,420.53	1,89,170.83
Total equity and liabilities		4,06,188.53	3,10,903.74
Summary of material accounting policies and other explanatory information	3		

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

As per our report of even date

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



Aashesh Arjun Singh
Partner
Membership No: 210122




Mumbai, India
May 14, 2024

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


Deepak Seth
Chairman & Non-Executive Director
DIN 00003021


Sanjay Jain
Chief Executive Officer

Mumbai, India
May 14, 2024


Pallak Seth
Vice Chairman & Executive Director
DIN 00003040


Rahul Ahuja
Chief Financial Officer


Abhishek Kanoi
Head of Legal & Company Secretary
Membership No. FCS 9530



PDS Limited
Consolidated Statement of Profit and Loss for the Period ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	Year ended	
		March 31, 2024	March 31, 2023
I Revenue from operations	25	10,37,264.96	10,57,700.42
II Other income	26	3,467.45	5,153.05
III Total income (I+II)		10,40,732.41	10,62,853.47
IV Expenses			
(a) Cost of material consumed	27	59,693.63	76,737.85
(b) Purchases of stock-in-trade	28	7,70,018.22	8,02,576.40
(c) Changes in inventories of finished goods and work-in-progress	29	(3,536.39)	1,238.08
(d) Employee benefits expense	30	97,949.70	76,126.69
(e) Finance costs	31	10,699.53	7,411.62
(f) Depreciation and amortization expense	32	9,342.80	8,018.20
(g) Other expenses	33	73,943.17	55,101.20
V Total expenses		10,18,110.65	10,27,210.04
VI Profit before share of loss in associates and joint ventures (III-V)		22,621.76	35,643.43
VII Share of profit of associates and joint ventures		617.81	31.93
VIII Profit before tax (VI+VII)		23,239.57	35,675.36
IX Tax expense	24		
(a) Current tax		3,259.69	3,148.05
(b) Deferred tax credit		(288.20)	(149.53)
Total tax expense		2,971.49	2,998.52
X Profit for the year (VIII-IX)		20,268.08	32,676.84
XI Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement profit/ (losses) on defined benefit plans		150.77	(316.40)
(b) Net gain on instruments measured at fair value through other comprehensive income		3,648.46	1,081.63
(ii) Income tax on items that will not be reclassified to profit or loss		4.50	10.17
(B) (i) Items that will be reclassified to profit or loss			
(a) Net loss on cash flow hedges		(58.18)	(305.14)
(b) Gain arising on translating the financial statements of foreign operations		3,334.58	2,236.76
Other comprehensive income for the year, net of tax		7,080.13	2,707.02
XII Total comprehensive income for the year, net of tax		27,348.21	35,383.86
Net profit for the period attributable to			
- Owners of the Company		14,423.10	26,497.84
- Non controlling interest		5,844.98	6,179.00
		20,268.08	32,676.84
Other comprehensive income for the year, net of tax			
- Owners of the Company		5,631.96	2,416.13
- Non controlling interest		1,448.17	290.89
		7,080.13	2,707.02
Total comprehensive income for the year, net of tax			
- Owners of the Company		20,055.06	28,913.97
- Non controlling interest		7,293.15	6,469.89
		27,348.21	35,383.86
XIII Earnings per share: (Face value ₹ 2 per share)	34		
1) Basic (amount in ₹)		10.98	20.30
2) Diluted (amount in ₹)		10.77	19.93
Summary of material accounting policies and other explanatory information	3		

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

As per report of even date
For Walker Chandiook & Co LLP

Chartered Accountants
 Firm's Registration Number: 101076N/N500013


Aashish Arjun Singh
 Partner
 Membership No. 210122



Mumbai, India
 May 14, 2024

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



Deepak Seth
 Chairman & Non-Executive Director
 DIN 00003021

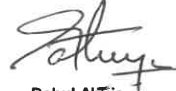


Sanjay Jain
 Chief Executive Officer

Mumbai, India
 May 14, 2024



Pallak Seth
 Vice Chairman & Executive Director
 DIN 00003040



Rahul Ahuja
 Chief Financial Officer



Abhishek Kanoi
 Head of Legal & Company Secretary
 Membership No. FCS 9530



PDS Limited
Consolidated Statement of Changes in Equity as at March 31, 2024

A. Equity Share Capital

Particulars	Amount
As at April 01, 2022	2,604.25
Fresh issue (Net of treasury share)	11.56
As at March 31, 2023	2,615.81
Fresh issue (Net of treasury share)	18.82
As at Mar 31, 2024	2,634.73

B. Other Equity

Particulars	Securities Premium Reserve	Capital reserve	Restricted reserve	Retained earnings	Other reserves	Treasury shares	Other Comprehensive Income				Share based payment reserve	Total equity before Non-controlling interest	Non-controlling interest	Total equity
							Foreign currency translation reserve	Equity instruments through OCI	Remeasurement of defined benefit plan	Effective Portion of Cash Flow Hedges				
Balance as at April 01, 2022	-	26,185.92	664.52	45,962.47	(6,792.17)	(57.73)	14,360.31	2,021.15	3.00	224.26	2,064.21	84,635.94	6,360.24	90,996.18
Net Profit for the year	-	-	-	26,497.84	-	-	-	-	-	-	-	26,497.84	6,179.00	32,676.84
Net gain on instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	470.17	-	-	-	470.17	611.46	1,081.63
Share based payments to employees (refer note 48)	-	-	-	-	-	-	-	-	-	-	1,500.98	1,500.98	-	1,500.98
Premium on issue of shares	1,124.77	-	-	-	-	-	-	-	-	-	-	1,124.77	-	1,124.77
Purchase of Treasury shares	-	-	-	-	-	(345.17)	-	-	-	-	-	(345.17)	-	(345.17)
Gain/ (loss) arising on translating the financial	-	-	-	-	-	-	2,557.33	-	(306.23)	-	-	2,557.33	(320.57)	2,236.76
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	-	-	-	-	(306.23)	-	(306.23)
Net loss on cash flow hedges	-	-	-	-	-	-	-	-	-	(305.14)	-	(305.14)	-	(305.14)
Decrease in interest by non-controlling interest	-	28.30	-	-	(3,620.71)	-	-	-	-	-	-	(3,592.41)	(598.35)	(4,190.76)
Increase in interest by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	380.78	380.78
Total Comprehensive Income	1,124.77	26,214.22	664.52	72,460.31	(10,412.88)	(402.90)	16,917.64	2,491.32	(303.23)	(80.88)	3,565.19	1,12,238.08	12,612.57	1,24,850.64
Dividend paid, net of tax	-	-	-	(9,486.16)	-	-	-	-	-	-	-	(9,486.16)	(6,719.44)	(16,205.60)
Balance as at March 31, 2023	1,124.77	26,214.22	664.52	62,974.15	(10,412.88)	(402.90)	16,917.64	2,491.32	(303.23)	(80.88)	3,565.19	1,02,751.92	5,893.13	1,08,645.04

(All amounts in ₹ lakhs, unless otherwise stated)

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PDS Limited
Consolidated Statement of Changes in Equity as at March 31, 2024

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)												
	Securities Premium Reserve	Capital reserve	Restricted reserve	Retained earnings	Other reserves	Treasury shares	Foreign currency translation reserve	Other Comprehensive Income	Effective Portion of Cash Flow Hedges	Share based payment reserve	Total equity before Non-controlling interest	Non-controlling interest	Total equity
Balance as at April 01, 2023	1,124.77	26,214.22	664.52	62,974.15	(10,412.88)	(402.90)	16,917.64	2,491.32	(80.88)	3,565.19	1,02,751.92	5,893.13	1,08,645.04
Net Profit for the year	-	-	-	14,423.10	-	-	-	-	-	-	14,423.10	5,844.98	20,268.08
Net gain on instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	2,845.45	803.01	3,648.46
Share based payments to employees (refer note 48)	-	-	-	-	-	-	-	-	-	460.71	460.71	-	460.71
Premium on issue of shares	2,293.69	-	-	-	-	-	-	-	-	-	2,293.69	-	2,293.69
Purchase of Treasury shares	-	-	-	-	-	(119.01)	-	-	-	-	(119.01)	-	(119.01)
Gain arising on translating the financial statements of foreign operations	-	-	-	-	-	-	2,689.42	-	-	-	2,689.42	645.16	3,334.58
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	155.27	-	-	155.27	-	155.27
Net loss on cash flow hedges	-	-	-	-	-	-	-	-	(58.18)	-	(58.18)	-	(58.18)
Increase in interest by non-controlling interest	-	-	-	-	(5,914.21)	-	-	-	-	-	(5,914.21)	3,612.46	(2,301.75)
Increase in interest by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	182.71	182.71
Total Comprehensive Income	3,418.46	26,214.22	664.52	77,397.25	(16,327.09)	(521.91)	19,607.06	5,336.77	(139.06)	4,025.90	1,19,528.16	16,981.45	1,36,509.60
Dividend paid, net of tax	-	-	-	(5,513.13)	-	-	-	-	-	-	(5,513.13)	(9,064.36)	(14,577.49)
Balance as at March 31, 2024	3,418.46	26,214.22	664.52	71,884.12	(16,327.09)	(521.91)	19,607.06	5,336.77	(139.06)	4,025.90	1,14,015.03	7,917.09	1,21,932.14

Summary of material accounting policies and other explanatory information 3

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

As per our report of even date

For Walker Chandok & Co LLP

Chartered Accountants

Firm's Registration Number: 007076/N/500013

Member No. 2101722

Membership No. 2101722

Aashish Arjun Singh

Partner

Membership No. 2101722

Membership No. 2101722

Membership No. 2101722

Membership No. 2101722

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Membership No. 2101722

Membership No. 2101722

Membership No. 2101722

Membership No. 2101722

Membership No. 2101722

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

Signature of Deepak Seth

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Signature of Sanjay Jain

Sanjay Jain
Chief Executive Officer

Signature of Rahul Ahuja

Rahul Ahuja
Chief Financial Officer

Signature of Pallak Seth

Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

Signature of Abhishek Kanoi

Abhishek Kanoi
Head of Legal & Company Secretary
Membership No. FCS 9530



Mumbai, India
May 14, 2024

PDS Limited

Consolidated Statement of Cash flows for the year ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	23,239.58	35,675.36
Adjustments for:		
Share of profit of associates and joint ventures	(617.81)	(31.93)
Depreciation and amortization expense	9,342.80	8,018.20
Finance costs	10,699.53	7,411.62
Provision for doubtful debts	988.66	132.82
Interest income	(1,391.94)	(528.62)
Dividend income	(198.58)	(56.92)
Liabilities written back	(46.17)	(78.10)
Fair value (gain)/loss on financial assets measured at fair value through profit and loss	(112.23)	319.12
Employee share compensation expense	1,483.45	2,146.95
Loss on sale of property, plant & equipment	40.00	36.38
Gain on sale of investment property	-	(3,648.86)
Unrealised foreign exchange fluctuation loss/(gain)	580.94	(628.03)
Unwinding of discount on security deposits	(4.42)	-
Operating profit before working capital changes	44,003.81	48,767.99
Movement in working capital:		
Change in trade payables and other financial liabilities	31,497.87	(55,766.60)
Change in other liabilities	4,137.68	(2,853.59)
Change in provisions	888.54	(187.71)
Change in trade receivables	(57,040.71)	55,244.09
Change in other assets	(3,145.83)	2,248.77
Change in inventories	5,394.76	5,772.74
Change in other financial assets	(3,810.39)	395.86
Cash generated from operations	21,925.73	53,621.56
Direct tax paid, net of refunds received	(2,975.24)	(2,633.99)
Net cash generated from operating activities (a)	18,950.49	50,987.57
Cash flows from investing activities		
Purchase of property, plant and equipment, capital working in progress and investment property	(16,209.09)	(3,186.77)
Proceeds from sale of investment property	-	5,651.87
Purchase of intangible assets	(443.69)	(2,740.53)
Purchase of investments	(6,439.84)	(11,040.02)
Proceeds from sale of investments	7,596.75	3,075.59
Consideration paid towards acquisition of non-controlling interest in subsidiary, business combinations and asset acquisition, net of cash acquired	(15,787.76)	(4,543.70)
Investment in associate and joint venture	(872.77)	-
Investment in bank deposits, net	(802.90)	(1,303.33)
Dividend received	198.58	56.92
Interest received	1,310.95	288.72
Net cash (used in) investing activities (b)	(31,449.77)	(13,741.25)
Cash flows from financing activities		
Proceeds/(repayment) of short term borrowings	19,226.62	(7,534.78)
Proceeds of long term borrowings	4,966.29	182.44
Repayment of long term borrowings	(193.21)	-
Acquisition of own equity shares by a controlled ESOP trust	(119.01)	(346.47)
Payment of dividend to shareholders	(5,399.61)	(9,486.16)
Payment of dividend to non-controlling interests of subsidiaries	(9,064.36)	(6,719.43)
Issuance of share capital including premium	1,433.24	722.26
Payment of principal portion of lease liabilities	(4,010.28)	(3,046.92)
Interest paid on lease liabilities	(632.62)	(692.26)
Interest paid	(10,054.60)	(6,764.07)
Net cash (used in) financing activities (c)	(3,847.54)	(33,685.39)
Net (decrease)/ increase in cash and cash equivalents (a+b+c)	(16,346.82)	3,560.93
Effect of exchange rate changes on cash and cash equivalents	562.55	746.70
Opening balance of cash and cash equivalents (net of bank overdraft)	48,567.31	44,259.68
Cash and cash equivalents at the end of the period	32,783.04	48,567.31
Components of cash and cash equivalents		
Cash on hand (refer note 14)	87.43	149.57
Balance with banks - current account (refer note 14)	46,061.21	50,975.30
Bank overdraft (refer note 18)	(13,365.60)	(2,557.56)
Cash and cash equivalent at the end of the year	32,783.04	48,567.31

Summary of material accounting policies and other explanatory information

3



PDS Limited
Consolidated Statement of Cash Flow for the year ended March 31, 2024 (cont'd)

(All amounts in ₹ lakhs, unless otherwise stated)

Changes in liability arising from financing activities

Particulars	Cash flow		Amortisation of upfront fees/ Interest expense	Exchange difference	Changes in leases	As at March 31, 2023
	As at April 01, 2022	Additions				
Borrowings	62,335.11	182.44	(7,534.78)	2,534.49	-	57,517.26
Interest accrued but not due on borrowings	0.25	-	(6,764.07)	-	-	0.25
Lease liability	11,713.01	-	(3,739.16)	(793.54)	4,009.19	11,825.81
	74,048.37	182.44	(18,038.03)	1,740.95	4,009.19	69,343.32
Particulars	Cash flow		Amortisation of upfront fees/ Interest expense	Exchange difference	Changes in leases	As at March 31, 2024
	As at April 1, 2023	Additions				
Borrowings	57,517.26	24,192.91	(193.21)	(592.47)	-	80,924.49
Interest accrued but not due on borrowings	0.25	-	(10,054.60)	36.94	-	37.19
Lease liability	11,825.81	-	(4,642.90)	(183.01)	3,470.79	11,103.31
	69,343.32	24,192.91	(14,890.71)	(738.54)	3,470.79	92,064.99

Summary of material accounting policies and other explanatory information

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

As per our report of even date
 For **Walker Chandiook & Co LLP**
 Chartered Accountants
 Firm's Registration Number: 001776/N/IN/500013

Aasheesh Arjun Singh
 Partner
 Membership No. 210122



Mumbai, India
 May 14, 2024

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

[Signature]

Deepak Seth
 Chairman & Non-Executive Director
 DIN 00003021

Paliak Seth
 Vice Chairman & Executive Director
 DIN 00003040

[Signature]

Sanjay Jain
 Chief Executive Officer

Rahul Ahuja
 Chief Financial Officer

[Signature]
Abyshekh Kanoi
 Head of Legal & Company Secretary
 Membership No. FCS 9530



Note 1: Corporate information

PDS Limited is a Public Limited Company (hereinafter referred as 'the Company') domiciled in India and has its registered office at Unit No.971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai- 400 093 Maharashtra. The Company along with its subsidiaries, associates and joint ventures (collectively referred to as "the Group"), is engaged in the trading of garments, investment holding, design, development, marketing, sourcing and distribution of readymade garments of all the kinds and other consumer products worldwide. The Company has its primary listings on the BSE Limited and the National Stock Exchange of India Limited.

Note 2: Statement of compliance

The consolidated financial statements are prepared on an accrual basis under the historical cost convention except for certain financial instruments which are measured at fair value. These consolidated financial statements have been prepared on going concern basis and in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable and the guidelines issued by Securities and Exchange Board of India, to the extent applicable. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The financial statements of the Group for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 14, 2024.

Going concern: The Board of Directors have considered the financial position of the Group as at March 31, 2024 and the projected cash flows and financial performance of the Group for at least twelve months from the date of these consolidated financial statements and believe that the plan for sustained profitability remains on course.

Basis of preparation and presentation

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

Recent accounting pronouncement

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31 2024, MCA has not notified any new standards applicable to the company.

Principles of consolidation

The consolidated financial statements relate to the Group. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the subsidiaries, wholly owned foreign subsidiaries, its step down subsidiaries, associates and joint ventures companies used in the consolidation are drawn upto the same reporting date as that of the Group i.e. March 31, 2024.

(ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered. The Group controls an entity when the parent has power over the entity, it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control

(iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's standalone financial statements.

Non-controlling interest (NCI)

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

Loss of control

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

Investments accounted for, using the equity method

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

Changes in ownership interest without change in control

The Group treats transactions with Non-Controlling Interests (NCI) that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interest and any consideration paid or received is recognised within equity.

The ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss where appropriate.

Business combinations

Business combinations are accounted for using the acquisition method, except for common control transactions which are accounted using the pooling of interest method that is accounted at carrying values. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the Consolidated Balance Sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquiree at the date of acquisition. Any excess of identifiable net assets over acquisition cost is recognised in the other comprehensive income on the acquisition date and accumulated in equity as capital reserve. Acquisition related costs are accounted for as expenses in the period in which they are incurred and the services are received.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.



Note 2: Statement of compliance (cont'd)

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

(i) PDS Limited, holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2024	% of voting power held as at March 31, 2023
Multinational Textile Group Limited	13.05.2014	Mauritius	100.00%	100.00%
Technocian Fashions Private Limited	20.03.2019	India	55.00%	55.00%
DIZBI Private Limited	10.07.2020	India	100.00%	100.00%
Norlanka Manufacturing India Private Limited	01.02.2021	India	100.00%	100.00%
PDS Brands Private Limited	28.07.2021	India	100.00%	100.00%
DBS Lifestyle India Private Limited	27.10.2022	India	51.00%	51.00%

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

PDS Sourcing Limited	31.03.2006	Mauritius	100.00%	100.00%
Norwest Industries Limited	31.05.2006	Hong Kong	100.00%	100.00%
Casa Forma Limited	01.01.2012	United Kingdom	100.00%	100.00%
PDS Sourcing Bangladesh Limited (formerly Multinational OSG Services Bangladesh Private Limited)	02.02.2014	Bangladesh	99.98%	99.97%
Techno Design GMBH	14.02.2014	Germany	55.00%	55.00%
PDS Ventures Limited	25.11.2015	Mauritius	100.00%	100.00%
Blueprint Design Limited	30.06.2016	Hong Kong	100.00%	100.00%
PDS Global Investments Limited ⁶	01.04.2018	Hong Kong	NA	100.00%
Spring Near East FZCO	17.01.2019	United Arab Emirates	55.00%	55.00%
Techno Sourcing BD Limited	22.10.2019	Bangladesh	49.00%	49.00%
PDS Multinational FZCO	01.02.2021	United Arab Emirates	100.00%	100.00%
PDS Manufacturing Limited	22.03.2021	Mauritius	100.00%	100.00%

(iii) Norwest Industries Limited, holds the following subsidiaries:

Nor Lanka Manufacturing Limited	22.10.2008	Hong Kong	100.00%	90.00%
PDS Tailoring Limited	17.12.2010	Hong Kong	70.00%	70.00%
Spring Near East Manufacturing Company Limited	17.12.2010	Hong Kong	65.00%	65.00%
Design Arc Europe Limited	04.11.2011	Hong Kong	70.00%	70.00%
Rising Asia Star HongKong Limited	03.01.2012	Hong Kong	100.00%	100.00%
Clover collection Limited	27.08.2012	Hong Kong	100.00%	100.00%
Design Arc Asia Limited	18.12.2012	Hong Kong	98.00%	100.00%
Kleider Sourcing Hong Kong Limited	24.10.2013	Hong Kong	51.00%	51.00%
PDS Brands Manufacturing Limited	24.10.2014	Hong Kong	100.00%	100.00%
Krayons Sourcing Limited	16.12.2014	Hong Kong	75.00%	75.00%
Sourcing Solutions Limited ⁵	12.03.2015	Hong Kong	51.00%	100.00%
Sourcing Solutions Europe BVBA ⁴	01.04.2018	Belgium	51.00%	50.00%
JJ Star Industrial Limited	28.04.2015	Hong Kong	57.50%	57.50%
360 Notch Limited	31.07.2015	Hong Kong	100.00%	100.00%
Twins Asia Limited	27.07.2015	Hong Kong	100.00%	100.00%
PDS Far-east Limited ⁶	23.08.2016	Hong Kong	80.00%	100.00%
Kindred Brands Limited	23.08.2016	Hong Kong	57.50%	57.50%
Styleberry Limited	13.09.2016	Hong Kong	100.00%	100.00%
PDS Far East USA, Inc.	11.07.2017	United States of America	100.00%	100.00%
PDS Fashions Bangladesh Limited ²	25.07.2023	Bangladesh	100.00%	NA
Jcraft Array Limited	12.04.2018	Hong Kong	85.00%	85.00%
Casa Collective Limited	19.01.2018	HongKong	75.00%	75.00%
Brand Collective Limited	30.09.2020	HongKong	55.00%	55.00%

(iv) Design Arc Europe Limited holds the following subsidiary:

Design Arc Europe SPA	17.11.2011	Spain	100.00%	100.00%
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(v) Nor Lanka Manufacturing Company Limited holds the following subsidiaries:

Nor Lanka Manufacturing Colombo Limited	13.08.2012	Sri Lanka	100.00%	100.00%
Norlanka Progress Private Limited	20.10.2015	Sri Lanka	100.00%	100.00%
LillyandSid Limited	10.03.2020	United Kingdom	55.00%	55.00%



Note 2: Statement of compliance (cont'd)

(vi) PDS Sourcing Limited (Formerly known as Global Textiles Group Limited) holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2024	% of voting power held as at March 31, 2023
Pacific Logistics Limited ⁶	27.10.2003	United Kingdom	NA	100.00%
Poeticgem Limited	30.03.2006	United Kingdom	100.00%	100.00%
Zamira Fashion Limited	20.09.2007	Hong Kong	67.00%	67.00%
FX Import Company Limited ⁶	26.03.2008	United Kingdom	NA	100.00%
PG Group Limited	13.05.2008	Hong Kong	51.00%	51.00%
Simple Approach Limited	30.11.2008	Hong Kong	85.00%	85.00%
PDS Smart Fabric Tech Limited	19.01.2009	Hong Kong	100.00%	100.00%
Poetic Knitwear Limited ⁶	31.03.2009	United Kingdom	NA	100.00%
PDS Asia Star Corporation Limited	24.10.2012	Hong Kong	60.00%	60.00%
Techno Design HK Limited	02.11.2012	Hong Kong	55.00%	55.00%
Poeticgem International Limited	27.09.2013	Hong Kong	100.00%	100.00%
Poetic Brands Limited	15.01.2015	United Kingdom	60.00%	60.00%
Grupo Sourcing Limited	15.03.2016	Hong Kong	51.00%	51.00%
Design Arc UK Limited	21.10.2016	United Kingdom	85.00%	85.00%
PDS Fashions Limited	03.07.2018	United Kingdom	100.00%	100.00%
PDS Collective Sourcing Limited	17.03.2023	Hong Kong	100.00%	100.00%
Spring Design London Limited	13.05.2021	United Kingdom	100.00%	100.00%
PDS Fashion USA Limited	28.02.2020	Hong Kong	100.00%	100.00%
Mods & Beyond Limited	04.08.2023	United Kingdom	100.00%	NA
PDS Fashions Hong Kong Limited	02.08.2022	Hong Kong	100.00%	100.00%
PDS Lifestyle UK Limited ²	03.04.2023	United Kingdom	100.00%	NA
PDS Incubation Company Limited (formerly PDS Sourcing Hong Kong Limited)	10.10.2022	Hong Kong	100.00%	100.00%
PDS Design Services Limited	08.12.2022	Hong Kong	100.00%	100.00%
PDS Lifestyle Limited	08.12.2022	Hong Kong	100.00%	100.00%

(vii) PDS Manufacturing Limited holds the following subsidiaries:

Progress Manufacturing Group Limited ³	17.07.2015	Hong Kong	100.00%	97.00%
GoodEarth Apparel Industries Limited (formerly Green Apparel Industries Limited) ³	15.03.2016	Hong Kong	100.00%	75.00%

(viii) PDS Ventures Limited (Formerly MultiTech Venture Limited) (Mauritius) holds the following joint venture:

Digital Internet Technologies Limited	25.02.2016	Hong Kong	50.00%	50.00%
Redwood internet ventures Limited ⁶	09.12.2015	Hong Kong	NA	50.00%

(ix) PG Group Limited holds the following subsidiaries:

PG Home Group Limited	13.05.2008	Hong Kong	90.00%	90.00%
PG Shanghai Manufacturer Co. Limited	08.06.2012	China	100.00%	100.00%
PG Group SPA	24.01.2023	CHILE	100.00%	100.00%

(x) PDS Multinational FZCO holds the following subsidiaries:

Twins Asia FZCO ³	17.01.2019	United Arab Emirates	85.00%	75.00%
Kleider Sourcing FZCO ³	17.01.2019	United Arab Emirates	51.00%	41.00%
Design Arc FZCO ³	17.01.2019	United Arab Emirates	85.00%	75.00%
Clover Collections FZCO	20.02.2020	United Arab Emirates	75.00%	75.00%
Poeticgem International FZCO ³	01.02.2021	United Arab Emirates	75.00%	65.00%
PG Capital FZE	27.09.2021	United Arab Emirates	100.00%	100.00%
PDS Brands Manufacturing FZCO	01.01.2022	United Arab Emirates	100.00%	100.00%
Collaborative Sourcing Services FZCO	25.07.2022	United Arab Emirates	100.00%	100.00%
PDS Logistics FZCO	03.10.2022	United Arab Emirates	100.00%	100.00%
PDS Radius Brands FZCO ²	03.07.2023	United Arab Emirates	100.00%	NA
PDS Sourcing FZCO	26.10.2022	United Arab Emirates	100.00%	100.00%
The Source Fashions Platform FZCO ²	10.08.2023	United Arab Emirates	85.00%	NA
Design Hub Sourcing FZCO ²	10.04.2023	United Arab Emirates	60.00%	NA
Infinity Fashion FZCO	26.12.2022	United Arab Emirates	60.00%	60.00%
Collective Near East Sourcing Services FZCO ²	06.03.2024	United Arab Emirates	100.00%	NA
DH SOURCING LIMITED ²	27.03.2024	United Arab Emirates	60.00%	NA
Moda and Beyond FZCO ²	08.05.2023	United Arab Emirates	100.00%	NA
PDS Design FZCO ²	08.05.2023	United Arab Emirates	100.00%	NA
PDS Global Procurement Service FZCO	22.03.2023	United Arab Emirates	100.00%	100.00%



Note 2: Statement of compliance (cont'd)

(xi) PDS Ventures Limited (Formerly Smart Notch Industrial Limited) has following Associate

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2024	% of voting power held as at March 31, 2023
Loop Digital Wardrobe Limited	15.09.2021	United Kingdom	34.00%	34.00%

(xii) Krayons Sourcing Limited holds the following subsidiary:

SKOPE Apparels FZCO	26.12.2022	United Arab Emirates	100.00%	100.00%
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(xiii) PDS Asia Star Corporation Limited holds the following subsidiary:

PDS Trading (Shanghai) Company Limited	31.12.2012	China	100.00%	100.00%
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(xiv) PG Home Group Limited holds the following subsidiary:

PG Home Group SPA	24.01.2023	Chile	100.00%	NA
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(xv) Simple Approach Limited holds the following subsidiaries:

Simple Approach (Canada) Limited	02.05.2013	Canada	100.00%	100.00%
Wonderwall (F.E) Limited ¹	01.04.2023	Hongkong	75.00%	NA
Simple Approach Home Limited ²	28.09.2023	Hongkong	100.00%	NA
Home Sourcing Solutions Limited ²	24.11.2023	Hongkong	100.00%	NA
The Brand Group Limited ²	26.01.2024	Hongkong	100.00%	NA
Simple Approach Bangladesh Private Limited	25.05.2022	Bangladesh	100.00%	100.00%

(xvi) Kleider Sourcing HongKong Limited holds the following subsidiary:

Kleider Sourcing Limited Bangladesh	10.08.2014	Bangladesh	99.97%	99.97%
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(xvii) Zamira Fashions Limited holds the following subsidiary:

Zamira Fashion Limited Zhongshan	26.06.2015	China	100.00%	100.00%
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(xviii) Grupo Sourcing Limited holds the following subsidiary:

Grupo Sourcing Limited	02.05.2016	Bangladesh	99.98%	99.98%
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(xix) GoodEarth Apparel Industries Limited (formerly Green Apparel Industries Limited) holds the following subsidiary:

GoodEarth Apparel Limited (formerly Green Smart Shirts Limited)	04.05.2016	Bangladesh	99.98%	99.98%
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(xx) PDS Ventures Limited (Formerly MultiTech Venture Limited) (Mauritius) holds the following subsidiary:

PDS Ventures Limited (Formerly Smart Notch Industrial Limited)	28.12.2017	Hong Kong	100.00%	100.00%
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(xxi) DBS Lifestyle India Private Limited holds the following subsidiaries:

Suri Overseas Private Limited	27.10.2022	India	100.00%	100.00%
Panoram Brands Global Private Limited ²	12.09.2023	India	100.00%	NA

(xxii) PDS Ventures Limited (Formerly Smart Notch Industrial Limited) (Hongkong) holds the following subsidiaries:

Upcycle Labs Limited (formerly Fikor Limited)	21.09.2021	United Kingdom	61.00%	61.00%
Apex Black Limited	28.12.2017	Hong Kong	65.00%	65.00%

(xxiii) Wonderwall (F.E) Limited holds the following subsidiary:

Wonderwall (F.E) Limited ¹	01.04.2023	United Kingdom	100.00%	NA
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(xxiv) PDS Lifestyle Limited, United Kingdom holds the following subsidiary:

New Lobster Limited ²	03.04.2023	United Kingdom	100.00%	NA
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(xxv) PDS Radius Brands FZCO holds the following subsidiary:

Vivere London Limited ¹	29.10.2023	United Kingdom	75.00%	NA
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(xxvi) Progress Manufacturing Group Limited holds the following subsidiary:

Progress Apparels (Bangladesh) Limited	12.07.2015	Bangladesh	99.99%	99.99%
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(xxvii) 360 Notch Limited holds the following subsidiary:

Smart Notch (Shanghai) Limited.	20.04.2018	China	100.00%	100.00%
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(xxviii) Poetic Brands Limited holds the following subsidiary:

Recovered Clothing Limited	24.07.2018	United Kingdom	100.00%	100.00%
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(xxix) Recovered Clothing Limited holds the following subsidiary:

Sunny Up Limited	26.05.2022	United Kingdom	100.00%	100.00%
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PDS Limited

Summary of material accounting policies and other explanatory information

Note 2: Statement of compliance (cont'd)

(xxx) Design Arc UK holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2024	% of voting power held as at March 31, 2023
Lily and Lionel London Limited	06.01.2023	United Kingdom	100.00%	100.00%
Design Arc Brands Limited	22.02.2023	United Kingdom	100.00%	100.00%

(xxxi) Poeticgem International Limited holds the following subsidiary:

Kindred Fashion Limited	23.10.2018	Canada	100.00%	100.00%
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(xxxii) Infinity Fashion FZCO holds the following subsidiary:

Infinity Fashion Tedarik Hizmetleri Anonim Sirketi ²	12.03.2024	Turkey	100.00%	NA
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(xxxiii) Techno Design HK Limited holds the following subsidiaries:

Techno Design USA LLC	16.04.2020	USA	100.00%	100.00%
Fareast Vogue Limited	16.04.2020	Hongkong	100.00%	0.00%
Techno (Shanghai) Trading Co., Ltd. ²	02.04.2023	China	100.00%	NA

(xxxiv) Techno Design GmbH holds the following subsidiary:

Techno Sourcing Dis Ticaret Anonim Sirketi ²	31.05.2023	Turkey	100.00%	NA
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(xxxv) Technocian Fashions Private Limited holds the following subsidiaries:

S.O.T. Garments India Private Limited	01.12.2021	India	99.99%	99.99%
S.Oliver Fashion India Private Limited	13.05.2022	India	99.99%	99.99%

(xxxvi) Brand Collective Limited (Formerly PDS H2GO Glove Manufacturing Limited) holds the following subsidiary:

Brand Collective Corporation Limited	29.11.2021	India	100.00%	100.00%
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(xxxvii) PDS Brands Private Limited holds the following Joint Venture:

Digital Ecom Techno Private Limited	17.06.2016	India	42.14%	42.14%
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(xxxviii) PG Capital FZE holds the following joint ventures:

Yellow Octopus EU Sp Zoo (Poland) ⁶	27.09.2021	Poland	NA	50.00%
Yellow Octopus EU spolka z ograniczona odpowiedzialnoscia spolka komandytowa ⁶	27.09.2021	Poland	NA	50.00%
Yellow Octopus EU SA ²	01.06.2023	Poland	50.00%	NA
One Stop Shop Solutions EU Sp. z oo ⁶	27.09.2021	Poland	NA	50.00%
One Stop Shop Solutions spolka z ograniczona odpowiedzialnoscia spolka komandytowa ⁶	27.09.2021	Poland	NA	50.00%
Yellow Octopus Ventures FZCO	27.09.2021	Poland	50.00%	50.00%

(xxxix) PDS Multinational FZCO holds the following joint venture:

Yellow Octopus-UK Limited (Formerly Yellow Octopus Fashion Ltd)	27.09.2021	United Kingdom	50.00%	50.00%
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(xxxx) Spring Design London Limited holds the following subsidiaries:

Nodes Studio LDA ¹	19.10.2023	India	75.00%	NA
Progressive Crusade Unipessoal LDA ¹	19.10.2023	India	60.00%	NA

(xxxxi) Multinational Textiles Group Limited holds the following associate:

GWD Enterprises Limited	21.10.2010	United Kingdom	25.00%	25.00%
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(xxxxii) Nor Lanka Manufacturing Limited holds the following associate:

Nobleswear (Private) Limited ¹	22.12.2023	Sri Lanka	26.00%	NA
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(xxxxiii) Nor Lanka Manufacturing Limited holds the following associate:

Mambo Leisure Masters Limited ¹	22.09.2023	Sri Lanka	20.00%	NA
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(xxxxiv) Yellow Octopus Ventures FZCO holds the following Associate:

Reflaunt Pte Limited	27.09.2021	Singapore	26.00%	26.00%
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Controlled Trust

(xxxxv) PDS Limited holds the following Trusts:

PDS Multinational Fashions ESOP Trust	27.07.2021	India	100.00%	100.00%
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Notes:

- 1 Acquired during the year
- 2 Incorporated during the year
- 3 Acquired stake from the non-controlling interests during the year
- 4 Joint venture become subsidiary during the year
- 5 Divested stake to non-controlling interests during the year
- 6 Entity dissolved during the year



Note 3: Material accounting policies

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

b) Material accounting judgements, estimates and assumptions:

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

Judgements:

i Useful lives of property, plant and equipment and intangible assets

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

Estimates and assumptions:

i Current tax and deferred tax

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

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

ii Impairment of inventories

Management reviews the ageing analysis of inventories of the Group at the end of each reporting period, and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The assessment of the provision amount required involves management judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying value of the inventories and the provision charge/write-back of provision for obsolete and slow-moving inventory items in the period in which estimate has been changed.

iii Impairment of goodwill

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

iv Valuation of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include consideration of inputs such as liquidity risks, credit risks and volatility in market. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.

v Provision for expected credit losses (ECL) on trade receivables

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

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic condition (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

vi Leases – estimating the incremental borrowing rate

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

vii Employee stock option plan

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group initially measures the cost of cash-settled transactions with employees using a Black Scholes model to determine the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black Scholes model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 47.

viii Contingencies

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

ix Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

x Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

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



Note 3: Material accounting policies (cont'd)

c) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

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

All other assets are classified as non-current.

Liabilities:

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

d) Property, plant and equipment (PPE)

Property, plant and equipment, capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset.

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

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

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

Capital work in progress: Capital work in progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date.

Depreciation:

Depreciation on PPE, except leasehold improvements, is provided on straight-line method over the estimated useful lives of assets. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit and Loss. Leasehold improvements are amortized over the lease term or the useful life of the assets, whichever is earlier.

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

Asset	Useful lives	
	India*	Foreign entities
Furniture and fixtures	10 years	3 - 5 years
Office equipments	5 years	5 years
Vehicles	8 years	3 years
Buildings	60 years	33 years
Computers	3 years	3 - 5 years
Plant and machinery	NA	4 - 5 years

* As per Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

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

e) Intangible assets

Goodwill

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

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

Goodwill is not amortised.

Intangible assets (other than goodwill)

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

Asset	Useful lives	
	India	Foreign entities
Intangibles	NA	5 years



Note 3: Material accounting policies (cont'd)**f) Borrowing costs**

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

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

g) Foreign currencies**Functional and presentational currency**

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

Transactions and balances

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

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

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

- assets and liabilities are translated at the closing rate at the date of that consolidated Balance Sheet.
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

g) Revenue recognition

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

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

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

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

Recognising revenue from major business activities**Sale of goods**

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon shipment or on delivery at the customer premises and on completion of performance obligation. Revenue is recognised at a transaction price allocated to the extent of performance obligation satisfied after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is recognised when the return period lapses or a reasonable estimate can be made.

Other operating revenues and other income**Interest income**

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

Investment income

Investment income is recognized as and when the right to receive the same is established.

Handling fee income

Handling fee income is recognized in the period in which the services are rendered.

Commission income and management income

Commission income is recognized when the services are rendered.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Rental income

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

Export incentives

Export incentives are recognized as income when the Company is entitled to the incentive as per the terms of the scheme in respect of the exports made and where it is probable that the Company will collect such incentive proceeds.

Any other income is recognized on an accrual basis.



Note 3: Material accounting policies (cont'd)

i) **Inventories**

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

j) **Leases**

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

Group as a lessee

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

(a) Right-of-use assets

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

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

(b) Lease liabilities

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

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

(c) Short term leases

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

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

Group as a lessor

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

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

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

k) **Employee benefits**

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

Defined contribution plan: A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

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

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

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the Statement of Profit and Loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.



Note 3: Material accounting policies (cont'd)

k) Employee benefits (cont'd)

- 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.

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.

Share based Compensation

The Group has equity-settled share-based remuneration plans for its employees. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as employee benefits expense with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits.

The Group has created an Employee Benefit Trust for providing share-based payment to its employees. The Group uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Group from the market, for giving shares to employees. The Company treats Trust as its extension and shared held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;

ii) a present obligation arising from past events, when no reliable estimate is possible.

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

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

m) Financial instruments

i) Recognition and initial measurement

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

ii) Classification and subsequent measurement

Financial assets**Initial recognition and measurement**

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

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

Financial liabilities

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

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

iii) Derecognition

Financial assets

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

(i) The contractual rights to receive cash flows from the asset has expired, or

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

Financial liabilities

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

iv) Offsetting

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

v) Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.



Note 3: Material accounting policies (cont'd)

n) **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

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

o) **Fair value measurement**

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

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

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

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

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

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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) **Taxes**

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period in the respective jurisdiction/ country. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

q) **Cash and cash equivalents**

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

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

r) **Earnings per share (EPS)**

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

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

- For the purpose of calculating diluted earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

s) **Segment reporting**

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



PDS Limited

Notes to the consolidated financial statements as at March 31, 2024

Note 4 : Property, plant and equipment

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Computers	Right to use assets	Total
Gross Carrying Value										
Balance as at April 01, 2022	917.84	11,037.00	10,819.63	6,960.52	3,992.84	1,303.56	9,379.02	1,946.76	18,357.92	64,655.09
Additions/transfers during the year	60.99	288.94	1,046.77	1,295.48	808.08	0.41	1,718.92	337.52	3,577.19	9,134.30
Disposals during the year	-	(16.02)	(3.33)	(1,022.78)	(396.97)	(209.08)	(569.91)	(24.18)	(93.42)	(2,335.70)
Lease modification	-	-	-	-	-	-	-	-	40.73	40.73
Effect of changes in exchange rates	(111.98)	(514.74)	(994.93)	(743.87)	(55.30)	40.70	(301.58)	(31.83)	(235.50)	(2,949.04)
Balance as at March 31, 2023	866.85	10,795.18	10,868.14	6,489.35	4,238.65	1,135.59	10,226.45	2,228.27	21,646.92	68,545.38
Additions/transfers during the year	22.04	401.36	1,365.20	810.49	637.87	440.69	778.94	405.24	3,206.12	8,057.96
Disposals during the year	-	-	(1.53)	(61.56)	(12.44)	(86.04)	(17.13)	(38.75)	-	(217.45)
Effect of changes in exchange rates	(13.89)	4.19	78.19	78.27	30.51	9.96	82.98	14.85	374.74	659.80
Balance as at March 31, 2024 (A)	875.00	11,200.73	12,310.00	7,318.55	4,944.59	1,500.21	11,071.24	2,609.51	25,227.79	77,055.67
Accumulated depreciation										
Balance as at April 01, 2022	-	2,508.15	4,336.49	4,218.09	2,385.36	833.55	6,665.64	992.10	6,778.08	28,717.46
Depreciation charge for the year	-	527.15	784.35	655.77	595.42	72.34	1,270.13	268.03	3,304.65	7,487.85
Disposals during the year	-	(16.02)	(1.12)	(937.50)	(464.63)	(138.68)	(549.44)	(1.99)	(145.78)	(2,255.15)
Effect of changes in exchange rates	-	51.27	(276.51)	(601.56)	66.03	80.58	51.90	(53.24)	275.05	(406.48)
Balance as at March 31, 2023	-	3,070.55	4,843.21	3,344.81	2,582.18	847.79	7,438.23	1,204.90	10,212.00	33,543.68
Depreciation charge for the year	-	520.89	946.87	716.58	736.49	109.16	1,067.12	366.87	4,127.31	8,591.30
Disposals during the year	-	-	(0.72)	(3.50)	-	(22.83)	(2.40)	(30.00)	-	(93.45)
Effect of changes in exchange rates	-	1.44	65.81	67.69	24.87	7.12	72.89	8.39	315.28	563.50
Balance as at March 31, 2024 (B)	-	3,592.88	5,855.17	4,125.58	3,343.54	941.24	8,575.85	1,550.16	14,654.60	42,639.03
Net book value										
Balance as at March 31, 2024 (A - B)	875.00	7,607.85	6,454.83	3,190.97	1,601.05	558.97	2,495.39	1,059.45	10,573.19	34,416.64
Balance as at March 31, 2023	866.85	7,724.63	6,024.94	3,144.54	1,706.47	287.80	2,788.22	1,023.37	11,434.92	35,001.70
Particulars	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
Gross carrying value	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Less: Accumulated depreciation	3,909.04	3,839.49	1,333.55	1,233.04	2,575.49	2,606.45				
Net book value	2,575.49	2,606.45								

The buildings is situated in Hong Kong (Norwest Industries Limited, a subsidiary of the company) are pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries of the Group. The details are as follows:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Gross carrying value	3,909.04	3,839.49
Less: Accumulated depreciation	1,333.55	1,233.04
Net book value	2,575.49	2,606.45

(i) The Company does not have immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the Company.



(All amounts in ₹ lakhs, unless otherwise stated)

Note 5 : Capital work in progress

	As at March 31, 2024	As at March 31, 2023
Balance in the beginning of the year	415.65	313.59
Addition during the year	11,033.72	193.39
Capitalisation during the year	(115.12)	(107.55)
Foreign exchange fluctuation	126.79	16.22
Balance as at the year end	11,461.04	415.65

Ageing of Capital work in progress

Particulars	March 31, 2024				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	11,160.51	209.62	90.91	-	11,461.04
Projects temporarily suspended	-	-	-	-	-
	11,160.51	209.62	90.91	-	11,461.04

Particulars	March 31, 2023				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	209.62	206.03	-	-	415.65
Projects temporarily suspended	-	-	-	-	-
	209.62	206.03	-	-	415.65

*There are no projects in progress under 'Capital work in progress' whose completion is overdue or has exceeded its cost compared to its original plan.

Note 6 : Investment property

	Freehold land	Building	Total
Gross carrying amount			
Balance as at April 01, 2022	68.81	4,838.89	4,907.70
Additions during the year	-	202.08	202.08
Disposals during the year	-	(2,254.93)	(2,254.93)
Foreign exchange fluctuation	-	(131.09)	(131.09)
Balance as at March 31, 2023	68.81	2,654.95	2,723.76
Additions during the year	-	151.49	151.49
Balance as at March 31, 2024	68.81	2,806.44	2,875.25
Accumulated depreciation			
Balance as at April 01, 2022	-	420.68	420.68
Disposals during the year	-	(153.51)	(153.51)
Depreciation charge for the year	-	51.18	51.18
Foreign exchange fluctuation	-	(70.59)	(70.59)
Balance as at March 31, 2023	-	247.76	247.76
Depreciation charge for the year	-	65.09	65.09
Balance as at March 31, 2024	-	312.85	312.85
Net book value			
Balance as at March 31, 2024	68.81	2,493.59	2,562.40
Balance as at March 31, 2023	68.81	2,407.19	2,476.00
a) Fair value			
Balance as at March 31, 2024	4,672.10	2,601.20	7,273.30
Balance as at March 31, 2023	3,806.25	1,961.86	5,768.11

b) Information regarding income and expenditure pertaining to investment properties of the Group is as under:

Particulars	As at March 31, 2024	As at March 31, 2023
	Rental Income derived from investment property	357.69
Less: Direct operating expenses	305.43	209.23
Profit arising from investment property before depreciation	52.26	188.80
Less: Depreciation	65.09	51.18
Profit arising from investment property	(12.83)	137.62

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

Particulars	As at March 31, 2024	As at March 31, 2023
	Not later than 1 year	125.94
Later than 1 year but not later than 5 years	195.07	50.92
Total	321.01	86.86

d) The above schedule of investment property includes :

i) Property of the Company situated at Udyog Vihar, Gurugram, Haryana in India. The investment property comprises two class of assets - Land and Building - based on the nature, characteristics and risks of the property. The fair value of investment property is ₹ 7,273.20 (31 March 2023: ₹ 5,768.11) and the same has been determined by an external independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Fair valuation of investment property is based on the direct comparison approach for land and depreciated replacement cost method for built up structure. The fair value measurement is categorized in Level 3 of fair value hierarchy.

ii) As at March 31, 2024 the investment property is pledged to secure the general banking facilities granted to the Bajaj Finance Limited.



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Note 7 : Goodwill

Particulars	Amount
Gross carrying amount	
Balance as at April 01, 2022	5,176.25
Acquisition of a subsidiary	2,335.45
Exchange difference	469.57
Balance as at March 31, 2023	7,981.27
Acquisition of a subsidiary	2,308.96
Exchange difference	116.91
Balance as at March 31, 2024	10,407.14

Allocation of goodwill to Cash Generating Units

Particulars	As at March 31, 2024	As at March 31, 2023
Poetigem, Poetigem International, Poetic Brands, Design Arc UK and Design Arc Asia	2,176.55	2,136.27
Simple Approach Limited	1,893.10	1,865.35
DBS Lifestyle India Private Limited	1,603.26	1,603.26
Nor Lanka Manufacturing Limited	967.78	953.60
Lilly and Sid Limited	667.23	657.45
Upcycle labs Limited	557.94	549.76
Sunny up Limited	528.98	215.58
Sourcing Solutions BVBA	326.18	-
Infinity Fashion FZCO	259.17	-
PDS Radius Brands FZCO	294.40	-
Vivere London Limited	188.25	-
Wonderwall (F.E) Limited	944.30	-
	10,407.14	7,981.27

Impairment testing for Goodwill

For impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Company's operating segment. Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of each CGU.

The recoverable amount of the CGU is determined on the basis of higher of value in use or fair value less cost of disposal (FVLCD). The recoverable amount of the CGU is determined based on the discounted cash flow approach, using the discount rate and terminal income growth rate from unobservable market data by an accredited independent valuer for the year ended March 31, 2024. The discount rate applied to the cash flow projections is within the range of 10.00%-25.00% and cash flows beyond the five-year period were extrapolated using a growth rate of 2.50%-7.00%.

As at March 31, 2024, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

Note 8 : Intangible assets

The following table presents the reconciliation of changes in the carrying value of other intangible assets in the Group:

Particulars	Computer software	Trade marks	Total
Gross carrying amount			
Balance as at April 01, 2022	1,752.49	0.90	1,753.39
Add: Addition during the year	3,011.86	-	3,011.86
Disposals during the year	(500.63)	-	(500.63)
Exchange difference	50.88	-	50.88
Balance as at March 31, 2023	4,314.60	0.90	4,315.50
Add: Addition during the year	985.13	-	985.13
Disposals during the year	(203.80)	-	(203.80)
Exchange difference	50.90	-	50.90
Balance as at March 31, 2024	5,146.83	0.90	5,147.73
Amortisation			
Balance as at April 01, 2022	1,018.29	0.90	1,019.19
Add: Amortisation charge for the year	479.16	-	479.16
Exchange difference	(93.15)	-	(93.15)
Balance as at March 31, 2023	1,404.30	0.90	1,405.20
Add: Amortisation charge for the year	686.42	-	686.42
Exchange difference	18.57	-	18.57
Balance as at March 31, 2024	2,109.29	0.90	2,110.19
Net carrying value			
Balance as at March 31, 2024	3,037.54	-	3,037.54
Balance as at March 31, 2023	2,910.30	-	2,910.30

Note 8A : Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Intangible assets under development	-	349.31
Total	-	349.31
Projects in progress		
	As at March 31, 2024	As at March 31, 2023
Less than 1 year	-	349.31
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	349.31

Movement in intangible assets under development

Particulars	Total
Balance as at April 1, 2022	10.34
Add: Additions during the year	349.31
Less: Capitalised during the year	(10.34)
Balance as at March 31, 2023	349.31
Add: Additions during the year	-
Less: Capitalised during the year	(349.31)
Balance as at March 31, 2024	-



PDS Limited

Notes to the consolidated financial statements as at March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9A : Investments

	As at		As at	
	March 31, 2024		March 31, 2023	
	Non-current	Current	Non-current	Current
Fair value through profit or loss (refer note 'a' below)				
Equity investments - refer note (i) and (vi) below	57.00	486.24	57.00	2,067.03
Debt investments - refer note (ii) below	-	860.23	-	3,237.80
Investment in convertible notes - refer note (iii) below	2,284.85	-	1,887.38	-
Investment in funds - refer note (iv) below	4,732.42	-	4,024.61	-
Other investments - refer note (v) below	3,134.74	-	2,990.27	-
Total (A)	10,209.01	1,366.47	8,959.26	5,304.83
Fair value through other comprehensive income				
Equity instruments (refer note 'b' below)	23,083.46	-	17,791.07	-
Total (B)	23,083.46	-	17,791.07	-
Total [C= (A+B)]	33,292.47	1,366.47	26,750.33	5,304.83

Note:

a) **Financial assets at fair value through profit or loss :**

i) The above listed equity instruments as at March 31, 2024 and March 31, 2023 were classified as financial assets at fair value through profit or loss as they were held for trading.

ii) The above listed debt instruments and Investment in Funds as at March 31, 2024 and March 31, 2023 were classified as financial assets at fair value through profit or loss as they were held for trading.

iii) The convertible notes as at March 31, 2024 and March 31, 2023 were classified as financial assets at fair value through profit or loss as they held for trading.

iv) The funds as at March 31, 2024 and March 31, 2023 were classified as financial assets at fair value through profit or loss as they held for trading.

v) The above other investments were designated, upon initial recognition, as financial assets at fair value through profit or loss as they are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management and investment strategy, and information about the investments is provided on that basis to the Group's key management personnel. As at March 31, 2024, the Group's other investments with an aggregate carrying value of ₹ 3,134.74 (March 31, 2023: ₹ 2,990.27) were pledged to secure the general banking facilities granted to the Group.

vi) The below mentioned equity investments as at March 31, 2024 were designated by the Group as financial assets at fair value through profit or loss and are stated at fair value.

Particulars	As at		As at	
	March 31, 2024		March 31, 2023	
Equity investments, at fair value				
Parc designs private limited 570,000 equity shares of ₹10 each (March 31, 2022: 570,000) equity shares of ₹10 each		57.00		57.00
Investment in equity shares of listed companies		486.24		2,067.03
Total		543.24		2,124.03

b) Financial assets at fair value through other comprehensive income:

Name of the investee entity	Investment instrument	As at		As at	
		March 31, 2024		March 31, 2023	
Alacrity Law Limited	Equity Shares	346.50		208.30	
Atterley.Com Holding Limited	Equity Shares	538.59		785.61	
Brand Kreations Limited	Equity Shares	1,881.19		1,067.99	
Cerebra Technologies, Inc.	Preference shares	57.05		112.35	
Ethical Fashion Group Limited	Equity Shares	198.96		170.68	
Fertifa Limited	Equity Shares	145.43		105.78	
Good On You Pty Limited	Equity Shares	214.70		169.81	
Hydrocotton Limited	Equity Shares	5,940.01		3,783.96	
M-Xr Limited	Equity Shares	158.83		153.45	
Style Theory Private Limited	Compulsory convertible preference shares	71.50		84.44	
Symbioco Limited	Equity Shares	304.98		294.65	
War Paint Men'S Grooming Limited	Equity Shares	136.90		132.26	
Clinova Limited	Equity Shares	653.80		642.21	
Juhu Exchange Limited	Preference Shares	315.51		277.60	
Bedfolk Limited	Equity Shares	460.58		444.98	
Big Thinx, Inc.	Equity Shares	1,920.13		334.21	
Fabacus Holdings Limited	Equity Shares	103.23		-	
Brandlab 360 Inc	Equity Shares	77.46		74.83	
Brawn Power Limited	Equity Shares	71.68		130.49	
Co Commerce Shopping Platdorm Limited	Equity Shares	249.82		252.71	
By Rotation Limited	Equity Shares	52.94		51.15	
City Brands Limited	Equity Shares	52.97		51.17	
Coat Trading Limited	Equity Shares	81.90		166.76	
Fable Home Inc.	Equity Shares	1,063.43		1,068.47	
Lukla Inc	Equity Shares	208.51		-	
Haeckels Limited	Equity Shares	290.13		280.30	
Hide Biotech Limited	Equity Shares	76.88		51.15	
Kavida Technologies Limited	Equity Shares	198.00		42.62	
Love The Sales Limited	Equity Shares	576.36		656.28	
Maude Group Inc.	Equity Shares	645.22		652.69	
Ray Studios Limited	Equity Shares	63.63		63.84	
Asian Court Holding Inc.	Equity Shares	123.85		108.58	
To The Marekt Inc.	Equity Shares	477.62		268.75	
True Capital - Zwiift LP Share	Equity Shares	389.87		715.75	
Unmind Limited	Equity Shares	146.66		204.74	
Zen Industries Limited	Equity Shares	199.46		525.89	
Monolith AI Limited	Preference shares	213.99		176.97	
Buzz Solutions, Inc	Preference shares	219.87		149.77	
Unspun Limited	Preference shares	167.32		192.74	
Viabot, Inc	Equity Shares	136.93		128.26	
Arpalus Limited	Equity Shares	27.67		27.99	
Satis.ai.Limited	Equity Shares	-		38.36	
Inde Wild Inc	Equity Shares	134.68		134.74	
Urban Legend Inc	Equity Shares	65.29		76.39	
Awe Inspired Inc	Equity Shares	419.21		424.07	
Shell Works Inc	Equity Shares	205.23		165.20	
Colorfix Limited	Preference shares	275.63		337.53	



Note 9A : Investments (cont'd)

Name of the investee entity	Investment instrument	As at	
		March 31, 2024	March 31, 2023
Smartex corporation	Preference shares	282.43	220.77
Joanna Dai Inc	Equity Shares	-	153.45
IVY Connect, Inc	Preference shares	8.05	82.18
Fabacus holding limited	Equity Shares	480.95	236.27
Evrnu, SPC	Equity Shares	306.69	216.58
10 Club Pte Limited	Preference shares	166.81	207.91
Sheep Inc	Equity Shares	273.16	263.91
Bonnet Limited - TRUE	Equity Shares	-	176.97
BioFluff Inc	Equity Shares	-	41.09
Warpyf holdings Inc	Equity Shares	-	205.46
Regeneration SRL	Equity Shares	45.26	-
Angel Hub - Cerqular	Equity Shares	20.85	-
Sereto Limited	Equity Shares	66.02	-
COCO Inc	Equity Shares	52.94	-
Nefa Holdings Inc	Equity Shares	22.63	-
Gaudy Food Inc	Equity Shares	271.76	-
Seachange Inc	Equity Shares	158.83	-
Sparxell Inc	Equity Shares	105.89	-
Dyerecycle Inc	Equity Shares	89.99	-
PolyOps, Inc (Cerebra)	Equity Shares	56.71	-
Oxyway Limited	Equity Shares	211.77	-
Frontier Knitters Private Limited	Equity Shares	102.62	-
Total		23,083.46	17,791.07

The Group has designated the above investments as financial assets at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

Note 9B : Investments accounted for using the equity method

Particulars	As at	
	March 31, 2024	March 31, 2023
Interest in joint ventures (refer note 'a' below)	10,041.55	9,573.47
Interest in associates (refer note 'b' below)	1,006.47	207.04
Total	11,048.02	9,780.51

a) Investment in Joint ventures

Name	Investment details	Place of registration	Percentage of voting rights	Carrying value		Principal activities
				March 31, 2024	March 31, 2023	
Redwood Internet Ventures Limited*	NA	Hong kong	-	-	-	E-commerce
Digital Internet Technologies Limited	Registered capital of USD 10,000	Hong kong	50%	-	-	
Digital Ecom Techno Private Limited	Authorised share capital of ₹ 100.00	India	50%	110.58	10.26	Trading of garment products
Yellow Octopus EU SA (Joint stock)	Registered capital of PLN 100,000 (₹ 19.01)	Poland	50%	-	-	
Yellow Octopus Ventures FZCO	Registered capital of AED 10,000 (₹ 2.27)	United Kingdom	50%	9,930.97	9,563.21	
Yellow Octopus - UK Limited	Registered capital of GBP 10,000 (₹ 10.14)	United Kingdom	50%	-	-	
Yellow Octopus Technologies Sp Zoo*	NA	Poland	-	-	-	
One stop Shop Solution Sp. z o.o.*	NA	Poland	-	-	-	
One Stop Shop Solutions Sp Zoo*	NA	Poland	-	-	-	

*During the year, these companies has been dissolved.

b) Investment in associates

Name	Amount of investment	Place of registration	Percentage of voting rights	Carrying value		Principal activities
				March 31, 2024	March 31, 2023	
Loop Digital Wardrobe Limited	GBP 200,000 (₹ 202.78)	United Kingdom	34.00%	128.12	159.84	Trading of garments
GWD Enterprises Limited	USD 800,070 (₹ 657.52)	United Kingdom	25.00%	-	-	
Sourcing Solutions BVBA*	NA	Belgium	-	-	47.20	Trading of garments on e-commerce platform
Reflaunt Pte Limited	USD 750,000 (₹ 616.37)	Singapore	50.00%	-	-	
Nobleswear Private Limited^	USD 1,040,000 (₹ 850.81)	Sri Lanka	26.00%	862.55	-	Manufacturing & Trading of garments
Mambo Leisure Masters Limited^	GBP 15,000 (₹ 15.79)	United Kingdom	20.00%	15.79	-	

*During the year, company has become subsidiary.

^During the year, company acquired stake in the entity.



Note 10 : Other financial assets

	As at	As at
	March 31, 2024	March 31, 2023
Non-current (unsecured, considered good)		
Security deposits (refer to note 'a' below)	14.78	0.01
Deposits with remaining maturity of more than 12 months (refer to note 'b' below)	331.01	-
Others	680.39	165.25
Total (A)	1,026.18	165.26
Current (unsecured, considered good)		
Security deposits (refer to note 'a' below)	2,095.66	1,959.68
Interest accrued but not due	371.22	290.23
Dues from related party (refer note 36)	1,420.39	2,914.78
Derivative financial instruments (refer note 38)	149.07	55.64
Others	4,938.41	2,443.25
Unbilled revenue	523.26	971.85
Total (B)	9,498.01	8,635.43
Total (A+B)	10,524.19	8,800.69

- a) The Group has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.
b) Fixed deposits with a carrying amount of 1.00 (March 31, 2023: 1.00) are pledged with the government authorities.



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Note 11 : Other assets	As at	As at
	March 31, 2024	March 31, 2023
Non-current		
Capital advances	150.86	77.12
Advances recoverable in cash or in kind		
- From others	-	0.01
Total (A)	150.86	77.13
Current		
Balance with government authorities	729.93	735.58
Prepaid expenses	6,629.09	4,533.97
Advances to suppliers	5,519.04	5,889.96
Advances to employees	2,327.18	883.73
Total (B)	15,205.24	12,043.24
Total (A+B)	15,356.10	12,120.37

Note 12: Inventories	March 31, 2024	March 31, 2023
Raw materials	13,992.98	10,239.75
Work in progress	5,057.11	5,065.05
Finished goods	8,605.97	6,464.73
Goods-in-transit*	5,207.77	3,804.68
Total	32,863.83	25,574.21

Note: Write-downs of inventories to net realisable value on account of slow moving and obsolete items amounted to ₹ 211.70 (March 31, 2023: ₹ 2,020.49). These were recognized as an expense/reversal of expense respectively during the year and were included in cost of material consumed.

*Goods-in-transit includes finished goods.

Note 13 : Trade receivables	March 31, 2024	March 31, 2023
(a) Trade receivable considered good - secured	-	-
(b) Trade receivable considered good - unsecured	1,67,713.55	97,843.44
(c) Trade receivable which have significant increase in credit risk	-	-
(d) Trade receivable - credit impaired	1,613.84	625.18
	1,69,327.39	98,468.62
Less: Allowance for expected credit loss	1,613.84	625.18
Total	1,67,713.55	97,843.44

a) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

b) The above allowance for expected credit loss as on March 31, 2024 amounting to ₹ 1,613.84 (March 31, 2023: ₹ 625.18) relates to receivable balances from the customers of the subsidiaries namely PDS Asia Star Limited, Norwest Industries Limited, Poeticgem Limited, Poetic Brands, PDS Lifestyle UK Limited and Techno design GMBH.

c) Trade receivables are generally on terms of ranging between 90 to 135 days.

e) Trade receivable ageing schedule:

Particulars	March 31, 2024						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	1,11,061.43	53,148.77	1,930.14	145.02	0.64	1,427.55	1,67,713.55
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	1,613.84	-	-	-	-	1,613.84
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total (A)	1,11,061.43	54,762.61	1,930.14	145.02	0.64	1,427.55	1,69,327.39
Less:- Allowance for expected credit loss							1,613.84
Total (B)							1,613.84
Total (A+B)	1,11,061.43	54,762.61	1,930.14	145.02	0.64	1,427.55	1,67,713.55

Particulars	March 31, 2023						Total
	Note due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables - considered good	80,082.24	15,709.27	522.96	1.58	1,527.39	-	97,843.44
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	625.18	-	-	-	-	625.18
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
	80,082.24	16,334.45	522.96	1.58	1,527.39	-	98,468.62
Less:- Allowance for expected credit loss							625.18
Total (B)							625.18
Total (A+B)	80,082.24	16,334.45	522.96	1.58	1,527.39	-	97,843.44



Note 14 : Cash and cash equivalents

	As at	
	March 31, 2024	March 31, 2023
Balances with banks:		
- Current account*	46,061.21	50,975.30
Cash on hand	87.43	149.57
Total	46,148.64	51,124.87

Note:

At March 31, 2024, the cash and bank balances of the Group denominated in RMB amounted to ₹ 224.54 (March 31, 2023: ₹ 467.60). RMB is not freely convertible into another currencies, however, under mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

* includes funds in transit amounting to ₹ 2,576.08 as at March 31, 2024 (March 31, 2023: ₹1,732.95) pertaining to PDS Limited, Norwest Industries Limited, GoodEarth Apparels Limited Poeticgem International Limited, PG Group Limited & Techno Design Hongkong Limited.

* Cash and cash equivalents as at March 31, 2024 and March 31, 2023 include restricted cash and bank balances pertaining to following:

Particulars		
bank account held by ESOP trust controlled by the Company	161.36	102.32
balance in unpaid dividend account	113.57	-
Total	274.93	102.32

Note 15 : Bank balance other than cash and cash equivalents

Earmarked balances for share fraction account	1.15	1.15
Deposits with original maturity of more than 3 months but less than 12 months (refer note 'a' below)	22,258.57	21,786.68
Total	22,259.72	21,787.83

a) Deposits amounting to March 31, 2024 ₹13,884.16 (March 31, 2023: ₹17,119.61) are pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries. The pledged time deposits are deposited with creditworthy banks with no recent history of default.



Note 16 : Share capital

	As at March 31, 2024	As at March 31, 2023
Authorised share capital		
250,000,000 (March 31, 2023: 140,000,000) equity shares of ₹ 2/- each*	5,000.00	2,800.00
	5,000.00	2,800.00
Issued, subscribed and paid up		
131,736,551 (March 31, 2023: 130,795,495) equity shares of ₹ 2/- each*	2,634.73	2,615.91
	2,634.73	2,615.91

a) Reconciliation of issued and subscribed share capital:

	No. of shares* [^]	Amount
Balance as at April 1, 2022	13,02,12,395	2,604.25
Add: Issued during the year#	6,94,100	13.88
Less: Treasury shares#	(1,11,000)	(2.22)
Balance as at March 31, 2023	13,07,95,495	2,615.91
Add: Issued during the year#	9,75,419	19.51
Less: Treasury shares#	(34,363)	(0.69)
Balance as at March 31, 2024	13,17,36,551	2,634.73

During the year ended March 31, 2024, Company has issued 975,419 equity shares (March 31, 2023 : 694,100) to the employees who have exercised stock option as per employee stock option scheme 2021. Further, the Company has purchased 43,419 equity shares (March 31, 2023: 111,000 equity shares) through the ESOP trust.

The ESOP trust has transfer 9,056 equity shares (March 31, 2023: NIL) from ESOP trust to employees who exercised there option as per stock option scheme 2021.

b) The Company has not issued any bonus shares or any shares for consideration other than cash during five years immediately preceding March 31, 2024.

*Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on July 29, 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share.

c) Terms/ rights attached to equity shares:

1. The Company has only one class of equity share having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at March 31, 2024		As at March 31, 2023	
	No. of shares [^]	Holding %	No. of shares [^]	Holding %
Mrs. Payal Seth	6,96,26,570	52.79%	6,93,76,210	52.99%
Mr. Deepak Seth	1,57,78,670	11.96%	1,57,78,670	12.05%
Mr. Sanjiv Dhiresbhai Shah	68,41,968	5.19%	80,91,830	6.31%

e) Details of shareholding of Promoters:

	As at March 31, 2024		
	Number of shares [^]	% of total shares	% change during the year
Mrs. Payal Seth	6,96,26,570	52.79%	0.36%
Mr. Deepak Seth	1,57,78,670	11.96%	0.00%
Mr. Pallak Seth	13,94,190	1.06%	0.00%
Pearl Global Industries Limited	-	0.00%	-100.00%
Mrs. Shefali Seth	-	0.00%	-100.00%
NIM International Commerce LLP	-	0.00%	-100.00%
Mr. Pulkit Seth	-	0.00%	-100.00%

	As at March 31, 2023		
	Number of shares [^]	% of total shares	% change during the year
Mrs. Payal Seth	6,93,76,210	52.99%	0.00%
Mr. Deepak Seth	1,57,78,670	12.05%	0.00%
Mr. Pallak Seth	13,94,190	1.06%	0.00%
Pearl Global Industries Limited	2,49,995	0.19%	0.00%
Mrs. Shefali Seth	180	0.00%	0.00%
NIM International Commerce LLP	180	0.00%	0.00%
Mr. Pulkit Seth	5	0.00%	0.00%

[^]The number of shares are given in absolute numbers.

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Note 17 : Other equity

	As at	
	March 31, 2024	March 31, 2023
Securities premium reserve (refer note (i) below)	3,418.46	1,134.94
Capital reserve (refer note (ii) below)	26,214.22	26,214.22
Restricted reserve (refer note (iii) below)	664.52	664.52
Other reserve (refer note (iv) below)	(16,327.09)	(10,412.88)
Retained earnings (refer note (v) below)	71,884.12	62,974.15
Foreign currency translation reserve (refer note (vi) below)	19,607.06	16,917.64
Effective portion of cash flow hedge (refer note (vii) below)	(139.06)	(80.88)
Financial instruments through other comprehensive income (refer note (viii) below)	5,336.77	2,491.32
Treasury shares (refer note (ix) below)	(521.91)	(402.90)
Stock based payment reserve (refer note (x) below)	4,025.90	3,565.19
Remeasurement of defined benefit plan (refer note (xi) below)	(147.96)	(313.40)
	1,14,015.03	1,02,751.92

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

- i) Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act
- ii) During acquisition of a subsidiary, the excess of consideration received, over the net assets is treated as capital reserve.
- iii) Restricted reserve was created on account of redemption of preference shares made in a subsidiary in FY 2016. Such reserve is in the nature of 'Capital redemption reserve' and can be used for the issue of bonus shares.
- iv) Other reserves comprise gain or loss on change in proportion of equity interest held by non controlling interests that do not result in a change in control.
- v) Retained earnings are the profits that the Group earned till date, less any transfers to general reserve, dividends or other distribution paid to shareholders.
- vi) Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve.
- vii) The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.
- viii) This represents the cumulative gains and losses arising on the revaluation of financial instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income.
- ix) This represent the own equity instruments that are reacquired [treasury shares] and are recognised at cost and disclosed as deducted from equity.
- x) The group has established share based payment plans for certain categories of employees of the group. (refer note 48 for further details on these plans.)
- xi) This represents the cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to statement of profit and loss.

Details of dividend distributions proposed:

Particulars	As at	
	March 31, 2024	March 31, 2023
Proposed dividend on equity shares:		
Proposed dividend: ₹ 3.15/- per equity share of ₹ 2/- each (March 31, 2023: ₹ 2.60/- per equity share of ₹ 2/- each)	4,149.70	3,400.68
Total proposed dividend on equity shares	4,149.70	3,400.68

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



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Note 18 : Borrowings	As at March 31, 2024	As at March 31, 2023
Non-current		
Secured loan		
- Term loan from bank (refer note b(i) below)	4,966.29	208.74
Less: Current maturities of long term borrowings	(416.67)	(15.53)
Total (A)	4,549.62	193.21
Current		
Secured loan		
- From banks (refer note 'd' below)	74,666.73	56,538.17
- Bank overdraft (refer note b(ii), (iii), (iv) and (v) below)	13,365.60	2,557.56
- Import Loan (refer note b(vii) below)	978.81	616.60
- Vehicle loan from bank (refer note b(vi) below)	-	4.78
- Current maturities of long term borrowings	416.67	15.53
Unsecured loan		
- From directors (refer note c below)	312.65	148.97
Total (B)	89,740.46	59,881.61
Total (A+B)	94,290.08	60,074.82

a) For interest rate and liquidity risk related disclosures, refer note 41.

b) The terms and nature of the loans are :

(i) Long term loan of ₹ 5,000.00 (March 31, 2023 - Nil) taken by the Company from Bajaj Finance Limited, is guaranteed by lien marked on property located at Plot no. 222, Udyog Vihar, Phase 1, Gurugram - 122022. The tenor of the loan is 84 months (12 months moratorium) and it carries rate of interest of 9.75% per annum (March 31, 2023 - Nil). The date of first installment is due on October 5, 2024 and the date of maturity is July 5, 2030.

(ii) Bank overdraft limit of ₹ 350.00 (March 31, 2023 - ₹ 350.00) taken by the Company from Axis Bank is guaranteed by lien marked on the fixed deposit. The loan is repayable on demand and it carries rate of interest of 9.25% per annum (March 31, 2023 - 9.25% per annum).

(iii) Bank overdraft limit of ₹ 9,899.57 (March 31, 2023 - ₹ NIL) taken by the New Lobster Limited from HSBC Bank UK is secured by a charge on assets of New Lobster Limited. The loan is repayable on demand and it carries rate of interest of 9.25% per annum (March 31, 2023 - NIL).

(iv) Bank overdraft limit of ₹ 4,050.22 (March 31, 2023 - ₹ 2,715.83) taken by the Norwest Industries Limited and its subsidiaries is secured by a charge on assets of Norwest Industries Limited and its subsidiaries. The loan is repayable on demand. For rate of interest refer note d(iv) below.

(v) Bank overdraft limit of ₹ 2,632.01 (March 31, 2023 - ₹ 2,534.72) taken by the Poeticgem Limited is secured by a charge on assets of Poeticgem Limited. The loan is repayable on demand and it carries rate of interest of Base rate + 2%.

(vi) Vehicle loan

- Vehicle loan of ₹ 27.00 taken by the Company, from Axis Bank, during the year ended March 31, 2019 was secured against hypothecation of the respective vehicle. The applicable rate of interest is 8.80% per annum (March 31, 2023: 8.80% per annum). The loan was repayable in 60 monthly instalments and has been completely repaid during the current year.

(vii) Import loan facility of ₹ 2,000.00 (March 31, 2023 - ₹ 2,000.00) taken by the Company is guaranteed by Stand By Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 180 days and the rate of interest is fixed based upon the prevalent bank MCLR/3M T-bill and other external benchmark decided by the bank and in line with RBI guidelines of the appropriate tenor.

c) Unsecured loan from director pertains to loan taken from the director by DBS Lifestyle India Private Limited. The said loan are repayable on demand and carries no rate of interest.

d) Others:

i) The Group's interest-bearing bank borrowings are secured by certain of the Group's investment properties, time deposits, and unlisted investments with an aggregate carrying amount of approximately ₹ 23,257.74 (March 31, 2023: ₹ 23,477.68) and guaranteed by the immediate holding company, fellow subsidiaries, and directors of the Company.

ii) In case of banking facilities of Simple Approach Limited, Zamira fashions Limited, Techno Design HK Limited, PDS Asia Star Limited, Poeticgem International Limited, Green Apparel Industries Limited and Progress Manufacturing Group Limited, PG Group the banking facilities are secured by fellow subsidiaries' corporate guarantee, directors' personal guarantee, life insurance policy, bank guarantee and fellow subsidiary's properties.

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Note 18 : Borrowings (cont'd)

(iii) Interest an repayment details of secured loans from banks are as follows:

a) PDS Asia star limited

Nature of loan	Carrying amount		Interest rates		Repayable terms
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
Trust receipt loans (refer note d(i) and (ii) above)	5,049.54	-	BFR +1.75% p.a SOFR +2.15% p.a	NA	Repayment within 90 days

b) Simple Approach Limited

Trust receipt loans (refer note d(i) and (ii) above)	14,513.38	13,736.55	Bank prime rate+1.50% p.a to 1.75% p.a SOFR+2.15%p.a BFR +1.75% p.a	Bank prime rate+1.50% p.a SOFR+2.15%p.a BFR +1.75% p.a	Repayment within 90 days
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c) Zamira Fashions Limited

Trust receipt loans (refer note d(i) and (ii) above)	3,357.59	3,003.55	Bank prime rate+1.75% p.a Bank funding rate+1.75%p.a SOFR+2.15% p.a	Bank prime rate+1.75% p.a Bank funding rate+1.75%p.a SOFR+2.15% p.a	Repayment within 90 days
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d) Poeticgem International Limited

Trust receipt loans (refer note d(i) and (ii) above)	6,274.41	6,199.70	Bank funding rate+1.75%p.a SOFR+1.50%p.a SOFR+2.15% p.a	Bank funding rate+1.75%p.a SOFR+1.50%p.a SOFR+2.15% p.a	Repayment within 90 days
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e) Techno Design HK Limited

Trust receipt loans (refer note d(i) and (ii) above)	8,859.97	5,991.23	Bank prime rate+1.75% p.a Bank funding rate+1.75%p.a SOFR+2.15% p.a	Bank prime rate+1.75% p.a Bank funding rate+1.75%p.a SOFR+2.15% p.a	Repayment within 90 days
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f) Progress Manufacturing Group Limited

Trust receipt loans (refer note d(i) and (ii) above)	6,291.26	5,563.58	SOFR+2.15% p.a.	SOFR+2.15% p.a.	Repayment within 90 days
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g) Norwest Industries Limited and its subsidiaries

Trust receipt loans (refer note d(i) and (ii) above)	29,970.58	21,693.56	COF ^{^^} +1.75%, USD SOFR [^] +1.75%, HIBOR [^] +2% USD SOFR [^] +3.5% USD SOFR [^] +2.15%,	COF ^{^^} +2.00%, COF ^{^^} +1.75% p.a, LIBOR [#] +2% SOFR ^{***} +3.5% USD SOFR [^] +2.15%,	Repayable on demand
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h) PDS Limited

Short-term loan (refer note 'iv' below)	350.00	350.00	prevalent bank MCLR/3M T-bill/ and other external benchmark decided by the bank and in line with RBI guidelines.	10.25%	Repayable within 89 days.
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London Interbank Offered Rate ("LIBOR")

##Risk free rate ("RFR")

^Hong Kong Interbank Offered Rate ("HIBOR")

^^ Intesa Sanpaolo S.P.A.'s Cost of Funds ("COF")

^^^BNP Paribas cost of fund ("COF")

^^^ BNP PARIBAS's Funding Rate ("BFR")

^^^Euro Interbank Offered Rate ("EURIBOR")

*HSBC Secured Overnight Financing Rate ("SOFR")

***UCO bank secured overnight financing rate ("SOFR")

****Benchmark Prime Lending Rate ("BPLR")

**HSBC GBP Sterling Overnight Index Average ("SONIA")

iv) Guaranteed by Stand By Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong.



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Note 19 : Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Non-current		
Security deposit received (refer to note 'a' below)	176.64	82.45
Total (A)	176.64	82.45
Current		
Interest accrued but not due on borrowings from bank	37.19	0.25
Security deposit received	-	2.31
Derivative financial instruments (refer note 38)	298.20	69.01
Dues to employees	3,677.54	3,659.85
Share based payment liability (refer note 48)	659.50	386.71
Unclaimed dividend (refer to note 'b' below)	113.53	-
Due to related party (refer note 36)	-	151.09
Total (B)	4,785.96	4,269.22
Total (A+B)	4,962.60	4,351.67

- a) The Group has determined its security deposits are not in the nature of borrowings and accordingly have been classified as part of other financial liabilities.
b) It does not include any amount due and outstanding, to be credited to investor education and protection fund.

Note 20 : Provisions

Non-current		
Gratuity and other defined benefit plans (refer note 35)	2,801.91	2,222.41
Total (A)	2,801.91	2,222.41
Current		
Provision for compensated absences	1,256.52	1,252.87
Gratuity and other defined benefit plans (refer note 35)	426.99	272.37
Total (B)	1,683.51	1,525.24
Total (A+B)	4,485.42	3,747.65

Note 21 : Trade payable

- Total outstanding dues to micro enterprises and small enterprises - (refer note 'a' & 'b' below)	20.99	15.93
- Total outstanding dues to creditors other than micro and small enterprises	1,50,398.35	1,12,469.11
Total	1,50,419.34	1,12,485.04

- a) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 and as certified by the management, the amount due to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	As at March 31, 2024	As at March 31, 2023
- the principal amount (March 31, 2024: ₹20.99, March 31, 2023: ₹ 15.93) and the interest (March 31, 2023: Nil, March 31, 2022: Nil) due thereon remaining unpaid to any supplier at the end of each accounting year;	20.99	15.93
- the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
- the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
- the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

- b) Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company.

c) Aging schedule:

Particulars	Accrued liabilities	As at March 31, 2024				
		Outstanding for following periods from the due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
- Total outstanding dues to micro enterprises and small enterprises	-	20.99	-	-	-	20.99
- Total outstanding dues to creditors other than micro and small enterprises	17,843.41	1,32,487.28	59.05	8.61	-	1,50,398.35
- Disputed dues - Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-
- Disputed dues - Total outstanding dues to creditors other than micro and small enterprises	-	-	-	-	-	-
Total	17,843.41	1,32,508.27	59.05	8.61	-	1,50,419.34

Particulars	Accrued liabilities	As at March 31, 2023				
		Outstanding for following periods from the due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
- Total outstanding dues to micro enterprises and small enterprises	-	15.93	-	-	-	15.93
- Total outstanding dues to creditors other than micro and small enterprises	5,247.25	1,07,137.05	84.81	-	-	1,12,469.11
- Disputed dues - Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-	-
- Disputed dues - Total outstanding dues to creditors other than micro and small enterprises	-	-	-	-	-	-
Total	5,247.25	1,07,152.98	84.81	-	-	1,12,485.04



PDS Limited

Notes to the consolidated financial statements as at March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 22 : Other liabilities

	As at March 31, 2024	As at March 31, 2023
Non-current		
Deferred income on security deposit received	35.75	48.18
Other payables	1.15	1.15
Total (A)	36.90	49.33
Current		
Deferred income on security deposit received	-	5.59
Statutory dues	840.37	414.92
Revenue received in advance	5,836.60	2,746.49
Other payables	4,787.38	126.38
Total (B)	11,464.35	3,293.38
Total (A + B)	11,501.25	3,342.71

Note 23 : Liabilities for current tax (net)

Provision for income tax, net of advance tax	4,859.66	3,815.06
Total	4,859.66	3,815.06

Note 24 : Income Tax

(a) Deferred tax, net

Particulars	As at March 31, 2024		As at March 31, 2023	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Deferred tax asset relates to the following:				
Provision for employee benefits	224.77	-	232.03	36.23
Property, plant and equipment	92.24	575.19	81.04	673.33
Lease liability	228.61	-	360.57	-
Brought forward losses and unabsorbed depreciation	1,345.53	-	1,189.50	-
Interest income	-	-	-	19.02
Valuation gain on Investment	-	92.88	-	117.62
Foreign currency Loss	8.26	-	64.78	-
Right of use assets	-	107.99	-	231.38
Others	57.29	103.42	38.25	52.36
	1,956.69	879.48	1,966.17	1,129.94
Deferred tax asset (net)	1,077.21	-	836.23	-
(Credit)/charges for the year		(240.98)		13.95
Reconciliation to the consolidated Statement of Profit and Loss				
a. (Credit)/charges for the year		(240.98)		13.95
b. Exchange differences		(47.21)		(155.41)
c. Others		-		(8.07)
Credit during the year		(288.19)		(149.53)

The Group has recognised deferred tax asset amounting to ₹ 886.24 (March 31, 2023: ₹ 1,051.67) in respect of temporary differences in accordance with Ind AS 12 "Income tax" across the entities in various tax jurisdictions, on unabsorbed depreciation of ₹ 8,862.42 (March 31, 2023: ₹ 10,070.54) which can be carried forward indefinitely.

As at March 31, 2024, a subsidiaries of the Group has unused tax losses of ₹ 2,785.49 (March 31, 2023: ₹ 783.31) arising in Bangladesh and India, on which the Group has created a deferred tax asset of ₹ 459.29 (March 31, 2023: ₹ 137.83). For Bangladesh entity the tax loss will expire between FY 2025 to FY 2028, and for Indian entity it will expire between FY 2025 to FY 2032.

(b) Income tax expense in the Statement of Profit and Loss

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Particulars	As at March 31, 2024	As at March 31, 2023
	Tax expense:	
a) Current tax	3,259.69	3,148.05
b) Deferred tax credit	(288.20)	(149.53)
Income tax expense reported in the Statement of Profit and Loss	2,971.49	2,998.52

(c) Reconciliation of tax expense for March 31, 2024 and March 31, 2023

Particulars	As at March 31, 2024	As at March 31, 2023
	Accounting profit before income tax	23,239.57
Statutory rate	25.168%	25.168%
At statutory income tax rate (applicable rate)	5,848.94	8,978.78
Business losses where no deferred tax has been recognised	926.92	1,038.15
Net effect of tax rates in foreign jurisdictions	(1,979.09)	(4,548.41)
Income exempt from tax	(2,132.78)	(2,856.86)
Tax effect on intercompany dividend	167.83	254.91
Non-deductible expenses	1,066.37	1,020.53
Others	(926.69)	(888.59)
At the effective income tax rate	2,971.49	2,998.52
Income tax recognised in other comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year:		
Net loss on remeasurements of defined benefit plans	4.50	10.17
Net amount charged to other comprehensive income	4.50	10.17

(d) The group does not have any transactions that were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.



PDS Limited

Notes to the consolidated financial statements for the year ended March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 25 : Revenue from operations	Year ended March 31, 2024	Year ended March 31, 2023
Sale of goods (refer note 44)	9,97,497.01	10,34,549.05
Other operating revenues*	39,767.95	23,151.37
Total	10,37,264.96	10,57,700.42

*Other operating revenue includes commission income, marketing fee income and other miscellaneous operating revenue.

Note 26 : Other income		
Interest income		
- On fixed deposits carried at amortised cost	1,082.19	463.91
- Others	309.75	64.71
Foreign exchange fluctuation (net)	1,118.42	-
Gain on fair valuation of investments carried at fair value through profit or loss	112.23	-
Unwinding of discount on deposits carried at amortised cost	4.42	3.05
Sundry balance written back	46.17	78.10
Dividend from investments carried at fair value through profit or loss	198.58	56.92
Gain on disposal of investment property	-	3,648.86
Miscellaneous income	595.69	837.50
Total	3,467.45	5,153.05

Note 27 : Cost of material consumed		
Inventory at the beginning of the year	10,239.75	13,952.17
Add: Purchases	63,446.86	73,025.43
Less: Inventory at the end of the year	13,992.98	10,239.75
Total	59,693.63	76,737.85

Note 28 : Purchase of stock in trade		
Purchases	7,70,018.22	8,02,576.40
Total	7,70,018.22	8,02,576.40

Note 29 : Changes in inventories of finished goods and work in progress		
Inventories at the beginning of the year		
- Finished goods	10,269.41	12,981.40
- Work-in-progress	5,065.05	3,591.14
Total (A)	15,334.46	16,572.54
Inventories at the end of the year		
- Finished goods	13,813.74	10,269.41
- Work-in-progress	5,057.11	5,065.05
Total (B)	18,870.85	15,334.46
Increase/ (Decrease) in inventory (A-B)	(3,536.39)	1,238.08

Note 30 : Employee benefits expense		
Salaries, wages and bonus	88,928.68	68,578.69
Contribution to provident and other fund (refer note 35)	5,428.30	3,705.92
Staff welfare expenses	1,325.54	907.82
Gratuity expense (refer note 35)	783.73	787.31
Employee share compensation expense (refer note 48)	1,483.45	2,146.95
Total	97,949.70	76,126.69

Note 31 : Finance costs		
Interest expense		
- on term loans	701.89	180.13
- on cash credit, factoring and working capital facilities	8,892.05	6,019.02
- on vehicle loan	0.18	0.71
- on lease obligation (refer note 45)	632.62	636.33
- on loan from others	447.10	354.26
- on others	13.38	209.95
Unwinding of discount on security deposit received	12.31	11.22
Total	10,699.53	7,411.62

Note 32 : Depreciation and amortization expense		
Depreciation of property plant and equipment (refer note 4)	4,463.98	4,183.20
Depreciation of investment property (refer note 6)	65.09	51.18
Amortization of intangible assets (refer note 8)	686.42	479.16
Depreciation on right to use of assets (refer note 4 and 45)	4,127.31	3,304.65
Total	9,342.80	8,018.20



Note 33 : Other expenses	Year ended	Year ended
	March 31, 2024	March 31, 2023
Other manufacturing expenses	680.77	615.14
Electricity charges	986.94	837.53
Rent (refer note 45)	1,288.61	724.87
Rates and taxes	1,640.64	533.94
Loss on fair valuation of investments	-	319.12
Repairs and maintenance	1,566.67	1,126.47
Legal and professional expenses	12,847.28	11,124.18
Software cost	743.34	845.82
Travelling and conveyance	8,141.11	5,654.82
Selling and marketing	7,583.11	5,877.94
Postage and courier	3,530.54	3,002.21
Commission and brokerage	6,234.59	5,431.24
Provision for doubtful debts	988.66	132.82
Freight cost	6,100.55	5,206.89
Loss on sale of plant, property and equipment	40.00	36.38
Recruitment expenses	886.85	679.66
Foreign exchange fluctuation (net)	840.90	1,025.44
Royalty	5,462.82	3,739.00
Advertisement and business promotion	2,281.69	1,131.35
Insurance	1,042.29	1,105.72
Security expenses	170.02	157.76
Printing and stationery	610.00	585.11
Communication costs	728.89	752.34
Bank charges	2,115.78	1,496.23
Corporate social responsibility expenses	56.72	15.16
Research and development expenses	-	0.46
Investment management fee	317.52	192.72
Miscellaneous expenses	7,056.88	2,750.88
Total	73,943.17	55,101.20

Note 34 : Earnings per share (EPS)

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

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Profit attributable to the equity holders of the Company (₹)	14,423.10	26,497.84
Weighted average number of equity shares for basic EPS**	13,13,02,128	13,05,31,747
Effect of dilution:		
Employee stock option plan*	25,78,205	24,28,867
Weighted average number of equity shares for diluted EPS**	13,38,80,334	13,29,60,614
Earning per Equity share (in ₹)		
Basic earnings per share (in ₹) (face value ₹2/- per share)	10.98	20.30
Diluted earnings per share (in ₹) (face value ₹ 2/- per share)	10.77	19.93

* Net of issue of fresh capital & treasury shares during year ended March 31, 2024 is 9,41,056 shares (March 31, 2023- 5,83,100 shares).

**The number of shares are given in absolute numbers.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on July 29, 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share During the previous year, Company has restated the EPS accordingly.



Note 35: Defined benefit plans**a) Defined contribution plans:**

The Group makes contribution towards Employees Provident Fund, Mandatory Provident Fund retirement benefit scheme and Employee's State Insurance scheme across the various geography. Under the rules of these schemes, the Group is required to contribute a specified percentage of payroll costs. The Group during the year recognised the following amounts in the Consolidated Statement of Profit and Loss under contribution to defined contribution plans:

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Employer's contribution to provident fund/ pension fund	5,428.30	3,705.83
Employer's contribution to employee state insurance	-	0.09
Total	5,428.30	3,705.92

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

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, which enable to determine the present value of obligations arising out of the defined benefit plans. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. Following are the benefit plans provided for -

i) The Group operates an unfunded defined benefit gratuity plan for all its qualifying employees in India. Gratuity is calculated as 15 days' salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

ii) The Group operates an unfunded defined benefit plan for all its qualifying employees in Bangladesh. The Group has made provisions for estimated liabilities for employee benefits for meeting the minimum benefits required to be paid to the qualified employees as required under Bangladesh Labour Act. Under Bangladesh Labor Act, companies are required to pay a minimum benefit of fourteen days salary for every completed year of service. For unfunded scheme, the Group engages the services of actuaries to conduct valuation studies to determine the retirement obligations to ensure that these maturing obligations and expected benefit payments are covered and budgeted for. Benefits are determined by reference to employees' final salaries and length of service, and the schemes have undergone independent valuations on an annual basis.

iii) The following tables summarize the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and amounts recognised in the Balance Sheet for the defined benefit plans. These have been provided on accrual basis, based on year end actuarial valuations.

Change in benefit obligation

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
1) Opening defined benefit obligation	2,494.78	2,179.00
2) Acquisition adjustment	-	26.28
3) Add: Interest cost	192.45	120.39
4) Add: Current service cost	591.28	666.92
5) Less: Benefits paid	(200.38)	(181.41)
6) Add: Actuarial loss/ (gain)	150.77	(316.40)
Present value of obligation as at the end of the year	3,228.90	2,494.78

iv) The following tables summarise the net benefit expense recognised in:**i) Statement of Profit and Loss:****Particulars**

Cost for the year included under employee benefit	591.28	666.92
Current service cost	192.45	120.39
Interest cost	-	-
Net cost	783.73	787.31

ii) Other comprehensive income:**Particulars**

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Actuarial gain/(loss)	150.77	(316.40)
Total	150.77	(316.40)

v) Principal actuarial assumptions at the balance sheet date are as follows:**Economic assumptions**

1) Discount rate	7.22-12.63%	7.00-8.90%
2) Rate of increase in compensation levels	5.00-7.50%	5.00-9.00%

Demographic assumptions

1) Retirement age (years)	58-60 Years	58-60 Years
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Employee Turnover / Attrition rate

1) Ages up to 30 years	1.50% - 9.20%	1.50% - 9.20%
2) Ages from 30-44	1.50% - 9.20%	1.50% - 9.20%
3) Above 44 years	1.50% - 9.20%	1.50% - 9.20%

vi) Net liabilities recognized in the Balance Sheet for benefit obligation**Particulars**

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Present value of obligation	3,228.90	2,494.78
Net liability	3,228.90	2,494.78

vii) The weighted average duration of the defined benefit obligations are in the range of 8.10 - 20.47 years (March 31, 2023: 7.13 - 17.61 years).



Note 35: Defined benefit plans (cont'd)

viii) A quantitative sensitivity analysis for significant assumptions is as shown below:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	increase/(decrease) in liability	increase/(decrease) in liability
A. Discount rate	Impact on liability	
0.5% increase in discount rate	(79.89)	(88.01)
0.5% decrease in discount rate	85.18	95.02
B. Salary escalation rate		
0.5% increase in salary escalation rate	87.75	95.11
0.5% decrease in salary escalation rate	(83.33)	(89.05)

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

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

i) Description of risk exposures:

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

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

Particulars	As at	As at
	March 31, 2024	March 31, 2023
1 year	342.50	284.36
2 to 6 years	577.10	330.50
More than 6 years	2,309.30	1,879.92

k) The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



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Note 36 : Related parties disclosure

a) List of related parties

Name of the related party	Nature of relationship
Digital Ecom Techno Private Limited	Joint ventures
Digital Internet Technologies Limited	
Yellow Octopus EU SA (Joint Stock Company)	
Yellow Octopus Ventures FZCO	
Yellow Octopus-UK Limited (formerly Yellow Octopus Fashion Limited)	
GWD Enterprises Limited	Associates
Loop Digital Wardrobe Limited	
Nobleswear Private Limited	
Sourcing Solution Europe BVBA*	
Mambo Leisure Masters Limited	
Reflaunt Pte Limited	Key managerial personnel (KMP)
Mrs. Payal Seth (Non-Executive Director)^	
Mr. Deepak Seth (Non-Executive Director)	
Mr. Pallak Seth (Executive Director)#	
Mr. Parth Gandhi (Non Executive-Non Independent Director)	
Mr. Nishant Parikh (Non Executive -Independent Director)	
Mr. Ashutosh Prabhudas Bhupatkar (Independent Director)**	
Mr. Ashok Kumar Sanghi (Independent Director)**	
Mr. Ashok Kumar Chhabra (Independent Director)**	
Mr. BG Srinivas (Additional Non-Executive -Independent Director)	
Mr. Mungo Park (Non Executive -Independent Director)	
Mrs. Yael Gairola (Non Executive -Independent Director)	
Mr. Robert Sinclair (Non Executive -Independent Director)	
Mr. Sanjay Jain (Chief Executive Officer)	
Mr. Rahul Ahuja (Chief Financial Officer)^^^	
Mr. Ashish Gupta (Chief Financial Officer)^^^	
Mr. Abhishekh Kanoi (Head of Legal & Company Secretary)	
PDS Multinational Fashions ESOP Trust*****	Controlled trust

Refer Note 2 for details of subsidiaries and step down subsidiaries.

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023
Digital Ecom Techno Private Limited	Joint Venture	Rental income	0.12	0.12
GWD Enterprises Limited	Associate	Sale of goods	436.38	97.38
Sourcing Solution Europe BVBA*	Associate	Sale of goods	-	1,197.65
Nobleswear Private Limited	Associate	Purchase of goods	433.61	-
Mr. Ashutosh Prabhudas Bhupatkar**	Key managerial personnel	Director sitting fees	-	1.04
Mr. Nishant Parikh		Director sitting fees	-	40.20
Mr. Robert Sinclair		Director sitting fees	-	40.17
Mr. Mungo Park		Director sitting fees	-	40.17
Mrs. Yael Gairola		Director sitting fees	47.60	39.35
Mr. Pallak Seth			1,034.29	998.54
Mrs. Payal Seth			-	66.61
Mr. Ashish Gupta		Remuneration	114.14	166.74
Mr. Sanjay Jain			879.78	699.78
Mr. Abhishekh Kanoi			109.66	98.28
Mr. Rahul Ahuja			201.74	81.65
Mr. Ashok Kumar Sanghi**			-	26.38
Mr. Sanjay Jain			-	466.21
Mr. Ashish Gupta		Employee stock compensation expense	-	40.52
Mr. Parth Gandhi			40.17	90.27
Mr. Abhishekh Kanoi		23.20	68.45	
Mr. Rahul Ahuja		140.05	28.16	
Mr. Ashok Kumar Chhabra**		-	13.08	

c) Year end receivable balances

Name of related party	Relationship	Nature	As at March 31, 2024	As at March 31, 2023
Digital Internet Technologies Limited	Joint venture	Dues from related party	287.73	288.73
Sourcing Solution Europe BVBA	Associate		-	1,115.08
Yellow Octopus EU sp.zo.o.	Joint venture		497.61	865.08
Yellow Octopus Ventures FZCO	Joint venture		635.05	606.38
GWD Enterprises Limited	Associate		-	39.51
Mr. Rahul Ahuja	Key managerial personnel	Advance to employees	-	0.22
Mr. Ashish Gupta	Key managerial personnel	Advance to employees	-	37.50
Mr. Abhishekh Kanoi	Key managerial personnel	Advance to employees	-	17.50



Note 36 : Related parties disclosure (cont'd)

d) Year end payable balances

Name of related party	Relationship	Nature	As at	As at
			March 31, 2024	March 31, 2023
Mr. Ashish Gupta	Key managerial personnel	Due to employees	-	6.73
Mr. Abhishek Kanoi			4.77	4.70
Mr. Rahul Ahuja			8.18	6.28
Mr. Sanjay Jain			16.01	19.48
Mr. Pallak Seth			-	76.36
Mr. Deepak Seth		Dues to related party	-	104.32
Yellow Octopus Fashion Limited	Joint venture	Dues to related party	-	46.77

* During the year ended March 31, 2024, entity is converted into subsidiary.

** Resigned as Independent director and KMP for the period ended March 31, 2022.

^ Mrs. Payal Seth is the largest shareholder.

#The Board of Directors of the Company has appointed Mr. Pallak Seth as Executive Vice Chairman & Director (Executive Director) is for a period of 5 years with effect from November 02, 2022 to November 01, 2027.

^^ Mr. Rahul Ahuja was appointed as Chief Financial Officer and Whole Time Key Managerial Personnel of the Company w.e.f. January 25, 2023 at the Board meeting held on January 24, 2023. Mr. Ashish Gupta has resigned as a Chief Financial Officer of the Company w.e.f. close of business hours of January 24, 2023.

****The Group has created an employee benefit trust for providing share-based payment to its employees. The group uses the trust to distribute shares to employees under the employee remuneration schemes. The trust buys shares of the group from the market, for giving shares to employees. The Company treats trust as its extension and shared held by the trust are treated as treasury shares.

For post-employment defined benefits, the same is done by actuary considering all employees of the Company and hence split is not available.

e) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate, wherever applicable.

f) In respect of figures disclosed above:

(i) The amount of transactions/ balances are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

(ii) Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Group.



Note 37: Capital management

(a) The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Group policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	As at	
	March 31, 2024	March 31, 2023
Borrowings (refer note 18)	94,290.08	60,074.82
Less: Cash and cash equivalents (refer note 14)	46,148.64	51,124.87
Less: Bank balance other than cash and cash equivalents (refer note 15)	22,259.72	21,787.83
Adjusted Net debt (A)	25,881.72	(12,837.88)
Equity share capital (refer note 16)	2,634.73	2,615.91
Other equity (refer note 17)	1,14,015.03	1,02,751.92
Total Capital (B)	1,16,649.76	1,05,367.83
Capital and net debt(A+B)	1,42,531.48	92,529.95

- a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.
b) For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

Note 38: Currency derivative

Forward currency and option currency contracts are designated as hedging instruments in respect of forecast future sales and forecast purchases in foreign currencies to which the Group has firm commitments. The forward currency contract balances vary with the levels of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Particular	Assets		Liabilities	
	2024	2024	2023	2023
	USD	USD	USD	USD
Forward currency contracts	1,78,733	3,57,538	67,703	83,972
	(Equivalent to ₹ 149.07)	(Equivalent to ₹ 298.20)	(Equivalent to ₹ 55.64)	(Equivalent to ₹ 69.01)

The carrying amount of foreign currency contracts are the same as their fair values.

At 31 March 2024, the Group held 72 forward currency contracts (March 31, 2023: 48) and no option currency contracts (March 31, 2023: Nil) and they are designated as hedges in respect of expected future sales to customers in the United Kingdom for which the said Group has firm commitments.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. The cash flow hedges of the expected future sales between April 2024 and March 2025 were assessed to be highly effective and a net loss of ₹58.18 (March 31, 2023: net loss of ₹ 305.14), was included in the hedging reserve for the year.

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Note 39 : Fair values disclosure

a) The carrying amounts of financial assets by categories is as follows:

Financial assets measured at fair value through profit and loss

Equity investments (refer note 9A)
Debt investments (refer note 9A)
Other investments (refer note 9A)
Investment in convertible notes (refer note 9A)
Investment in funds (refer note 9A)

Sub Total (A)

Financial assets measured at fair value through other comprehensive income

Equity and debt investments (refer note 9A)
Derivative financial instruments (refer note 10)

Sub Total (B)

Financial assets measured at amortised cost

Other financial assets (refer note 10)
Trade receivable (refer note 13)
Cash and cash equivalents (refer note 14)
Other bank balances (refer note 15)

Sub Total (C)

Total financial assets (A+B+C)

b) The carrying amounts of financial liabilities by categories is as follows:

Financial liability measured at fair value through profit and loss

Share based payment liability(refer note 19)
--

Sub Total (A)

Financial liabilities measured at fair value through other comprehensive income

Derivative financial instruments (refer note 19)
--

Sub Total (B)

Financial liabilities measured at amortised cost

Borrowings (refer note 18)
Trade payables (refer note 21)
Other financial liabilities (refer note 19)
Lease liabilities (refer note 45)

Sub Total (C)

Total Financial Liabilities (A+B+C)

c) The fair value of trade receivables, cash and bank balances, other financial assets, borrowings, lease liabilities, trade payables and other financial liabilities are considered to be equal to the carrying amount of these items due to their short term nature.

	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value through profit and loss		
Equity investments (refer note 9A)	543.24	2,124.03
Debt investments (refer note 9A)	880.23	3,237.80
Other investments (refer note 9A)	3,134.74	2,990.27
Investment in convertible notes (refer note 9A)	2,284.85	1,887.38
Investment in funds (refer note 9A)	4,732.42	4,024.61
Sub Total (A)	11,575.48	14,264.09
Financial assets measured at fair value through other comprehensive income		
Equity and debt investments (refer note 9A)	23,083.46	17,791.07
Derivative financial instruments (refer note 10)	149.07	55.64
Sub Total (B)	23,232.53	17,846.71
Financial assets measured at amortised cost		
Other financial assets (refer note 10)	10,375.12	8,745.05
Trade receivable (refer note 13)	1,67,713.55	97,843.44
Cash and cash equivalents (refer note 14)	46,148.64	51,124.87
Other bank balances (refer note 15)	22,259.72	21,787.83
Sub Total (C)	2,46,497.03	1,79,501.19
Total financial assets (A+B+C)	2,81,305.04	2,11,612.00
Financial liabilities measured at fair value through profit and loss		
Share based payment liability(refer note 19)	659.50	386.71
Sub Total (A)	659.50	386.71
Financial liabilities measured at fair value through other comprehensive income		
Derivative financial instruments (refer note 19)	298.20	69.01
Sub Total (B)	298.20	69.01
Financial liabilities measured at amortised cost		
Borrowings (refer note 18)	94,290.08	60,074.82
Trade payables (refer note 21)	1,50,419.34	1,12,485.04
Other financial liabilities (refer note 19)	4,004.90	3,895.95
Lease liabilities (refer note 45)	11,103.33	11,825.83
Sub Total (C)	2,59,817.65	1,88,281.64
Total Financial Liabilities (A+B+C)	2,60,775.35	1,88,737.36

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Note 40 : Fair value hierarchy

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

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

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

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

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

a) Fair value measurement hierarchy of financial assets as at March 31, 2024:**Financial assets measured at fair value through profit and loss**

Listed and unlisted equity investments, at fair value

Listed debt investments, at fair value

Investment in convertible notes

Investment in funds

Investments in life insurance policies, at fair value

Total (A)**Financial assets measured at fair value through other comprehensive income**

Equity investments, at fair value

Derivative financial instruments

Total (B)**Total (A+B)**

Total	Level 1	Level 2	Level 3
543.24	486.24	-	57.00
880.23	880.23	-	-
2,284.85	-	-	2,284.85
4,732.42	46.62	1,253.57	3,432.23
3,134.74	-	3,134.74	-
11,575.48	1,413.09	4,388.31	5,774.08
23,083.46	-	653.80	22,429.66
149.07	-	149.07	-
23,232.53	-	802.87	22,429.66
34,808.01	1,413.09	5,191.18	28,203.74

b) Fair value measurement hierarchy for financial liabilities as at March 31, 2024:**Financial liabilities measured at fair value through other comprehensive income**

Derivative financial instruments

Total (A)**Financial liability measured at fair value through profit and loss**

Share based payment liability

Total (B)**Total (A+B)**

Total	Level 1	Level 2	Level 3
298.20	-	298.20	-
298.20	-	298.20	-
659.50	-	659.50	-
659.50	-	659.50	-
957.70	-	957.70	-

c) Fair value measurement hierarchy of financial assets as at March 31, 2023:**Financial assets measured at fair value through profit and loss**

Listed and unlisted equity investments, at fair value

Listed debt investments, at fair value

Investment in convertible notes

Investment in funds

Investments in life insurance policies, at fair value

Total (A)**Financial assets measured at fair value through other comprehensive income**

Equity investments, at fair value

Derivative financial instruments

Total B**Total (A+B)**

Total	Level 1	Level 2	Level 3
2,124.03	2,067.03	-	57.00
3,237.80	3,237.80	-	-
1,887.38	-	-	1,887.38
4,024.61	166.54	1,022.39	2,835.68
2,990.27	-	2,990.27	-
14,264.09	5,471.37	4,012.66	4,780.06
17,791.07	-	642.28	17,148.79
55.64	-	55.64	-
17,846.71	-	697.92	17,148.79
32,110.80	5,471.37	4,710.58	21,928.85

d) Fair value measurement hierarchy for financial liabilities as at March 31, 2023:**Financial liabilities measured at fair value through other comprehensive income**

Derivative financial instruments

Total (A)**Financial liability measured at fair value through profit and loss**

Share based payment liability

Total (B)**Total (A+B)**

Total	Level 1	Level 2	Level 3
69.01	-	69.01	-
69.01	-	69.01	-
386.71	-	386.71	-
386.71	-	386.71	-
455.72	-	455.72	-

The movements in fair value measurements within level 3 during the year are as follows:

Particulars

Particulars	As at	
	March 31, 2024	March 31, 2023
At beginning of the year	21,928.85	14,438.81
Addition	2,680.29	5,345.17
Total gains recognised in statement of profit and loss	(158.63)	164.16
Total gains recognised in other comprehensive income	3,197.99	999.45
Disposals	(197.75)	(367.66)
Foreign exchange gain	753.00	1,348.92
At end of the year	28,203.75	21,928.85

i) There have been no transfers between level 1, level 2 and level 3 category during the years ended on March 31, 2024 and March 31, 2023.



Note 40 : Fair value hierarchy (cont'd)

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Investment in listed equity and debt instruments and bonds: The fair value of listed investment in equity and debt instruments and bonds are determined using its quoted market price.

(b) Investment in unlisted equity and debt instruments: The fair value of unlisted investments at fair value through other comprehensive income and fair value through profit or loss are based on either using a valuation technique which incorporates various market observable inputs including quoted prices or most recent transaction prices. The management believe that the estimated fair value resulting therefrom, which is recorded in the Consolidated Balance Sheet and the related change in fair value, which is recorded in the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), are reasonable, and that it was the most appropriate value at the end of the reporting period.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at March 31, 2024 and March 31, 2023:

Particulars	Level	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial assets at fair value through other comprehensive income and statement of profit and loss	Level 3	Market approach	Enterprise-value-to-revenue multiple	Increase/decrease in EV/ Revenue would result in increase/ decrease in fair value
	Level 3	Income approach	Discount rate	Increase/decrease in discount rate would result in decrease/ increase in fair value
	Level 2	Recent transaction approach	Value of recent transaction with unrelated party	Valuation is dependant on the most recent transaction/ round of investment that was carried out with an unrelated party

(c) Derivative financial instruments: The Group enters into derivative financial instruments with financial institutions with high credit ratings. Derivative financial instruments, representing forward currency contracts and option currency contracts, are measured using valuation techniques similar to forward and option pricing, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values. As at March 31, 2024 the mark-to-market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

(d) Investment in life insurance policies: The fair values of investments in life insurance policies have been estimated based on the surrender values, which are calculated and quoted by the issuer. The management believe that the estimated fair values resulting therefrom, which are recorded in the consolidated Balance Sheet, and the related changes in fair values, which are recorded in the Consolidated Statement of Profit and Loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

(e) Share based payment liability: The fair value of share based payment liability (Cash settled options) is determined using underlying value of the equity shares of the company.

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Note 41 Financial risk management objectives and policies

The Group's principal financial liabilities comprises of borrowings, lease liabilities, trade payables, security deposit received, dues to employees, derivative financial instruments, dues to related party, share based payment liability, interest accrued but not due on borrowings and unclaimed dividend. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets includes investments, trade receivables, cash and cash equivalents, other bank balances, security deposits, other deposits, loan to others, dues from related party, receivable from others, derivative financial instruments, unbilled revenue and interest accrued but not due. The Group is exposed to credit risk, liquidity risk and market risk. The Group's senior level management oversees the management of these risks and advises on the appropriate financial risk governance framework.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. The Group has significant exposure to interest rate risk as shown below. The Group's interest rate risk mainly arises from borrowings with variable rates.

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Variable rate borrowing	75,645.54	57,363.51
Fixed rate borrowing	18,644.54	2,711.31
	94,290.08	60,074.82

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
50 bps increase would decrease the profit before tax by	(378.23)	(286.82)
50 bps decrease would increase the profit before tax by	378.23	286.82
50 bps increase would decrease the equity by	(283.04)	(214.63)
50 bps decrease would increase the equity by	283.04	214.63

ii) Foreign currency risk

The Group's exposure to foreign currency risk as at 31 March 2024 are as follows:

Currency	Trade receivables	Unbilled revenue	Other receivable	Cash and cash equivalent	Lease liability	Trade payable	Bank borrowings	As at March 31, 2024
USD	10,374.16	-	-	4,228.86	-	(12,833.10)	(833.38)	936.54
EUR	2,820.37	-	-	1,150.24	-	(238.02)	-	3,732.59
GBP	2,670.28	-	2,607.32	5,123.46	-	(4,393.67)	-	6,007.39
CNY	26.44	-	-	695.85	(87.29)	(109.74)	-	525.26
BDT	34.29	-	-	962.51	(1,169.00)	(95.70)	-	(267.90)
CAD	4.06	-	-	15.69	-	(269.51)	-	(249.76)
CHF	-	-	-	0.04	-	-	-	0.04
LKR	-	-	-	3.13	-	-	-	3.13
Net Exposure	15,929.60	-	2,607.32	12,179.78	(1,256.29)	(17,939.74)	(833.38)	10,687.29

The Group's exposure to foreign currency risk as at 31 March 2023 are as follows:

Currency	Trade receivables	Unbilled revenue	Other receivable	Cash and cash equivalent	Lease liability	Trade payable	Bank borrowings	As at March 31, 2023
USD	8,097.82	231.39	-	4,647.94	-	(8,205.89)	-	4,771.26
EUR	-	-	-	122.44	-	(65.45)	-	56.99
GBP	1,371.17	-	357.77	2,355.24	-	(1,198.32)	-	2,885.86
CNY	27.38	-	-	1,042.64	(226.63)	(66.61)	-	776.78
BDT	-	-	46.58	876.54	(1,491.85)	(462.26)	-	(1,030.99)
CAD	1.91	-	-	49.49	-	(26.55)	-	24.85
CHF	-	-	-	0.10	-	-	-	0.10
LKR	-	-	-	3.93	-	(8.61)	-	(4.68)
Net Exposure	9,498.28	231.39	404.35	9,098.32	(1,718.48)	(10,033.69)	-	7,480.17

Sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP, EURO, HKD, AED, CNY, LKR and BDT exchange rates, with all other variables held constant.

Particulars	Change in FC exchange rate by	Impact on profit or loss			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD	5%	46.83	238.56	(46.83)	(238.56)
EUR	5%	186.63	2.85	(186.63)	(2.85)
GBP	5%	300.37	144.29	(300.37)	(144.29)
CNY	5%	26.26	38.84	(26.26)	(38.84)
BDT	5%	(13.39)	(51.55)	13.39	51.55
CAD	5%	(12.49)	1.24	12.49	(1.24)
CHF	5%	0.00	0.00	(0.00)	(0.00)
LKR	5%	0.16	(0.23)	(0.16)	0.23



Note 41 Financial risk management objectives and policies (cont'd)

ii) Foreign currency risk (cont'd)

Particulars	Change in FC exchange rate by	Impact on Equity			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
USD	5%	35.04	178.52	(35.04)	(178.52)
EUR	5%	139.66	2.13	(139.66)	(2.13)
GBP	5%	224.77	107.98	(224.77)	(107.98)
CNY	5%	19.65	29.06	(19.65)	(29.06)
BDT	5%	(10.02)	(38.58)	10.02	38.58
CAD	5%	(9.35)	0.93	9.35	(0.93)
CHF	5%	0.00	0.00	(0.00)	(0.00)
LKR	5%	0.12	(0.18)	(0.12)	0.18

The Group has transactional currency exposures. Such exposures arise from sales or purchases in currencies other than the Group's functional currency. The Group uses forward currency contracts to eliminate the foreign currency exposures on its sales transactions, for which the corresponding settlements are anticipated to take place more than one month after the Group has entered into firm commitments for the sales. The forward currency contracts must be in the same currency as that of the hedged items. Group negotiates the terms of the hedge derivatives to match the terms of the hedged items to maximise hedge effectiveness. It is the Group's policy that a forward contract is not entered into until a firm commitment is in place.

B. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. The Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The Group also uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model. The credit risk also arises from cash and cash equivalents, deposits from banks and other financial assets measured at amortised cost.

i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored. The Company limits its exposure to credit risk from trade receivables by establishing a appropriate credit period for customer. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision created.

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

Particulars	Less than 30	30 to 90 days	More than 90	Total
	days	days	days	
Trade receivables as of March 31, 2024	1,40,094.55	16,670.00	10,949.00	1,67,713.55
Trade receivables as of March 31, 2023	80,082.24	13,439.39	4,321.81	97,843.44

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default. This applies to most of the subsidiaries.

The Company uses the provision matrix based on historical default rates to determine expected credit loss on the portfolio of trade receivables. Expected credit loss allowances is determined on the closing balances of all applicable trade receivables as at each reporting date. Accordingly on undisputed trade receivables - credit impaired, 100% ECL has been created.

Movement in expected credit loss

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	625.18	828.62
Written off/ provided during the year	988.66	132.82
Movement in Expected credit loss allowance on trade receivables	-	(336.26)
Balance at the end of the year	1,613.84	625.18

ii) Other financial assets

For cash & cash equivalents and other bank balances - Since the group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

For other financial assets- Credit risk is considered low because the group is in possession of the underlying asset.

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Note 41: Financial risk management objectives and policies (cont'd)

C. Liquidity risk

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

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

As at March 31, 2024	< 1 year	1 to 5 years	> 5 years	Total
Borrowings ^a	89,740.46	3,333.33	1,250.00	94,323.79
Trade payables	1,50,419.34	-	-	1,50,419.34
Lease liabilities	4,004.11	8,504.75	312.98	12,821.84
Other financial liabilities [*]	4,802.36	206.97	-	5,009.33
Total	2,48,966.27	12,045.05	1,562.98	2,62,574.30

As at March 31, 2023	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	59,881.61	193.21	-	60,074.82
Trade payables	1,12,485.04	-	-	1,12,485.04
Lease liabilities	3,401.68	10,322.05	125.41	13,849.14
Other financial liabilities [*]	4,285.63	109.84	-	4,395.47
Total	1,80,053.96	10,625.10	125.41	1,90,804.47

^{*}Other financial liabilities include undiscounted security deposit value.

^aBorrowings include actual amount payable in respect of term loan which is inclusive of processing fees.

Note 42 : Commitments and contingencies

a) Commitments

(i) Capital commitment:

Estimated amount of contracts remaining to be executed on capital account (net of advances) as on March 31, 2024 is Nil (March 31, 2023: Nil)

(ii) Other commitment:

a) The Company has entered into a Capital commitment agreement where contribution has to be made to Fireside Ventures Advisory LLP (Investment Manager of Fireside Ventures Investment Fund III (Fund)) and Orbis trusteeship Services Private Limited (Trustee Company of the Fund) in which the contributor has committed ₹ 700.00 which will be paid as per the terms of agreement. During the year, 20% (March 31, 2023 - 10%) of the amount i.e. ₹ 140.00 (March 31, 2023- 70.00) has been contributed based on the drawdown notice received from the fund. Total contribution till March 31, 2024 is ₹ 210.00.

b) The Company has entered into a Capital commitment agreement where contribution has to be made to Waterbridge Capital Management LLP (Investment Manager of WaterBridge Ventures II Trust (Fund)) and Vistra ITCL (India) Limited (Trustee Company of the Fund) in which the contributor has committed ₹ 1000.00 which will be paid as per the terms of agreement. During the year, 7.50% (March 31, 2023 - 10%) of the amount i.e. ₹ 75.00 (March 31, 2023 - 100) has been contributed based on the drawdown notice received from the fund. Total contribution till March 31, 2024 is ₹ 675.00.

b) Contingent liabilities

Particulars

	As at 31 March 2024	As at 31 March 2023
i) In case of the Company, claims against Company not acknowledged as debt		
- On account of stamp duty on demerger	148.20	148.20
	148.20	148.20

- the Company has been a filed writ petition before the Hon'ble High Court of Delhi (PDS Multinational Fashions Limited Vs. Collector of Stamp, Civil Writ Petition being W. P. (C) No. 7509 of 2015) for quashing the orders dated June 19, 2015 and July 9, 2015 passed by the Collector of Stamps and was saddled with a liability of ₹ 148.20 based on the misrepresentation and misreading of the judgement passed by the Hon'ble High Court of Delhi in Delhi Towers vs. GNCT of Delhi 1(2010) 159 comp. cases 129 (Delhi).

- Pending resolution of the respective proceedings, it is difficult to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.

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

(iii) In case of Poeticgem Limited, HSBC Bank PLC, has provided a guarantee to HM Revenue and Customs and RBS PLC amounting to ₹ 565.29 (March 31, 2023 : ₹ 544.39).



PDS Limited
Notes to the consolidated financial statements as at March 31, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 43 : Segment reporting

(a) Primary segment information:

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment e.g. sourcing, manufacturing and others), or in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business segments. The Group's primary format for segment reporting is based on business segments. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Other items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Group's headquarters) and head office expenses, and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the reporting period to acquire property, plant and equipment, investment property and intangible assets other than goodwill.

(b) Segment details are as below:

Particulars	Sourcing			Manufacturing			Others			Adjustment/elimination		Total	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Segment revenue	10,07,997.14	10,10,463.88	59,666.10	731.23	255.70	1,138.71	3,120.95	(1,252.31)	(23,492.00)	10,37,264.95	10,57,700.42	10,57,700.42	10,57,700.42
Other income	2,849.82	1,779.69	731.23	1,455.59	2,359.07	(1,044.19)	3,093.56	(815.48)	360.80	22,621.76	35,643.43	35,643.43	35,643.43
Segment results before tax	23,025.84	29,830.00	1,455.59	2,359.07	(1,044.19)	3,093.56	(815.48)	360.80	(2,971.49)	(2,998.52)	31.93	31.93	31.93
Tax expense													
Share of loss of associates and joint ventures													
Profit for the year	3,17,160.13	2,21,870.62	46,651.46	46,006.83	14.80	42,376.95	43,026.29	13.84	20,268.07	4,06,188.54	3,10,903.74	3,10,903.74	3,10,903.74
Segment assets	78.08	71.36	11.49	14.80	15,330.10	6,753.84	3,349.84	-	-	100.00	100.00	100.00	100.00
Segment assets as a % of total assets	2,59,820.64	1,80,962.84	15,047.20	5.34	7.68	2.40	1.68	-	-	2,81,621.68	1,99,642.78	1,99,642.78	1,99,642.78
Segment liabilities	92.26	90.64	5.34	7.68	1.68	-	-	-	-	100.00	100.00	100.00	100.00
Segment liabilities as a % of total liabilities													
Other material non-cash items included under Statement of Profit and loss before tax	6,483.16	5,551.33	2,338.35	2,298.48	521.28	168.39	-	-	-	9,342.79	8,018.20	8,018.20	8,018.20
Depreciation and amortisation													

Entity wide disclosures:

(c) Information about products and services:

(i) Revenue from external customers by nature of product:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sale of goods	9,97,497.01	10,34,549.05
Others	-	23,151.37
	9,97,497.01	10,57,700.42

(d) Information about Geographical areas

(i) Revenue from external customers by Geography are as follows:

Geography	Year ended March 31, 2024	Year ended March 31, 2023
India	14,901.00	7,022.36
UK & Europe	7,08,222.88	7,50,967.30
North America	1,29,674.61	1,58,655.06
Asia & Middle East	1,39,649.58	1,16,347.05
Others	5,048.94	24,708.65
	9,97,497.01	10,57,700.42

(ii) The Group's non-current assets are majorly located as follows:

Geography	As at March 31, 2024	As at March 31, 2023
India	7,571.99	4,757.57
Hong Kong	15,296.03	18,915.37
United Kingdom	17,335.83	3,138.51
Bangladesh	16,593.54	18,084.99
Others	18,939.81	15,941.64
	75,737.20	60,838.08

(iii) The Group's investments accounted as per equity method are majorly located as follows:

Geography	As at March 31, 2024	As at March 31, 2023
Hong Kong	128.12	47.21
Sri Lanka	862.55	-
Poland	9,930.97	9,573.50
Others	126.38	159.97
	11,048.02	9,780.58

(e) Revenue from major customers: There were 1 customer who had contributed 10% or more (amounting to ₹ 1,16,458) to the Group's revenue for the year ended March 31, 2024 and 2 customers (amounting to ₹ 2,55,870) for the year ended March 31, 2023.



Note 44: Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to Statement of Profit and Loss:

	Year ended March 31, 2024	Year ended March 31, 2023
Revenues by category and nature		
Sale of goods	9,97,497.01	10,34,549.05
Others	-	23,151.37
	9,97,497.01	10,57,700.42
Revenues from geographic areas based on the location of the customers are as follows:		
India	14,901.00	7,022.36
UK and Europe	7,08,222.88	7,50,967.30
North America	1,29,674.61	1,58,655.06
Asia & Middle East	1,39,649.58	1,16,347.05
Others	5,048.94	24,708.65
	9,97,497.01	10,57,700.42
Revenues based on timing of recognition		
Sale of goods transferred at a point in time	9,97,497.01	10,34,549.05
Services transferred over the period of time	-	23,151.37
	9,97,497.01	10,57,700.42
Significant changes in contract assets and contract liabilities during the period are as follows:		
Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:		
Assets and liabilities related to contracts with customers		
	As at March 31, 2024	As at March 31, 2023
Trade receivables	1,67,713.55	97,843.44
Contract assets	523.26	971.85
Contract liabilities	5,836.60	2,746.49
Trade receivables are non-interest bearing and are generally on terms of 90 to 135 days. The Group has recognised ₹ 988.66 provision for expected credit loss on trade receivables during the year ended March 31, 2024 (March 31, 2023: - ₹ 203.44).		
Contract assets at the beginning of the year	As at March 31, 2024	As at March 31, 2023
Revenue to be billed during the year	971.85	308.16
Contract assets at the end of the year	523.26	971.85
Contract liabilities at the beginning of the year	As at March 31, 2024	As at March 31, 2023
Advance received from customers during the year	2,746.49	704.18
Contract liabilities at the end of the year	5,836.60	2,746.49
Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price		
Revenue as per contract	9,99,372.01	10,60,575.88
Variable consideration adjustments	(1,875.00)	(2,875.46)
Revenue from contract with customers	9,97,497.01	10,57,700.42

(This space has intentionally been left blank)



Note 45: Lease disclosure**Where the Group is the lessee:****As lessee**

Lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

As a lessee

i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
At the beginning of the year	11,434.91	11,579.82
Additions during the year	3,206.12	3,617.92
Disposals during the year	-	(132.48)
Depreciation expenses	(4,127.31)	(3,304.65)
Forex translation, net	59.46	(325.70)
At the end of the year	10,573.19	11,434.91

ii) Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
At the beginning of the year	11,825.83	11,713.02
Addition	3,473.21	4,292.20
Accretion of interest	632.62	636.33
Rent concession	(2.42)	69.66
Payment of principal portion of lease liabilities	(4,010.28)	(3,046.92)
Interest paid on lease liabilities	(632.62)	(692.26)
Derecognition upon exercise of termination options	-	(352.67)
Forex translation, net	(183.01)	(793.54)
At the end of the year	11,103.33	11,825.83
Current	3,467.25	3,901.28
Non-current	7,636.08	7,924.55
	11,103.33	11,825.83

iii) Maturity analysis of lease liabilities:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Lease payments		
Not later than one year	4,004.11	3,401.68
Later than one year	8,504.75	10,322.05
Later than five years	312.98	125.41
Total	12,821.84	13,849.14

iv) Amount recognised in Consolidated Statement of Profit and Loss

Particulars	Year ended	Year ended
	March 31, 2024	March 31, 2023
Depreciation on right of use assets	4,127.31	3,304.65
Interest on lease liabilities	632.62	636.33
Expenses relating to short term leases	1,288.61	724.87

As a lessor

The Group has entered into operating leases on its investment property. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Refer note 5 for rental income and future minimum rentals receivable under non-cancellable operating leases as at March 31, 2024 and March 31, 2023.



Note 46 A: Business combinations and asset acquisition during the year ended March 31, 2024**i) Net assets acquisition from No Ordinary Designer Label Limited through PDS Lifestyle Limited (UK):**

On April 27, 2023, Group ('Licensee') through its subsidiary incorporated in United Kingdom namely New Lobster Limited had signed a long-term strategic partnership with Authentic brands group ('Licensor') for Ted baker operations in Europe and accordingly, licensee had entered into an license agreement for a period of 10 years, under which licensee have to pay 10% of the net sales as royalty to licensor.

Additionally, the Group through its subsidiary New Lobster Limited, acquired net assets of Authentic brands group for a consideration of ₹ 15,051.14 (GBP 146.00) and accounted on net assets acquisition basis.

The fair values of the assets and liabilities of New Lobster Limited on the date of acquisition were as follows:

Particulars	Amount
Current assets :	
Inventories	12,416.49
Trade and other receivables	11,330.29
Cash and cash equivalents	646.61
Trade and other payables	(9,342.25)
Sub Total	15,051.14
Cash consideration	15,051.14
An analysis of the cash flows in respect of the net assets acquisition from No Ordinary Designer Label Limited through PDS Lifestyle Limited (UK) is as follows:	
Cash consideration	15,051.14
Cash and bank balances acquired	(646.61)
Net outflow of cash and cash equivalents included in cash flows from investing activities	14,404.53

Since the incorporation, New Lobster Limited has contributed ₹ 52,338.50 to the Group's revenue and profit of ₹ 2,113.96 to the consolidated statement of profit and loss for the year ended March 31, 2024.

ii) Acquisition of Wonderwall (F.E) Limited:

On April 01, 2023, the Group has acquired 75% stake in Wonderwall (F.E) Limited through its HongKong subsidiary Simple approach Limited for an absolute consideration of ₹ 33 (HKD 3). The Company is engaged in the business of sales, marketing, design, sourcing, and distribution operations of knitwear, footwear and other opportunities.

The identifiable assets acquired and liabilities of Wonderwal (F.E) Limited on the date of acquisition were as follows:

Particulars	Amount
Property, plant and equipment	7.12
Current assets :	
Cash and cash equivalents	39.69
Borrowings	(714.98)
Trade and other payables	(69.58)
Total identifiable net assets at fair value	(737.76)
Non-controlling interest (25%)	(184.44)
Goodwill on acquisition	922.19
Cash consideration	0.00
An analysis of the cash flows in respect of the acquisition of Wonderwal (F.E) Limited is as follows:	
Cash consideration	0.00
Cash and bank balances acquired	(39.69)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(39.69)

Since the acquisition, Wonderwall (F.E) Limited has contributed ₹ 1,194.26 to the Group's revenue and loss of ₹ 221.07 to the consolidated statement of profit and loss for the year ended March 31, 2024.

iii) Other acquisition:

During the year, group had acquire the stake of 75% in Nodes Studio LDA, 60% in Progressive Crusade Unipessoal LDA, 75% in Vivere London Limited at a consideration of ₹ 0.25. Such acquisition including the purchase price allocation is not material to the group.



Note 46 B: Business combinations during the year ended March 31, 2023

i) Acquisition of Sunny Up Limited:

On May 9, 2022, the Group acquired 100% of the equity interest in M/s Sunny Up Limited, a company incorporated and registered in England and Wales for a consideration of ₹ 982.71. Consideration is to be discharged in ₹ 589.63 on acquisition and balance ₹ 393.08 on over 2 years subject to fulfilling certain conditions.

The Sunny Up Limited is a Contemporary Fashion Design and Distribution Company Specialising in Brand Development and Marketing. Sunny Up Limited has license of a well-known brand Stan Ray and other distribution rights which will enhance the Group's portfolio and improve their offering to the customers.

The fair values of the identifiable assets and liabilities of Sunny Up Limited as at the respective date of acquisition were as follows:

Particulars	Amount
Tangible Assets	17.16
Current assets :	
Inventories	481.11
Trade and other receivables	65.50
Cash and cash equivalents	72.08
Borrowings	(97.06)
Trade and other payables	(115.22)
Sub Total (A)	423.56
Goodwill on acquisition	166.07
Cash consideration	589.63

An analysis of the cash flows in respect of the acquisition of Sunny Up Limited is as follows:

Cash consideration	589.63
Cash and bank balances acquired	(72.08)
Net outflow of cash and cash equivalents included in cash flows from investing activities	517.55

Since, the acquisition, Sunny Up Limited has contributed ₹ 3,117.60 to the Group's revenue and profit of ₹ 85.13 to the consolidated statement of profit and loss for the year ended March 31, 2023.

ii) Acquisition of DBS Lifestyle Private Limited:

On October 26, 2022, the Group had infused ₹ 2,100 in M/s DBS Lifestyle Private Limited (DBS) in exchange of 51% equity interest in DBS.

DBS, founded by Divya Suri and Bhawnish Suri, is a design-led company catering to fashion and home categories. It owns over 20,000 original textile designs and patterns and adds nearly 2500 artworks and samples to its library every month. Its Trend & Design Studio plus Sourcing business verticals collectively offer end-to-end solutions from design, product development, and manufacturing to warehouse delivery. It also creates private brands for leading online and offline retailers, including RIVER – a multidesigner brand for Amazon Fashion. DBS serves over 200 fashion and 150+ home clients globally along with leading brands, retailers, and key e-commerce players in India. The Group aims to strengthen its design capabilities for global clients and gains access to leading retailers and brands, enabling it to further penetrate the fashion and home categories in the Indian market.

The identifiable assets acquired and liabilities assumed of the DBS as at the date of acquisition were as follows:

Particulars	Amount
Property, plant and equipment	41.73
Intangible (Customer relationship)	101.00
Current assets :	
Inventories	3.94
Trade and other receivables	276.97
Other Assets	341.57
Cash and cash equivalents	2,184.14
Borrowings	(592.76)
Trade and other payables	(1,382.64)
Total identifiable net assets at fair value	973.94
Non-controlling interest	477.20
Goodwill on acquisition	1,603.26
Satisfied by cash	2,100.00
An analysis of the cash flows in respect of the acquisition of DBS is as follows:	
Cash consideration	2,100.00
Cash and bank balances acquired	(2,184.14)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(84.14)

Since the acquisition, DBS has contributed ₹ 799.91 to the Group's revenue and loss of ₹ 88.56 to the consolidated statement of profit and loss for the year ended March 31, 2023.



Note 46 B: Business combinations during the year ended March 31, 2023 (cont'd)**iii) Acquisition of Upcycle Labs Limited**

On March 27, 2023, the Group had acquired additional interest of 11% in Upcycle labs Limited (Upcycle) and obtained controlling interest of 61%. until the date of acquisition of additional interest, Upcycle was a Joint venture and had been accounted under equity method.

The identifiable assets acquired and liabilities assumed of the Upcycle as at the date of acquisition were as follows:

Particulars	Amount
Property, plant and equipment	293.57
Intangibles under development	255.96
Inventories	10.23
Other receivables	35.45
Prepayments	37.70
Deposits	94.42
Cash and cash equivalents	424.04
Other payables	(46.56)
Accruals	(2.29)
Translation reserve	1.23
Due to fellow subsidiary	(613.79)
Due to related party	(46.77)
Total identifiable net assets at fair value	443.19
Fair value of existing equity interest (50%)	681.99
Non-controlling interest (39%)	172.36
Goodwill on acquisition	549.78
Satisfied by cash (11%)	138.61
An analysis of the cash flows in respect of the acquisition of Upcycle is as follows:	
Cash consideration	138.61
Cash and bank balances acquired	(424.04)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(285.43)

iv) Acquisition of S.Oliver Fashion India Private Limited:

On May 27, 2022 the Group acquired 99.99% of the equity interest in S.Oliver Fashion India Private Limited (S.Oliver Fashion) for a consideration of ₹ 196.35. S.Oliver Fashion is engaged in providing sourcing of Garments. The acquisition was made to acquire the existing set-up of workforce and supply chain. The purchase consideration for the acquisition was partly in form of cash (Paid ₹ 150.16 as at March 31, 2023) and partly in form of a contingent consideration being ₹ 46.18 which remained unpaid as at 31 March 2023, and is expected to be settled within one year. Such acquisition including the purchase price allocation is not material to the group.

Note 47 A: Change in proportion held by Non-controlling interest during the year ended March 31, 2024**i) Acquisition of Non-controlling interest in GoodEarth Apparel Industries Limited**

On April 28, 2023, the Group has acquired additional equity interest of 25% in its subsidiary GoodEarth Apparel Industries Limited, at a consideration of ₹ 2,061.25 (USD 25). The net loss arising on the transaction has been adjusted directly in equity in accordance with IndAS 110, consolidated financial statements, as a change in ownership interest without change in control.

Cash consideration (A)	2,061.25
Carrying value of Non controlling interest acquired (B)	(3,192.72)
Net loss adjusted directly in other equity (A-B)	5,253.97

ii) Acquisition of Non-controlling interest in Progress Manufacturing Group Limited

On April 01, 2023, the Group has acquired additional equity interest of 3% in its subsidiary Progress Manufacturing Group Limited, at a consideration of ₹ 208.27 (USD 2.53). The net loss arising on the transaction has been adjusted directly in equity in accordance with IndAS 110, consolidated financial statements, as a change in ownership interest without change in control.

Cash consideration (A)	208.27
Carrying value of Non controlling interest acquired (B)	(749.03)
Net loss adjusted directly in other equity (A-B)	957.30

iii) Change of Non-controlling interest in other entities

During the year, the Group has acquired additional equity interest of 10% in its subsidiary Kleider Sourcing FZCO, Twins Asia FZCO, Design Arc FZCO and Poeticgem International FZCO at a consideration of ₹ 8.98 (USD 0.11). The net loss arising on the transaction has been adjusted directly in equity in accordance with IndAS 110, consolidated financial statements, as a change in ownership interest without change in control.

During the year, the Group has sold the equity interest of 25% in its subsidiary Collaborative sourcing services FZCO at a consideration of ₹ 0.56. The net loss arising on the transaction has been adjusted directly in equity in accordance with IndAS 110, consolidated financial statements, as a change in ownership interest without change in control.

Cash consideration (A)	8.42
Carrying value of Non controlling interest acquired (B)	305.48
Net loss adjusted directly in other equity (A-B)	(297.06)

Note 47 B: Change in proportion held by Non-controlling interest during the year ended March 31, 2023**i) Acquisition of Non-controlling interest in Simple Approach Limited**

During the year on June 1, 2022 and March 20, 2023, the Group has acquired additional equity interest of 10% in its subsidiary Simple Approach Limited, at a consideration of ₹ 3,493.70. The net loss arising on the transaction has been adjusted directly in equity in accordance with IndAS 110, consolidated financial statements, as a change in ownership interest without change in control.

Fair value of cash consideration (A)	3,493.70
Carrying value of Non controlling interest acquired (B)	100.50
Net loss adjusted directly in other equity (A-B)	3,393.20

ii) Acquisition of Non-controlling interest in Norlanka Brands Private Limited

On March 28, 2023, the Group has acquired additional equity interest of 25% in its subsidiary Norlanka Brands Private Limited, at a consideration of ₹ 42.23. The net loss arising on the transaction has been adjusted directly in equity in accordance with IndAS 110, consolidated financial statements.

Fair value of cash consideration (A)	42.23
Carrying value of Non controlling interest acquired (B)	(24.49)
Net loss adjusted directly in other equity (A-B)	66.72



Note 48: Employee Share Based Payments

As at March 31, 2024 the Group has the following share-based payments arrangements

A. Employee Stock Option Plan 2021 - Plan A and Plan B**i) Brief description of the share based payment arrangement**

On April 3, 2021, the Group established the PDS Multinational Fashions Limited – Employee Stock Option Plan 2021 – Plan A ('Plan A') which entitles key managerial personnel and senior employees to purchase shares of the Group. On July 27, 2021, the Group established the PDS Multinational Fashions Limited Employee stock option plan 2021 – Plan B ('Plan B') through Direct and through Trust route for other KMP and senior employees. The plans are designed to provide incentives to the employees of the Company to deliver long-term returns. The Plans are administered by the Nomination and Remuneration committee. During the year ended 31 March 2024, the Company has granted 55,000 (March 31, 2023 - 4,70,000) equity settled stock options (ESOPs) under these plans. Vesting of the options would be subject to continuous employment with the Company and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest.

Options granted under the plan didn't carry dividend or voting rights. On exercise, each option is convertible into one equity share. The key terms and conditions related to the grants under these plans are as follows: all options are to be settled by the delivery of shares.

Particulars	Number of instruments*	Exercise price*	Vesting period	Exercise period
FY 2023-24	55,000	₹ 300 - ₹464	1 - 4 years	3 - 4 years post vesting period
	55,000			
FY 2022-23	4,70,000	₹ 240 - ₹268	1 - 4 years	3 - 4 years post vesting period
	4,70,000			

ii) Summarized information about movement in Plan A and Plan B

Particulars	March 31, 2024		March 31, 2023	
	Number of options*	Weighted average exercise price per share (₹)*	Number of options*	Weighted average exercise price per share (₹)*
Outstanding at the beginning of the year	49,60,185	181.67	54,43,660	167.46
Granted during the year	55,000	434.02	4,70,000	255.00
Exercised during the year	9,84,475	144.69	6,94,100	104.00
Forfeited during the year	1,36,875	219.00	2,59,375	224.00
Outstanding at the end of the year	38,93,835	193.30	49,60,185	181.67
Exercisable at the end of the year	18,09,168	171.05	17,00,685	139.82

*The number of instruments and the exercise prices are in absolute figures.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on July 29, 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share,

The Group has charged ₹ 1,210.66 (March 31, 2023: ₹ 1,962.62) to the consolidated statement of profit and loss in respect of options granted under Plan A and Plan B.

iii) Fair Value of the option granted during the year

The Fair value of ESOPs granted under Plan A and Plan B have been measured using the Black-Scholes option-pricing model using the following assumptions, sorted according to their grant dates:

Particulars	March 31, 2024	March 31, 2023
Weighted average Grant date fair value, per share (in ₹)	537.26	324.77
Weighted average Exercise price, per share (in ₹)	434.02	255.00
Assumptions used:		
Volatility	37.00% - 41.22%	36.00% - 37.00%
Expected lives (in years)	1.50 - 5.00	1.50 - 5.00
Risk-free interest rate	7.00% - 7.04%	6.89% - 7.19%
Expected dividend yield rate	0.28% - 0.43%	1.40% - 1.51%

Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during 5 years before the date of Grant. The Group believes that such measure of volatility is currently the best available indicator of the expected volatility used in these estimates.

The expected life of the ESOP is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behaviour of the employee who receives the Risk-free interest rates are determined using the implied yield currently available for India government issues with a remaining term equal to the expected life of the options.

Expected dividend yields are based on the annualised approved dividend rate and the market price of Holding Company's common stock at the time of grant. No assumption for a future dividend rate change is included unless there is an approved plan to change the dividend in the near term.

The fair value per share of ESOP is determined based on the closing price of holding Company's share on the date of grant.



Note 48: Employee Share Based Payments (Cont'd)

B. Cash Settled Share based payment (Phantom Stock Units)

i) Brief description of the share based payment arrangement

On October 22, 2021 the Group established the PDS Multinational Fashions Limited – Phantom Stock Units Plan 2021 ('Phantom stock plan'), which entitles few senior employees of the Group to a cash payment on exercise. During the year ended March 31, 2024 the Group has granted 25,000 ('Phantom Stock Units/ PSU') (March 31, 2023 - NIL). These PSU's carry a vesting period of up to 4 years and an exercise period of 4 years from the date of vesting.

ii) Summarized information about movement in the Phantom stock plan

	March 31, 2024		March 31, 2023	
	Number of options*	Weighted average exercise price per share (₹)*	Number of options*	Weighted average exercise price per share (₹)*
Outstanding at the beginning of the year	3,87,500	219.00	4,17,500	219.00
Granted during the year	25,000	300.00	-	-
Exercised during the year	(65,625)	219.00	-	-
Cancelled during the year	56,250	219.00	30,000	219.00
Outstanding at the end of the year	4,21,875	225.97	3,87,500	219.00
Exercisable at the end of the year	1,09,375	219.00	96,875	219.00

*The number of instruments and the exercise prices are in absolute figures.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 29 July 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share. The Group has charged ₹ 272.79 (March 31, 2023: ₹ 184.33) to the statement of profit and loss in respect of options granted under Phantom stock plan.

iii) Fair Value of the option granted during the year

Particulars	March 31, 2024	March 31, 2023
Weighted average Grant date fair value, per share (in ₹)	367.90	NA
Weighted average Exercise price, per share (in ₹)	300.00	NA
Assumptions used:		
Volatility	41.59%	NA
Expected lives (in years)	2.12 - 5.12	NA
Risk-free interest rate	7.00% - 7.04%	NA
Expected dividend yield rate	0.34%	NA

Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during 5 years before the date of Measurement. The Group believes that such measure of volatility is currently the best available indicator of the expected volatility used in these estimates.

The expected life of the PSU is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behaviour of the employee who receives the Risk-free interest rates are determined using the implied yield currently available for India government issues with a remaining term equal to the expected life of the options.

Expected dividend yields are based on the annualised approved dividend rate and the market price of Holding Company's common stock at the time of grant. No assumption for a future dividend rate change is included unless there is an approved plan to change the dividend in the near term.

The fair value per share of ESOP is determined based on the closing price of holding Company's share.

C Share based payment expense recognised in the Statement of Profit and Loss in respect of the above plans is as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Share based payment expense	1,483.45	2,146.95

D Share based payment reserve and Share based payment liability recognised in the balance sheet in respect of the above plans is as follows:

	As at March 31, 2024	As at March 31, 2023
Share based payment liability	659.50	386.71
Share based payment reserve	4,025.90	3,565.19



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Note 49: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/ associates/ joint ventures. (cont'd)

Name of enterprises	Share in other comprehensive income				Share in total comprehensive income			
	Year ended 31 March 2024		Year ended 31 March 2023		Year ended 31 March 2024		Year ended 31 March 2023	
	As % of total	Amount	As % of total	Amount	As % of total	Amount	As % of total	Amount
Parent Company								
PDS Limited	-0.24%	(13.36)	0.69%	16.57	39.36%	7,894.60	29.95%	8,658.63
Indian subsidiaries								
Technocian Fashions Private Limited and its subsidiaries	0.00%	-	-1.15%	(27.77)	1.33%	266.98	0.75%	218.06
DIZBI Private Limited	0.00%	-	0.00%	-	0.00%	(0.86)	-0.20%	(58.15)
Norlanka Manufacturing India Private Limited	0.00%	-	0.00%	-	-0.15%	(31.01)	-0.62%	(180.65)
PDS Brands Private Limited	0.00%	-	0.00%	-	0.00%	(0.75)	0.00%	(0.96)
DBS Lifestyle Private Limited	0.00%	-	0.00%	-	-3.02%	(605.41)	-0.31%	(88.56)
Foreign subsidiaries								
Multinational Textile Group Limited	0.63%	35.61	0.00%	-	66.75%	13,386.04	24.35%	7,040.91
PDS Ventures Limited (formerly known as Multitech Venture Limited), Mauritius	63.93%	3,600.55	42.05%	1,016.07	8.81%	1,767.59	2.32%	670.53
PDS Sourcing Limited (formerly known as Global Textiles Group Limited)	0.00%	-	0.00%	-	25.29%	5,072.44	18.22%	5,268.29
PDS Fashion HK Limited	0.00%	-	0.00%	-	0.00%	(0.74)	-0.19%	(55.55)
PDS Global Investments Limited	0.00%	-	0.00%	-	0.00%	(0.14)	0.00%	-
PDS Manufacturing Limited	0.00%	-	0.00%	-	0.10%	21.04	-0.06%	(17.80)
Spring Design London Limited	0.00%	-	0.00%	-	-3.16%	(634.73)	-0.03%	(9.96)
Techno Design GmbH	0.00%	-	0.41%	10.02	1.69%	339.51	0.63%	181.24
Pro Trusted Med Tech Limited (formerly known as FX Import Hong Kong Limited)	0.00%	-	0.00%	-	0.35%	70.37	-0.04%	(10.92)
PG Group Limited and its subsidiaries	0.00%	-	0.00%	-	2.08%	416.71	4.15%	1,200.28
PDS Smart Fabric Tech Limited (formerly known as Fullhouse Manufacturing Limited)	0.00%	-	0.00%	-	-0.84%	(168.60)	-0.06%	(16.49)
Norwest Industries Limited and its subsidiaries	-2.20%	(124.04)	-23.85%	(576.29)	22.83%	4,577.68	31.88%	9,218.90
Progress Manufacturing Group Limited and its subsidiary	0.00%	-	-0.14%	(3.46)	3.81%	764.89	3.88%	1,122.93
GoodEarth Lifestyle Limited and its subsidiary	0.00%	-	-0.47%	(11.43)	-0.31%	(62.91)	2.25%	650.28
PDS Asia Star Corporation Limited and its subsidiaries	0.00%	-	0.00%	-	1.36%	273.44	2.96%	854.88
Simple Approach Limited and its subsidiaries	0.00%	-	0.00%	-	14.61%	2,929.32	8.79%	2,542.82
Zamira Fashions Limited and its subsidiaries	0.00%	-	0.00%	-	8.03%	1,609.84	0.30%	87.33
Poeticgem International Limited	0.00%	-	-4.18%	(100.93)	0.59%	117.80	3.50%	1,012.25
Grupo Sourcing Limited and its subsidiaries	0.00%	-	0.00%	-	-0.44%	(88.76)	-0.35%	(101.38)
Techno Design HK Limited	0.01%	0.78	0.00%	-	11.61%	2,329.02	8.97%	2,593.19
Blueprint Design Limited	0.00%	-	0.00%	-	0.48%	97.26	-0.01%	(1.72)
Poetic Brands Limited	0.00%	-	0.00%	-	1.11%	222.43	0.85%	247.01
FX Import Company Limited	0.00%	-	0.00%	-	2.43%	486.97	-0.02%	(6.12)
Poeticgem Limited	1.40%	79.00	0.00%	-	2.17%	434.57	12.47%	3,605.97
Poetic Knitwear Limited	0.00%	-	0.00%	-	3.69%	740.75	-0.01%	(1.97)
Design Arc UK Limited	0.00%	-	0.00%	-	-1.69%	(338.81)	0.41%	119.80
Pacific Logistics Limited	0.00%	-	0.00%	-	2.11%	423.34	-0.02%	(5.82)
Casa Forma Limited	0.00%	-	0.00%	-	0.01%	2.73	0.01%	3.37
Moda & Beyond Ltd	0.00%	-	0.00%	-	-1.01%	(201.77)	0.00%	-
PDS fashion Limited	0.00%	-	0.00%	-	-2.50%	(502.27)	-0.19%	(54.13)
PDS Lifestyle Ltd UK	0.00%	-	0.00%	-	10.15%	2,034.75	0.00%	-
Recovered Clothing Limited	0.00%	-	0.00%	-	0.31%	61.66	0.47%	137.33
Multinational OSG Services Bangladesh Private Limited	0.00%	-	0.00%	-	-0.55%	(111.26)	-0.32%	(92.06)
Spring Near East FZCO	0.00%	-	0.00%	-	2.94%	590.16	-0.20%	(56.97)
PDS Multinational FZCO and its subsidiaries	0.00%	-	0.00%	-	53.61%	10,751.90	36.16%	10,456.55
Techno Sourcing Bangladesh Limited	0.00%	-	-0.09%	(2.08)	-0.17%	(33.21)	-0.09%	(24.80)
Techno Design USA LLC	0.00%	-	0.00%	-	0.00%	-	-0.01%	(4.22)
PDS Lifestyle Ltd HK	0.00%	-	0.00%	-	-0.01%	(1.60)	0.00%	-
PDS Desi Ser Ltd	0.00%	-	0.00%	-	-0.01%	(1.08)	0.00%	-
PDS CSL	0.00%	-	0.00%	-	0.00%	-	0.00%	-
PDS Incubation	0.00%	-	0.00%	-	-0.01%	(1.09)	0.00%	-
Foreign associates								
Sourcing Solutions Europe BVPA	0.00%	-	0.00%	-	1.35%	270.03	-0.54%	(155.93)
Loop Digital Wardrobe Ltd	0.00%	-	0.00%	-	-0.16%	(31.72)	-0.09%	(26.52)
GWD Enterprises Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Nobleswear Private Limited	0.00%	-	0.00%	-	0.06%	11.74	0.00%	-
Mambo Leisure Masters Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Indian joint venture								
Digital Ecom Techno Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign joint ventures								
Redwood Internet Ventures Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Yellow Octopus EU Sp. z o.o. sp.K.	0.00%	-	0.00%	-	1.83%	367.76	0.83%	238.87
Upcycle labs Limited	0.00%	-	0.00%	-	0.00%	-	-0.08%	(24.48)
Redwood Internet Ventures Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub-total	63.54%	3,578.54	13.27%	320.70	276.82%	55,516.60	190.68%	55,134.26
Non-controlling interest in subsidiaries	-25.71%	(1,448.17)	-12.04%	(290.89)	-36.37%	(7,293.15)	-22.38%	(6,469.89)
Intercompany elimination and consolidation adjustments	62.17%	3,501.60	98.77%	2,386.33	-140.46%	(28,168.41)	-68.31%	(19,750.39)
Grand-total	100.00%	5,631.97	100.00%	2,416.14	100.00%	20,055.04	100.00%	28,913.98



Note 49: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/ associates/ joint ventures.

Name of enterprises	Net assets i.e. total assets minus total liability				Share in profit/(loss) for the year			
	As at 31 March 2024		As at 31 March 2023		As at 31 March 2024		As at 31 March 2023	
	As % of total	Amount	As % of total	Amount	As % of total	Amount	As % of total	Amount
Parent Company								
PDS Limited	22.76%	26,547.44	20.52%	21,617.78	54.83%	7,907.96	32.61%	8,642.06
Indian subsidiaries								
Technocian Fashions Private Limited and its subsidiaries	0.32%	371.94	0.74%	784.22	1.85%	266.98	0.93%	245.83
DIZBI Private Limited	0.00%	3.52	0.00%	4.29	-0.01%	(0.86)	-0.22%	(58.15)
Norlanka Manufacturing India Private Limited	0.38%	439.92	-0.26%	(270.92)	-0.22%	(31.01)	-0.68%	(180.65)
PDS Brands Private Limited	-0.10%	(112.17)	0.00%	(0.29)	-0.01%	(0.75)	0.00%	(0.96)
DBS Lifestyle Private Limited	1.06%	1,233.37	1.74%	1,837.68	-4.20%	(605.41)	-0.33%	(88.56)
Foreign subsidiaries								
Multinational Textile Group Limited	43.59%	50,851.48	41.58%	43,807.17	92.56%	13,350.43	26.57%	7,040.91
PDS Ventures Limited (formerly known as Multitech Venture Limited), Mauritius	3.47%	4,053.51	20.16%	21,240.97	-12.71%	(1,832.95)	-1.30%	(345.54)
PDS Sourcing Limited (formerly known as Global Textiles Group Limited)	12.82%	14,951.49	8.50%	8,957.91	35.17%	5,072.44	19.88%	5,268.29
PDS Fashion HK Limited	-0.04%	(50.16)	-0.05%	(48.55)	-0.01%	(0.74)	-0.21%	(55.55)
PDS Global Investments Limited	0.03%	36.15	0.03%	35.76	0.00%	(0.14)	0.00%	-
PDS Manufacturing Limited	20.95%	24,440.76	21.19%	22,326.32	0.15%	21.04	-0.07%	(17.80)
Spring Design Lonodon Limited	-1.02%	(1,194.28)	-0.41%	(436.26)	-4.40%	(634.73)	-0.04%	(9.96)
Techno Design GmbH	0.45%	523.89	0.15%	157.37	2.35%	339.51	0.65%	171.22
Pro Trusted Med Tech Limited (formerly known as FX Import Hong Kong Limited)	0.08%	97.10	0.02%	25.75	0.49%	70.37	-0.04%	(10.92)
PG Group Limited and its subsidiaries	3.14%	3,660.17	3.88%	4,091.79	2.89%	416.71	4.53%	1,200.28
PDS Smart Fabric Tech Limited (formerly known as Fullhouse Manufacturing Limited)	0.25%	296.39	0.43%	457.96	-1.17%	(168.60)	-0.06%	(16.49)
Norwest Industries Limited and its subsidiaries	66.00%	76,985.77	76.28%	80,369.68	32.60%	4,701.72	36.97%	9,795.19
Progress Manufacturing Group Limited and its subsidiary	-21.02%	(24,518.32)	-8.10%	(8,530.93)	5.30%	764.89	4.25%	1,126.39
GoodEarth Lifestyle Limited and its subsidiary	-10.18%	(11,874.23)	-6.60%	(6,950.50)	-0.44%	(62.91)	2.50%	661.71
PDS Asia Star Corporation Limited and its subsidiaries	1.63%	1,904.21	2.85%	3,003.46	1.90%	273.44	3.23%	854.88
Simple Approach Limited and its subsidiaries	3.89%	4,539.40	3.97%	4,186.55	20.31%	2,929.32	9.60%	2,542.82
Zamira Fashions Limited and its subsidiaries	1.06%	1,232.19	0.45%	479.20	11.16%	1,609.84	0.33%	87.33
Poeticgem International Limited	0.67%	780.32	1.75%	1,841.96	0.82%	117.80	4.20%	1,113.18
Grupo Sourcing Limited and its subsidiaries	-0.03%	(34.22)	0.03%	32.04	-0.62%	(88.76)	-0.38%	(101.38)
Techno Design HK Limited	3.55%	4,142.78	4.62%	4,866.77	16.14%	2,328.24	9.79%	2,593.19
Blueprint Design Limited	-2.96%	(3,457.85)	-3.31%	(3,491.70)	0.67%	97.26	-0.01%	(1.72)
Poetic Brands Limited	1.50%	1,746.94	1.41%	1,482.10	1.54%	222.43	0.93%	247.01
FX Import Company Limited	-0.05%	(58.42)	-0.50%	(530.64)	3.38%	486.97	-0.02%	(6.12)
Poeticgem Limited	10.54%	12,294.18	10.62%	11,193.77	2.47%	355.57	13.61%	3,605.97
Poetic Knitwear Limited	0.00%	(0.00)	-0.68%	(721.59)	5.14%	740.75	-0.01%	(1.97)
Design Arc UK Limited	0.41%	480.53	0.70%	741.92	-2.35%	(338.81)	0.45%	119.80
Pacific Logistics Limited	0.00%	-	-0.39%	(412.39)	2.94%	423.34	-0.02%	(5.82)
Casa Forma Limited	0.02%	22.05	0.02%	18.57	0.02%	2.73	0.01%	3.37
Moda & Beyond Ltd	-0.17%	(193.57)	0.00%	-	-1.40%	(201.77)	0.00%	-
PDS fashion Limited	-0.24%	(276.54)	0.17%	174.46	-3.48%	(502.27)	-0.20%	(54.13)
PDS Lifestyle Ltd UK	0.31%	363.88	0.00%	-	14.11%	2,034.75	0.00%	-
Recovered Clothing Limited	0.07%	77.70	0.02%	15.84	0.43%	61.66	0.52%	137.33
Multinational OSG Services Bangladesh Private Limited	0.22%	261.60	0.47%	495.76	-0.77%	(111.26)	-0.35%	(92.06)
Spring Near East FZCO	2.18%	2,539.78	1.78%	1,870.99	4.09%	590.16	-0.21%	(56.97)
PDS Multinational FZCO and its subsidiaries	9.32%	10,872.88	15.51%	16,342.48	74.55%	10,751.90	39.46%	10,456.55
Techno Sourcing Bangladesh Limited	0.24%	276.78	0.31%	324.48	-0.23%	(33.21)	-0.09%	(22.72)
Techno Design USA LLC	-0.12%	(138.15)	-0.13%	(136.12)	0.00%	-	-0.02%	(4.22)
PDS Lifestyle Ltd HK	0.01%	6.68	0.00%	-	-0.01%	(1.60)	0.00%	-
PDS Desi Ser Ltd	0.01%	7.21	0.00%	-	-0.01%	(1.08)	0.00%	-
PDS CSL	0.07%	82.93	0.00%	-	0.00%	-	0.00%	-
PDS Incubation	0.01%	7.20	0.00%	-	-0.01%	(1.09)	0.00%	-
Foreign associates								
Sourcing Solutions Europe BVPA	0.00%	-	0.04%	47.20	1.87%	270.03	-0.59%	(155.93)
Loop Digital Wardrobe Ltd	0.11%	128.12	0.15%	159.84	-0.22%	(31.72)	-0.10%	(26.52)
GWD Enterprises Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Nobleswear Private Limited	0.74%	862.55	0.00%	-	0.08%	11.74	0.00%	-
Mambo Leisure Masters Limited	0.01%	15.79	0.00%	-	0.00%	-	0.00%	-
Indian joint venture								
Digital Ecom Techno Private Limited	0.09%	110.58	0.01%	10.26	0.00%	-	0.00%	-
Foreign joint ventures								
Redwood Internet Ventures Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Yellow Octopus EU Sp. z o.o. sp.K.	8.51%	9,930.97	9.08%	9,563.21	2.55%	367.76	0.90%	238.87
Yellow Octopus Ventures FZCO	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Upcycle labs Limited	0.00%	-	0.00%	-	0.00%	-	-0.09%	(24.48)
Sub-total	184.55%	2,15,272.24	228.76%	2,41,035.62	360.10%	51,938.07	206.86%	54,813.56
Non-controlling interest in subsidiaries	-6.79%	(7,917.09)	-5.59%	(5,893.13)	-40.53%	(5,844.98)	-23.32%	(6,179.00)
Intercompany elimination and consolidation adjustments	-77.76%	(90,705.35)	-123.16%	(1,29,774.66)	-219.58%	(31,670.01)	-83.54%	(22,136.72)
Grand-total	100.00%	1,16,649.80	100.00%	1,05,367.83	100.00%	14,423.08	100.00%	26,497.84



Note 50: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/ associates/ joint ventures. (cont'd)

- (a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (b) The Group does not have any transactions with companies struck off.
- (c) The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (d) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (e) The group has complied with the number of layers prescribed under the Companies Act, 2013.
- (f) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 51: Audit trail

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, incorporated in India, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Holding Company, its six subsidiaries and one joint venture. Accounting software administration guide states that enabling the same all the time consume storage space on the disk and can impact database performance significantly. Audit trail (edit log) is enabled at the application level.

Three subsidiaries have used another accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. However, the audit trail feature was not enabled.

Note 52: Others

- (a) In the view of management, no material events have occurred between the Balance Sheet date to the date of issue of these consolidated financial statements that could affect the values stated in the financial statements as at March 31, 2024.
- (b) Prior year amounts have been regrouped / reclassified wherever necessary, to conform to the presentation in the current year, which are not material.

As per our report of even date attached

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

Aashesh Arjun Singh
Partner
Membership No: 210122

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

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Sanjay Jain
Chief Executive Officer

Pallak Seth
Vice chairman & Executive Director
DIN 00003040

Rahul Ahuja
Chief Financial Officer

Abhishek Kanoi
Head of Legal & Company Secretary
Membership No. FCS 9530

Mumbai, India
May 14, 2024

Mumbai, India
May 14, 2024



Consolidated Financial Statements and Independent Auditor's Report

PDS Limited
(Formerly PDS Multinational Fashions Limited)

31 March 2023

Contents

	Page
Independent Auditors' Report	
Consolidated Balance Sheet	1
Consolidated Statement of Profit and Loss	2
Consolidated Statement of Changes in Equity	3 - 4
Consolidated Statement of Cash Flow	5 - 6
Summary of significant accounting policies and other explanatory information	7 - 67

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Independent Auditor's Report

To the Members of PDS Limited (formerly PDS Multinational Fashions Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of PDS Limited (formerly PDS Multinational Fashions Limited ('the Holding Company') and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as 'the Group'), its Associates and Joint ventures, as listed in Annexure I, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the Subsidiaries, Associates and Joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its Associates and Joint ventures, as at 31 March 2023, their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its Associates and Joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Key Audit Matters

4. Key Audit Matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the Subsidiaries, Associates and Joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>1. Evaluation of the consolidation process</p> <p>Refer note 2 for the basis of consolidation in the accompanying consolidated financial statements.</p> <p>The Group's consolidation process involves 108 components (including step-down Subsidiaries and excluding Joint ventures, Associates and controlled trust) located across multiple geographies and audited by other auditors. These components comprise significant portions of the Group's assets, liabilities, income and expenses.</p> <p>The process of consolidation involves assessment of degree of control/ significant influence and the corresponding accounting treatment, alignment of generally accepted accounting principles, elimination of inter-company balances and transactions.</p> <p>Considering the significance of the components, materiality to the financial statements and complexities involved, the consolidation process has been identified as a Key Audit Matter for the audit of the current year.</p>	<p>Our audit procedures for auditing the consolidated financial statements and consolidation adjustments included, but were not limited to the following -</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process of preparation of consolidated financial statements comprising the Holding Company and its components; • Evaluated the design and implementation and tested the operating effectiveness of key controls with respect to Group's process of consolidation; • Identified and determined the 'significant components' of the Group based on materiality, discussions with the Holding Company management and thereby developed an overall audit plan to perform work around the identified significant components in accordance with the Guidance Note on consolidated financial statements and SA 600 - Using the work of another auditor; • Communicated the group audit instructions to the respective component auditors of identified significant components including and not limited to the materiality, audit risks identified at the Group level and a questionnaire to understand the procedures performed by the component auditors to mitigate those audit risks and their response to the significant transactions and matters identified at the component level; • Assessed the work performed by such other component auditors including discussions with the component auditors to understand their response and findings to the extent applicable; • Obtained the audited financial statements of the components from the management of the Holding Company and traced the information to the consolidation workings provided by management; • Reviewed inter-company eliminations, consolidation adjustments, foreign currency translation adjustments, alignment of Group accounting policies and the resultant tax impacts; and • Assessed the adequacy and appropriateness of disclosures made in accordance with the applicable accounting standards in these consolidated financial statements.



Key audit matter	How our audit addressed the key audit matter
<p>2. Impairment of Goodwill</p> <p>Refer note 7 accompanying to the consolidated financial statements</p> <p>The carrying value of goodwill aggregates to ₹ 7,981.27 lakhs as on 31 March 2023. Such goodwill is tested for impairment annually by the management in accordance with Ind AS 36, Impairment of Assets, using the discounted cash flow method.</p> <p>In determining the recoverable amount of such goodwill, the management has applied significant judgements and assumptions to estimate the same. The determination of such recoverable amount involves use of several key assumptions, including projections of future sales, operating and finance costs, terminal growth rates and the weighted average cost of capital (discount rate). These assumptions have been disclosed in note 7 to the consolidated financial statements. Changes in these assumptions could lead to an impairment to the carrying value of goodwill.</p> <p>Due to the significance of the carrying amounts of Goodwill and the inherent subjectivity involved in determining the impairment loss, if any, this matter was considered as a Key Audit Matter for the current year audit.</p> <p>The auditor of one Subsidiary has determined "impairment of investment in Subsidiaries" as a Key Audit Matter. These investments are eliminated on consolidation in the consolidated financial statements of the Group.</p>	<p>Our audit procedures for assessing the impairment of goodwill, if any, included but were not limited to the following -</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for identification of impairment indicators for goodwill, identification of Cash Generating Units and impairment testing of such assets; • Evaluated the design and implementation and tested operating effectiveness of key controls with respect to group's process of impairment assessment of goodwill. • Assessed reasonableness of the future cash flow projections prepared by the management and/or management expert and compared them with past trends; • Involved the auditor's expert to assist in examining the Group's valuation models where applicable, and analyzed key assumptions, including long-term growth rates and discount rates used and compared the assumptions to corroborating information including industry benchmarks and data from historic performances; • Tested the mathematical accuracy of the management's computations; • Performed independent sensitivity analysis on the valuation, resulting from changes to key assumptions applied; • Obtained an understanding from the component auditors to understand the procedures performed by them in respect of impairment of Goodwill as part of group audit instructions sent to them; and <p>Assessed the appropriateness and adequacy of presentation and disclosures in the consolidated financial statements in accordance with the applicable accounting standards.</p>

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

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

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

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

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



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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates and Joint ventures in accordance with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the Companies included in the Group, and its Associate and Joint Venture covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its Associates and Joint ventures are responsible for assessing the ability of the Group and of its Associates and Joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the Companies included in the Group and of its Associates and Joint ventures.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;



- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Associates and Joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Associates and Joint ventures to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its Associates and Joint ventures, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements / financial information of 71 Subsidiaries, whose financial statements / financial information reflects total assets of ₹ 4,70,257.85 lakhs and net assets of ₹ 2,06,878.79 lakhs as at 31 March 2023, total revenues of ₹ 6,55,055.52 lakhs and net cash inflows amounting to ₹ 2,094.37 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 31.94 lakhs for the year ended 31 March 2023, as considered in the consolidated financial statements, in respect of 4 Associates and 9 Joint ventures, whose financial statements / financial information has not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, Associates and Joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid Subsidiaries, Associates and Joint ventures, are based solely on the reports of the other auditors.

Further, of these Subsidiaries, Associates and Joint ventures, 69 Subsidiaries, 4 Associates and 9 Joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such Subsidiaries, Associates and Joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such Subsidiaries, Associates and Joint



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ventures located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

16. We did not audit the financial statements / financial information of 9 Subsidiaries, whose financial statements / financial information reflects total assets of ₹ 622.30 lakhs and net liabilities of ₹ 423.30 lakhs as at 31 March 2023, total revenues of ₹ Nil and net cash inflows amounting to ₹ 70.35 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid Subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements / financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

17. Based on our audit we report that the Holding Company and 7 Subsidiary companies, covered under the act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) is not applicable in respect of the Holding Company and such Subsidiary companies. Further, we report that the provisions of Section 197 read with Schedule V to the act are not applicable to 1 Joint Venture Company incorporated in India whose financial statements have been audited under the Act, since such company is not a public company as defined under Section 2(71) of the Act.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued by us, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. Further, following are the companies included in the consolidated financial statements for the year ended March 31, 2023 and covered under the Act that are audited by us, for which the respective reports under Section 143(11) of the Act of such Companies have not yet issued by us.

Sr. No	Name	CIN	Subsidiary/ Joint Venture
1	Technocian Fashions Private Limited	U18100HR2019PTC096168	Subsidiary
2	DIZBI Private Limited	U72900KA2020PTC134287	Subsidiary
3	Norlanka Brands Private Limited	U18101KA2020PTC141803	Subsidiary
4	S.O.T. Garments India Private Limited	U51311TN2006PTC059563	Subsidiary
5	S.Oliver Fashion India Private Limited	U18101HR2002PTC050068	Subsidiary
6	Digital Ecom Techno Private Limited	U52609KA2016PTC094215	Joint Venture

19. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the Subsidiaries, and Joint ventures incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;



- c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
- e) On the basis of the written representations received from the directors of the Holding Company, its Subsidiary Companies and Joint ventures and taken on record by the Board of Directors of the Holding Company, its Subsidiary Companies and Joint ventures, covered under the Act, none of the directors of the Group Companies and Joint Venture, are disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its Subsidiary Companies, and a Joint Venture covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'. Further In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 143(3)(i) for reporting on the adequacy of internal financial controls with reference to financial statements and the operating effectiveness of such controls of 1 Joint Venture covered under the Act, are not applicable; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the Subsidiaries and Joint Venture:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its Associates and a Joint ventures as detailed in Note 42 to the consolidated financial statements;
- ii. The Holding Company, its Subsidiary Companies, and a Joint Venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its Subsidiary Companies, and Joint Venture covered under the Act, during the year ended 31 March 2023;
- iv.
- a. The respective managements of the Holding Company, its Subsidiary companies, and Joint Venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such Subsidiaries, and Joint ventures respectively that, to the best of their knowledge and belief, as disclosed in note 37 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company, its Subsidiary companies, or its Joint Venture to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, Subsidiary companies, or its Joint Venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company, its Subsidiary companies and Joint Venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such Subsidiaries, and Joint ventures respectively that, to the best of their knowledge and belief, as disclosed in the note 37 to the accompanying consolidated financial statements, no funds have been received by the Holding Company, its Subsidiary companies, or its Joint Venture from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, any such Subsidiary companies, or its Joint Venture shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party



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('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed by us and that performed by the auditors of the Subsidiary companies, Associates and Joint ventures as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The interim dividend declared and paid by the Holding Company and its Subsidiary Company during the year ended 31 March 2023 and until the date of this audit report is in compliance with Section 123 of the Act.

The final dividend paid by the Holding Company and its Subsidiary Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.

As stated in note 17 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company has proposed a final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all Companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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


Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 23210122BGXASI6044



Place: Mumbai
Date: May 11, 2023

Walker ChandioK & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited (formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2023

List of entities included in the consolidated financial statements

Subsidiaries

Sl. No	Name of Entity
1	Technocian Fashions Private Limited
2	Multinational Textile Group Limited
3	Casa Forma Limited
4	PDS Sourcing Limited
5	PDS Asia Star Corporation Limited
6	Simple Approach Limited
7	Simple Approach Bangladesh Private Limited
8	Zamira Fashion Limited Zhongshan
9	PG Group Limited
10	Techno Design HK Limited
11	Norwest Industries Limited
12	Poeticgem International Limited
13	Multinational OSG Services Bangladesh Private Limited
14	PDS Smart Fabric Tech Limited
15	PDS Smart Fabric Tech UK Limited
16	Techno Design GmbH
17	Poetic Brands Limited
18	Poeticgem Limited
19	PDS Trading (Shanghai) Company Limited
20	Simple Approach (Canada) Limited
21	PDS Brands Manufacturing Limited
22	PG Home Group Limited
23	PG Shanghai Manufacturer Co. Limited
24	360 Notch Limited
25	Design Arc Europe SPA
26	Sourcing Solutions Limited
27	PDS Brands Private Limited
28	Krayons Sourcing Limited
29	Design Arc Asia Limited
30	Nor Lanka Manufacturing Limited
31	Design Arc Europe Limited
32	Kleider Sourcing Hong Kong Limited
33	Kleider Sourcing Limited Bangladesh
34	Rising Asia Star Hong Kong Co., Limited
35	PDS Tailoring Limited
36	Spring Near East Manufacturing Company Limited
37	Clover Collections Limited
38	FX Import Company Limited



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Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited (formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2023

List of entities included in the consolidated financial statements

Subsidiaries

Sl. No	Name of Entity
39	Poetic Knitwear Limited
40	Pacific Logistics Limited
41	PG Home Group SPA
42	Nor Lanka Manufacturing Colombo Limited
43	Brand Collective Limited
44	PDS Fashion USA Limited (Formerly known as Pro Trusted Med Tech Limited)
45	PDS Ventures Limited
46	Progress Manufacturing Group Limited
47	Progress Apparels (Bangladesh) Limited
48	Green Apparel Industries Limited
49	Grupo Sourcing Limited
50	JJ Star Industrial Limited
51	Twins Asia Limited
52	Norlanka Progress Private Limited
53	Blueprint Design Limited
54	Design Arc UK Limited
55	Grupo Sourcing Limited, Bangladesh
56	Fareast Vogue Limited
57	PDS Far-east Limited
58	Kindred Brands Limited
59	Styleberry Limited
60	PDS Global Investments Limited
61	Green Smart Shirts Limited
62	Zamira Fashion Limited
63	PDS Far East USA, Inc.
64	PDS Ventures Limited (Formerly Smart Notch Industrial Limited)
65	Apex Black Limited
66	Casa Collective Limited
67	Smart Notch (Shanghai) Limited.
68	Jcraft Array Limited
69	Kindred Fashion Limited
70	Recovered Clothing Limited
71	PDS Fashions Limited
72	Design Arc FZCO
73	Spring Near East FZCO
74	Kleider Sourcing FZCO
75	Twins Asia FZCO
76	Techno Sourcing BD Limited



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Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited (formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2023

List of entities included in the consolidated financial statements

Subsidiaries

SI. No	Name of Entity
77	Clover Collections FZCO
78	PG Capital FZE
79	PDS Manufacturing Limited
80	Norlanka Brands Private Limited
81	Poeticgem International FZCO
82	PDS Multinational FZCO
83	Spring Design London Limited
84	DIZBI Private Limited
85	LillyandSid Limited
86	Brand Collective Corporation Limited
87	S.O.T. Garments India Private Limited
88	DBS Lifestyle India Private Limited
89	Suri Overseas Private Limited
90	S.Oliver Fashion India Private Limited
91	Sunny Up Limited
92	PDS Fashions Hong Kong Limited
93	PDS Sourcing Hong Kong Limited
94	PDS Design Services Limited
95	PDS Lifestyle Limited
96	SKOPE Apparels FZCO
97	Infinity Fashion FZCO
98	PDS Logistics FZCO
99	PDS Sourcing FZCO
100	PDS Brands Manufacturing FZCO
101	Collaborative Sourcing Services FZCO
102	LILY AND LIONEL LONDON LIMITED
103	PG Group SPA
104	Casa Collective Sourcing Limited
105	DESIGN ARC BRANDS LIMITED
106	Techno Design USA LLC
107	PDS Global Procurement Service FZCO
108	Upcycle Labs Limited (formerly Filkor Limited)



Walker ChandioK & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited (formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2023

List of entities included in the consolidated financial statements

Associates

SI. No	Name of Entity
1	Reflaunt Pte Limited
2	Sourcing Solutions Europe BVBA
3	GWD Enterprises Limited
4	Loop Digital Wardrobe Limited

Joint ventures

SI. No	Name of Entity
1	Digital Ecom Techno Private Limited
2	Redwood Internet Ventures Limited
3	Digital Internet Technologies Limited
4	Yellow Octopus EU Sp Zoo (Poland)
5	Yellow Octopus EU spolka z ograniczona odpowiedzialnoscia spolka komandytowa
6	One Stop Shop Solutions EU Sp. z.oo
7	Yellow Octopus Ventures FZCO
8	Upcycle Labs Limited (formerly Filkor Limited)
9	One Stop Shop Solutions spolka z ograniczona odpowiedzialnoscia spolka komandytowa

Controlled Trust

SI. No	Name of Entity
1	PDS Multinational Fashions ESOP Trust



Annexure II to the Independent Auditor's Report of even date to the members of PDS Limited (formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2023

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

1. In conjunction with our audit of the consolidated financial statements of PDS Limited (formerly PDS Multinational Fashions Limited ('the Holding Company'), and its Subsidiaries (the Holding Company and its Subsidiaries together referred to as 'the Group'), its Associates and Joint ventures as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its Subsidiary Companies which are Companies covered under the Act, as at that date.

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

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

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

3. The audit of the internal financial controls with reference to financial statements of the aforementioned Joint venture, which is a Company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its Subsidiary Companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its Subsidiary companies as aforesaid.



Meaning of Internal Financial Controls with Reference to Financial Statements

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

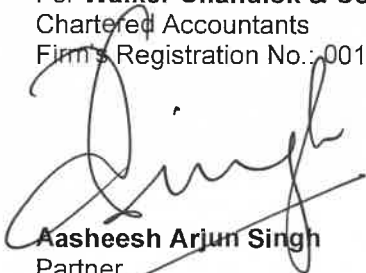
Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion the Holding Company, its Subsidiary companies, its Associate companies and Joint Venture companies, which are Companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 23210122BGXASI6044



Mumbai
May 11, 2023

PDS Limited
(Formerly PDS Multinational Fashions Limited)
Consolidated Balance Sheet as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	As at	As at
		March 31, 2023	March 31, 2022
Assets			
I. Non-current assets			
(a) Property, plant and equipment	4	35,001.70	35,937.62
(b) Capital work in progress	5	415.65	313.59
(c) Investment property	6	2,476.00	4,487.02
(d) Goodwill	7	7,981.27	5,176.25
(e) Other Intangible assets	8	2,910.30	734.20
(f) Intangible assets under development	8A	349.31	10.34
(g) Investments accounted for using the equity method	9B	9,780.51	9,663.26
(h) Financial assets			
(i) Investments	9A	26,750.33	18,435.53
(ii) Other financial assets	10	165.26	1,134.54
(i) Deferred tax assets (net)	24	836.23	1,135.31
(j) Non-current tax asset (net)		1,846.20	1,258.94
(k) Other non-current assets	11	77.13	374.26
Total non-current assets		88,589.89	78,660.86
Current assets			
(a) Inventories	12	25,574.21	30,524.71
(b) Financial assets			
(i) Investments	9A	5,304.83	3,840.45
(ii) Trade receivables	13	97,843.44	142,130.97
(iii) Cash and cash equivalents	14	51,124.87	46,000.20
(iv) Bank balances other than (iii) above	15	21,787.83	20,484.50
(v) Other financial assets	10	8,635.43	7,059.33
(c) Other current assets	11	12,043.24	11,107.23
Total current assets		222,313.85	261,147.39
Total assets		310,903.74	339,808.24
II. Equity and liabilities			
Equity			
(a) Equity share capital	16	2,615.91	2,604.25
(b) Other equity	17	102,751.92	84,635.94
Equity attributable to the owners of the parent		105,367.83	87,240.19
Non-controlling interest		5,893.13	6,360.24
		111,260.96	93,600.43
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	193.21	10.77
(ii) Lease liabilities	45	7,924.55	9,145.31
(iii) Other financial liabilities	19	82.45	-
(b) Provisions	20	2,222.41	1,716.46
(c) Deferred tax liabilities (net)	24	-	285.13
(d) Other non-current liabilities	22	49.33	61.75
Total non-current liabilities		10,471.95	11,219.42
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	59,881.61	62,324.34
(ii) Lease liabilities	45	3,901.28	2,567.71
(iii) Trade payables	21		
- Total outstanding dues to micro enterprises and small enterprises		15.93	9.50
- Total outstanding dues to creditors other than micro and small enterprises		112,469.11	156,622.43
(iii) Other financial liabilities	19	4,269.22	6,690.97
(b) Other current liabilities	22	3,293.38	2,382.76
(c) Provisions	20	1,525.24	1,676.94
(d) Current tax liabilities (net)	23	3,815.06	2,713.74
Total current liabilities		189,170.83	234,988.39
Total equity and liabilities		310,903.74	339,808.24

Summary of significant accounting policies and other explanatory information 3

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

As per our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration Number: DD1076N/N500013

Aashresh Arjun Singh

Partner

Membership No: 210122



Mumbai, India
May 11, 2023

For and on behalf of Board of Directors of PDS Limited
(Formerly PDS Multinational Fashions Limited)

Deepak Kumar Seth
Chairman & Non-Executive Director
DIN 00003021

Sanjay Jain
Chief Executive Officer

Mumbai, India
May 11, 2023

Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

Rahul Ahuja
Chief Financial Officer

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



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Consolidated Statement of Profit and Loss for the Period ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	Year ended	
		March 31, 2023	March 31, 2022
I Revenue from operations	25	1,057,700.42	882,821.38
II Other income	26	5,153.05	8,602.74
III Total income (I+II)		1,062,853.47	891,424.12
IV Expenses			
(a) Cost of material consumed	27	76,737.85	50,953.04
(b) Purchases of stock-in-trade	28	802,576.40	694,826.60
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	29	1,238.08	(6,167.54)
(d) Employee benefits expense	30	76,126.69	62,086.61
(e) Finance costs	31	7,411.62	3,264.52
(f) Depreciation and amortization expense	32	8,018.20	6,990.81
(g) Other expenses	33	55,101.20	48,404.42
V Total expenses		1,027,210.04	860,358.46
VI Profit before share of loss in associates and joint ventures (III-V)		35,643.43	31,065.66
VII Share of profit/ (loss) of associates and joint ventures		31.93	(57.86)
VIII Profit before tax (VI+VII)		35,675.36	31,007.80
IX Tax expense	24		
(a) Current tax		3,148.05	1,804.24
(b) Deferred tax (credit)/ charge		(149.53)	(78.53)
Total tax expense		2,998.52	1,725.71
X Profit for the year (VIII-IX)		32,676.84	29,282.09
XI Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement (losses)/profit on defined benefit plans		(316.40)	40.28
(b) Net gain on instruments measured at fair value through other comprehensive income		1,081.63	1,800.00
(ii) Income tax on items that will not be reclassified to profit or loss		10.17	(5.57)
(B) (i) Items that will be reclassified reclassifies to profit or loss			
(a) Net (loss)/gain on cash flow hedges		(305.14)	99.89
(b) Gain arising on translating the financial statements of foreign operations		2,236.76	1,423.03
Other comprehensive income for the year, net of tax		2,707.02	3,357.62
XII Total comprehensive income for the year, net of tax		35,383.86	32,639.71
Net profit for the period attributable to			
- Owners of the Company		26,497.84	24,840.99
- Non controlling interest		6,179.00	4,441.10
Total comprehensive income for the year, net of tax		32,676.84	29,282.09
- Owners of the Company		28,913.97	27,613.27
- Non controlling interest		6,469.89	5,026.44
		35,383.86	32,639.71
XIII Earnings per share: (Face value ₹ 2 per share)	34		
1) Basic (amount in ₹)		20.30	19.08
2) Diluted (amount in ₹)		19.93	18.86

Summary of significant accounting policies and other explanatory information 3

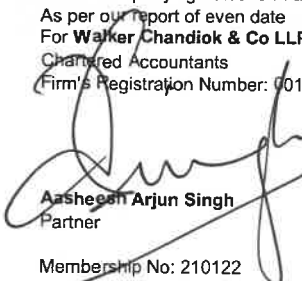
The accompanying notes form an integral part of these consolidated financial statements

As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants


Firm's Registration Number: 001076N/N500013



Aashesh Arjun Singh
 Partner
 Membership No: 210122





Mumbai, India
 May 11, 2023


For and on behalf of Board of Directors of PDS Limited
 (Formerly PDS Multinational Fashions Limited)


Deepak Kumar Seth
 Chairman & Non-Executive Director
 DIN 00003021


Pallak Seth
 Vice Chairman &
 Executive Director
 DIN 00003040


Sanjay Jain
 Chief Executive Officer


Rahul Ahuja
 Chief Financial Officer


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

Mumbai, India
 May 11, 2023



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Consolidated Statement of Changes in Equity as at March 31, 2023

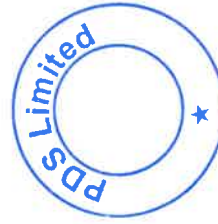
(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity Share Capital

	Amount
As at April 01, 2021	2,604.67
Treasury shares	(0.42)
As at March 31, 2022	2,604.25
Fresh issue (Net of treasury share)	11.66
As at March 31, 2023	2,615.91

B. Other Equity

Particulars	Securities Premium	Capital reserve	Restricted reserve	Retained earnings	Other reserves ^A	Treasury Stock	Foreign currency translation reserve	Other Comprehensive Income		Effective Portion of Cash Flow Hedges	Share based payment reserve	Total equity before Non-controlling interest	Non-controlling interest	Total equity
								Equity instruments through OCI	Remeasurement of defined benefit plan					
Balance as at April 01, 2021	-	26,185.92	664.52	25,223.83	(3,921.21)	-	13,007.10	736.67	(37.28)	124.37	-	62,083.92	6,865.79	68,949.71
Net Profit for the year	-	-	-	24,840.99	-	-	-	-	-	-	-	24,840.99	4,441.10	29,282.09
Net gain on instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	1,284.48	-	-	-	1,284.48	515.52	1,800.00
Share based payments to employees (refer note 48)	-	-	-	-	-	-	-	-	-	-	2,064.21	2,064.21	-	2,064.21
Purchase of Treasury shares	-	-	-	-	-	(57.73)	-	-	-	-	-	(57.73)	-	(57.73)
Gain arising on translating the financial statements of foreign operations	-	-	-	-	-	-	1,353.21	-	-	-	-	1,353.21	-	1,423.03
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	-	40.28	-	-	40.28	-	40.28
Net gain on cash flow hedges	-	-	-	-	(2,970.96)	-	-	-	-	-	-	(2,970.96)	-	(3,009.80)
Decrease in interest by non-controlling interest	-	-	-	-	(6,792.17)	(57.73)	-	-	-	-	-	99.89	-	99.89
Total Comprehensive Income	-	26,185.92	664.52	50,064.82	(6,792.17)	(57.73)	14,360.31	2,021.15	3.00	224.26	2,064.21	88,738.29	11,853.39	100,591.68
Dividend paid, net of tax	-	-	-	(4,102.35)	-	-	-	-	-	-	-	(4,102.35)	(5,493.15)	(9,595.50)
Balance as at March 31, 2022	-	26,185.92	664.52	45,962.47	(6,792.17)	(57.73)	14,360.31	2,021.15	3.00	224.26	2,064.21	84,635.94	6,360.24	90,996.18



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Consolidated Statement of Changes in Equity as at March 31, 2023

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)													
	Securities Premium	Capital reserve	Restricted reserve	Retained earnings	Other reserves ^	Treasury shares	Foreign currency translation reserve	Equity Instruments through OCI	Remeasurement of defined benefit plan	Effective Portion of Cash Flow Hedges	Share based payment reserve	Total equity before Non-controlling interest	Non-controlling interest	Total equity
Balance as at April 01, 2022	-	26,185.92	664.52	45,962.47	(6,792.17)	(57.73)	14,360.31	2,021.15	3.00	224.26	2,064.21	84,635.94	6,360.24	90,996.18
Net Profit for the year	-	-	-	26,497.84	-	-	-	-	-	-	-	26,497.84	6,179.00	32,676.84
Net gain on instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share based payments to employees (refer note 48)	-	-	-	-	-	-	-	470.17	-	-	-	470.17	611.46	1,081.63
Premium on issue of shares (refer note 17)	425.64	-	-	-	-	-	-	-	-	-	1,500.98	1,926.62	-	1,926.62
Purchase of Treasury shares	709.30	-	-	-	-	-	-	-	-	-	-	709.30	-	709.30
Gain/ (loss) arising on translating the financial statements of foreign operations	-	-	-	-	-	(345.17)	-	-	-	-	-	(345.17)	-	(345.17)
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	2,557.33	-	(316.40)	-	-	2,557.33	(320.57)	2,236.76
Net gain on cash flow hedges	-	-	-	-	-	-	-	-	-	(305.14)	-	(316.40)	-	(316.40)
Decrease in interest by non-controlling interest	-	-	-	-	(3,620.71)	-	-	-	-	-	-	(305.14)	(598.35)	(305.14)
Increase in interest by non-controlling interest	-	28.30	-	-	-	-	-	-	-	-	-	(3,592.41)	380.78	(4,190.76)
Total Comprehensive Income	1,134.94	26,214.22	664.52	72,460.31	(10,412.88)	(402.90)	16,917.64	2,491.32	(313.40)	(80.88)	3,565.19	112,238.08	12,612.57	124,850.64
Dividend paid, net of tax	-	-	-	(9,486.16)	-	-	-	-	-	-	-	(9,486.16)	(6,719.44)	(16,205.60)
Balance as at March 31, 2023	1,134.94	26,214.22	664.52	62,974.15	(10,412.88)	(402.90)	16,917.64	2,491.32	(313.40)	(80.88)	3,565.19	102,751.92	5,893.13	108,645.04

^ Other reserves represents gain/loss on change in proportion held by Non-controlling interest (NCI) without a change in control.

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

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

As per our report of even date

For Walker Chandlok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076/N/NS000013

Aashish Anjan Singh

Partner

Membership No: 210122



Mumbai, India
 May 11, 2023

For and on behalf of Board of Directors of PDS Limited
 (Formerly PDS Multinational Fashions Limited)

DS Gupta

Deepak Kumar Seth
 Chairman & Non-Executive Director
 DIN: 00003021

Sanjay Jha
 Sanjay Jha
 Chief Executive Officer
 Mumbai, India
 May 11, 2023

Rahul Ahuja
 Chief Financial Officer

P S Seth

Pallik Seth
 Vice Chairman & Executive Director
 DIN: 00003040

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



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Consolidated Statement of Cash flows for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	35,675.36	31,007.80
Adjustments for:		
Share of (profit)/ loss of associates and joint ventures	(31.93)	57.86
Depreciation and amortization expense	8,018.20	6,990.81
Finance costs	7,411.62	3,264.52
Expected credit loss	132.82	1,565.77
Interest income	(528.62)	(131.94)
Dividend income	(56.92)	(64.26)
Liabilities written back	(78.10)	(104.35)
Fair value loss/ (gain) on financial assets measured at fair value through profit and loss	319.12	(610.66)
Gain on disposal of subsidiary	-	(4,073.89)
Employee share compensation expense	2,146.95	2,263.16
Loss on sale of property, plant & equipment	36.38	33.26
Gain on sale of investment property	(3,648.86)	-
Unrealised foreign exchange fluctuation (gain)/ loss	(628.03)	246.95
Operating profit before working capital changes	48,767.99	40,445.03
Movement in working capital:		
Change in trade payables and other financial liabilities	(55,766.60)	65,284.61
Change in other current financial liabilities	(2,853.59)	(1,296.71)
Change in provisions	(187.71)	569.14
Change in trade receivables	55,244.09	(51,150.24)
Change in other non-current assets	2,248.77	76.72
Change in inventories	5,772.74	(10,811.89)
Change in other financial assets	395.86	16.82
Cash generated from operations	53,621.56	43,133.48
Direct tax paid, net of refunds received	(2,633.99)	(2,407.57)
Net cash generated from operating activities (a)	50,987.57	40,725.91
Cash flows from investing activities		
Purchase of property, plant and equipment, capital working in progress and investment property	(3,186.76)	(3,798.37)
Proceeds from sale of investment property	5,651.87	8,327.33
Purchase of intangible assets	(2,740.53)	(638.59)
Purchase of investments	(11,040.03)	(13,145.32)
Acquisition of non-controlling interest	(4,246.27)	-
Acquisition of joint venture/ subsidiaries/ non controlling interest	(3,001.49)	(12,145.89)
Proceeds from sale of investments	3,075.59	5,195.72
Investment in time deposits	(1,303.33)	(6,766.16)
Dividend received	56.92	64.26
Interest received	288.72	110.38
Net cash (used in) investing activities (b)	(16,445.31)	(22,796.65)
Cash flows from financing activities		
(Repayment)/ proceeds of short term borrowings, net	(7,534.78)	12,894.76
Proceeds/ (repayment) of long term borrowings, net	182.44	(173.27)
Acquisition of own equity shares by a controlled ESOP trust	(346.47)	(58.15)
Payment of dividend to shareholders	(9,486.16)	(4,102.36)
Issuance of share capital including premium	722.26	-
Payment of dividend to non-controlling interests of subsidiaries	(6,719.43)	(5,493.15)
Payment of principal portion of lease liabilities and interest thereon	(3,739.18)	(2,851.75)
Interest paid on borrowings	(3,886.28)	(2,356.76)
Interest paid on others	(2,877.79)	(508.49)
Net cash (used in) financing activities (c)	(33,685.39)	(2,649.17)
Net increase in cash and cash equivalents (a+b+c)	856.87	15,280.09
Effect of exchange rate changes on cash and cash equivalents	746.70	629.72
Cash acquired on business combination	2,704.06	111.37
Opening balance of cash and cash equivalents (net of bank overdraft)	44,259.68	28,238.50
Cash and cash equivalents at the end of the year	48,567.31	44,259.68
Components of cash and cash equivalents		
Cash on hand	149.57	46.26
Balance with banks	50,975.30	45,953.94
Bank overdraft	(2,557.56)	(1,740.52)
Total Cash and Cash equivalents (refer note 14 & 18)	48,567.31	44,259.68



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Consolidated Statement of Cash Flow for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Non cash disclosure

Particulars	Cash flow			Non-cash		As at March 31, 2022
	As at April 01, 2021	Additions*	Repayment	Amortisation of upfront fees/ Interest expense	Exchange difference	
Borrowings	48,980.81	12,894.76	(173.27)	-	632.81	62,335.11
Interest accrued but not due on borrowings	0.34	-	(2,402.55)	2,474.09	(71.63)	0.25
Lease liability	7,173.89	-	(2,535.52)	316.25	240.79	11,713.01
	56,155.04	12,894.76	(5,111.34)	2,790.34	801.97	74,048.37
Particulars	Cash flow			Non-cash		As at March 31, 2023
	As at April 1, 2022	Additions *	Repayment	Amortisation of upfront fees/ Interest expense	Exchange difference	
Borrowings	62,335.11	182.44	(7,534.78)	-	5,092.05	60,074.82
Interest accrued but not due on borrowings	0.25	-	(6,764.07)	6,764.07	-	0.25
Lease liability	11,713.01	-	(3,739.18)	636.33	(793.54)	11,825.83
	74,048.37	182.44	(18,038.03)	7,400.40	4,298.51	71,900.90

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

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

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

As per our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

Membership Number: 001076N/N500013

(Signature)
Aashesh Arjun Singh
Partner
Membership No: 210122

For and on behalf of Board of Directors of PDS Limited
(Formerly PDS Multinational Fashions Limited)

(Signature)
Deepak Kumar Seth
Chairman & Non-Executive Director
DIN 00003021

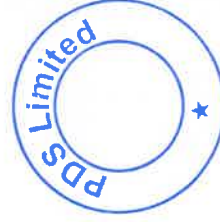
(Signature)
Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

(Signature)
Sanjay Jain
Chief Executive Officer

(Signature)
Rahul Ahuja
Chief Financial Officer

Mumbai, India
May 11, 2023

(Signature)
Abhishek Kanoi
Head of Legal & Company Secretary
M. No. FCS 9530



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 1: Corporate information

PDS Limited (Formerly PDS Multinational Fashions Limited) is a Public Limited Company (hereinafter referred as 'the Company') domiciled in India and has its registered office at Unit No.971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai- 400 093 Maharashtra. The Company along with its subsidiaries, associates and joint ventures (collectively referred to as "the Group"), is engaged in the trading of garments, investment holding, design, development, marketing, sourcing and distribution of readymade garments of all the kinds and other consumer products worldwide. The Company is also engaged in the business of holding, owing, leasing or licensing real estate. The Company has its primary listings on the BSE Limited and the National Stock Exchange of India Limited.

Note 2: Statement of compliance

The consolidated financial statements are prepared on an accrual basis under the historical cost convention except for certain financial instruments which are measured at fair value. These consolidated financial statements have been prepared on going concern basis and in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable and the guidelines issued by Securities and Exchange Board of India, to the extent applicable. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The financial statements of the Group for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on May 11, 2023.

Going concern: The Board of Directors have considered the financial position of the Group as at March 31, 2023 and the projected cash flows and financial performance of the Group for at least twelve months from the date of these consolidated financial statements and believe that the plan for sustained profitability remains on course.

Basis of preparation and presentation

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

Recent accounting pronouncement

Standards issued but not effective on Balance Sheet date;

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, which are effective from annual period beginning on or after April 1, 2023. Details of which are given below:

Ind AS 107 - Financial instrument - The amendment substitutes the paragraph 21 - while presenting a Financial Statement an entity discloses material accounting policy information. Information about the measurement basis (or bases) for financial instruments used in preparing the financial statements is expected to be material accounting policy information. The Company has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 1 - Presentation of financial statements - The standard requires the entities to disclose their material accounting policies rather than significant accounting policies, which forms the basis of making material judgements.

Ind AS 8 - Accounting policies, changes in accounting estimates and errors - The standard has introduced a definition of 'accounting estimates' and included appropriate amendments to help entities distinguish changes in accounting policies from change in accounting estimates.

Ind AS 12 - Income Taxes - The standard has narrowed the scope of initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Group has evaluated the afore mentioned amendments and there is no material impact on the consolidated financial statements.

Principles of consolidation

The consolidated financial statements relate to the Group. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the subsidiaries, wholly owned foreign subsidiaries, its step down subsidiaries, associates and joint ventures companies used in the consolidation are drawn upto the same reporting date as that of the Group i.e. March 31, 2023.

(ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered. The Group controls an entity when the parent has power over the entity, it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's standalone financial statements.



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Summary of significant accounting policies and other explanatory information

Note 2: Statement of compliance (cont'd)

Non-controlling interest (NCI)

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

Loss of control

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

Investments accounted for, using the equity method

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

Changes in ownership interest without change in control

The Group treats transactions with Non-Controlling Interests (NCI) that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interest and any consideration paid or received is recognised within equity.

The ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss where appropriate.

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the Consolidated Balance Sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquiree at the date of acquisition. Any excess of identifiable net assets over acquisition cost is recognised in the other comprehensive income on the acquisition date and accumulated in equity as capital reserve. Acquisition related costs are accounted for as expenses in the period in which they are incurred and the services are received.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 2: Statement of compliance (cont'd)

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

(i) PDS Limited, holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2023	% of voting power held as at March 31, 2022
Multinational Textile Group Limited	13.05.2014	Mauritius	100.00%	100.00%
Technocian Fashions Private Limited	20.03.2019	India	55.00%	55.00%
DIZBI Private Limited ³	10.07.2020	India	100.00%	60.00%
Norlanka Brands Private Limited ³	01.02.2021	India	100.00%	75.00%
PDS Brands Private Limited	28.07.2021	India	100.00%	100.00%
DBS Lifestyle India Private Limited ¹	27.10.2022	India	51.00%	NA

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

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2023	% of voting power held as at March 31, 2022
PDS Sourcing Limited	31.03.2006	Mauritius	100.00%	100.00%
Norwest Industries Limited	31.05.2006	Hong Kong	100.00%	100.00%
Casa Forma Limited	01.01.2012	United Kingdom	100.00%	100.00%
Multinational OSG Services Bangladesh Private Limited	02.02.2014	Bangladesh	99.97%	99.97%
Techno Design GMBH	14.02.2014	Germany	55.00%	55.00%
PDS Ventures Limited	25.11.2015	Mauritius	100.00%	100.00%
Blueprint Design Limited	30.06.2016	Hong Kong	100.00%	100.00%
PDS Global Investments Limited	01.04.2018	Hong Kong	100.00%	100.00%
Spring Near East FZCO	17.01.2019	United Arab Emirates	55.00%	55.00%
Techno Sourcing BD Limited	22.10.2019	Bangladesh	49.00%	49.00%
PDS Multinational FZCO	01.02.2021	United Arab Emirates	100.00%	100.00%
PDS Manufacturing Limited	22.03.2021	Mauritius	100.00%	100.00%

(iii) Norwest Industries Limited, holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2022
Nor Lanka Manufacturing Limited ³	22.10.2008	Hong Kong	90.00%	90.00%
PDS Tailoring Limited	17.12.2010	Hong Kong	70.00%	70.00%
Spring Near East Manufacturing Company Limited	17.12.2010	Hong Kong	65.00%	65.00%
Design Arc Europe Limited	04.11.2011	Hong Kong	70.00%	70.00%
Rising Asia Star HongKong Limited	03.01.2012	Hong Kong	100.00%	100.00%
Clover collection Limited	27.08.2012	Hong Kong	100.00%	100.00%
Design Arc Asia Limited	18.12.2012	Hong Kong	100.00%	100.00%
Kleider Sourcing Hong Kong Limited	24.10.2013	Hong Kong	51.00%	51.00%
PDS Brands Manufacturing Limited	24.10.2014	Hong Kong	100.00%	100.00%
Krayons Sourcing Limited	16.12.2014	Hong Kong	75.00%	75.00%
Sourcing Solutions Limited	12.03.2015	Hong Kong	100.00%	100.00%
JJ Star Industrial Limited	28.04.2015	Hong Kong	57.50%	57.50%
360 Notch Limited	31.07.2015	Hong Kong	100.00%	100.00%
Twins Asia Limited	27.07.2015	Hong Kong	100.00%	100.00%
Fareast Vogue Limited	26.07.2016	Hong Kong	60.00%	60.00%



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 2: Statement of compliance (cont'd)

(iii) Norwest Industries Limited, holds the following subsidiaries (cont'd):

PDS Far-east Limited	23.08.2016	Hong Kong	100.00%	100.00%
Kindred Brands Limited	23.08.2016	Hong Kong	57.50%	57.50%
Styleberry Limited	13.09.2016	Hong Kong	100.00%	100.00%
PDS Far East USA, Inc.	11.07.2017	United States of America	100.00%	100.00%
Jcraft Array Limited	12.04.2018	Hong Kong	85.00%	85.00%
Casa Collective Limited	19.01.2018	HongKong	75.00%	75.00%
Brand Collective Limited	30.09.2020	HongKong	55.00%	55.00%

(iv) Design Arc Europe Limited holds the following subsidiary:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2023	% of voting power held as at March 31, 2022
Design Arc Europe SPA	17.11.2011	Spain	100.00%	100.00%

(v) Nor Lanka Manufacturing Company Limited holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2023	% of voting power held as at March 31, 2022
Nor Lanka Manufacturing Colombo Limited	13.08.2012	Sri Lanka	100.00%	100.00%
Norlanka Progress Private Limited	20.10.2015	Sri Lanka	100.00%	100.00%
LillyandSid Limited	10.03.2020	United Kingdom	55.00%	55.00%

(vi) PDS Sourcing Limited (Formerly known as Global Textiles Group Limited) holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2023	% of voting power held as at March 31, 2022
Pacific Logistics Limited	27.10.2003	United Kingdom	100.00%	100.00%
Poeticgem Limited	30.03.2006	United Kingdom	100.00%	100.00%
Zamira Fashion Limited	20.09.2007	Hong Kong	67.00%	67.00%
FX Import Company Limited	26.03.2008	United Kingdom	100.00%	100.00%
PG Group Limited	13.05.2008	Hong Kong	51.00%	51.00%
Simple Approach Limited ³	30.11.2008	Hong Kong	85.00%	75.00%
PDS Smart Fabric Tech Limited	19.01.2009	Hong Kong	100.00%	100.00%
Poetic Knitwear Limited	31.03.2009	United Kingdom	100.00%	100.00%
PDS Asia Star Corporation Limited	24.10.2012	Hong Kong	60.00%	60.00%
Techno Design HK Limited	02.11.2012	Hong Kong	55.00%	55.00%
Poeticgem International Limited	27.09.2013	Hong Kong	100.00%	100.00%
Poetic Brands Limited	15.01.2015	United Kingdom	60.00%	60.00%
Grupo Sourcing Limited	15.03.2016	Hong Kong	51.00%	51.00%
Design Arc UK Limited	21.10.2016	United Kingdom	85.00%	85.00%
PDS Fashions Limited	03.07.2018	United Kingdom	100.00%	100.00%
Spring Design London Limited	13.05.2021	United Kingdom	100.00%	100.00%
PDS Fashion USA Limited (Formerly known as Pro Trusted Med Tech Limited)	28.02.2020	Hong Kong	100.00%	100.00%
PDS Fashions Hong Kong Limited ¹	02.08.2022	Hong Kong	100.00%	NA
PDS Sourcing Hong Kong Limited ²	10.10.2022	Hong Kong	100.00%	NA
PDS Design Services Limited ²	08.12.2022	Hong Kong	100.00%	NA
PDS Lifestyle Limited ²	08.12.2022	Hong Kong	100.00%	NA



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 2: Statement of compliance (cont'd)

(vii) PDS Manufacturing Limited holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2023	% of voting power held as at March 31, 2022
Progress Manufacturing Group Limited	17.07.2015	Hong Kong	97.00%	97.00%
Green Apparel Industries Limited	15.03.2016	Hong Kong	75.00%	75.00%

(ix) PG Group Limited holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2023	% of voting power held as at March 31, 2022
PG Home Group Limited	13.05.2008	Hong Kong	90.00%	90.00%
PG Shanghai Manufacturer Co. Limited	08.06.2012	China	100.00%	100.00%
PG Group SPA ²	24.01.2023	CHILE	100.00%	NA

(x) PDS Multinational FZCO holds the following subsidiaries;

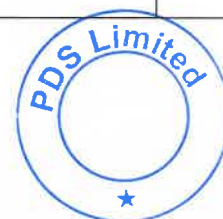
Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2023	% of voting power held as at March 31, 2022
Twins Asia FZCO	17.01.2019	United Arab Emirates	75.00%	75.00%
Kleider Sourcing FZCO	17.01.2019	United Arab Emirates	41.00%	41.00%
Design Arc FZCO	17.01.2019	United Arab Emirates	75.00%	75.00%
Clover Collections FZCO	20.02.2020	United Arab Emirates	75.00%	75.00%
Poeticgem International FZCO	01.02.2021	United Arab Emirates	65.00%	65.00%
PG Capital FZE	27.09.2021	United Arab Emirates	100.00%	100.00%
PDS Brands Manufacturing FZCO	01.01.2022	United Arab Emirates	100.00%	100.00%
COLLABORATIVE SOURCING SERVICES FZCO ²	25.07.2022	United Arab Emirates	100.00%	NA
PDS Logistics FZCO ²	03.10.2022	United Arab Emirates	100.00%	NA
PDS Sourcing FZCO ²	26.10.2022	United Arab Emirates	100.00%	NA
PDS Global Procurement Service FZCO ²	22.03.2023	United Arab Emirates	100.00%	NA

(xi) PDS Ventures Limited (Formerly Smart Notch Industrial Limited) has following Associate/ Subsidiary

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2023	% of voting power held as at March 31, 2022
Loop Digital Wardrobe Limited	15.09.2021	United Kingdom	34.00%	34.00%
Upcycle Labs Limited (formerly Filkor Limited) ⁴	21.09.2021	United Kingdom	61.00%	50.00%

(xii) Krayons Sourcing Limited holds the following subsidiary:

SKOPE Apparels FZCO ²	26.12.2022	United Arab Emirates	100.00%	NA
Infinity Fashion FZCO ²	26.12.2022	United Arab Emirates	100.00%	NA



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 2: Statement of compliance (cont'd)

(xiii) PDS Asia Star Corporation Limited holds the following subsidiary:

PDS Trading (Shanghai) Company Limited	31.12.2012	China	100.00%	100.00%
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(xiv) Casa Collective Limited holds the following subsidiary:

Casa Collective Sourcing Limited ²	17.03.2023	Hong Kong	100.00%	NA
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(xv) Simple Approach Limited holds the following subsidiary:

Simple Approach (Canada) Limited	02.05.2013	Canada	100.00%	100.00%
Simple Approach Bangladesh Private Limited ²	25.05.2022	Bangladesh	100.00%	NA

(xvi) Kleider Sourcing HongKong Limited holds the following subsidiary:

Kleider Sourcing Limited Bangladesh	10.08.2014	Bangladesh	99.97%	99.97%
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(xvii) Zamira Fashions Limited holds the following subsidiaries:

Zamira Fashion Limited Zhongshan	26.06.2015	China	100.00%	100.00%
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(xviii) Grupo Sourcing Limited holds the following subsidiary:

Grupo Sourcing Limited	02.05.2016	Bangladesh	99.98%	99.98%
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(xix) Green Apparel Industries Limited holds the following subsidiary:

Green Smart Shirts Limited	04.05.2016	Bangladesh	99.98%	99.98%
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(xx) PDS Ventures Limited (Formerly MultiTech Venture Limited) (Mauritius)

PDS Ventures Limited (Formerly Smart Notch Industrial Limited)	28.12.2017	Hong Kong	100.00%	100.00%
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(xxi) DBS Lifestyle India Private Limited holds the following subsidiary

Suri Overseas Private Limited ¹	27.10.2022	India	100.00%	0.00%
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(xxii) PDS Ventures Limited (Formerly Smart Notch Industrial Limited) (Hongkong)

Apex Black Limited	28.12.2017	Hong Kong	65.00%	65.00%
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(xxiii) Sourcing Solutions Limited holds the following subsidiary:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2023	% of voting power held as at March 31, 2022
Sourcing Solutions Europe BVBA	01.04.2018	Belgium	50.00%	50.00%

(xiv) PDS Ventures Limited (Formerly MultiTech Venture Limited) (Mauritius) holds the following joint venture:

Redwood Internet ventures Limited	09.12.2015	Hong Kong	50.00%	50.00%
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(xxv) Redwood Internet Ventures Limited holds the following subsidiary:

Digital Internet Technologies Limited	25.02.2016	Hong Kong	100.00%	100.00%
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(xxvi) Progress Manufacturing Group Limited holds the following subsidiary:

Progress Apparels (Bangladesh) Limited	12.07.2015	Bangladesh	99.99%	99.99%
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(xxvii) 360 Notch Limited holds the following subsidiary:

Smart Notch (Shanghai) Limited.	20.04.2018	China	100.00%	100.00%
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(xxviii) Poetic Brands Limited holds the following subsidiary:

Recovered Clothing Limited	24.07.2018	United Kingdom	100.00%	100.00%
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PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 2: Statement of compliance (cont'd)

(xxix) Recovered Clothing Limited holds the following subsidiary:

Sunny Up Limited ¹	26.05.2022	United Kingdom	100.00%	NA
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(xxx) Design Arc UK holds the following subsidiary:

LILY AND LIONEL LONDON LIMITED ²	06.01.2023	United Kingdom	100.00%	NA
DESIGN ARC BRANDS LIMITED ²	22.02.2023	United Kingdom	100.00%	NA

(xxv) Poeticgem International Limited holds the following subsidiary:

Kindred Fashion Limited	23.10.2018	Canada	100.00%	100.00%
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(xxxii) PDS Smart Fabric Tech Limited holds the following subsidiary:

PDS Smart Fabric Tech UK Limited	07.09.2020	United Kingdom	100.00%	100.00%
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(xxxiii) Techno Design HK Limited holds the following subsidiary:

Techno Design USA LLC	16.04.2020	USA	100.00%	100.00%
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(xxxiv) PG Home Group Limited holds the following subsidiary:

PG Home Group SPA	31.07.2008	Chile	100.00%	100.00%
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(xxxviii) Technocian Fashions Private Limited holds the following subsidiary:

S.O.T. Garments India Private Limited	01.12.2021	India	99.99%	99.99%
S.Oliver Fashion India Private Limited ¹	13.05.2022	India	99.99%	NA

(xxxix) Brand Collective Limited (Formerly PDS H2GO Glove Manufacturing Limited) holds the following subsidiary:

Brand Collective Corporation Limited	29.11.2021	United Kingdom	100.00%	100.00%
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(xxxv) PDS Brands Private Limited holds the following Joint Venture:

Digital Ecom Techno Private Limited	17.06.2016	India	42.14%	42.14%
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(xxxvi) PG Capital FZE holds the following joint ventures:

Yellow Octopus EU Sp Zoo (Poland)	27.09.2021	Poland	50.00%	50.00%
Yellow Octopus EU spolka z ogrannizzona	27.09.2021	Poland	50.00%	50.00%
One Stop Shop Solutions EU Sp. z.oo	27.09.2021	Poland	50.00%	50.00%
One Stop Shop Solutions spolka z ogranniczona	27.09.2021	Poland	50.00%	50.00%
Yellow Octopus Ventures FZCO	27.09.2021	Poland	50.00%	50.00%

(xxxvii) PDS Multinational FZCO holds the following joint ventures:

Yellow Octopus-UK Limited (Formerly Yellow Octopus Fashion Ltd)	27.09.2021	United Kingdom	50.00%	50.00%
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(xxxi) Multinational Textiles Group Limited holds the following associate:

GWD Enterprises Limited	21.10.2010	United Kingdom	25.00%	25.00%
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(xxxx) Yellow Octopus Ventures FZCO holds the following Associates:

Refaunt Pte Limited	27.09.2021	Singapore	26.00%	26.00%
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Controlled Trust

(xxxxi) PDS Limited holds the following Trusts:

PDS Multinational Fashions ESOP Trust	27.07.2021	India	100.00%	100.00%
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Notes:

- 1 Acquired during the year
- 2 Incorporated during the year
- 3 Acquired stake from the non-controlling interests during the year
- 4 Joint venture become subsidiary during the year



Note 3: Significant accounting policies

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

b) Judgements, estimates and assumptions:

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

i Revenue recognition and presentation

The Group assess its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Group has concluded that it is operating on a principal to principal basis in all its revenue arrangements. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

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

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

iii Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment

iv Current tax and deferred tax

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

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

v Impairment of long lived assets

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

vi Impairment of inventories

Management reviews the ageing analysis of inventories of the Group at the end of each reporting period, and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The assessment of the provision amount required involves management judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying value of the inventories and the provision charge/write-back of provision for obsolete and slow-moving inventory items in the period in which estimate has been changed.

vii Impairment of goodwill

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

viii Valuation of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include consideration of inputs such as liquidity risks, credit risks and volatility in market. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 3: Significant accounting policies (cont'd)

ix Provision for expected credit losses (ECL) on trade receivables

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

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic condition (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

x Defined benefit plan

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

xi Leases – estimating the incremental borrowing rate

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

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

In assessing the recoverability of receivables, goodwill, PPE, intangible assets, and certain investments, the Group has considered relevant internal business projections, cash flows, and external information available up to the date of approval of these consolidated financial statements. The Group has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

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

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

xiii Employee stock option plan

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group initially measures the cost of cash-settled transactions with employees using a Black Scholes model to determine the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black Scholes model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 47.

xiv Contingencies

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



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 3: Significant accounting policies (cont'd)

xv Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

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

All other assets are classified as non-current.

Liabilities:

A liability is current when:

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

All other liabilities are classified as non-current.

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

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

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PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 3: Significant accounting policies (cont'd)

c) Property, plant and equipment (PPE)

Property, plant and equipment, capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset.

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

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

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

Capital work in progress: Capital work in progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date.

Depreciation:

Depreciation on PPE, except leasehold improvements, is provided on straight-line method over the estimated useful lives of assets. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit and Loss. Leasehold improvements are amortized over the lease term or the useful life of the assets, whichever is earlier.

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

Asset	Useful lives	
	India*	Foreign entities
Furniture and fixtures	10 years	3 - 5 years
Office equipments	5 years	NA
Vehicles	8 years	5 - 8 years
Electrical installations and equipments	10 years	NA
Buildings	60 years	NA
Computers	3 years	3 - 5 years
Plant and machinery	NA	4 - 5 years
Infrastructure	NA	5 years

* As per Schedule II to the Companies Act, 2013.

Freehold land is not depreciated.

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

d) Intangible assets

Goodwill

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

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

Goodwill is not amortised.

Intangible assets (other than goodwill)

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



Note 3: Significant accounting policies (cont'd)

e) Investment property

(i) Recognition and measurement

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

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Group measures investment property using cost based measurement and, the fair value of investment property is disclosed in the notes to the financial statement. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

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

(ii) Depreciation

Depreciation on investment property is provided, under the straight line method, pro rata to the period of use, based on their remaining useful lives.

f) Borrowing costs

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

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

g) Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

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

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

- assets and liabilities are translated at the closing rate at the date of that consolidated Balance Sheet.
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

h) Revenue recognition

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

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



Note 3: Significant accounting policies (cont'd)

h) Revenue recognition (cont'd)

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

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

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Note 3: Significant accounting policies (cont'd)

Recognising revenue from major business activities

(i) Sale of goods

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon shipment or on delivery at the customer premises and on completion of performance obligation. Revenue is recognised at a transaction price allocated to the extent of performance obligation satisfied after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is recognised when the return period lapses or a reasonable estimate can be made.

Other operating revenues and other income

Interest income

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

Investment income

Investment income is recognized as and when the right to receive the same is established.

Handling fee income

Handling fee income is recognized in the period in which the services are rendered.

Commission income and management income

Commission income is recognized when the services are rendered.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Rental income

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

Export incentives

Export incentives are recognized as income when the Company is entitled to the incentive as per the terms of the scheme in respect of the exports made and where it is probable that the Company will collect such incentive proceeds.

Any other income is recognized on an accrual basis.

i) Inventories

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

j) Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

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



Note 3: Significant accounting policies (cont'd)

(b) Lease liabilities

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

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

(c) Short term leases

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

Group as a lessor

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

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

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

k) Employee benefits

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

Defined contribution plan: A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

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

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

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the Statement of Profit and Loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.



Note 3: Significant accounting policies (cont'd)

k) Employee benefits (cont'd)

- 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.

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.

Share based Compensation

The Group has equity-settled share-based remuneration plans for its employees. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as employee benefits expense with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

The Group has created an Employee Benefit Trust for providing share-based payment to its employees. The Group uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Group from the market, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

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

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

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

m) Financial instruments

i) Recognition and initial measurement

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



Note 3: Significant accounting policies (cont'd)

m) Financial instruments (cont'd)

ii) Classification and subsequent measurement

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial assets. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

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

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the nature of these instruments. Investment in equity shares / reference shares in joint venture and associates is carried at cost in the financial statements.

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

iv) Offsetting

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

v) Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.



Note 3: Significant accounting policies (cont'd)

n) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship with which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

The effective portion of the gain or loss on the hedging instrument for cash flow hedges is recognised directly in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts recognised in other comprehensive income are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction occurs or the foreign currency firm commitment is met.

o) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

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

p) Fair value measurement

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

q) Taxes

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period in the respective jurisdiction/ country. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.



Note 3: Significant accounting policies (cont'd)

q) Taxes (cont'd)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

r) Cash and cash equivalents

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

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

s) Earnings per share (EPS)

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

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

- For the purpose of calculating diluted earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

t) Segment reporting

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



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4 : Property, plant and equipment

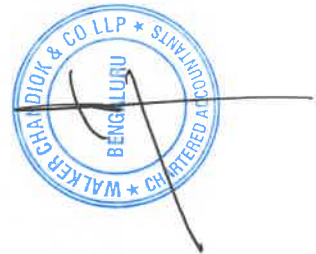
Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Computers	Right to use assets	Total
Gross Carrying Value										
Balance as at April 01, 2021	886.54	10,287.73	10,223.18	6,787.63	3,306.48	1,268.08	8,765.66	1,751.40	11,485.63	54,762.35
Additions/ transfers during the year	-	535.05	485.08	447.18	930.21	250.22	1,166.99	312.63	7,346.22	11,473.59
Disposals during the year	-	(14.95)	(29.65)	(356.58)	(352.04)	(229.95)	(647.76)	(153.23)	(628.54)	(2,412.71)
Effect of changes in exchange rates	31.30	229.17	141.03	82.28	48.18	15.20	94.13	35.97	154.60	831.86
Balance as at March 31, 2022	917.84	11,037.00	10,819.63	6,960.52	3,932.84	1,303.56	9,379.02	1,946.76	18,357.92	64,655.09
Additions/ transfers during the year	60.99	288.94	1,046.77	1,295.48	808.08	0.41	1,718.92	337.52	3,617.92	9,175.03
Disposals during the year	-	(16.02)	(3.33)	(1,022.78)	(396.97)	(209.08)	(569.91)	(24.18)	(93.42)	(2,335.70)
Effect of changes in exchange rates	(111.98)	(514.74)	(994.93)	(743.87)	(55.30)	40.70	(301.58)	(31.83)	(235.50)	(2,949.04)
Balance as at March 31, 2023 (A)	866.85	10,795.18	10,868.14	6,489.35	4,288.65	1,135.59	10,226.45	2,228.27	21,646.92	68,545.38
Accumulated depreciation										
Balance as at April 01, 2021	-	1,922.60	3,481.93	3,937.97	2,299.13	942.81	6,006.61	865.31	4,361.40	23,817.76
Depreciation charge for the year	-	715.95	823.83	571.35	390.50	77.59	1,145.99	244.41	2,619.04	6,588.66
Disposals during the year	-	(14.95)	(27.79)	(348.00)	(351.14)	(201.50)	(637.71)	(150.85)	(145.78)	(1,877.73)
Adjustment during the year	-	-	-	3.21	3.85	-	16.49	3.86	-	27.41
Effect of changes in exchange rates	-	(115.44)	58.52	53.57	43.02	14.66	134.27	29.36	(56.58)	161.37
Balance as at March 31, 2022	-	2,508.15	4,336.49	4,218.09	2,385.36	833.55	6,665.64	992.10	6,778.08	28,717.47
Depreciation charge for the year	-	527.15	784.35	665.77	595.42	72.34	1,270.13	268.03	3,304.65	7,487.85
Disposals during the year	-	(16.02)	(1.12)	(937.50)	(464.63)	(138.68)	(549.44)	(1.99)	(145.78)	(2,255.15)
Effect of changes in exchange rates	-	51.27	(276.51)	(601.56)	66.03	80.58	51.90	(53.24)	275.05	(406.48)
Balance as at March 31, 2023 (B)	-	3,070.55	4,843.21	3,344.81	2,582.18	847.79	7,438.23	1,204.90	10,212.01	33,543.68
Net book value										
Balance as at March 31, 2023 (A - B)	866.85	7,724.63	6,024.94	3,144.54	1,706.47	287.80	2,788.22	1,023.37	11,434.91	35,001.70
Balance as at March 31, 2022	917.84	8,528.85	6,483.15	2,742.42	1,547.48	470.00	2,713.38	954.67	11,579.83	35,937.62

Net book value

Balance as at March 31, 2023 (A - B)
Balance as at March 31, 2022

The buildings is situated in Hong Kong (Norwest Industries Limited, a subsidiary of the Company), are pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries of the Group. The details are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying value	3,839.49	3,548.44
Less: Accumulated depreciation	1,233.04	1,068.60
Net book value	2,606.45	2,479.84



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 5 : Capital work in progress	As at March 31, 2023	As at March 31, 2022
Balance in the beginning of the year	313.59	468.18
Addition during the year	193.39	223.17
Capitalisation during the year	(107.55)	(377.76)
Foreign exchange fluctuation	16.22	-
Balance as at the year end	415.65	313.59

Note 6 : Investment property	Freehold land	Building	Total
Gross carrying amount			
Balance as at April 01, 2021	68.81	15,467.48	15,536.29
Disposals during the year	-	(10,603.89)	(10,603.89)
Foreign exchange fluctuation	-	(24.70)	(24.70)
Balance as at March 31, 2022	68.81	4,838.89	4,907.70
Additions during the year	-	202.08	202.08
Disposals during the year	-	(2,254.93)	(2,254.93)
Foreign exchange fluctuation	-	(131.09)	(131.09)
Balance as at March 31, 2023	68.81	2,654.95	2,723.76
Accumulated depreciation			
Balance as at April 01, 2021	-	5,570.17	5,570.17
Disposals during the year	-	(5,220.34)	(5,220.34)
Depreciation charge for the year	-	65.55	65.55
Foreign exchange fluctuation	-	5.29	5.29
Balance as at March 31, 2022	-	420.68	420.68
Disposals during the year	-	(153.51)	(153.51)
Depreciation charge for the year	-	51.18	51.18
Foreign exchange fluctuation	-	(70.59)	(70.59)
Balance as at March 31, 2023	-	247.76	247.76
Net book value			
Balance as at March 31, 2023	68.81	2,407.19	2,476.00
Balance as at March 31, 2022	68.81	4,418.21	4,487.02
a) Fair value			
Balance as at March 31, 2023	3,806.25	1,961.86	5,768.11
Balance as at March 31, 2022	3,806.25	4,948.90	8,755.15

b) Information regarding income and expenditure pertaining to investment properties of the Group is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Rental Income derived from investment property	398.03	419.36
Less: Direct operating expenses	125.51	296.49
Profit arising from investment property before depreciation	272.52	122.87
Less: Depreciation	134.90	65.55
Profit arising from investment property	137.62	57.32

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

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than 1 year	49.71	410.65
Later than 1 year but not later than 5 years	70.42	184.90
Total	120.13	595.55



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 6 : Investment property (cont'd)

d) The above schedule of investment property includes :

- i) Property of the Company situated at Udyog Vihar, Gurugram, Haryana in India. The investment property comprises two class of assets - Land and Building - based on the nature, characteristics and risks of the property. The fair value of such property is ₹5,768.11 (land: ₹3,806.25 and building: ₹1,961.86) (2022- ₹5,768.11 (land: ₹3,806.25 and building: ₹1,961.86))
- ii) During the year ended March 31, 2022, there were Investment property in United Kingdom held by Poeticgem Limited, the group has sold entire stake (Fair value as at March 31, 2022 : GBP 3,000,000 (₹2,987.04)).
- iii) As at March 31, 2022 the investment property was pledged to secure the general banking facilities granted to the Poeticgem Limited. In the opinion of the Directors, the open market value of the property is not materially different from the stated amount. The details are as follows:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Gross carrying value	-	2,317.50
Less: Accumulated depreciation	-	148.94
Net book value	-	2,168.56

e) The fair value of investment property is ₹ 8,755.15 (31 March 2022: ₹ 5,768.11) and the same has been determined by an external independent registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Fair valuation of investment property is based on the sales comparable method for land and depreciated replacement cost method for built up structure. The fair value measurement is categorized in Level 3 of fair value hierarchy. Market approach has been considered for carrying out the value of the land and building and building depreciation method is used to carry out the value of building.

Note 7 : Goodwill

Particulars	Amount
Gross carrying amount	
Balance as at April 01, 2021	5,032.03
Exchange difference	144.22
Balance as at March 31, 2022	5,176.25
Acquisition of a subsidiary (Refer Note 46)	2,335.45
Exchange difference	469.57
Balance as at March 31, 2023	7,981.27

Allocation of goodwill to Cash Generating Units

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Poeticgem, Poeticgem International, Poetic Brands, Design Arc UK and Design Arc Asia	2,136.27	1,970.38
Simple Approach	1,865.35	1,720.50
DBS Lifestyle India Private Limited	1,603.26	-
Nor Lanka Manufacturing	953.60	879.55
Lily and Sid	657.45	605.82
Upcycle labs	549.76	-
Sunny up Limited	215.58	-
	7,981.27	5,176.25

Impairment testing for Goodwill

For impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Company's operating segment. Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of each CGU.

The recoverable amount of the CGU is determined on the basis of Higher of value in use or Fair Value Less Cost of Disposal (FVLCD). The recoverable amount of the CGU is determined based on the discounted cash flow approach, using the discount rate and terminal income growth rate from unobservable market data by an accredited independent valuer for the year ended March 31, 2023 on May 01, 2023. The discount rate applied to the cash flow projections is within the range of 10.00%-21.00% and cash flows beyond the five-year period were extrapolated using a growth rate of 2.50%-3.00%, which was the same as the long term average growth rate of the garment products industry in the respective geographies. The fair value measurement is categorised as a level 3 fair value based on the inputs in the valuation techniques used.

Goodwill acquired through business combinations have been allocated to the reporting units for impairment testing. As at March 31, 2023, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.



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PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 8 : Intangible assets

The following table presents the reconciliation of changes in the carrying value of other intangible assets in the Group:

Particulars	Computer software	Trade marks	Total
Gross carrying amount			
Balance as at April 01, 2021	1,071.33	0.90	1,072.23
Add: Acquired/internally developed	442.80	-	442.80
Exchange difference	238.36	-	238.36
Balance as at March 31, 2022	1,752.49	0.90	1,753.39
Add: Acquired/internally developed	3,011.86	-	3,011.86
Disposals during the year	(500.63)	-	(500.63)
Exchange difference	50.88	-	50.88
Balance as at March 31, 2023	4,314.60	0.90	4,315.50
Amortisation			
Balance as at April 01, 2021	637.97	0.80	638.77
Add: Amortisation charge for the year	336.50	0.10	336.60
Exchange difference	43.82	-	43.82
Balance as at March 31, 2022	1,018.29	0.90	1,019.19
Add: Amortisation charge for the year	479.16	-	479.16
Exchange difference	(93.15)	-	(93.15)
Balance as at March 31, 2023	1,404.30	0.90	1,405.20
Net carrying value			
Balance as at March 31, 2023	2,910.30	-	2,910.30
Balance as at March 31, 2022	734.20	-	734.20

Note 8A : Intangible assets under Development

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible assets under Development	349.31	10.34
Total	349.31	10.34

Projects in progress

	As at March 31, 2023	As at March 31, 2022
Less than 1 year	349.31	-
1-2 years	-	1.26
2-3 years	-	9.08
Total	349.31	10.34

Movement in intangible assets under development

Particulars	Total
Balance as at April 1, 2021	9.08
Add: Additions during the year	1.26
Less: Capitalised during the year	-
Balance as at March 31, 2022	10.34
Add: Additions during the year	349.31
Less: Capitalised during the year	(10.34)
Balance as at March 31, 2023	349.31

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PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9A : Investments	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Fair value through profit or loss (refer note 'a' below)				
Equity investments - refer note (i) and (vi) below	57.00	2,067.03	57.00	3,687.22
Debt investments - refer note (ii) below	-	3,237.80	-	153.23
Investment in convertible notes - refer note (iii) below	1,887.38	-	1,961.46	-
Investment in funds	4,024.61	-	2,162.75	-
Other investments - refer note (iv) and (v) below	2,990.27	-	2,818.12	-
Total (A)	8,959.26	5,304.83	6,999.33	3,840.45
Fair value through other comprehensive income				
Equity instruments (refer note 'b' below)	17,791.07	-	11,436.20	-
Total (B)	17,791.07	-	11,436.20	-
Total [C= (A+B)]	26,750.33	5,304.83	18,435.53	3,840.45
Aggregate amount of quoted investments and market value	-	-	-	-
Aggregate amount of unquoted investments	26,750.33	5,304.83	18,435.53	3,840.45
Aggregate amount of impairment in value of investments	-	-	-	-
	26,750.33	5,304.83	18,435.53	3,840.45

Note:

a) Financial assets at fair value through profit or loss :

i) The above listed equity instruments as at March 31, 2023 and March 31, 2022 were classified as financial assets at fair value through profit or loss as they were held for trading.

ii) The above listed debt instruments and Investment in Funds as at March 31, 2023 and March 31, 2022 were classified as financial assets at fair value through profit or loss as they were held for trading.

iii) The above listed convertible notes as at March 31, 2023 and March 31, 2022 were classified as financial assets at fair value through profit or loss as because of derivative component.

iv) The Group entered into three life insurance policies with an insurance company to insure an Executive Director under which the Group is the beneficiary. The Group paid upfront premiums for these policies and may surrender any time by filing a written request and receive cash based on the surrender value of the policy at the date of withdrawal, which is calculated by the insurer. In the opinion of the management, the surrender values of the policies provided by the insurance company are the best approximation of their fair values, which are categorised within Level 2 of the fair value hierarchy.

v) As at March 31, 2023, the Group's unlisted investments with an aggregate carrying value of ₹ 2,987.90 (March 31, 2022: ₹ 2,678.69) were pledged to secure the general banking facilities granted to the Group.

vi) The below mentioned equity investments as at March 31, 2023 were designated by the Group as financial assets at fair value through profit or loss and are stated at fair value.

Particulars	As at March 31, 2023	As at March 31, 2022
Equity investments, at fair value		
Parc Designs Private Limited 570,000 equity shares of ₹10 each (March 31, 2022: 570,000 equity shares)	57.00	57.00
Investment in equity shares of listed companies	2,067.03	3,687.22
Total	2,124.03	3,744.22



Note 9 : Investments (cont'd)

b) Financial assets at fair value through other comprehensive income:

Equity investments, at fair value

Name of the investee entity	Investment instrument	As at	As at
		March 31, 2023	March 31, 2022
Alacrity Law Limited	Equity Shares	208.30	207.55
Atterley.Com Holding Limited	Equity Shares	785.61	1,619.17
Brand Kreations Limited	Equity Shares	1,067.99	619.48
Cerebra Technologies, Inc.	Preference shares	112.35	150.62
Ethical Fashion Group Limited	Equity Shares	170.68	157.75
Fertifa Limited	Equity Shares	105.78	49.81
Good On You Pty Limited	Equity Shares	169.81	254.95
Hydrocotton Limited	Equity Shares	3,783.96	1,730.54
Maudi Group Inc.	Equity Shares	-	239.74
M-Xr Limited	Equity Shares	153.45	149.42
Style Theory Private Limited	Compulsory convertible preference shares	84.44	225.93
Symbioco Limited	Equity Shares	294.65	286.91
War Paint Men'S Grooming Limit	Equity Shares	132.26	199.22
Clinova Limited	Equity Shares	642.21	345.15
Juhu Exchange Limited	Preference Shares	277.60	283.85

Name of the investee entity	Investment instrument	As at	As at
		March 31, 2023	March 31, 2022
Bedfolk Limited	Equity Shares	444.98	433.29
Big Thinx, Inc.	Equity Shares	334.21	188.28
Boy Smells Inc.	Equity Shares	-	248.04
Brandlab 360	Equity Shares	74.83	72.87
Brawn Power Limited	Equity Shares	130.49	127.06
Co Commerce Shopping Platdorm Limited	Equity Shares	252.71	226.51
By Rotation Limited	Equity Shares	51.15	49.81
City Brands Limited	Equity Shares	51.17	49.83
Coat Trading Limited	Equity Shares	166.76	49.80
Fable Home Inc.	Equity Shares	1,068.47	290.31
Vyner Works Limited	Equity Shares	-	348.64
Haeckels Limited	Equity Shares	280.30	280.10
Hide Biotech Limited	Equity Shares	51.15	49.81
Kavida Technologies Limited	Equity Shares	42.62	41.50
Love The Sales Limited	Equity Shares	656.28	498.28
Maude Group Inc.	Equity Shares	652.69	218.93
Ray Studios	Equity Shares	63.84	49.91
Asian Court Holding Inc.	Equity Shares	108.58	75.31
To The Marekt Inc.	Equity Shares	268.75	344.53
True Capital - Zwift LP Share	Equity Shares	715.75	655.90
Unmind Limited	Equity Shares	204.74	197.84
Zen Industries Limited	Equity Shares	525.89	419.55
Monolith AI	Preference shares	176.97	-
Buzz Solutions	Preference shares	149.77	-
Unspun	Preference shares	192.74	-
Viabot	Equity Shares	128.26	-
Arpalus Limited	Equity Shares	27.99	-



Note 9 : Investments (cont'd)

**b) Financial assets at fair value through other comprehensive income:
Equity investments, at fair value**

Name of the investee entity	Investment instrument	As at	As at
		March 31, 2023	March 31, 2022
Satis.ai.Limited	Equity Shares	38.36	-
Inde Wild	Equity Shares	134.74	-
Urban Legend	Equity Shares	76.39	-
Awe Inspired	Equity Shares	424.07	-
Shell Works	Equity Shares	165.20	-
Colorfix	Preference shares	337.53	-
Smartex	Preference shares	220.77	-
Joanna Dai	Equity Shares	153.45	-
IVY Connect	Preference shares	82.18	-
Fabacus	Equity Shares	236.27	-
EVRNU SPC	Equity Shares	216.58	-
10 Club	Preference shares	207.91	-
SHEEP INC	Equity Shares	263.91	-
Bonnet Limited - TRUE	Equity Shares	176.97	-
BioFluff Inc	Equity Shares	41.09	-
Warpyf	Equity Shares	205.46	-
Total		17,791.07	11,436.20

Note 9B : Investments accounted for using the equity method

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Interest in Joint Ventures (refer note 'a' below)	9,573.47	9,219.72
Interest in Associates (refer note 'b' below)	207.04	443.55
Total	9,780.51	9,663.26

a) Investment in Joint ventures

Name	Investment details	Place of registration	Percentage of voting rights.		Principal activities
			March 31, 2023	March 31, 2022	
Sourcing Solutions Europe BVBA	Registered capital of USD 100,000 (₹ 82.18)	Hong Kong	50	50	Trading of garment products
Redwood Internet Ventures Limited	Registered capital of USD 10,000 (₹ 8.22)	Hong Kong	50	50	E-commerce
Digital Internet Technologies Limited	Registered capital of USD 10,000 (₹ 8.22)	Hong Kong	50	50	
Digital Ecom Techno Private Limited	Authorised share capital of ₹ 100.00	India	50	50	
Yellow Octopus EU Sp. z o.o. sp.K.	Registered capital of PLN 100,000 (₹ 19.01)	Poland	50	50	Trading of garment products
Yellow Octopus Technologies Sp Zoo	Registered capital of PLN 100,000 (₹ 19.01)	Poland	50	50	
One stop Shop Solution Sp. z o.o.	Registered capital of PLN 100,000 (₹ 19.01)	Poland	50	50	
One Stop Shop Solutions Sp Zoo	Registered capital of PLN 100,000 (₹ 19.01)	Poland	50	50	
Yellow Octopus Fashion Limited	Registered capital of GBP 10,000 (₹ 10.14)	United Kingdom	50	50	
Upcycle Labs Limited (Ertswhile known as Filkor Limited)*	Registered capital of GBP 1,000 (₹ 1.01)	United Kingdom	-	50	

*During the year, company has become subsidiary.



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9 : Investments (cont'd)

b) Investment in associates

Name	Amount of investment	Place of registration and business	Ownership interest	Voting power	Carrying value (₹ lakhs)	Principal activities
Loop Digital Wardrobe Limited	GBP 200,000 (₹ 202.78)	United Kingdom	34.00%	34.00%	159.84	Trading of garments
GWD Enterprises Limited	USD 800,070 (₹ 657.52)	United Kingdom	25.00%	25.00%	-	
Sourcing Solutions BVPA	EUR 60,000 (₹ 53.45)	Belgium	50.00%	50.00%	47.20	
Reflaunt Pte Limited	USD 750,000 (₹ 616.37)	Singapore	50.00%	50.00%	-	Trading of garments on e-commerce platform

Note 10 : Other financial assets

	As at March 31, 2023	As at March 31, 2022
Non-current (unsecured, considered good)		
Security deposits (refer to note 'a' below)	0.01	0.01
Loan to others (refer note 'c' below)	165.25	1,134.53
Total (A)	165.26	1,134.54
Current (unsecured, considered good)		
Security deposits (refer to note 'a' below)	1,959.68	1,765.38
Deposits with original maturity of more than 12 months (refer to note 'b' below)	1.00	1.00
Interest accrued but not due	290.23	50.33
Dues from related party (refer note 36)	2,914.78	2,591.52
Derivative financial instruments (refer note 38)	55.64	277.22
Receivable from others (refer note 36)	2,442.25	2,065.72
Unbilled revenue	971.85	308.16
Total (B)	8,635.43	7,059.33
Total (A+B)	8,800.69	8,193.87

- a) The Group has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other
b) Fixed deposits with a carrying amount of ₹ 1.00 (March 31, 2022: ₹ 1.00) are pledged with the government authorities.
c) Loan to others represent interest free loan given to a director of a step down subsidiary of the Company

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PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 11 : Other assets	As at March 31, 2023	As at March 31, 2022
Non-current		
Capital advances	77.12	226.15
Advances recoverable in cash or in kind		
- From others	0.01	148.11
Total (A)	77.13	374.26
Current		
Balance with government authorities	735.58	737.04
Prepaid expenses	4,533.97	2,562.96
Advances to suppliers	5,066.86	4,475.63
Advances to employees (refer note 36)	883.73	1,264.01
Advances recoverable in cash or in kind		
- From others	823.10	2,067.59
Total (B)	12,043.24	11,107.23
Total (A+B)	12,120.37	11,481.49

Note 12: Inventories* (at lower of cost or net realisable value)

Raw materials	10,239.75	13,952.17
Work in progress	5,065.05	3,591.14
Finished goods	6,464.73	6,815.02
Goods-in-transit	3,804.68	6,166.38
Total	25,574.21	30,524.71

* Write-downs of inventories to net realisable value on account of slow moving and obsolete items amounted to ₹ 2,020.49 (March 31, 2022: ₹ 371.74). These were recognized as an expense/reversal of expense respectively during the year and were included in cost of goods sold.

Note 13 : Trade receivables

(a) Trade receivable considered good - secured	-	-
(b) Trade receivable considered good - unsecured	97,843.44	142,130.97
(c) Trade receivable which have significant increase in credit risk	-	-
(d) Trade receivable - credit impaired	625.18	828.62
	98,468.62	142,959.59
Less: Allowance for expected credit loss	625.18	828.62
Total	97,843.44	142,130.97

- a) There are no receivables at the reporting date having significant increase in credit risk.
b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
c) The above impairment loss amounting to March 31, 2023 ₹ 625.18 (March 31, 2022: ₹ 828.62) related to trade receivables majorly from the subsidiaries namely Simple Approach Limited, Norwest Industries Limited, Poeticgem International Limited, Poetic Brands, Design Arc UK Limited and Techno design GMBH.
d) Trade receivables are generally on terms of not more than 90 days.

e) Trade receivable ageing schedule:

	As at March 31, 2023	As at March 31, 2022
Less than 6 months	95,791.51	140,739.23
6 months - 1 year	522.96	1.43
1-2 years	1.58	1,344.78
2-3 years	1,527.39	45.53
More than 3 years	-	-
Total	97,843.44	142,130.97



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 14 : Cash and cash equivalents

Balances with banks:		
- Current account*	50,975.30	45,953.94
Cash on hand	149.57	46.26
Total	51,124.87	46,000.20

Note:

At March 31, 2023, the cash and bank balances of the Group denominated in RMB amounted to USD 5,68,979 (₹ 467.60) (2022: USD 51,017 (₹ 38.66)). RMB is not freely convertible into another currencies, however, under mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

* includes funds in transit amounting to ₹ 1,732.95 as at March 31, 2023 (March 31, 2022: ₹114.43) pertaining to PDS Ltd, Norwest Industries limited and Progress Apparels Bangladesh Limited, Green smart shirts Limited & Spring Near East Manufacturing Limited etc.

Note 15 : Bank balance other than cash and cash equivalents

Earmarked balances for share fraction account	1.15	1.15
Deposits with original maturity of more than 3 months but less than 12 months	21,786.68	20,483.35
Total	21,787.83	20,484.50

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

b) Deposits amounting to March 31, 2023 ₹17,119.61 (March 31, 2022: ₹15,435.05) are pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries. The pledged time deposits are deposited with creditworthy banks with no recent history of default.

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PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 16 : Share capital

	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
140,000,000 (March 31, 2022: 140,000,000) equity shares of ₹ 2/- each*	2,800.00	2,800.00
	2,800.00	2,800.00
Issued, subscribed and paid up		
130,233,620 (March 31, 2022: 130,233,620) equity shares of ₹ 2/- each*	2,604.67	2,604.67
Add: Issued during the year	13.88	-
Less: Treasury shares	(2.64)	(0.42)
	2,615.91	2,604.25

a) Reconciliation of issued and subscribed share capital:

	No. of shares
Balance as at April 1, 2021	130,233,620
Changes during the year	(21,225)
Balance as at March 31, 2022	130,212,395
Changes during the year#	583,100
Balance as at March 31, 2023	130,795,495

*Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 29 July 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share,

During the year ended March 2023, the Company has issued 6,94,100 (March 31, 2022: Nil) equity shares the employees who have exercised stock option as per stock option plan 2021. Further, the Company has purchased 1,11,000 (March 31, 2022: 21,225) equity shares through the ESOP trust.

b) The Company has not issued any bonus shares or any shares for consideration other than cash during five years immediately preceding March 31, 2023.

c) Terms/ rights attached to equity shares:

1. The Company has only one class of equity share having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at March 31, 2023		As at March 31, 2022	
	No. of shares*	Holding %	No. of shares*	Holding %
Mrs. Payal Seth	69,376,210	52.99%	69,376,210	53.27
Mr. Deepak Seth	15,778,670	12.05%	15,778,670	12.12
Mr. Sanjiv Dhiresbhai Shah	8,091,830	6.31%	8,091,830	6.21

* The number of shares are given in absolute numbers.

e) Details of shareholding of Promoters:

	As at March 31, 2023		
	Number of shares	% of total shares	% change during the year
Mrs. Payal Seth	69,376,210	52.99%	-0.28%
Mr. Deepak Seth	15,778,670	12.05%	-0.07%
Mr. Pallak Seth	1,394,190	1.06%	-0.01%
Pearl Global Industries Limited	249,995	0.19%	-
Mrs. Shefali Seth	180	0.00%	-
NIM International Commerce LLP	180	0.00%	-
Mr. Pulkit Seth	5	0.00%	-



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 16: Share Capital (Cont'd)

	As at March 31, 2022		
	Number of shares	% of total shares	% change during the year
Mrs. Payal Seth	69,376,210	53.27%	-
Mr. Deepak Seth	15,778,670	12.12%	-
Mr. Pallak Seth	1,394,190	1.07%	-
Pearl Global Industries Limited	249,995	0.19%	-
Mrs. Shefali Seth	180	0.00%	-
NIM International Commerce LLP	180	0.00%	-
Mr. Pulkit Seth	5	0.00%	-

Note 17 : Other equity

	As at March 31, 2023	As at March 31, 2022
Securities Premium (refer note (i) below)	1,134.94	-
Capital reserve (refer note (ii) below)	26,214.22	26,185.92
Restricted reserve (refer note (iii) below)	664.52	664.52
Other reserve (refer note (iv) below)	(10,412.88)	(6,792.17)
Retained earnings (refer note (v) below)	62,974.15	45,962.47
Foreign currency translation reserve (refer note (vi) below)	16,917.64	14,360.31
Hedging reserve (refer note (vii) below)	(80.88)	224.26
Financial instruments through other comprehensive income (refer note (viii) below)	2,491.32	2,021.15
Treasury shares (refer note (ix) below)	(402.90)	(57.73)
Stock Options Outstanding account (refer note (x) below)	3,565.19	2,064.21
Defined benefit obligation through other comprehensive income (refer note (xi) below)	(313.40)	3.00
	102,751.92	84,635.94

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

- i) During the year, Company has issued equity shares to its employees against employee stock options, the excess of grant price over face value and stock options reserve related to equity shares issued has been transferred to Securities Premium account.
- ii) During acquisition of a subsidiary or disposal, the excess of consideration received, over the net assets is treated as capital reserve.
- iii) Restricted reserve was created on account of redemption of preference shares made in a subsidiary in FY 2016. Such reserve is in the nature of 'Capital redemption reserve' and can be used for the issue of bonus shares.
- iv) Other reserves comprise gain or loss on change in proportion of equity interest held by non controlling interests that do not result in a change in control.
- v) Retained earnings are the profits that the Group earned till date, less any transfers to general reserve, dividends or other distribution paid to shareholders.
- vi) Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve.
- vii) The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.
- viii) This represents the cumulative gains and losses arising on the revaluation of financial instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income.
- ix) Treasury shares are the shares purchased by the controlled trust from the external market for the benefit of employees.
- x) The fair value of equity-settled share based payment transactions is recognised in consolidated statement of profit and loss with corresponding credit to stock option outstanding account.
- xi) This represents the cumulative actuarial gains and losses arising on the revaluation of employee benefits measured at fair value through other comprehensive income that have been recognized in other comprehensive income.

Details of dividend distributions proposed:

Particulars	As at March 31, 2023	As at March 31, 2022
Proposed dividend on equity shares:		
Proposed dividend: ₹ 2.60/- per equity share of ₹ 2/- each (March 31, 2022: ₹ 4.77/- per equity share of ₹ 2/- each)	3,400.68	6,212.14
Total proposed dividend on equity shares	3,400.68	6,212.14

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



PDS Limited**(Formerly PDS Multinational Fashions Limited)****Notes to the consolidated financial statements as at March 31, 2023****(All amounts in ₹ lakhs, unless otherwise stated)**

Note 18 : Borrowings	As at March 31, 2023	As at March 31, 2022
Non-current		
Secured loan		
- Vehicle loan from bank	-	10.77
- Term loan from bank	208.74	-
Less: Current maturities of long term borrowings (refer note 18)	(15.53)	-
Total (A)	193.21	10.77
Current		
Secured loan		
- From banks	56,538.17	60,580.06
Add: Current maturities of long term borrowings (refer note 18)	15.53	-
- Bank overdraft	2,557.56	1,740.52
- Import Loan	616.60	-
- Vehicle loan from bank	4.78	-
Unsecured loan		
- From directors	148.97	3.76
Total (B)	59,881.61	62,324.34
Total (A+B)	60,074.82	62,335.11

a) For interest rate and liquidity risk related disclosures, refer note 41.

b) The nature of security for the loans are :**(i) Vehicle loan**

- Vehicle loan of ₹ 27.00 taken by the Company, from Axis Bank, during the year ended March 31, 2019 and was secured against hypothecation of the respective vehicle. The applicable rate of interest is 8.80% per annum (March 31, 2022: 8.80% per annum). The loan is repayable in 60 monthly instalments.

c) In case of term loan from bank, the terms are as under:

(i) Term loan carries an interest rate of 7% and will be paid in 120 monthly instalments along with the interest due from the date of loan.

(ii) Short term loan of as at March 31, 2023 is of ₹350.00 (March 31, 2022 - ₹300.00) taken by the Company is guaranteed by Stand By Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of short term loan is 120 Days and it carries rate of interest of 10.25% (March 31, 2022: 7.5%).

(iii) Bank overdraft limit of ₹ 350.00 (March 31, 2022 - ₹ 350.00) taken by the Company from Axis Bank is guaranteed by lien marked on the fixed deposit. The tenor of the loan is 12 months and it carries rate of interest of 9.25% per annum (March 31, 2022 - 9.25% per annum).

(iv) Import loan facility of ₹ 2,000.00 (March 31, 2022 - ₹ 1,500.00) taken by the Company is guaranteed by Stand By Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 180 days and it carries rate of interest mutually agreed upon and linked to prevalent Bank MCLR.

d) Others:

(i) In case of secured loans (other than vehicle loan) of Norwest Industries Limited ('NIL') and its subsidiaries (NIL Group), these loans are secured by way of NIL Group's guarantees from the immediate holding company, fellow subsidiaries, directors of NIL, a related party, Group's investment property, unlisted investments and certain of NIL Group's insurance deposits. Also these loans contains repayable on demand clauses and hence the loans are shown as short term, though the repayment of these loans is spread more than an year.

ii) In case of banking facilities of Simple Approach Limited, Zamira fashions Limited, Techno Design HK Limited, PDS Asia Star Limited, Poeticgem International Limited, Green Apparel Industries Limited and Progress Manufacturing Group Limited, the banking facilities are secured by fellow subsidiaries' corporate guarantee, directors' personal guarantee, life insurance policy, bank guarantee and fellow subsidiary's properties.

iii) With respect to the loans of PG Group the interest-bearing bank borrowings are guaranteed by the immediate holding company and a director of the Company and these loans are repaid during the year ending March 31, 2023.

(iv) Unsecured loan from director pertains to loan taken from the director by DBS Lifestyle India Private Limited. The said loan are repayable on demand and carries no rate of interest.



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 18 : Borrowings (cont'd)

(v) Interest details of secured loans are as follows:

Entity name	Nature of loan	March 31, 2023	March 31, 2022
PDS Asia star Limited	Discounted bills	SOFR + 2.15% p.a.	LIBOR +2% p.a
	factoring		
	Import loans		
	Trust receipt loans		
Simple Approach Limited	Discounted bills	SOFR+2.15% p.a	LIBOR+2% p.a
	Trust receipt loans	Bank prime rate+1.5% p.a	Bank prime rate+1.5% p.a
Zamira Fashions Limited	Import loans	Bank prime rate+1.5% p.a	Bank prime rate+1.5% p.a
	Trust receipt loans	Bank prime rate+1.5% p.a	Bank prime rate+1.5% p.a
Poeticgem International Limited	Import loans	SOFR+2% to 2.4% p.a	LIBOR+2% to 2.4% p.a
	Trust receipt loans	SOFR+2% to 2.4% p.a	LIBOR+2% to 2.4% p.a
Techno Design HK Limited	Import loans	SOFR+2% p.a	LIBOR+2% p.a
Green Apparel Industries Limited	Term loan	SOFR+2.75% p.a	LIBOR+2.75% p.a
Progress Manufacturing Group Limited	Term loan	SOFR +2.75% p.a	LIBOR +2.75% p.a
PG Group Limited	Import loans	SOFR +2.0% p.a	LIBOR +2.0% p.a
Clover Collection FZCO	Import loans	SOFR +2.15% p.a.	SOFR+2% p.a.
	Trust receipt loans		
	Factoring	SOFR +1.50% p.a.	Nil
SPRING NEAR EAST FZCO	Factoring	SOFR +2% p.a.	Nil
Green Smart Shirts Limited	Bill discounting (HSBC)	3 Months term SOFR+2.75%	LIBOR+3.5% p.a
	Trust receipt loans	SOFR +2% p.a.	Nil
	Factoring - HSBC	SOFR +1.50% p.a.	Nil
	Factoring - ENBD	SOFR +1.65% p.a.	Nil
	Bank overdraft	9% p.a.	Nil
	Import loans /UPAS	3 Months term SOFR+2.75% p.a	Nil
	Term loan	-	11% p.a
Progress Apparel (Bangladesh) Limited	Bill discounting	LIBOR+3.5% p.a	LIBOR+3.5% p.a
	Bank overdraft	LIBOR+3.5% p.a	LIBOR+3.5% p.a
	Import loans	LIBOR+2.75% p.a	LIBOR+2.75% p.a
	Trust receipt loans	LIBOR+3.5% p.a	LIBOR+3.5% p.a
Norwest Industries Limited and its subsidiaries	Import loans	USD SOFR*+2.15%, COF ^{^^} +1.75% p.a	EURIBOR ^{^^^^} +2%, USD SOFR*+2.15% GBP SONIA ^{***} +2%
	Trust receipt loans	USD SOFR*+2.15%, LIBOR# +2%, COF ^{^^} +1.75% p.a, SOFR ^{***} +3.5%., USD SOFR*+2.15%,	COF ^{^^} +2.0%, LIBOR# +3.5%, HIBOR [^] +2%, LIBOR# +2%, BFR ^{^^^} +1.75% p.a., EURIBOR# +2%, USD SOFR*+2.15%, GBP SONIA ^{***} +2%
	Bank overdraft	LIBOR# +3.75%, SOFR ^{***} +3.5%, HIBOR [^] +2%, BPLR ^{****} +1.5% p.a,	LIBOR# +3.5%, HIBOR [^] +2%,
	Export Loan	USD SOFR*+2.15%	EURIBOR ^{^^^^} +2%, USD SOFR*+2.15% GBP SONIA ^{***} +2%

London Interbank Offered Rate ("LIBOR")

^Hong Kong Interbank Offered Rate ("HIBOR")

^^ Intesa Sanpaolo S.P.A.'s Cost of Funds ("COF")

^^^ BNP PARIBAS's Funding Rate ("BFR")

^^^^Euro Interbank Offered Rate ("EURIBOR")

*HSBC Secured Overnight Financing Rate ("SOFR")

**HSBC GBP Sterling Overnight Index Average ("SONIA")



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 19 : Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposit received (refer to note 'a' below)	82.45	-
Total (A)	82.45	-
Current		
Interest accrued but not due on borrowings from bank	0.25	0.25
Security deposit received	2.31	71.63
Derivative financial instruments (refer note 38)	69.01	83.77
Dues to employees (refer note 36)	3,659.85	4,729.04
Share Based payment liability	386.71	166.38
Dues to others	-	166.36
Due to related party (note 36)	151.09	1,473.54
Total (B)	4,269.22	6,690.97
Total (A+B)	4,351.67	6,690.97

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

Note 20 : Provisions

Non-current		
Gratuity and other defined benefit plans (refer note 35)	2,222.41	1,716.46
Total (A)	2,222.41	1,716.46
Current		
Provision for compensated absences	1,252.87	1,214.40
Gratuity and other defined benefit plans (refer note 35)	272.37	462.54
Total (B)	1,525.24	1,676.94
Total (A+B)	3,747.65	3,393.40

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PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 21 : Trade payable

- Outstanding dues to Micro Enterprises and Small Enterprises - (refer note 'a' & 'c' below)	15.93	9.50
- Others (refer note 36)	112,469.11	156,622.43
Total	112,485.04	156,631.93

a) In respect of the Company, as per Schedule III of the Companies Act, 2013 read with notification number GSR 719 (E) dated November 16, 2007, the amount due to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	As at March 31, 2023	As at March 31, 2022
- the principal amount (March 31, 2023: ₹ 15.93, March 31, 2022: ₹ 9.50) and the interest (March 31, 2023: Nil, March 31, 2022: Nil) due thereon remaining unpaid to any supplier at the end of each accounting year;	15.93	9.50
- the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
- the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
- the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

c) Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

d) Ageing schedule:

Particulars	Accrued liabilities	As at March 31, 2023				
		Outstanding for following periods from the due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
- Outstanding dues to Micro Enterprises and Small	-	15.93	-	-	-	15.93
- Others	5,247.25	107,137.05	84.81	-	-	112,469.11
Total	5,247.25	107,152.98	84.81	-	-	112,485.04

Particulars	Accrued liabilities	As at March 31, 2022				
		Outstanding for following periods from the due date of payment				
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
- Outstanding dues to Micro Enterprises and Small	-	9.50	-	-	-	9.50
- Others	4,024.92	152,586.66	10.85	-	-	156,622.43
Total	4,024.92	152,596.16	10.85	-	-	156,631.93

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PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 22 : Other liabilities	As at March 31, 2023	As at March 31, 2022
Non-current		
Deferred income on security deposit received	48.18	60.59
Other payables	1.15	1.16
Total (A)	49.33	61.75
Current		
Deferred income on security deposit received	5.59	20.68
Statutory dues	414.92	1,234.03
Advance from customers	2,746.49	704.18
Other payables	126.38	423.87
Total (B)	3,293.38	2,382.76
Total (A + B)	3,342.71	2,444.51

Note 23 : Liabilities for current tax (net)

Provision for income tax, net of advance tax	3,815.06	2,713.74
Total	3,815.06	2,713.74

Note 24 : Income Tax

(a) Deferred tax, net

Particulars	As at March 31, 2023		As at March 31, 2022	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Deferred tax asset relates to the following:				
Provision for employee benefits	232.03	36.23	116.53	-
Property, Plant and Equipment	81.04	673.33	99.85	334.26
Provision for doubtful advances and debts	0.15	-	-	-
Lease liability	360.57	-	33.42	-
Brought forward losses and unabsorbed depreciation	1,189.50	-	1,198.08	-
FDR interest income	-	19.02	-	11.91
Deferred income on security deposit received	9.25	47.95	-	-
Valuation gain on Investment	-	117.62	-	-
Foreign currency Loss	64.78	-	-	-
Right of use of Assets	-	231.38	-	-
Others	28.85	4.41	50.29	16.68
	1,966.17	1,129.94	1,498.16	362.86
Deferred tax asset (net)	836.23	-	1,135.31	-
Deferred tax liability relates to the following:				
Provision for employee benefits	-	-	42.74	5.57
Property, plant and equipment	-	-	-	194.87
Lease liability	-	-	70.65	-
Depreciation	-	-	-	-
Others	-	-	15.32	213.41
	-	-	128.71	413.85
Deferred tax liability (net)	-	-	-	285.13
Charge/ (credit) for the year		13.95		(125.56)
Reconciliation to the consolidated Statement of Profit and Loss				
a. Charge/ (credit) for the year		13.95		(125.56)
b. Exchange differences		(155.42)		5.13
c. Recognised in statement of OCI		-		(5.57)
c. Others		(8.06)		47.47
Credit during the year		(149.53)		(78.53)

During the year ended March 31, 2020, the Holding Company had decided to exercise the option permitted under Section 115BBA of the Indian Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The Company has recognised provision for income tax and deferred tax for the years ended March 31, 2023 and March 31, 2022, on the basis of the rate prescribed in the said section.



PDS Limited**(Formerly PDS Multinational Fashions Limited)****Notes to the consolidated financial statements as at March 31, 2023****(All amounts in ₹ lakhs, unless otherwise stated)****Note 24 : Income Tax (cont'd)**

The Group has recognised deferred tax asset in respect of temporary differences in accordance with Ind AS 12 "Income tax" across the entities in various tax jurisdictions, Deferred tax asset created on unabsorbed depreciation of ₹ 10,070.54 (March 31, 2022: ₹ 8,825.59) can be carried forward indefinitely.

As at March 31, 2023, a subsidiaries of the Group has unused tax losses of ₹ 783.31 (March 31, 2022: ₹ 2,770.31) arising in Bangladesh and India, on which the Group has created a deferred tax asset of ₹ 137.83 (March 31, 2022: ₹ 277.03). Such tax losses expire between FY 2024 to FY 2027.

As at March 31, 2023, certain subsidiaries of the Group have unused tax losses arising in Mainland China of Nil (March 31, 2022: ₹ 38.20), on which no deferred tax asset had been created, that will expire in five years for off setting against future taxable profits. Another overseas subsidiary of the Group also had tax losses arising in Chile of ₹ 709.63 (March 31, 2022: ₹ 575.61), that are available indefinitely for off setting against future taxable profits of that subsidiary.

(b) Income tax expense in the Statement of Profit and Loss

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	As at March 31, 2023	As at March 31, 2022
Tax expense:		
a) Current tax	3,148.05	1,804.24
b) Deferred tax charge	(149.53)	(78.53)
Income tax expense reported in the Statement of Profit and Loss	2,998.52	1,725.71

(c) Reconciliation of tax expense for March 31, 2023 and March 31, 2022

Particulars	As at March 31, 2023	As at March 31, 2022
Accounting profit before income tax	35,675.36	31,007.80
Statutory rate	25.168%	25.168%
At statutory income tax rate (applicable rate)	8,978.78	7,804.05
Business losses where no deferred tax has been recognised	1,038.15	1,102.60
Net effect of tax rates in foreign jurisdictions	(4,548.41)	(3,159.14)
Income exempt from tax	(2,856.86)	(5,657.28)
Tax effect on Intercompany dividend	254.91	699.22
Non-deductible expenses	1,077.19	1,496.94
Reversal of provision for tax	(200.39)	(577.05)
Tax effect on Temporary Differences	(56.66)	-
Foreign tax credit	(795.21)	-
Others	107.02	16.37
At the effective income tax rate	2,998.52	1,725.71

Income tax recognised in other comprehensive income**Deferred tax related to items recognised in other comprehensive income during the year:**

Net loss on remeasurements of defined benefit plans	10.17	(5.57)
Net amount charged to Other Comprehensive Income	10.17	(5.57)



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 25 : Revenue from operations	Year ended March 31, 2023	Year ended March 31, 2022
Sale of goods (refer note 36 & 44)	1,034,549.05	868,029.01
Other operating revenues		
- Others (refer note 44)	23,151.37	14,792.37
Total	1,057,700.42	882,821.38
Note 26 : Other income		
Rental income	398.03	419.36
Interest income		
- On fixed deposits	463.91	80.68
- Others	64.71	51.26
Gain on fair valuation of investments	-	610.66
Unwinding of discount on deposits	3.05	2.42
Sundry balance written back	78.10	104.35
Dividend from non trade investments	56.92	64.26
Other non-operating income	-	10.92
Gain on disposal of Investment property	3,648.86	-
Recovery income	-	812.94
Gain on disposal of subsidiary	-	4,073.89
Miscellaneous income	439.47	2,372.00
Total	5,153.05	8,602.74
Note 27 : Cost of material consumed		
Inventory at the beginning of the year	13,952.17	9,307.82
Add: Purchases	73,025.43	55,597.39
Less: Inventory at the end of the year	10,239.75	13,952.17
Total	76,737.85	50,953.04
Note 28 : Purchase of stock in trade		
Purchases	802,576.40	694,826.60
Total	802,576.40	694,826.60
Note 29 : Changes in inventories of finished goods, work in progress and stock in trade		
Inventories at the beginning of the year		
- Finished goods	12,981.40	7,196.93
- Work-in-progress	3,591.14	3,208.07
Total (A)	16,572.54	10,405.00
Inventories at the end of the year		
- Finished goods	10,269.41	12,981.40
- Work-in-progress	5,065.05	3,591.14
Total (B)	15,334.46	16,572.54
Increase/ (Decrease) in inventory (A-B)	1,238.08	(6,167.54)
Note 30 : Employee benefits expense		
Salaries, wages and bonus	68,066.66	55,028.48
Contribution to provident and other fund (refer note 35)	3,705.92	3,103.75
Staff welfare expenses	907.82	689.59
Compensated absences	512.03	433.82
Gratuity expense (refer note 35)	787.31	600.38
Employee share compensation expense (refer note 48)	2,146.95	2,230.59
Total	76,126.69	62,086.61



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 31 : Finance costs	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense		
- on term loans	180.13	188.26
- on loan from related party (refer note 36)	-	22.98
- on cash credit, factoring and working capital facilities	6,019.02	2,233.95
- on vehicle loan	0.71	6.09
- on lease obligation (refer note 45)	636.33	316.25
- on others	564.21	485.50
Unwinding of discount on security deposit received	11.22	11.49
Total	7,411.62	3,264.52

Note 32 : Depreciation and amortization expense

Depreciation of property plant and equipment	4,183.20	3,969.62
Depreciation of investment property	51.18	65.55
Amortization of intangible assets	479.16	336.60
Depreciation on right to use of assets	3,304.65	2,619.04
Total	8,018.20	6,990.81

Note 33 : Other expenses

Other manufacturing expenses	615.14	518.82
Electricity charges	837.53	849.96
Rent (refer note 45)	724.87	1,041.21
Rates and taxes	533.94	539.12
Loss on fair valuation of investments	319.12	-
Repairs and maintenance	1,126.47	830.79
Legal and professional expenses	11,124.18	11,818.51
Software cost	845.82	374.65
Travelling and conveyance	5,654.82	2,611.57
Selling and marketing	5,877.94	3,856.62
Postage and courier	3,002.21	2,213.61
Commission and brokerage	5,431.24	2,505.94
Loss allowance for doubtful advances	132.82	1,255.29
Loss allowance for expected credit loss	-	310.48
Freight cost	5,206.89	8,193.66
Loss on sale of plant, property and equipment	36.38	33.26
Recruitment expenses	679.66	434.18
Foreign exchange fluctuation (net)	1,025.44	-
Royalty	3,739.00	4,125.66
Advertisement and business promotion	1,131.35	872.68
Insurance	1,105.72	955.03
Security expenses	157.76	137.86
Printing and stationery	585.11	465.55
Communication costs	752.34	677.31
Bank charges	1,496.23	675.87
Corporate social responsibility expenses	15.16	7.90
Research and development expenses	0.46	91.73
Investment management fee	192.72	181.27
Miscellaneous expenses	2,750.88	2,825.89
Total	55,101.20	48,404.42



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 35: Defined benefit plans (Cont'd)

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, which enable to determine the present value of obligations arising out of the defined benefit plans. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. Following are the benefit plans provided for -

i) The Group operates an unfunded defined benefit gratuity plan for all its qualifying employees in India. Gratuity is calculated as 15 days' salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

ii) The Group operates an unfunded defined benefit plan for all its qualifying employees in Bangladesh. The Group has made provisions for estimated liabilities for employee benefits for meeting the minimum benefits required to be paid to the qualified employees as required under Bangladesh Labour Act. Under Bangladesh Labor Act, companies are required to pay a minimum benefit of fourteen days salary for every completed year of service. For unfunded scheme, the Group engages the services of actuaries to conduct valuation studies to determine the retirement obligations to ensure that these maturing obligations and expected benefit payments are covered and budgeted for. Benefits are determined by reference to employees' final salaries and length of service, and the schemes have undergone independent valuations on an annual basis.

c) The following tables summarize the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and amounts recognised in the Balance Sheet for the defined benefit plans. These have been provided on accrual basis, based on year end actuarial valuations.

Change in benefit obligation	Year ended March 31, 2023	Year ended March 31, 2022
Opening defined benefit obligation	2,179.00	1,908.76
Acquisition adjustment	26.27	-
Add: Interest cost	120.39	130.67
Add: Current service cost	666.92	469.72
Less: Benefits paid	(181.41)	(289.87)
Add: Actuarial (gain) / loss	(316.40)	(40.28)
Present value of obligation as at the end of the year	2,494.77	2,179.00

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PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 35: Defined benefit plans (cont'd)

d) The following tables summarise the net benefit expense recognised in:

i) Statement of Profit and Loss:

Particulars		
Cost for the year included under employee		
Current service cost	666.92	469.71
Interest cost	120.39	130.67
Net cost	787.31	600.38

ii) Other comprehensive income:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Actuarial gain/(loss)	(316.40)	40.28
Total	(316.40)	40.28

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

Economic assumptions

1) Discount rate	7.0-8.9%	6.5-7.6%
2) Rate of increase in compensation levels	5.0-9.0%	5.0-9.0%

Demographic assumptions

1) Retirement age (years)	58-60 Years	58-60 Years
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Employee Turnover / Attrition rate

1) Ages up to 30 years	1.5% - 9.2%	1.5% - 9.2%
2) Ages from 30-44	1.5% - 9.2%	1.5% - 9.2%
3) Above 44 years	1.5% - 9.2%	1.5% - 9.2%

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

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of obligation	2,494.78	2,179.00
Net liability	2,494.78	2,179.00

g) The weighted average duration of the defined benefit obligations are in the range of 7.13 - 17.61 years (March 31, 2022: 6.34 - 17.74 years).

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

Particulars	As at March 31, 2023	As at March 31, 2022
	increase/(decrease) in liability	increase/(decrease) in liability
A. Discount rate	Impact on liability	
0.5% increase in discount rate	(88.01)	(93.99)
0.5% decrease in discount rate	95.02	102.13
B. Salary escalation rate		
0.5% increase in salary escalation rate	95.11	102.24
0.5% decrease in salary escalation rate	(89.05)	(94.98)

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

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

i) Description of risk exposures:

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
1 year	284.36	136.71
2 to 6 years	330.50	404.92
More than 6 years	1,446.27	1,314.47

k) The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



Note 35: Defined benefit plans (Cont'd)

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, which enable to determine the present value of obligations arising out of the defined benefit plans. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. Following are the benefit plans provided for -

i) The Group operates an unfunded defined benefit gratuity plan for all its qualifying employees in India. Gratuity is calculated as 15 days' salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

ii) The Group operates an unfunded defined benefit plan for all its qualifying employees in Bangladesh. The Group has made provisions for estimated liabilities for employee benefits for meeting the minimum benefits required to be paid to the qualified employees as required under Bangladesh Labour Act. Under Bangladesh Labor Act, companies are required to pay a minimum benefit of fourteen days salary for every completed year of service. For unfunded scheme, the Group engages the services of actuaries to conduct valuation studies to determine the retirement obligations to ensure that these maturing obligations and expected benefit payments are covered and budgeted for. Benefits are determined by reference to employees' final salaries and length of service, and the schemes have undergone independent valuations on an annual basis.

c) The following tables summarize the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and amounts recognised in the Balance Sheet for the defined benefit plans. These have been provided on accrual basis, based on year end actuarial valuations.

Change in benefit obligation	Year ended March 31, 2023	Year ended March 31, 2022
Opening defined benefit obligation	2,179.00	1,908.76
Acquisition adjustment	26.27	-
Add: Interest cost	120.39	130.67
Add: Current service cost	666.92	469.72
Less: Benefits paid	(181.41)	(289.87)
Add: Actuarial (gain) / loss	(316.40)	(40.28)
Present value of obligation as at the end of the year	2,494.77	2,179.00

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PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 36 : Related parties disclosure

a) List of related parties

Name of the related party	Nature of relationship
Digital Ecom Techno Private Limited	Joint ventures
Redwood Internet Ventures Limited	
Digital Internet Technologies Limited	
Yellow Octopus EU Sp. Z.oo (Poland)	
Yellow Octopus EU Spolka z ograniczona odpowiedzialnoscia spolka komandytowa	
One Stop Shop Solutions EU Sp. Z.oo	
Yellow Octopus Ventures FZCO	
One Stop Shop Solutions EU Spolka z ograniczona odpowiedzialnoscia spolka komandytowa	
Yellow Octopus-UK Limited (formerly Yellow Octopus Fashion Limited)	
GWD Enterprises Limited	Associates
Loop Digital Wardrobe Limited	
Sourcing Solution Europe BVBA	
Reflaunt Pte Limited	
Pearl Global Industries Limited	Enterprise over which KMP exercise control or significant influence.
Frou Holding Limited	
JSM Trading FZE	
Mrs. Payal Seth (Director)^	Key managerial personnel (KMP)
Mr. Deepak Seth (Director)	
Mr. Pallak Seth (Executive Director)&	
Mr. Ashok Kumar Sanghi (Independent Director)^	
Mr. Ashutosh Prabhudas Bhupatkar (Independent Director)^	
Ms. Saraswathy Venkateswaran (Independent Director)^	
Mr. Parth Gandhi (Non Executive-Non Independent Director)^	
Mr. Nishant Parikh (Non Executive -Independent Director)^	
Mr. BG Srinivas (Additional Non-Executive -Independent Director)&&	
Mr. Mungo Park (Non Executive -Independent Director)^	
Mrs. Yael Gairola (Non Executive -Independent Director)^	
Mr. Robert Sinclair (Non Executive- Independent Director)^	
Mr. Ashok Kumar Chhabra (Independent Director)^	
Mr. Sanjay Jain (Chief Executive Officer)	
Mr. Ashish Gupta (Chief Financial Officer)^	
Mr. Rahul Ahuja (Chief Financial Officer)^	
Mr. Abhishek Kanoi (Head of Legal & Company Secretary)	
PDS Multinational Fashions ESOP Trust****	Controlled trust

Refer Note 2 for details of subsidiaries and step down subsidiaries.

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PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 36 : Related parties disclosure (Cont'd)

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	For the year ended March 31, 2023	For the year ended March 31, 2022		
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Interest expenses	-	22.98		
Digital Ecom Techno Private Limited	Joint Venture	Rental income	0.12	0.12		
GWD Enterprises Limited	Associate	Sale of goods	97.38	-		
Sourcing Solution Europe BVBA	Associate	Sale of goods	1,197.65	995.78		
		Marketing fees expense	-	20.99		
Mr. Ashok Kumar Sanghi	Key managerial personnel	Director sitting fees	-	3.00		
Mr. Ashutosh Prabhudas Bhupatkar		Director sitting fees	1.04	4.00		
Mr. Ashok Kumar Chhabra		Director sitting fees	-	3.00		
Mr. Nishant Parikh		Director sitting fees	40.20	-		
Mr. Robert Sinclair		Director sitting fees	40.17	-		
Mr. Mungo Park		Director sitting fees	40.17	-		
Ms. Yael Gairola		Director sitting fees	39.35	-		
Ms. Saraswathy Venkateshwaran#		Director sitting fees	-	6.00		
Mr. Pallak Seth		Remuneration		998.54	201.97	
Mrs. Payal Seth				66.61	34.81	
Mr. Ajai Singh				-	19.02	
Mr. Ashish Gupta				166.74	105.85	
Mr. Sanjay Jain				699.78	324.78	
Mr. Abhishekh Kanoi				98.28	61.45	
Mr. Rahul Ahuja				81.65	-	
Mr. Ashok Kumar Sanghi			Shares allotted under employee stock option scheme for consideration received during the year		13.30	-
Mr. Sanjay Jain					460.00	-
Mr. Ashish Gupta					40.52	-
Mr. Abhishekh Kanoi		Employee share compensation expense		27.38	-	
Mr. Parth Gandhi				90.27	52.48	
Mr. Sanjay Jain				6.21	748.93	
Mr. Ashish Gupta				-	24.67	
Mr. Abhishekh Kanoi				41.07	12.33	
Mr. Rahul Ahuja			28.16	-		
Mr. Ashok Kumar Sanghi			13.08	3.74		
Mr. Ashok Kumar Chhabra			13.08	3.74		

c) Year end receivable balances

Name of related party	Relationship	Nature	As at March 31, 2023	As at March 31, 2022
Digital Internet Technologies Limited	Joint venture	Dues from related party	288.73	261.20
Sourcing Solution Europe BVBA	Associate		1,115.08	750.27
Yellow Octopus EU sp.zo.o.	Joint venture		865.08	951.25
Yellow Octopus Ventures FZCO	Joint venture		606.38	-
GWD Enterprises Limited	Associate		39.51	-
Mr. Rahul Ahuja	Key managerial personnel	Advance to employees	0.22	-
Mr. Ashish Gupta	Key managerial personnel	Advance to employees	37.50	-
Mr. Abhishekh Kanoi	Key managerial personnel	Advance to employees	17.50	29.50



Note 36 : Related parties disclosure (Cont'd)

d) Year end payable balances

Name of related party	Relationship	Nature	As at March 31, 2023	As at March 31, 2022
Mr. Ashish Gupta	Key managerial personnel	Due to Employees	6.73	5.39
Mr. Abhishek Kanoi			4.70	3.91
Mr. Rahul Ahuja			6.28	-
Mr. Sanjay Jain			19.48	20.02
Mr. Pallak Seth			76.36	12.59
Mr. Deepak Seth**		Dues to related party	104.32	833.61
Yellow Octopus Ventures-FZC	Joint venture	Dues to related party	-	10.32
Yellow Octopus Fashion Limited	Joint venture	Dues to related party	46.77	-
One Stop Solutions sp.zo.o	Joint venture	Dues to related party	-	0.48
One Stop Shop Solutions sp.zo.o.sp.k	Joint venture	Dues to related party	-	0.96
Yellow Octopus EU sp.zo.o.	Joint venture	Dues to related party	-	0.48
Yellow Octopus EU sp.zo.o.sp.k	Joint venture	Dues to related party	-	0.96

e) Key management personnel compensation*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short-term employee benefits	2,111.61	747.89
Stock option/Phantom option expenses	733.07	845.89
Director sitting fees	160.93	16.00

^ Mrs. Payal Seth is the largest shareholder.

** Balance has been paid in the month of April 2023.

&The Board of Directors of the Company has appointed Mr. Pallak Seth as Executive Vice Chairman & Director (Executive Director) is for a period of 5 years with effect from November 02, 2022 to November 01, 2027.

^^ The Board of Directors of the Company has appointed Mr. Parth Gandhi effective from May 27, 2021, Mr Mungo Park, Mr Robert Sinclair effective from November 09, 2021 and Mr. Nishant Parikh and Ms. Yael Gairola effective from December 08, 2021 as Independent Directors and KMP of the Company. Mr. Ashok Kumar Chhabra, Mr. Ashok Kumar Sanghi resigned as Independent Directors & KMP of the Company on November 09, 2021, Mr. Ashutosh Bhupatkar resigned as an Independent Director & KMP of the Company on December 08, 2021 and Mr. Saraswathy Venkateswaran resigned as an Independent Director & KMP of the Company on March 14, 2022.

^^^ Mr. Rahul Ahuja was appointed as Chief Financial Officer and Whole Time Key Managerial Personnel of the Company w.e.f. January 25, 2023 at the Board meeting held on January 24, 2023. Mr. Ashish Gupta has resigned as a Chief Financial Officer of the Company w.e.f. close of business hours of January 24, 2023.

&&The Board of Directors of the Company has appointed Mr. BG Srinivas effective from March 28, 2023 as an additional Non-Executive and Independent Director.

****The Group has created an Employee Benefit Trust for providing share-based payment to its employees. The Group uses the Trust to distribute shares to employees under the employee remuneration schemes. The Trust buys shares of the Group from the market, for giving shares to employees. The Company treats Trust as its extension and shared held by the Trust are treated as treasury shares.

*For post-employment defined benefits, the same is done by actuary considering all employees of the Company and hence split is not available.

f) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate, wherever applicable.

g) In respect of figures disclosed above:

(i) The amount of transactions/ balances are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

(ii) Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Group.



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PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 37: Capital management

(a) The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Borrowings (refer note 18)	60,074.82	62,335.11
Less: Cash and cash equivalents (refer note 14)	51,124.87	46,000.20
Less: Other bank balance (refer note 15)	21,787.83	20,484.50
Adjusted Net debt (A)	(12,837.88)	(4,149.59)
Equity share capital (refer note 16)	2,615.91	2,604.25
Other equity (refer note 17)	102,751.92	84,635.94
Total Capital (B)	105,367.83	87,240.19
Capital and net debt (A + B)	92,529.95	83,090.60

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

(b) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 38: Currency derivative

Forward currency and option currency contracts are designated as hedging instruments in respect of forecast future sales and forecast purchases in foreign currencies to which the Group has firm commitments. The forward currency contract balances vary with the levels of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Particular	Assets	Liabilities	Assets	Liabilities
	2023	2023	2022	2022
	USD	USD	USD	USD
Forward currency contracts	67,703	83,972	365,792	110,535
	(Equivalent to ₹ 55.64)	(Equivalent to ₹ 69.01)	(Equivalent to ₹ 277.22)	(Equivalent to ₹ 83.77)

The carrying amount of foreign currency contracts are the same as their fair values.

At 31 March 2023, the Group held 48 forward currency contracts (March 31, 2022: 139) and no option currency contracts (March 31, 2022: Nil) and they are designated as hedges in respect of expected future sales to customers in the United Kingdom for which the said Group has firm commitments.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. The cash flow hedges of the expected future sales between April 2023 and March 2024 were assessed to be highly effective and a net loss of ₹305.14 (March 31, 2022: net gain of ₹ 99.89), was included in the hedging reserve for the year.



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 39 : Fair values disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments. Carrying value of financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, borrowings, other financial liabilities etc. represent the best estimate of fair value.

a) Fair value of financial assets:

	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial assets measured at FVTPL				
Equity investments (refer note 9A)	2,124.03	3,744.22	2,124.03	3,744.22
Debt investments (refer note 9A)	3,237.80	153.23	3,237.80	153.23
Other investments (refer note 9A)	2,990.27	2,818.12	2,990.27	2,818.12
Investment in convertible notes (refer note 9A)	1,887.38	1,961.46	1,887.38	1,961.46
Investment in funds (refer note 9A)	4,024.61	2,162.75	4,024.61	2,162.75
	14,264.09	10,839.78	14,264.09	10,839.78
Financial assets measured at FVOCI				
Equity and debt investments (refer note 9A)	17,791.07	11,436.20	17,791.07	11,436.20
Derivative financial instruments (refer note 10)	55.64	277.22	55.64	277.22
	17,846.71	11,713.42	17,846.71	11,713.42
Financial assets measured at amortised cost				
Security deposits (refer note 10)	1,959.69	1,765.39	1,959.69	1,765.39
Loan to others (refer note 10)	165.25	1,134.53	165.25	1,134.53
Dues from related party (refer note 10)	2,914.78	2,591.52	2,914.78	2,591.52
Deposits with original maturity of more than 12 months(refer note 10)	1.00	1.00	1.00	1.00
Interest accrued but not due (refer note 10)	290.23	50.33	290.23	50.33
Loans receivable from others (refer note 10)	2,442.25	2,065.72	2,442.25	2,065.72
Unbilled revenue (refer note 10)	971.85	308.16	971.85	308.16
Trade receivable (refer note 13)	97,843.44	142,130.97	97,843.44	142,130.97
Cash and cash equivalents (refer note 14)	51,124.87	46,000.20	51,124.87	46,000.20
Other bank balances (refer note 15)	21,787.83	20,484.50	21,787.83	20,484.50
	179,501.19	216,532.32	179,501.19	216,532.32

b) Fair value of financial liabilities:

	Carrying values		Fair values	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial liabilities measured at fair value through other comprehensive income				
Derivative financial instruments (refer note 19)	69.01	83.77	69.01	83.77
	69.01	83.77	69.01	83.77
Financial liabilities measured at amortised cost				
Borrowings (refer note 18)	60,074.82	62,335.11	60,074.82	62,335.11
Trade payables (refer note 21)	112,485.04	156,631.93	112,485.04	156,631.93
Interest accrued but not due on borrowings (refer note 19)	0.25	0.25	0.25	0.25
Lease liabilities (refer note 45)	11,825.83	11,713.02	11,825.83	11,713.02
Dues to employees (refer note 19)	3,659.85	4,729.04	3,659.85	4,729.04
Due to related party (refer note 19)	151.09	1,473.54	151.09	1,473.54
Due to others (refer note 19)	-	166.36	-	166.36
Security deposit received (refer note 19)	84.76	71.63	84.76	71.63
	188,281.64	237,120.88	188,281.64	237,120.88
Financial liabilities measured at FVTPL				
Share based payment (refer note 19)	386.71	166.38	386.71	166.38
	386.71	166.38	386.71	166.38

c) Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings and in case of financial asset is the average market rate of similar credit rated instrument. The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Fair value for all other non-current financial assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



Note 40 : Fair value hierarchy

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

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

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

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

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

a) Fair value measurement hierarchy of financial assets as at March 31, 2023:

	Total	Level 1	Level 2	Level 3
Financial assets measured at FVTPL				
Listed and unlisted equity investments, at fair value	2,124.03	2,067.03	-	57.00
Listed debt investments, at fair value	3,237.80	3,237.80	-	-
Investment in convertible notes	1,887.38	-	-	1,887.38
Investment in funds	4,024.61	166.54	3,858.07	-
Investments in life insurance policies, at fair value	2,990.27	-	2,990.27	-
Total (A)	14,264.09	5,471.37	6,848.34	1,944.38
Financial assets measured at FVOCI				
Equity investments, at fair value	17,791.07	-	642.28	17,148.79
Derivative financial instruments	55.64	-	55.64	-
Total (B)	17,846.71	-	697.92	17,148.79
Total (A+B)	32,110.80	5,471.37	7,546.26	19,093.17

b) Fair value measurement hierarchy for financial liabilities as at March 31, 2023:

	Total	Level 1	Level 2	Level 3
Financial liabilities measured at FVOCI				
Derivative financial instruments	69.01	-	69.01	-
Total (A)	69.01	-	69.01	-

c) Fair value measurement hierarchy of financial assets as at March 31, 2022:

	Total	Level 1	Level 2	Level 3
Financial assets measured at FVTPL				
Listed and unlisted equity investments, at fair value	3,744.22	3,687.22	-	57.00
Listed debt investments, at fair value	153.23	153.23	-	-
Investment in convertible notes	1,961.46	-	-	1,961.46
Investment in funds	2,162.75	163.46	1,999.29	-
Investments in life insurance policies, at fair value	2,818.12	-	2,818.12	-
Total A	10,839.78	4,003.91	4,817.41	2,018.46
Financial assets measured at FVOCI				
Equity investments, at fair value	11,436.19	-	345.15	11,091.04
Derivative financial instruments	277.22	-	277.22	-
Total B	11,713.41	-	622.37	11,091.04
Total (A+B)	22,553.19	4,003.91	5,439.78	13,109.50

d) Fair value measurement hierarchy for financial liabilities as at March 31, 2022:

	Total	Level 1	Level 2	Level 3
Financial liabilities measured at FVOCI				
Derivative financial instruments	83.77	-	83.77	-
	83.77	-	83.77	-



Note 40 : Fair value hierarchy (Cont'd)

The movements in fair value measurements within Level 3 during the year are as follows:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
At beginning of the year	13,109.51	5,703.59
Addition	3,856.53	5,551.84
Total gains recognised in statement of profit and loss	275.01	120.83
Total gains recognised in other comprehensive income	999.45	1,663.97
Reclass*	56.47	-
Disposals	(367.66)	-
Foreign exchange gain	1,163.86	69.28
At end of the year	19,093.17	13,109.51

i) There have been no transfers between level 1, level 2 and level 3 category during the years ended on March 31, 2023 and March 31, 2022.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Investment in listed equity and debt instruments and bonds: The fair value of listed investment in equity and debt instruments and bonds are determined using its quoted market price.

(b) Investment in unlisted equity and debt instruments: The fair value of unlisted investments at fair value through other comprehensive income and fair value through profit or loss are based on either using a valuation technique which incorporates various market observable inputs including quoted prices or most recent transaction prices. The management believe that the estimated fair value resulting therefrom, which is recorded in the Consolidated Balance Sheet and the related change in fair value, which is recorded in the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), are reasonable, and that it was the most appropriate value at the end of the reporting period.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at March 31, 2023 and March 31, 2022:

Particulars	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial assets at fair value through other comprehensive income and statement of profit and loss	Market approach	Enterprise-value-to-revenue multiple	Increase/decrease in EV/ Revenue would result in increase/ decrease in fair value
	Income approach	Discount rate	Increase/decrease in discount rate would result in decrease/ increase in fair value
	Recent transaction approach	Value of recent transaction with unrelated party	Valuation is dependant on the most recent transaction/ round of investment that was carried out with an unrelated party.

(c) Derivative financial instruments: The Group enters into derivative financial instruments with financial institutions with high credit ratings. Derivative financial instruments, representing forward currency contracts and option currency contracts, are measured using valuation techniques similar to forward and option pricing, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values. As at March 31, 2023 the mark-to-market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

(d) Investment in life insurance policies: The fair values of investments in life insurance policies have been estimated based on the surrender values, which are calculated and quoted by the issuer. The management believe that the estimated fair values resulting therefrom, which are recorded in the consolidated Balance Sheet, and the related changes in fair values, which are recorded in the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), are reasonable, and that they were the most appropriate values at the end of the reporting period.



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Note 41 Financial risk management objectives and policies

The Group's principal financial liabilities comprises of trade and other payables, borrowings and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets includes investments, trade receivables, cash and cash equivalents, other bank balances and other financial assets. The Group is exposed to credit risk, liquidity risk and market risk. The Group's senior level management oversees the management of these risks and advises on the appropriate financial risk governance framework.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

i) Interest rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. The Group has significant exposure to interest rate risk as shown below. The Group's interest rate risk mainly arises from borrowings with variable rates.

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Variable rate borrowing	57,363.51	60,590.83
Fixed rate borrowing	2,711.31	1,744.28
	60,074.82	62,335.11

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
50 bps increase would decrease the profit before tax by	(294.89)	(270.19)
50 bps decrease would Increase the profit before tax by	294.89	270.19

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

ii) Foreign

The Group's exposure to foreign currency risk as at 31 March 2023 are as follows:

Currency	Trade receivables	Unbilled revenue	Other receivable	Cash and cash equivalent	Lease liability	Trade payable	Bank borrowings	As at March 31, 2023
USD	8,097.82	231.39	-	4,647.94	-	(8,205.89)	-	4,771.26
EUR	-	-	-	122.44	-	(65.45)	-	56.99
GBP	1,371.17	-	357.77	2,355.24	-	(1,198.32)	-	2,885.86
CNY	27.38	-	-	1,042.64	(226.63)	(66.61)	-	776.78
BDT	-	-	46.58	876.54	(1,491.85)	(462.26)	-	(1,030.99)
CAD	1.91	-	-	49.49	-	(26.55)	-	24.85
CHF	-	-	-	0.10	-	-	-	0.10
LKR	-	-	-	3.93	-	(8.61)	-	(4.68)
Net Exposure	9,498.28	231.39	404.35	9,098.32	(1,718.48)	(10,033.69)	-	7,480.17

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ii) Foreign currency risk(cont'd)

The Group's exposure to foreign currency risk as at 31 March 2022 are as follows:

Currency	Trade receivables	Unbilled revenue	Other receivable	Cash and cash equivalent	Lease liability	Trade payable	Bank borrowings	As at March 31, 2022
USD	1,746.78	33.86	-	-	-	(1,225.25)	-	555.39
EUR	990.68	-	-	833.74	-	(1,130.51)	-	693.92
GBP	6,034.71	-	374.22	2,945.28	-	(2,149.91)	(2,282.68)	4,921.61
CNY	90.94	-	-	539.97	(225.07)	-	-	405.85
BDT	7.42	-	-	706.42	(9.78)	(420.76)	-	283.31
CAD	-	-	-	112.28	-	(21.07)	-	91.21
CHF	-	-	-	0.09	-	-	-	0.09
LKR	3.88	-	-	5.88	-	(6.41)	-	3.35
Net Exposure	8,874.41	33.86	374.22	5,143.67	(234.85)	(4,953.91)	(2,282.68)	6,954.70

Sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP, EURO, HKD, AED and BDT exchange rates, with all other variables held constant.

Particulars	Change in FC exchange rate by	Impact on profit or loss and equity (in lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
USD	5%	238.56	27.77	(238.56)	(27.77)
EUR	5%	2.85	34.70	(2.85)	(34.70)
GBP	5%	144.29	246.08	(144.29)	(246.08)
CNY	5%	38.84	20.29	(38.84)	(20.29)
BDT	5%	(51.55)	14.17	51.55	(14.17)
CAD	5%	1.24	4.56	(1.24)	(4.56)
CHF	5%	0.00	0.00	(0.00)	(0.00)
LKR	5%	(0.23)	0.17	0.23	(0.17)

The Group has transactional currency exposures. Such exposures arise from sales or purchases in currencies other than the Group's functional currency. The Group uses forward currency contracts to eliminate the foreign currency exposures on its sales transactions, for which the corresponding settlements are anticipated to take place more than one month after the Group has entered into firm commitments for the sales. The forward currency contracts must be in the same currency as that of the hedged items. Group negotiates the terms of the hedge derivatives to match the terms of the hedged items to maximise hedge effectiveness. It is the Group's policy that a forward contract is not entered into until a firm commitment is in place.

B. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. The Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The Group also uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model. The credit risk also arises from cash and cash equivalents, deposits from banks and other financial assets measured at amortised cost.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored. The Company limits its exposure to credit risk from trade receivables by establishing an appropriate credit period for customer. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision created.

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

Particulars	Less than 30 days	30 to 90 days	More than 90 days	Total
Trade receivables as of March 31, 2023	80,082.24	13,439.39	4,321.81	97,843.44
Trade receivables as of March 31, 2022	131,818.02	6,924.07	3,388.88	142,130.97

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default. This applies to most of the subsidiaries.

The total impairment loss amounting to ₹ 625.18 as at March 31, 2023 (March 31, 2022: ₹ 828.62) on trade receivables.



PDS Limited**(Formerly PDS Multinational Fashions Limited)**

Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 41: Financial risk management objectives and policies (cont'd)**C. Liquidity risk**

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

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

As at March 31, 2023	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	59,881.61	193.21	-	60,074.82
Trade payables	112,485.04	-	-	112,485.04
Lease liabilities	3,401.68	10,322.05	125.41	13,849.13
Other financial liabilities	4,285.63	109.84	-	4,395.47
Total	180,053.96	10,625.10	125.41	190,804.46

As at March 31, 2022	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	62,324.34	10.77	-	62,335.11
Trade payables	156,631.93	-	-	156,631.93
Lease liabilities	3,148.16	8,162.40	1,543.76	12,854.32
Other financial liabilities	6,760.30	-	-	6,760.30
Total	228,864.73	8,173.17	1,543.76	238,581.66

Note 42 : Commitments and contingencies**a) Commitments****(i) Capital commitment:**

Estimated amount of contracts remaining to be executed on capital account (net of advances) as on March 31, 2023 is Nil (March 31, 2022: Nil)

(ii) Other commitment:

i) The Company has entered into a Capital commitment agreement where contribution has to be made to WaterBridge Ventures II Trust (the "Fund") and the contribution agreement has been executed between Vistra ITCL (India) Limited (the "Trustee Company"), WaterBridge Capital Management LLP (the "Investment Manager") and PDS Limited (The "contributor") in which the contributor has committed ₹ 1000.00 which will be paid as per the terms of agreement. Till March 31, 2023 - ₹ 600.00 (March 31, 2022 - ₹ 500.00) which is 60% of the amount has been contributed based on the drawdown notice received from the fund.

ii) The Company has entered into a Capital commitment agreement where contribution has to be made to Fireside Ventures Investment Fund III ("Fund") and the contribution agreement has been executed between Orbis Trusteeship Services Private Limited (the "Trustee Company"), Fireside Ventures Advisory LLP (the "Investment Manager") and The Company (The "contributor") in which the contributor has committed ₹ 700.00 which will be paid as per the terms of agreement. During the year, 10% of the amount i.e. ₹ 70.00 (March 31, 2022- Nil) has been contributed based on the drawdown notice received from the fund. Total contribution till March 31, 2023 is ₹ 70.00.



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

b) Contingent liabilities

i) In case of the Company, claims against Company not acknowledged as debt

- On account of stamp duty on demerger

148.20

148.20

- Tenancy case*

-

15.00

148.20

163.20

- the Company has been a filed writ petition before the Hon'ble High Court of Delhi (PDS Multinational Fashions Limited Vs. Collector of Stamp, Civil Writ Petition being W. P. (C) No. 7509 of 2015) for quashing the orders dated June 19, 2015 and July 9, 2015 passed by the Collector of Stamps and was saddled with a liability of ₹ 148.20 based on the misrepresentation and misreading of the judgement passed by the Hon'ble High Court of Delhi in Delhi Towers vs. GNCT of Delhi 1(2010) 159 comp. cases 129 (Delhi).

- Pending resolution of the respective proceedings, it is difficult to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.

*The Company has filed a Petition in the High Court of Delhi under section 9 of Arbitration and Conciliation Act for securing the our interest/rightful entitlement of due rent and CAM Charges payable by the tenant. The case is under settlement process and hence the security deposit received from the tenant is considered as contingent liability. The contempt petition is disposed off on May 9, 2023 and order passed on May 9, 2023.

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

Note 42 : Commitments and contingencies (cont'd)

iii) In case of Norwest Industries Limited, Guarantee given to banks in connection with facilities granted to subsidiaries and fellow subsidiaries ₹ 70,578.96 (March 31, 2022: ₹53,390.58). At March 31, 2023, the banking facilities guaranteed by Norwest Industries Limited to its fellow subsidiaries were utilised to the extent of approximately ₹54,756.73 (March 31, 2022 : ₹51,807.01).

In determining whether financial liabilities should be recognised in respect of Norwest Industries Limited's financial guarantee contracts, the directors exercise judgement in the evaluation of the probability of resources outflow that will be required and the assessment of whether a reliable estimate can be made of the amount of the obligation. In the opinion of the directors of Norwest Industries Limited, the fair values of the financial guarantee contracts are insignificant at initial recognition and the directors consider that the possibility of the default of the parties involved is remote, and accordingly, no value was recognised in its consolidated financial statements.

(iv) In case of Poeticgem Limited, HSBC Bank PLC, has provided a guarantee to H M Revenue and Customs amounting to ₹ 544.39 (March 31, 2022 : ₹ 534.61).

(v) Poeticgem Limited had available ₹ 2,534.72 (March 31, 2022: ₹ 2,489.19) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

(vi) In case of Progress Apparel Bangladesh Limited, unconditional bank guarantee issued of ₹ 6.20 (March 31, 2022 : ₹ 2.62) to Green Delta Insurance Company Limited towards guarantee of 30 days credit period.

(vii) FX Import Company Limited has extended an unlimited multilateral guarantee to its Parent Company and fellow subsidiaries, Poeticgem Limited and Pacific Logistics Limited. The bank has a fixed charge over the assets of FX Import Company Limited which is supported by a debenture.

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Note 43 : Segment reporting

(a) Primary segment information:

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment e.g. sourcing, manufacturing and others), or in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business segments. The Group's primary format for segment reporting is based on business segments. Inter-segment pricing is determined on an arm's length basis.

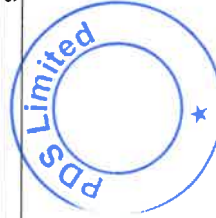
Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Other items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Group's headquarters) and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the reporting period to acquire property, plant and equipment, investment property and intangible assets other than goodwill.

(b) Segment details are as below:

Particulars	Sourcing		Manufacturing		Others		Adjustment / elimination		Total	
	For the year ended		For the year ended		For the year ended		For the year ended		For the year ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Segment revenue	1,010,463.88	850,650.55	70,300.09	54,710.45	428.45	221.42	(23,492.00)	(22,763.05)	1,057,700.42	882,619.38
Other income	1,779.69	3,786.19	255.70	193.58	3,120.94	4,821.07	(3.28)	(198.10)	5,153.05	8,602.74
Segment results before tax	29,830.00	28,753.14	2,359.07	(1,894.85)	3,093.56	4,216.15	360.80	(28.78)	35,643.43	31,045.66
Tax expense									(2,998.52)	(1,725.71)
Share of loss of associates and joint ventures									31.93	(57.88)
Profit for the year	221,870.62	262,032.47	46,006.83	47,769.80	43,026.29	30,005.97	-	-	32,676.84	29,262.09
Segment assets as a % of total assets	71.36	77.11	14.80	14.06	13.84	8.83	-	-	310,903.74	339,808.24
Segment liabilities	180,962.84	225,549.32	15,330.10	18,099.32	3,349.84	2,559.17	-	-	199,642.78	246,207.81
Segment liabilities as a % of total liabilities	90.64	91.61	7.68	7.35	1.68	1.04	-	-	100.00	100.00
Other material non-cash items included under Statement of Profit and loss before tax	5,551.33	4,384.80	2,298.48	2,325.78	168.39	280.23	-	-	8,018.20	6,990.81
Depreciation and amortisation										
Entity wide disclosures:										
(c) Information about products and services:										
(i) Revenue from external customers by nature of product:										
Particulars	Year ended March 31, 2023	Year ended March 31, 2022								
Sale of goods	1,034,549.05	868,029.01								
Others	23,151.37	14,792.37								
(d) Information about Geographical areas										
(i) Revenue from external customers by Geography are as follows:										
Geography	Year ended March 31, 2023	Year ended March 31, 2022								
India	7,022.36	2,341.42								
Europe	750,967.30	679,772.46								
North America	158,655.06	141,251.42								
Asia & Middle East	116,347.05	35,312.86								
Others	24,708.65	24,143.22								
	1,057,700.42	882,821.38								
(ii) The Group's non-current assets are majority located as follows:										
Geography	As at March 31, 2023	As at March 31, 2022								
India	4,757.57	4,456.31								
Hong Kong	18,915.37	16,670.74								
Bangladesh	18,084.99	16,968.34								
Others	19,080.15	19,860.09								
	60,838.08	57,955.48								
(iii) The Group's investments accounted as per equity method are majority located as follows:										
Geography	As at March 31, 2023	As at March 31, 2022								
Hong Kong	47.21	270.79								
Poland	9,573.50	8,608.79								
Others	159.87	783.68								
	9,780.58	9,663.26								

(e) Revenue from major customers: There were 2 customers who had contributed 10% or more to the Group's revenue for the year ended March 31, 2023 and 2 customers for the year ended March 31, 2022.



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 44: Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to Statement of Profit and Loss:

Revenues by category and nature	Year ended	Year ended
	March 31, 2023	March 31, 2022
Sale of goods	1,034,549.05	868,029.01
Others	23,151.37	14,792.37
	1,057,700.42	882,821.38

Revenues from geographic areas based on the location of the customers are as follows:

India	7,022.36	2,341.42
Europe	750,967.30	679,772.46
North America	158,655.06	141,251.42
Asia & Middle East	116,347.05	35,312.86
Others	24,708.65	24,143.22
	1,057,700.42	882,821.38

Revenues based on timing of recognition

Sale of goods transferred at a point in time	1,034,549.05	868,029.01
Services transferred over the period of time	23,151.37	14,792.37
	1,057,700.42	882,821.38

Significant changes in contract assets and contract liabilities during the period are as follows:

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Assets and liabilities related to contracts with customers

	As at	As at
	March 31, 2023	March 31, 2022
Trade receivables	97,843.44	142,130.97
Contract assets	971.85	308.16
Contract liabilities	2,746.49	704.18

Trade receivables are non-interest bearing and are generally on terms of 60-120 days. The Group has recognised - ₹ 203.44 provision for expected credit loss on trade receivables during the year ended March 31, 2023 (March 31, 2022: ₹ 310.48).

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

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

	As at	As at
	March 31, 2023	March 31, 2022
Contract assets at the beginning of the year	308.16	149.57
Revenue to be billed/ accrued during the year	663.69	158.59
Contract assets at the end of the year	971.85	308.16

Contract liabilities at the beginning of the year

Advance received (adjusted) from customers during the year	704.18	1,987.42
Contract liabilities at the end of the year	2,042.31	(1,283.24)

Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

Revenue as per contract	1,060,575.88	884,831.77
Adjustments	(2,875.46)	(2,010.39)
Revenue from contract with customers	1,057,700.42	882,821.38

Performance obligations

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon shipment or on delivery at the customer premises and on completion of performance obligation. Revenue is recognised at a transaction price allocated to the extent of performance obligation satisfied after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For the accounting policy for revenue recognition refer Note 3 (h).

Sale of goods

The performance obligation is satisfied upon shipment or delivery of goods except for new customers, where payment in advance is normally required.



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 45: Lease disclosure

Where the Group is the lessee:

As lessee

On March 30, 2019 Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). The Group has adopted this standard using the modified retrospective approach and accordingly, the comparative figures for the year ended March 31, 2019 has not been restated. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

As a lessee

- i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
At the beginning of the year	11,579.82	7,124.23
Additions during the year	3,617.92	7,346.22
Disposals/adjustment during the year	(132.48)	(482.77)
Depreciation expenses	(3,304.65)	(2,619.04)
Forex translation, net	(325.70)	211.18
At the end of the year	11,434.91	11,579.82

- ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
At the beginning of the year	11,713.02	7,173.89
Addition	4,292.20	7,074.64
Accretion of interest	636.33	316.25
Covid concession	69.66	(2.33)
Payment	(3,739.17)	(2,535.50)
Derecognition upon exercise of termination options	(352.67)	(554.71)
Forex translation	(793.54)	240.79
At the end of the year	11,825.83	11,713.02
Current	3,901.28	2,567.71
Non-current	7,924.55	9,145.31
	11,825.83	11,713.02

- iii) Maturity analysis of lease liabilities:

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Lease payments		
Not later than one year	3,401.68	3,148.16
Later than one year	10,322.05	8,162.40
Later than five years	125.41	1,543.76
Total	13,849.14	12,854.32

- iv) Amount recognised in Consolidated Statement of Profit and Loss

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Depreciation on right of use assets	3,304.65	2,619.04
Interest on lease liabilities	636.33	316.25
Expenses relating to short term leases	724.87	1,041.21

As a lessor

The Group has entered into operating leases on its investment property. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Refer note 5 for rental income and future minimum rentals receivable under non-cancellable operating leases as at March 31, 2023 and March 31, 2022.



Note 46: Business Combinations

i) Acquisition of Sunny up Ltd:

On May 9, 2022, the Group acquired 100% of the equity interest in M/s Sunny Up Limited, a company incorporated and registered in England and Wales for a consideration of GBP 10,12,500 (equivalents to approximately ₹ 982.71). Consideration is to be discharged in GBP 6,07,500 (equivalents to approximately ₹ 589.63) on acquisition and balance GBP 4,05,000 (equivalents to approximately ₹ 393.08) on over 2 years subject to fulfilling certain conditions.

The Sunny Up is a Contemporary Fashion Design and Distribution Company Specialising in Brand Development and Marketing. Sunny Up has license of a well-known brand Stan Ray and other distribution rights which will enhance the Group's portfolio and improve their offering to the customers.

The fair values of the identifiable assets and liabilities of Sunny up Ltd as at the respective date of acquisition were as follows:

Particulars	Amount
Tangible Assets	17.16
Current assets :	
Inventories	481.11
Trade and other receivables	65.50
Cash and cash equivalents	72.08
Borrowings	(97.06)
Trade and other payables	(115.22)
Sub Total (A)	423.57
Goodwill on acquisition	166.07
Satisfied by cash	589.64

An analysis of the cash flows in respect of the acquisition of Sunnyup Limited is as follows:

Cash consideration	589.64
Cash and bank balances acquired	(72.08)
Net outflow of cash and cash equivalents included in cash flows from investing activities	517.56

The Group incurred transaction costs of ₹ 24.99 for the acquisition of Sunny up Limited. These transaction costs have been expensed and are included in miscellaneous expenses in the consolidated statement of profit or loss.

Since the acquisition, Sunny up Ltd has contributed ₹ 3,117.60 to the Group's revenue and profit of ₹ 85.13 to the consolidated statement of profit and loss for the year ended March 31, 2023

ii) Acquisition of DBS Lifestyle Private Limited:

On October 26, 2022, the Group had infused ₹ 2,100 in M/s DBS Lifestyle Private Limited (DBS) in exchange of 51% equity interest in DBS.

DBS, founded by Divya Suri and Bhawnish Suri, is a design-led company catering to fashion and home categories. It owns over 20,000 original textile designs and patterns and adds nearly 2500 artworks and samples to its library every month. Its Trend & Design Studio plus Sourcing business verticals collectively offer end-to-end solutions from design, product development, and manufacturing to warehouse delivery. It also creates private brands for leading online and offline retailers, including RIVER – a multidesigner brand for Amazon Fashion. DBS serves over 200 fashion and 150+ home clients globally along with leading brands, retailers, and key e-commerce players in India. The Group aims to strengthen its design capabilities for global clients and gains access to leading retailers and brands, enabling it to further penetrate the fashion and home categories in the Indian market.

The Group has elected to measure the non-controlling interest in DBS at the non-controlling interest's proportionate share of DBS identifiable net assets.

The identifiable assets acquired and liabilities assumed of the DBS as at the date of acquisition were as follows:

Particulars	Amount
Property, plant and equipment	41.73
Intangible (Customer relationship)	101.00
Current assets :	
Inventories	3.94
Trade and other receivables	276.97
Other Assets	341.57
Cash and cash equivalents	2,184.14
Borrowings	(592.76)
Trade and other payables	(1,382.64)
Total Identifiable net assets at fair value	973.95
Non-controlling interest	477.21
Goodwill on acquisition	1,603.26
Satisfied by cash	2,100.00

An analysis of the cash flows in respect of the acquisition of DBS is as follows:

Cash consideration	2,100.00
Cash and bank balances acquired	(2,184.14)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(84.14)

The Group incurred transaction costs of ₹ 18 for the acquisition of DBS. These transaction costs have been expensed and are included in miscellaneous expenses in the consolidated statement of profit or loss.



Note 46: Business Combinations (Cont'd)

ii) Acquisition of DBS Lifestyle Private Limited (Cont'd)

Since the acquisition, DBS has contributed ₹ 799.91 to the Group's revenue and loss of ₹ 88.56 to the consolidated statement of profit and loss for the year ended March 31, 2023.

iii) Acquisition of Upcycle Labs Limited

On March 27, 2023, the Group had acquired additional interest of 11% in Upcycle labs Limited (Upcycle) and obtained controlling interest of 61%. Until the date of acquisition of additional interest, Upcycle was a Joint venture and had been accounted under equity method.

The Group has elected to measure the non-controlling interest in Upcycle at the non-controlling interest's proportionate share of Upcycle identifiable net assets.

The identifiable assets acquired and liabilities assumed of the Upcycle as at the date of acquisition were as follows:

Particulars	Amount
Property, plant and equipment	293.57
Intangibles under development	255.96
Inventories	10.23
Other receivables	35.45
Prepayments	37.70
Deposits	94.42
Cash and cash equivalents	424.04
Other payables	(46.56)
Accruals	(2.29)
Translation reserve	1.23
Due to fellow subsidiary	(613.79)
Due to related party	(46.77)
Total identifiable net assets at fair value	443.19
Fair value of existing equity interest (50%)	681.99
Non-controlling interest (39%)	172.36
Goodwill on acquisition	549.78
Satisfied by cash (11%)	138.61

An analysis of the cash flows in respect of the acquisition of Upcycle is as follows:

Cash consideration	138.61
Cash and bank balances acquired	(424.04)
Net outflow of cash and cash equivalents included in cash flows from investing activities	(285.43)

iv) Acquisition of S.Oliver Fashion India Private Limited:

On May 27, 2022 the Group acquired 99.99% of the equity interest in S.Oliver Fashion India Private Limited (S.Oliver Fashion) for a consideration of ₹ 196.35. S.Oliver Fashion is engaged in providing sourcing of Garments. The acquisition was made to acquire the existing set-up of workforce and supply chain. The purchase consideration for the acquisition was partly in form of cash (Paid ₹ 150.16 as at March 31, 2023) and partly in form of a contingent consideration being ₹ 46.18 which remained unpaid as at 31 March 2023, and is expected to be settled within one year. Such acquisition including the purchase price allocation is not material to the group.

Note 47: Change in proportion held by Non-controlling interest

i) Acquisition of Non-controlling interest in Simple Approach Limited

During the year on June 1, 2022 and March 20, 2023, the Group has acquired additional equity interest of 10% in its subsidiary Simple Approach Limited, at a consideration of USD 4.404 million (₹ 3,493.70). The net loss arising on the transaction has been adjusted directly in equity in accordance with IndAS 110, consolidated financial statements, as a change in ownership interest without change in control.

Fair value of cash consideration (A)	3,493.70
Carrying value of Non controlling interest acquired (B)	100.50
Net loss adjusted directly in other equity (A-B)	3,393.20

ii) Acquisition of Non-controlling interest in Norlanka Brands Private Limited

On March 28, 2023, the Group has acquired additional equity interest of 25% in its subsidiary Norlanka Brands Private Limited, at a consideration of A258₹ 42.23. The net loss arising on the transaction has been adjusted directly in equity in accordance with IndAS 110, consolidated financial statements.

Fair value of cash consideration (A)	42.23
Carrying value of Non controlling interest acquired (B)	(24.49)
Net loss adjusted directly in other equity (A-B)	66.72



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 48: Employee Share Based Payments

As at March 31, 2023 the Company has the following share-based payments arrangements :

A. Employee Stock Option Plan 2021 - Plan A and Plan B

i) Brief description of the share based payment arrangement

On April 3, 2021, the Company established the PDS Multinational Fashions Limited – Employee Stock Option Plan 2021 – Plan A ('Plan A') which entitles key managerial personnel and senior employees to purchase shares of the Company. On July 27, 2021, the Company established the PDS Multinational Fashions Limited Employee stock option plan 2021 – Plan B ('Plan B') through Direct and through Trust route for other KMP and senior employees. The plans are designed to provide incentives to the employees of the Company to deliver long-term returns. The Plans are administered by the Nomination and Remuneration committee. During the year ended 31 March 2023, the Company has granted 4,70,000 (March 31, 2022 - 5,443,660) equity settled stock options (ESOPs) under these plans. Vesting of the options would be subject to continuous employment with the Company and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest.

Options granted under the plan didn't carry dividend or voting rights. On exercise, each option is convertible into one equity share. The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Particulars	Number of instruments*	Exercise price*	Vesting period	Exercise period
FY 2022-23	4,70,000	₹ 240 - ₹268	1 - 4 years	3 - 4 years post vesting period
	4,70,000			
FY 2021-22	5,443,660	₹ 80 - ₹271	1 - 4 years	3 - 4 years post vesting period
	5,443,660			

ii) Summarized information about movement in Plan A and Plan B

Particulars	March 31, 2023		March 31, 2022	
	Number of options*	Weighted average exercise price per share (₹)	Number of options*	Weighted average exercise price per share (₹)
Outstanding at the beginning of the year	5,443,660	167.46	-	-
Granted during the year	470,000	255.00	1,088,732	837.28
Adjustment due to stock Split#	-	-	4,354,928	(669.82)
Exercised during the year	694,100	104.00	-	-
Forfeited during the year	259,375	224.00	-	-
Outstanding at the end of the year	4,960,185	181.67	5,443,660	167.46
Exercisable at the end of the year	1,700,685	139.82	-	-

*The number of instruments and the exercise prices are in absolute figures.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on July 29, 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share,

The Group has charged ₹ 1,926.62 (March 31, 2022: 2,064.21) to the consolidated statement of profit and loss in respect of options granted under Plan A and Plan B.

iii) Fair Value of the option granted during the year

The Fair value of ESOPs granted under Plan A and Plan B have been measured using the Black-Scholes option-pricing model using the following assumptions, sorted according to their grant dates:

Particulars	March 31, 2023	March 31, 2022
Weighted average Grant date fair value, per share (in ₹)	324.77	103.48
Weighted average Exercise price, per share (in ₹)	255.00	167.46
Assumptions used:		
Volatility	36% - 37%	31.5% - 36.3%
Expected lives (in years)	1.50 - 5.00	1.50 - 5.00
Risk-free interest	6.89% - 7.19%	4.67% - 6.16%
Expected dividend yield rate	1.40% - 1.51%	0.84% - 2.23%

Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during 5 years before the date of Grant. The Group believes that such measure of volatility is currently the best available indicator of the expected volatility used in these estimates.

The expected life of the ESOP is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behaviour of the employee who receives the ESOP.



Note 48: Employee Share Based Payments (Cont'd)

iii) Fair Value of the option granted during the year (Cont'd)

Risk-free interest rates are determined using the implied yield currently available for India government issues with a remaining term equal to the expected life of the options.

Expected dividend yields are based on the annualised approved dividend rate and the market price of Holding Company's common stock at the time of grant. No assumption for a future dividend rate change is included unless there is an approved plan to change the dividend in the near term.

The fair value per share of ESOP is determined based on the closing price of holding Company's share on the date of grant.

B. Cash Settled Share based payment (Phantom Stock Units)

i) Brief description of the share based payment arrangement

On October 22, 2021 the Group established the PDS Multinational Fashions Limited – Phantom Stock Units Plan 2021 ('Phantom stock plan'), which entitles few senior employees of the Group to a cash payment on exercise. During the year ended March 31, 2023, the Group has not granted any stock Units (March 31, 2022- 4,17,500 Stock Units) ('Phantom Stock Units/ PSU'). These PSU's carry a vesting period of up to 4 years and an exercise period of 4 years from the date of vesting.

ii) Summarized information about movement in the Phantom stock plan

	March 31, 2023		March 31, 2022	
	Number of options*	Weighted average exercise price per share (₹)	Number of options*	Weighted average exercise price per share (₹)
Outstanding at the beginning of the year	417,500	219.00	-	-
Granted during the year	-	-	83,500	1,095.00
Adjustment due to stock Split#	-	-	334,000	(876.00)
Cancelled during the year	30,000	219.00	-	-
Outstanding at the end of the year	387,500	219.00	417,500	219.00
Exercisable at the end of the year	96,875	219.00	-	-

*The number of instruments and the exercise prices are in absolute figures.

#Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 29 July 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share.

The Group has charged ₹ 220.33 (March 31, 2022: ₹ 166.38) to the consolidated statement of profit and loss in respect of PSUs granted under the Phantom Stock Plan.

iii) Cash Settled Share based payment (Phantom Stock Units)

The Fair value of PSUs have been measured using the Black-Scholes option-pricing model using the following assumptions -

Particulars	March 31, 2023	March 31, 2022
Weighted average Grant date fair value, per share (in ₹)	179.20	179.20
Weighted average Exercise price, per share (in ₹)	219.00	219.00
Assumptions used:		
Volatility	36.3%	36.3%
Expected lives (in years)	4.60	4.60
Risk-free interest rate	6.14%	6.14%
Expected dividend yield rate	0.86%	0.86%

Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during 5 years before the date of Measurement. The Group believes that such measure of volatility is currently the best available indicator of the expected volatility used in these estimates.

The expected life of the PSU is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behaviour of the employee who receives the PSU.

Risk-free interest rates are determined using the implied yield currently available for India government issues with a remaining term equal to the expected life of the options.

Expected dividend yields are based on the annualised approved dividend rate and the market price of Holding Company's common stock at the time of grant. No assumption for a future dividend rate change is included unless there is an approved plan to change the dividend

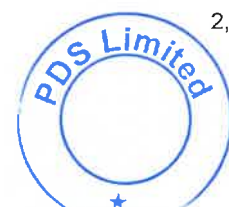
The fair value per share of ESOP is determined based on the closing price of holding Company's share on the date of grant.

C Share based payment expense recognised in the Statement of Profit and Loss in respect of the above plans is as follows:

	Year ended March 31, 2023	Year ended March 31, 2022
Share based payment expense	2,146.95	2,230.59

D Share based payment reserve and Share based payment liability recognised in the balance sheet in respect of the above plans is as follows:

	As at March 31, 2023	As at March 31, 2022
Share based payment liability	386.71	166.38
Share based payment reserve	3,565.19	2,064.21



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 49: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/ associates/ joint ventures.

Name of enterprises	Net assets i.e. total assets minus total liability		Share in profit/(loss) for the year		Share in other comprehensive income		Share in total comprehensive income	
	As % of	Amount	As % of	Amount	As % of	Amount	As % of	Amount
Parent Company								
PDS Limited (Formerly PDS Multinational Fashions Limited)	20.52%	21,617.78	32.61%	8,642.06	0.69%	16.57	29.95%	8,658.63
Indian subsidiaries								
Technocian Fashions Private Limited	0.15%	160.50	0.81%	215.77	-0.20%	(4.75)	0.73%	211.02
S.O.T Garments Pvt Limited	0.38%	404.53	0.11%	29.65	-0.95%	(23.02)	0.02%	6.63
S.Oliver Fashion Pvt Limited	0.21%	219.19	0.00%	0.41	0.00%	-	0.00%	0.41
DBS Lifestyle Private Limited	1.74%	1,837.68	-0.33%	(88.56)	0.00%	-	-0.31%	(88.56)
PDS Brands Private Limited	0.00%	(0.29)	0.00%	(0.96)	0.00%	-	0.00%	(0.96)
DIZBI Private Limited	0.00%	4.29	-0.22%	(58.15)	0.00%	-	-0.20%	(58.15)
Norlanka Brands Private Limited	-0.26%	(270.92)	-0.68%	(180.65)	0.00%	-	-0.62%	(180.65)
Foreign subsidiaries								
Multinational Textile Group Limited	41.58%	43,807.17	26.57%	7,040.91	0.00%	-	24.35%	7,040.91
PDS Ventures Limited (formerly known as Multitech Venture Limited), Mauritius	0.20%	205.97	1.75%	464.67	42.05%	1,016.07	5.12%	1,480.73
PDS Sourcing Limited (formerly known as Global Textiles Group Limited)	8.50%	8,957.91	19.88%	5,268.29	0.00%	-	18.22%	5,268.29
PDS Fashion HK Limited	-0.05%	(48.55)	-0.21%	(55.55)	0.00%	-	-0.19%	(55.55)
PDS Global Investments Limited	0.03%	35.76	0.00%	-	0.00%	-	0.00%	-
PDS Manufacutring Limited	21.19%	22,326.32	-0.07%	(17.80)	0.00%	-	-0.06%	(17.80)
Spring Design Lonodon Limited	-0.41%	(436.26)	-0.04%	(9.96)	0.00%	-	-0.03%	(9.96)
Techno Design GmbH	0.15%	157.37	0.65%	171.22	0.41%	10.02	0.63%	181.24
Pro Trusted Med Tech Limited (formerly known as FX Import Hong Kong Limited)	0.02%	25.75	-0.04%	(10.92)	0.00%	-	-0.04%	(10.92)
PG Group Limited	3.88%	4,091.79	4.53%	1,200.28	0.00%	-	4.15%	1,200.28
PDS Smart Fabric Tech Limited (formerly known as Fullhouse Manufacturing Limited)	0.43%	457.96	-0.06%	(16.49)	0.00%	-	-0.06%	(16.49)
Norwest Industries Limited and its subsidiaries	76.28%	80,369.68	36.97%	9,795.19	-23.85%	(576.29)	31.88%	9,218.90
Progress Manufacturing Group Limited	9.49%	9,994.47	-0.16%	(41.21)	-0.14%	(3.46)	-0.15%	(44.67)
Progress Apparels (Bangladesh) Limited	5.61%	5,909.03	4.41%	1,167.60	0.00%	-	4.04%	1,167.60
Green Apparel Industries Limited	-5.17%	(5,450.75)	0.20%	52.66	-0.47%	(11.43)	0.14%	41.22
Green Smart Shirts Limited	9.88%	10,407.24	2.30%	609.05	0.00%	-	2.11%	609.05
PDS Asia Star Corporation Limited and its subsidiaries	2.85%	3,003.46	3.23%	854.88	0.00%	-	2.96%	854.88
Simple Approach Limited and its subsidiaries	3.97%	4,186.55	9.60%	2,542.82	0.00%	-	8.79%	2,542.82
Zamira Fashions Limited and its subsidiaries	0.45%	479.20	0.33%	87.33	0.00%	-	0.30%	87.33
Poeticgem International Limited	1.75%	1,841.96	4.20%	1,113.18	0.00%	-	3.85%	1,113.18
Grupo Sourcing Limited and its subsidiaries	0.03%	32.04	-0.38%	(101.38)	0.00%	-	-0.35%	(101.38)
Techno Design HK Limited	4.62%	4,866.77	9.79%	2,593.19	0.00%	-	8.97%	2,593.19
Blueprint Design Limited	-3.31%	(3,491.70)	-0.01%	(1.72)	0.00%	-	-0.01%	(1.72)
Poetic Brands Limited	1.41%	1,482.10	0.93%	247.01	0.00%	-	0.85%	247.01
FX Import Company Limited	-0.50%	(530.64)	-0.02%	(6.12)	0.00%	-	-0.02%	(6.12)
Poeticgem Limited	10.62%	11,193.77	13.61%	3,605.97	-4.18%	(100.93)	12.12%	3,505.04
Poetic Knitwear Limited	-0.68%	(721.59)	-0.01%	(1.97)	0.00%	-	-0.01%	(1.97)
Design Arc UK Limited	0.70%	741.92	0.45%	119.80	0.00%	-	0.41%	119.80
Pacific Logistics Limited	-0.39%	(412.39)	-0.02%	(5.82)	0.00%	-	-0.02%	(5.82)



Note 49: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/ associates/ joint ventures. (cont'd)

Foreign subsidiaries (cont'd)								
Casa Forma Limited	0.02%	18.57	0.01%	3.37	0.00%	-	0.01%	3.37
PDS fashion Limited	0.17%	174.46	-0.20%	(54.13)	0.00%	-	-0.19%	(54.13)
Recovered Clothing Limited	0.02%	15.84	0.52%	137.33	0.00%	-	0.47%	137.33
Multinational OSG Services Bangladesh Private Limited	0.47%	495.76	-0.35%	(92.06)	0.00%	-	-0.32%	(92.06)
Spring Near East FZCO	1.78%	1,870.99	-0.21%	(56.97)	0.00%	-	-0.20%	(56.97)
Techno Sourcing BD Limited	0.31%	324.48	-0.09%	(22.72)	-0.09%	(2.08)	-0.09%	(24.80)
Techno Design USA LLC	-0.13%	(136.12)	-0.02%	(4.22)	0.00%	-	-0.01%	(4.22)
Upcycle Labs Limited (Ertswile known as Filkor Ltd)	-0.07%	(69.42)	-3.41%	(904.66)	0.00%	-	-3.13%	(904.66)
PDS Venture Limited, HK (Erstwhile Smart Notch Limited)	16.92%	17,830.72	0.17%	45.89	0.00%	-	0.16%	45.89
Apex black	3.11%	3,273.70	0.18%	48.56	0.00%	-	0.17%	48.56
Design Arc FZCO	-0.30%	(311.45)	-0.10%	(26.72)	0.00%	-	-0.09%	(26.72)
Kleider Sourcing FZCO	1.21%	1,270.14	11.95%	3,165.22	0.00%	-	10.95%	3,165.22
Twins Asia FZCO	1.95%	2,053.80	3.58%	949.13	0.00%	-	3.28%	949.13
Clover Collections FZCO	2.87%	3,027.62	14.83%	3,929.44	0.00%	-	13.59%	3,929.44
Poeticgem International FZCO	0.32%	334.01	1.67%	441.70	0.00%	-	1.53%	441.70
PDS Multinational FZCO	9.14%	9,633.27	6.90%	1,827.19	0.00%	-	6.32%	1,827.19
COLLABORATIVE SOURCING SERVICES FZCO	0.14%	147.82	0.46%	122.72	0.00%	-	0.42%	122.72
PDS Logistics FZCO	0.01%	13.52	-0.03%	(8.67)	0.00%	-	-0.03%	(8.67)
PDS Brands Manufacturing FZCO	0.01%	9.42	-0.05%	(12.67)	0.00%	-	-0.04%	(12.67)
PDS Sourcing FZCO	0.02%	19.87	-0.01%	(2.45)	0.00%	-	-0.01%	(2.45)
PG Capital FZE	0.14%	144.46	0.27%	71.66	0.00%	-	0.25%	71.66
Foreign associates								
Sourcing Solutions Europe BVPA	0.04%	47.20	-0.59%	(155.93)	0.00%	-	-0.54%	(155.93)
Loop Digital Wardrobe Ltd	0.15%	159.84	-0.10%	(26.52)	0.00%	-	-0.09%	(26.52)
GWD Enterprises Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign joint ventures								
Redwood Internet Ventures Limited			0.00%				0.00%	
Upcycle Labs Limited (Ertswile known as Filkor Ltd)	0.00%	-	-0.09%	(24.48)	0.00%	-	-0.08%	(24.48)
Yellow Octopus EU Sp. z o.o. sp.K.	9.09%	9,573.47	0.90%	238.87	0.00%	-	0.83%	238.87
	263.25%	277,377.03	206.86%	54,813.57	13.27%	320.69	190.68%	55,134.26
Non-controlling interest in subsidiaries	-5.59%	(5,893.13)	-23.32%	(6,179.00)	-12.04%	(290.89)	-22.38%	(6,469.89)
Intercompany elimination and consolidation adjustments	-157.65%	(166,116.07)	-83.54%	(22,136.72)	98.77%	2,386.33	-68.31%	(19,750.40)
Grand-total	100.00%	105,367.83	100.00%	26,497.84	100.00%	2,416.13	100.00%	28,913.97

Note 49: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/ associates/ joint ventures. (cont'd)

- (a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (b) The Group does not have any transactions with companies struck off.
- (c) The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- (d) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (e) The group has complied with the number of layers prescribed under the Companies Act, 2013.



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 50: Covid-19

The spread of COVID-19 had severely impacted businesses around the globe in FY 2020 and FY 2021. As a result, the operations of the Group were impacted in these financial years with a series of lockdowns announced by the Governments of respective countries. However, in the current year, the Group has carried out its business activities without any significant limitations imposed due to COVID-19. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business and believes that it has sufficient financial resources to operate for the next twelve months.

Note 51: Others

(a) In the view of management, no material events have occurred between the Balance Sheet date to the date of issue of these consolidated financial statements that could affect the values stated in the financial statements as at March 31, 2023.

(b) Figures have been rounded off to the nearest lakhs except otherwise stated.

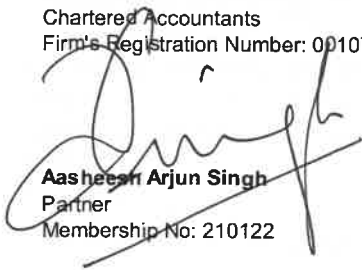
(c) Prior year amounts have been regrouped / reclassified wherever necessary, to conform to the presentation in the current year, which are not material.

As per our report of even date attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013



Aashesh Arjun Singh

Partner

Membership No: 210122



Mumbai, India
May 11, 2023

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



Deepak Kumar Seth

Chairman & Non-Executive Director

DIN 00003021



Sanjay Jain

Chief Executive Officer



Pallak Seth

Vice chairman & Executive Director

DIN 00003040



Rahul Ahuja

Chief Financial Officer



Abhishek Kanoi

Head of Legal & Company
Secretary

M. No. FCS 9530

Mumbai, India
May 11, 2023



**Consolidated Financial Statements and Independent
Auditors' report**

PDS Limited

(Formerly PDS Multinational Fashions Limited)

31 March 2022

Contents

	Page
Independent Auditors' Report	
Consolidated Balance Sheet	1
Consolidated Statement of Profit and Loss	2
Consolidated Statement of Changes in Equity	3 - 4
Consolidated Statement of Cash Flow	5 - 6
Summary of significant accounting policies and other explanatory information	7 - 58

Walker Chandiook & Co LLP

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Independent Auditor's Report

To the Members of PDS Limited (Formerly PDS Multinational Fashions Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of PDS Limited (Formerly PDS Multinational Fashions Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and joint ventures, as at 31 March 2022 their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker ChandioK & Co LLP

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
<p>1. Evaluation of the consolidation process</p> <p>Refer Note 2 for the basis of consolidation in the accompanying consolidated financial statements.</p> <p>The Group's consolidation process involves 88 components (including step-down Subsidiaries, excluding associates and Joint ventures) located across multiple geographies and audited by other auditors.</p> <p>These components comprise significant portions of the Group's assets, liabilities, income and expenses.</p> <p>The process of consolidation involves assessment of degree of control/ significant influence and the corresponding accounting treatment, alignment of generally accepted accounting principles, elimination of inter-company balances and transactions.</p> <p>Considering the significance of the components, materiality to the financial statements and complexities involved, the consolidation process has been identified as a Key Audit Matter for the audit of the current year.</p>	<p>Our audit procedures for auditing the consolidated financial statements and consolidation adjustments included, but were not limited to the following -</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process of preparation of consolidated financial statements comprising the Holding Company and its components • Evaluated the design and implementation and tested operating effectiveness of key controls with respect to Group's process of consolidation; • Identified and determined the 'significant components' of the Group based on materiality, discussions with the Holding Company management and thereby developed an overall audit plan to perform work around the identified significant components in accordance with the Guidance Note on consolidated financial statements and SA 600 - Using the work of another auditor; • Communicated the group audit instructions to the respective component auditors of identified significant components including and not limited to the materiality, audit risks identified at the Group level and a questionnaire to understand the procedures performed by the component auditors to mitigate those audit risks and their response to the significant transactions and matters identified at the component level; • Assessed the work performed by such other component auditors including discussions with the component auditors to understand their response and findings to the extent applicable; • Obtained the audited financial statements of the components from the management of the Holding Company and traced the information to the consolidation workings provided by management; • Reviewed inter-company eliminations, consolidation adjustments, foreign currency translation adjustments, alignment of Group accounting policies and the resultant tax impacts; and • Assessed the adequacy and appropriateness of disclosures made in accordance with the applicable accounting standards in these consolidated financial statements.



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Key audit matters	How our audit addressed the key audit matters
<p>2. Impairment of Goodwill</p> <p>Refer Note 7 of consolidated financial statements</p> <p>The carrying value of goodwill aggregates to ₹ 5,176.25 lakhs as on 31 March 2022. Such goodwill is tested for impairment annually by the management in accordance with Ind AS 36, Impairment of Assets using the discounted cash flow method.</p> <p>In determining the recoverable amount of such goodwill, the management has applied significant judgements and assumptions to estimate the same. The determination of such recoverable amount involves use of several key assumptions, including projections of future sales, operating and finance costs, terminal growth rates and the weighted average cost of capital (discount rate). These assumptions have been disclosed in Note 7 to the consolidated financial statements. Changes in these assumptions could lead to an impairment to the carrying value of goodwill.</p> <p>Due to the significance of the carrying amounts of Goodwill and the inherent subjectivity involved in determining the impairment loss, if any, this matter was considered as a Key Audit Matter for the current year audit.</p> <p>The auditor of one Subsidiary has determined "impairment of investment in Subsidiaries" as a key audit matter. These investments are eliminated on being consolidation in the consolidated financial statements of the Group.</p>	<p>Our audit procedures for assessing the impairment of goodwill, if any, included but were not limited to the following -</p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process for identification of impairment indicators for goodwill, identification of CGUs and impairment testing of such assets. • Evaluated the design and implementation and tested operating effectiveness of key controls with respect to Group's process of impairment assessment of goodwill. • Assessed reasonableness of the future cash flow projections prepared by the management and compared them with past trends; • Involved the auditor's expert to assist in examining the Group's valuation models where applicable, and analyzed key assumptions, including long-term growth rates and discount rates used and compared the assumptions to corroborating information including industry benchmarks and data from historic performances; • Tested the mathematical accuracy of the management's computations; • Performed independent sensitivity analysis on the valuation, resulting from changes to key assumptions applied; • Obtained an understanding from the component auditors to understand the procedures performed by them in respect of impairment of Goodwill as part of group audit instructions sent to them; and • Assessed the appropriateness and adequacy of presentation and disclosures in the consolidated financial statements in accordance with the applicable accounting standards.



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

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

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

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

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the Companies included in the Group, and its associates companies and joint venture covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the Companies included in the Group and of its associates and joint ventures.



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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its associates and joint ventures, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements / financial information of 61 Subsidiaries, whose financial statements / financial information reflects total assets of ₹ 406,821.11 lakhs and net assets of ₹ 133,824.10 lakhs as at 31 March 2022, total revenues of ₹ 588,282.80 lakhs and net cash inflows amounting to ₹ 10,531.36 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive income) of ₹ 57.86 lakhs for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of 4 Associates and 9 Joint ventures, whose financial statements / financial information has not been audited by us. These financial statements / financial information has been audited by other auditors whose report(s) has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these Subsidiaries, Associates and Joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid Subsidiaries, Associates and Joint ventures, are based solely on the reports of the other auditors.

Further, of these subsidiaries, associates and joint ventures, 60 subsidiaries, 4 associates and 9 joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries, associates and joint ventures located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

16. We did not audit the financial statements / financial information of 4 Subsidiaries, whose financial statements / financial information reflects total assets of ₹ 65.29 lakhs and net liabilities of ₹ 288.35 lakhs as at 31 March 2022, total revenues of Nil and net cash outflows amounting to ₹ 8.18 lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statements / financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid Subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements / financial information are not material to the Group.

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



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Report on Other Legal and Regulatory Requirements

17. Based on our audit, we report that the Holding Company and 5 subsidiary companies, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) is not applicable in respect of the Holding Company and such subsidiary companies. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to 1 Joint venture incorporated in India whose financial statements have been audited under the Act, since such company is not a public company as defined under Section 2(71) of the Act.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued till date by us, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies. Further, following are the companies included in the consolidated financial statements for the year ended 31 March 2022 and covered under that Act that are audited by us, for which the respective reports under Section 143(11) of the Act of such companies have not yet been issued by us.

S No	Name	CIN	Subsidiary/ Associate/ Joint Venture
1	PDS Brands Private Limited	U18109KA2021PTC146916	Subsidiary
2	Dizbi Private Limited	U72900KA2020PTC134287	Subsidiary
3	Norlanka Brands Private Limited	U18101KA2020PTC141803	Subsidiary
4	Digital Ecom Techno India Private Limited	U52609KA2016PTC094215	Joint Venture

19. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements;
 - in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,
 - the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - on the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies and joint venture covered under the Act, none of the directors of the Group Companies and joint venture, are disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;



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- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, and joint venture covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II'. Further, In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 143(3)(i) for reporting on the adequacy of internal financial controls with reference to financial statements and the operating effectiveness of such controls of 1 joint venture covered under the Act, are not applicable; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and Joint venture as detailed in Note 42(b) to the consolidated financial statements;
 - ii. The Holding Company, its subsidiary companies and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries and joint venture covered under the Act, during the year ended 31 March 2022; and
 - iv.
 - a) The respective managements of the Holding Company and its subsidiaries and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in Note 37(b) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its Subsidiary Companies, or its Joint venture to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such Subsidiary Companies, or its Joint venture ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b) The respective managements of the Holding Company and its Subsidiary Companies and Joint venture incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 37(b) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its Subsidiary Companies or its Joint venture from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such Subsidiary Companies or its Joint venture shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed by us and that performed by the auditors of the Subsidiary, as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.



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- v. The final dividend paid by the Holding Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 17 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

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


Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 22210122AJBLKL5440



Mumbai
16 May 2022

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Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited (Formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2022

List of entities included in the consolidated financial statements

Subsidiaries

Sl No.	Name of Entity
1	Technocian Fashions Private Limited
2	Multinational Textile Group Limited
3	Casa Forma Limited
4	PDS Sourcing Limited (Formerly known as Global Textile Group Limited)
5	PDS Asia Star Corporation Limited
6	Simple Approach Limited
7	Zamira Fashion Limited Zhongshan
8	PG Group Limited
9	Techno Design HK Limited
10	Norwest Industries Limited
11	Techno design USA LLC
12	Poeticgem International Limited
13	Multinational OSG Services Bangladesh Private Limited
14	PDS Smart Fabric Tech Limited (Formerly known as Funky Brands Company Limited and Full House Manufacturing Limited)
15	PDS Smart Fabric Tech UK Limited
16	Techno Design GmbH
17	Poetic Brands Limited
18	Poeticgem Limited
19	PDS Trading (Shanghai) Co. Limited
20	Simple Approach (Canada) Limited (Formerly known as Poeticgem Canada Limited)
21	PDS Brands Manufacturing Limited (Formerly known as PDS Brands Sourcing Limited and 6 Degree Manufacturing Limited and Zamira Denim Lab Limited)
22	PG Home Group Limited
23	PG Shanghai Manufacturer Co. Limited
24	360 Notch Limited (Formerly known as Poeticgem Australia Limited; GEM Australia Manufacturing Company Limited)
25	Brand Collective Limited (Formerly known as PDS H2GO Glove Manufacturing Limited)
26	Sourcing Solutions Limited
27	PDS Brands Private Limited
28	Krayons Sourcing Limited (Formerly known as Sourcing Solutions HK Limited)
29	Design Arc Asia Limited (Formerly known as Design Arc Limited / Nor France Manufacturing Co. Limited)
30	Nor Lanka Manufacturing Limited
31	Design Arc Europe Limited (Formerly known as Nor Europe Manufacturing Co. Limited)
32	Kleider Sourcing Hong Kong Limited



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Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited (Formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2022

SI No.	Name of Entity
33	Kleider Sourcing Limited, Bangladesh
34	Rising Asia Star Hong Kong Co., Limited (Formerly known as Techno Manufacturing Limited / Sino West Manufacturing Co. Limited)
35	PDS Tailoring Limited (Formerly known as Nor India Manufacturing Company Limited)
36	Spring Near East Manufacturing Company Limited
37	Clover Collections Limited (Formerly known as DS Manufacturing Limited / Designed and Sourced Limited)
38	FX Import Company Limited
39	Poetic Knitwear Limited
40	Pacific Logistics Limited
41	PG Home Group SPA
42	Nor Lanka Manufacturing Colombo Limited
43	Nor Europe SPA
44	PDS Fashion USA Limited (Formerly known as Pro Trusted Med Tech Limited and FX Import Hong Kong Limited)
45	PDS Ventures Limited (Formerly known as MultiTech Venture Limited)
46	Progress Manufacturing Group Limited
47	Progress Apparels (Bangladesh) Limited
48	Green Apparel Industries Limited
49	Grupo Sourcing Limited
50	JJ Star Industrial Limited
51	Twins Asia Limited (Formerly known as 6 Degree Manufacturing Limited)
52	Norlanka Progress (Private) Limited
53	Blueprint Design Limited
54	Design Arc UK Limited
55	Grupo Sourcing Limited Bangladesh
56	Fareast Vogue Limited
57	PDS Far-east Limited
58	Kindred Brands Limited (Formerly known as NW Far-east Limited)
59	Styleberry Limited
60	PDS Global Investments Limited
61	Green Smart Shirts Limited
62	Zamira Fashion Limited
63	PDS Far East USA, Inc.



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Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited (Formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2022

SI No.	Name of Entity
64	PDS Ventures Limited (Formerly known as Smart Notch Industrial Limited)
65	Apex Black Limited (Formerly known as Fabric & Trims Limited)
66	Casa Collective Limited (Formerly known as Sourcing East West Limited)
67	Smart Notch Ltd. (Shanghai) Limited
68	Jcraft Array Limited
69	Kindred Fashion Limited
70	Recovered Clothing Limited
71	PDS Fashions Limited
72	Design Arc FZCO
73	Spring Near East FZCO
74	Kleider Sourcing FZCO
75	Twins Asia FZCO
76	Techno Sourcing BD Limited
77	Clover Collections FZCO
78	PG Capital FZE
79	PDS Manufacturing Limited
80	Norlanka Brands Private Limited
81	Poeticgem International FZCO
82	PDS Multinational FZCO
83	Spring Design London Limited
84	DIZBI Private Limited
85	LillyandSid Limited
86	Brand Collective Corporation Limited
87	S.O.T. Garments India Private Limited
88	PDS Brands Manufacturing FZCO



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Annexure I to the Independent Auditor's Report of even date to the members of PDS Limited (Formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2022

Associates

SI No.	Name of Entity
1	GWD Enterprises Limited
2	Loop Digital Wardrobe Limited
3	Sourcing Solution Europe BVBA
4	Reflaunt Pte Limited

Joint ventures

SI No.	Name of Entity
1	Digital Ecom Techno Private Limited
2	Redwood Internet Ventures Limited
3	Digital Internet Technologies Limited
4	Yellow Octopus EU Sp. z.oo
5	Yellow Octopus EU spółka z ograniczoną odpowiedzialnością spółka komandytowa
6	One Stop Shop Solutions EU Sp. z.oo
7	Yellow Octopus Ventures FZCO
8	One Stop Shop Solutions spółka z ograniczoną odpowiedzialnością spółka komandytowa
9	Filkor Limited
10	Yellow Octopus Fashion Limited

Controlled Trust

SI No.	Name of Entity
1	PDS Multinational Fashions ESOP Trust



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Annexure II to the Independent Auditor's Report of even date to the members of PDS Limited (Formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2022

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

1. In conjunction with our audit of the consolidated financial statements of PDS Limited (Formerly PDS Multinational Fashions Limited) ('the Holding Company') and its Subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associates companies and joint venture, which are Companies covered under the Act, as at that date.

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

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

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

3. The audit of the internal financial controls with reference to financial statements of the aforementioned Joint venture, which is a Company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its Subsidiary Companies as aforesaid.



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Annexure II to the Independent Auditor's Report of even date to the members of PDS Limited (Formerly PDS Multinational Fashions Limited) on the consolidated financial statements for the year ended 31 March 2022

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion the Holding Company and its Subsidiary Companies, which are Companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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


Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 22210122AJBLKL5440



Mumbai
16 May 2022

PDS Limited
(Formerly PDS Multinational Fashions Limited)
Consolidated Balance Sheet as at March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	As at	
		March 31, 2022	March 31, 2021
Assets			
I. Non-current assets			
(a) Property, plant and equipment	4	35,937.62	30,944.59
(b) Capital work in progress	5	313.59	468.18
(c) Investment property	6	4,487.02	9,966.12
(d) Goodwill	7	5,176.24	5,032.03
(e) Other Intangible assets	8	734.20	433.47
(f) Intangible assets under development		10.34	9.08
(g) Investments accounted for using the equity method	9B	9,663.26	913.53
(h) Financial assets			
(i) Investments	9A	18,435.53	8,767.03
(ii) Other financial assets	10	1,134.54	1,661.63
(i) Deferred tax assets (net)	24	1,135.31	859.55
(j) Non-current tax asset (net)		1,258.94	119.67
(k) Other non-current assets	11	374.26	235.40
Total non-current assets		78,660.86	59,410.28
Current assets			
(a) Inventories	12	30,524.71	19,712.82
(b) Financial assets			
(i) Investments	9A	3,840.45	5,728.35
(ii) Trade receivables	13	142,130.97	90,980.73
(iii) Cash and cash equivalents	14	46,000.20	29,346.21
(iv) Bank balances other than (iii) above	15	20,484.50	13,718.34
(v) Other financial assets	10	7,059.33	6,023.73
(c) Other current assets	11	11,107.23	9,667.93
Total current assets		261,147.39	175,178.11
Total assets		339,808.24	234,588.39
II. Equity and liabilities			
Equity			
(a) Equity share capital	16	2,604.25	2,604.67
(b) Other equity	17	84,635.94	62,083.92
Equity attributable to the owners of the parent		87,240.19	64,688.59
Non-controlling interest		6,360.24	6,665.79
		93,600.43	71,554.38
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	10.77	184.04
(ii) Lease liabilities	45	9,145.31	4,737.55
(iii) Other financial liabilities	19	-	63.23
(b) Provisions	20	1,716.46	1,369.55
(c) Deferred tax liabilities (net)	24	285.13	134.93
(d) Other non-current liabilities	22	61.75	112.29
Total non-current liabilities		11,219.42	6,601.59
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	62,324.34	48,796.77
(ii) Lease liabilities	45	2,567.71	2,436.34
(iii) Trade payables	21		
- Total outstanding dues to micro enterprises and small enterprises		9.50	1.72
- Total outstanding dues to creditors other than micro and small enterprises		156,622.43	89,242.79
(iii) Other financial liabilities	19	6,690.97	8,659.01
(b) Other current liabilities	22	2,382.76	3,617.44
(c) Provisions	20	1,676.94	1,500.56
(d) Current tax liabilities (net)	23	2,713.74	2,177.80
Total current liabilities		234,988.39	156,432.43
Total equity and liabilities		339,808.24	234,588.39

Summary of significant accounting policies and other explanatory information 3

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

As per our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration Number: 001176N/N500013

Aasheesh Arjun Singh
Partner

Membership No: 210122

Mumbai, India
May 16, 2022



For and on behalf of Board of Directors of PDS Limited
(Formerly PDS Multinational Fashions Limited)

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Sanjay Jain
Chief Executive Officer

Mumbai, India
May 16, 2022

Ashish Gupta
Chief Financial Officer

Pallak Seth
Vice chairman & Non-Executive Director
DIN 00003040

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



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	25	8,82,821.38	6,21,286.84
II Other income	26	8,602.74	3,739.54
III Total income (I+II)		8,91,424.12	6,25,026.38
IV Expenses			
(a) Cost of material consumed	27	50,953.04	59,314.15
(b) Purchases of stock-in-trade	28	6,94,826.60	4,59,825.00
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	29	(6,167.54)	(608.69)
(d) Employee benefits expense	30	62,086.61	41,425.48
(e) Finance costs	31	2,801.83	2,573.79
(f) Depreciation and amortization expense	32	6,990.81	6,769.68
(g) Other expenses	33	48,867.11	38,340.68
V Total expenses		8,60,358.46	6,07,640.09
VI Profit before share of loss in associates and joint ventures and exceptional items (III-V)		31,065.66	17,386.29
VII Share of profit (loss) of associates and joint ventures		(57.86)	(391.61)
VIII Profit before tax (VI+VII)		31,007.80	16,994.68
IX Tax expense	24		
(a) Current tax		1,804.24	2,467.48
(b) Deferred tax (credit)/ charge		(78.53)	(315.22)
Total tax expense		1,725.71	2,152.26
X Profit for the year (VIII-IX)		29,282.09	14,842.42
XI Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement profit/ (losses) on defined benefit plans		40.28	(40.79)
(b) Net gain on instruments measured at fair value through other comprehensive income		1,800.00	798.99
(ii) Income tax on items that will not be reclassified to profit or loss		(5.57)	-
(B) (i) Items that will be reclassified reclassifies to profit or loss			
(a) Net gain/(loss) on cash flow hedges		99.89	(405.76)
(b) Gain arising on translating the financial statements of foreign operations		1,423.03	435.69
Other comprehensive income for the year, net of tax		3,357.62	788.13
XII Total comprehensive income for the year, net of tax		32,639.71	15,630.55
Net profit for the period attributable to			
- Owners of the Company		24,840.99	8,431.75
- Non controlling interest		4,441.10	6,410.67
Total comprehensive income for the year, net of tax		29,282.09	14,842.42
- Owners of the Company		27,613.27	9,171.36
- Non controlling interest		5,026.44	6,459.19
XIII Earnings per share: (Face value ₹ 10 per share)	34		
1) Basic (amount in ₹)		95.38	32.37
2) Diluted (amount in ₹)		94.28	32.37
Summary of significant accounting policies and other explanatory information	3		

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

As per our report of even date

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

Aasheesh Arjun Singh
Partner
Membership No: 210122



Mumbai, India
May 16, 2022

For and on behalf of Board of Directors of PDS Limited
(Formerly PDS Multinational Fashions Limited)

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Sanjay Jain
Chief Executive Officer

Mumbai, India
May 16, 2022

Pallak Seth

Vice Chairman & Non-Executive Director
DIN 00003040

Ashish Gupta
Chief Financial Officer

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



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Consolidated Statement of Changes in Equity as at March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity Share Capital
As at April 01, 2020
Changes during the year
As at March 31, 2021
Changes during the year
As at March 31, 2022

Amount
2,604.67
2,604.67
(0.42)
2,604.25

B. Other Equity

Particulars	Capital reserve	Restricted reserve	Retained earnings	Other reserves ^	Treasury Shares	Other Comprehensive Income				Share based payment reserve	Total equity before Non-controlling interest	Non-controlling interest	Total equity
						Foreign currency translation reserve	Equity instruments through OCI	Remeasurement of defined benefit plan	Effective Portion of Cash Flow Hedges				
Balance as at April 01, 2020	26,185.92	664.52	16,792.08	(3,469.59)	-	12,604.44	(43.32)	-	530.13	-	53,264.18	5,246.03	58,510.21
Net Profit for the year	-	-	8,431.75	-	-	-	-	-	-	-	8,431.75	6,410.67	14,842.42
Net gain on instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	779.99	-	-	-	779.99	19.00	798.99
Gain/ (loss) arising on translating the financial statements of foreign operations	-	-	-	-	-	402.66	-	-	-	-	402.66	33.03	435.69
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	(37.28)	-	-	(37.28)	(3.51)	(40.79)
Net loss on cash flow hedges	-	-	-	-	-	-	-	-	(405.76)	-	(405.76)	-	(405.76)
Decrease in stake by non-controlling interest	-	-	-	(448.63)	-	-	-	-	-	-	(448.63)	448.63	-
Increase in stake by non-controlling interest	-	-	-	97.01	-	-	-	-	-	-	97.01	(593.68)	(496.67)
Total	26,185.92	664.52	25,223.83	(3,821.21)	-	13,007.10	736.67	(37.28)	124.37	-	62,083.92	11,560.17	73,644.09
Dividend paid, net of tax	-	-	-	-	-	-	-	-	-	-	-	(4,694.38)	(4,694.38)
Balance as at March 31, 2021	26,185.92	664.52	25,223.83	(3,821.21)	-	13,007.10	736.67	(37.28)	124.37	-	62,083.92	6,865.79	68,949.71



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PDS Limited
(Formerly PDS Multinational Fashions Limited)
Consolidated Statement of Changes in Equity as at March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Capital reserve	Restricted reserve	Retained earnings	Other reserves ^	Treasury shares	Other Comprehensive Income				Share based payment reserve	Total equity before Non-controlling interest	Non-controlling interest	Total equity
						Foreign currency translation reserve	Equity instruments through OCI	Remeasurement of defined benefit plan	Effective Portion of Cash Flow Hedges				
Balance as at April 01, 2021	26,185.92	664.52	25,223.83	(3,821.21)	-	13,007.10	736.67	(37.28)	124.37	-	62,083.92	6,865.79	68,949.71
Net Profit for the year	-	-	24,840.99	-	-	-	-	-	-	-	24,840.99	4,441.10	29,282.09
Net gain on instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	1,284.48	-	-	-	1,284.48	515.52	1,800.00
Share based payments to employees (refer note 47)	-	-	-	-	-	-	-	-	-	2,064.21	2,064.21	-	2,064.21
Purchase of Treasury shares	-	-	-	-	(57.73)	-	-	-	-	-	(57.73)	-	(57.73)
Gain/ (loss) arising on translating the financial statements of foreign operations	-	-	-	-	-	1,353.21	-	-	-	-	1,353.21	69.82	1,423.03
Gain/ (loss) arising on acquisition of subsidiary <i>→ Jute</i>	-	-	-	-	-	-	-	40.28	-	-	-	-	-
Remeasurement of the net defined benefit liability	-	-	-	(2,970.96)	-	-	-	-	-	-	40.28	-	40.28
Net loss on cash flow hedges	-	-	-	-	-	-	-	-	99.89	-	99.89	-	99.89
Increase in stake by non-controlling interest	-	-	-	-	-	-	-	-	-	-	(2,970.96)	(38.84)	(3,009.80)
Increase in stake by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	26,185.92	664.52	50,064.82	(6,792.17)	(57.73)	14,360.31	2,021.15	3.00	224.26	2,064.21	88,738.29	11,853.39	100,591.68
Dividend paid, net of tax	-	-	(4,102)	-	-	-	-	-	-	-	(4,102.35)	(5,493.15)	(9,595.50)
Balance as at March 31, 2022	26,185.92	664.52	45,962.47	(6,792.17)	(57.73)	14,360.31	2,021.15	3.00	224.26	2,064.21	84,635.94	6,360.24	90,996.18

^ Other reserves represents gain/loss on change in proportion held by Non-controlling interest (NCI) without a change in control.

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

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

As per our report of even date

For Walker Chandiock & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Arjun Singh
Arjun Singh
 Partner
 Membership No. 210122



For and on behalf of Board of Directors of PDS Limited
 (Formerly PDS Multinational Fashions Limited)

Deepak Seth
Deepak Seth
 Chairman & Non-Executive Director
 DIN 00003041

Pallak Seth
Pallak Seth
 Vice chairman & Non-Executive Director
 DIN 00003040



Ashish Gupta
Ashish Gupta
 Chief Executive Officer
 Mumbai, India
 May 16, 2022

Abhishek Kanoi
Abhishek Kanoi
 Head of Legal & Company Secretary
 Membership No. FCS 9530

PDS Limited
(Formerly PDS Multinational Fashions Limited)
Consolidated Statement of Cash flows for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Cash flows from operating activities		
Profit before tax	31,007.80	16,994.68
Adjustments for:		
Share of loss of associates and joint ventures	57.86	391.61
Depreciation and amortization expense	6,990.81	6,769.68
Finance costs	2,790.34	2,565.26
Provision for doubtful receivable and advances	1,565.77	261.42
Interest income	(131.94)	(194.38)
Dividend income	(64.26)	(44.42)
Liabilities written back	(104.35)	(458.63)
Fair value gain on financial assets measured at fair value through profit and loss	(610.66)	(368.63)
Gain on disposal of subsidiary	(4,073.89)	(424.73)
Employee stock compensation expense	2,230.59	-
Loss on sale of property, plant & equipment	33.26	0.38
Net Impairment of investment in joint venture	-	616.75
Impairment of advance to joint venture and associate, net	-	125.70
Unrealised foreign exchange fluctuation loss	279.52	1,004.18
Operating profit before working capital changes	39,970.85	27,238.88
Movement in working capital:		
Change in trade payables and other financial liabilities	65,284.61	16,118.69
Change in other current financial liabilities	(1,285.22)	(779.67)
Change in provisions	569.14	479.14
Change in trade receivables	(51,150.24)	(8,348.33)
Change in other non-current assets	76.72	7,165.56
Change in inventories	(10,811.89)	(1,436.71)
Change in other financial assets	16.82	(1,244.53)
Cash generated from operations	42,670.78	39,193.03
Direct tax paid, net of refunds received	(2,407.57)	(1,261.75)
Net cash generated from operating activities (a)	40,263.21	37,931.28
Cash flows from investing activities		
Purchase of property, plant and equipment, capital working in progress and investment property	(3,798.37)	(2,517.00)
Proceed from Sale of subsidiary	8,327.33	-
Purchase of intangible assets	(638.59)	(136.00)
Purchase of investments	(13,145.32)	(8,581.00)
Acquisition of joint venture/ subsidiaries/ non controlling interest	(12,145.89)	-
Proceeds from sale of investments	5,195.72	1,165.80
Investment in time deposits	(6,766.16)	1,517.00
Dividend received	64.26	44.42
Interest received	110.38	194.39
Net cash (used in) investing activities (b)	(22,796.65)	(8,312.40)
Cash flows from financing activities		
Proceeds/ (repayment) of short term borrowings, net	12,894.76	(24,862.79)
Repayment of long term borrowings, net	(173.27)	(384.12)
Acquisition of own equity shares by a controlled ESOP trust	(58.15)	-
Payment of dividend to shareholders	(4,102.35)	-
Payment of dividend to non-controlling interests	(5,493.14)	(4,694.38)
Payment of principal portion of lease liabilities	(2,535.52)	(2,140.56)
Interest paid on lease liabilities	(316.25)	(337.21)
Interest paid on borrowings	(1,894.07)	(1,893.91)
Interest paid on others	(508.48)	(350.66)
Net cash (used in) financing activities (c)	(2,186.47)	(34,663.63)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	15,280.09	(5,044.75)
Effect of exchange rate changes on cash and cash equivalents	629.72	(457.92)
Cash acquired on business combination	111.37	-
Opening balance of cash and cash equivalents	28,238.50	33,741.17
Cash and cash equivalents at the end of the year	44,259.68	28,238.50
Components of cash and cash equivalents		
Cash on hand	46.26	46.71
Balance with banks	45,953.94	29,299.50
Bank overdraft	(1,740.52)	(1,107.71)
Total cash and cash equivalents (refer note 14 and 18)	44,259.68	28,238.50



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Consolidated Statement of Cash Flow for the year ended March 31, 2022
 (All amounts in ₹ lakhs, unless otherwise stated)

Non cash disclosure

Particulars	Cash flow			Non-cash		As at March 31, 2021
	As at April 01, 2020	Additions*	Repayment	Amortisation of upfront fees/ Interest expense	Exchange difference	
Borrowings	74,738.29	2,111.37	(25,246.91)	-	(2,621.94)	48,980.81
Interest accrued but not due on borrowings	17.16	-	(2,289.87)	2,236.58	36.47	0.34
Lease liability	8,158.94	2,685.17	(2,140.56)	337.21	(575.12)	7,173.89
	82,914.39	4,796.54	(29,677.34)	2,573.79	(3,160.59)	56,155.04

Particulars	Cash flow			Non-cash		As at March 31, 2022
	As at April 1, 2021	Additions *	Repayment	Amortisation of upfront fees/ Interest expense	Exchange difference	
Borrowings	48,980.81	12,894.76	(173.27)	-	632.81	62,335.11
Interest accrued but not due on borrowings	0.34	-	(2,402.55)	2,474.09	(71.63)	0.25
Lease liability	7,173.89	-	(2,535.52)	316.25	240.79	6,517.59
	56,155.04	12,894.76	(5,111.34)	2,790.34	801.97	74,048.36

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

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

The accompanying notes form an integral part of these consolidated financial statements
 As per our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration Number: 001076N/N500013

(Signature)
Aashesh Arjun Singh
 Partner
 Membership No: 210122



For and on behalf of Board of Directors of PDS Limited
 (Formerly PDS Multinational Fashions Limited)

(Signature)
Deepak Seth
 Chairman & Non-Executive Director
 DIN 00003021

(Signature)
Pallak Seth
 Vice chairman & Non-Executive Director
 DIN 00003040

(Signature)
Sanjay Jain
 Chief Executive Officer

(Signature)
Ashish Gupta
 Chief Financial Officer

Mumbai, India
 May 16, 2022



(Signature)
Abhishekh Kanoi
 Head of Legal & Company Secretary
 Membership No. FCS 9530

Mumbai, India
 May 16, 2022

PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 1: Corporate information

PDS Limited (Formerly PDS Multinational Fashions Limited) is a Public Limited Company (Hereinafter referred as 'the Company') domiciled in India and has its registered office at 758 & 759, 2nd Floor, 19th Main, HSR Layout, Sector-II, Bengaluru - 560102, Karnataka. The Company along with its subsidiaries (collectively referred to as "the Group") and its associates and joint ventures, is engaged in trading of garments, investment holding, design, development, marketing, sourcing and distribution of readymade garments of all kinds and other consumer products worldwide. The Company is also engaged in the business of holding, owing, leasing or licensing real estate. The Company has its primary listings on the BSE Limited and the National Stock Exchange of India Limited.

Note 2: Statement of compliance

The consolidated financial statements are prepared on accrual basis under historical cost convention except for certain financial instruments which are measured at fair value. These consolidated financial statements have been prepared on going concern basis and in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The financial statements of the Group for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on May 16, 2022.

Going concern: The Board of Directors have considered the financial position of the Group as at March 31, 2022 and the projected cash flows and financial performance of the Group for at least twelve months from the date of these consolidated financial statements and believe that the plan for sustained profitability remains on course.

Basis of preparation and presentation

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

Recent accounting pronouncement

Standards issued but not effective on Balance Sheet date;

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 109 - Financial Instruments- The amendment clarifies that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. In determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Principles of consolidation

The consolidated financial statements relate to the Group. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the wholly owned foreign subsidiaries, its step down subsidiaries and its associates and joint ventures companies used in the consolidation are drawn upto the same reporting date as that of the group i.e. March 31, 2022.
- (ii) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered. The Group controls an entity when the parent has power over the entity, it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.
- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's standalone financial statements.



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 2: Statement of compliance (cont'd)

Non-controlling interest (NCI)

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

Loss of control

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

Investments accounted for, using the equity method

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

Changes in ownership interest without change in control

The Group treats transactions with Non-Controlling Interests (NCI) that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interest and any consideration paid or received is recognised within equity.

The ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to statement of profit or loss where appropriate.

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the Consolidated Balance Sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquiree at the date of acquisition. Any excess of identifiable net assets over acquisition cost is recognised in the other comprehensive income on the acquisition date and accumulated in equity as capital reserve. Acquisition related costs are accounted for as expenses in the period in which they are incurred and the services are received.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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

(i) PDS Limited, holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
Technocian Fashions Private Limited	20.03.2019	India	55.00%	55.00%
Multinational Textile Group Limited	13.05.2014	Mauritius	100.00%	100.00%
Norlanka Brands Private Limited	01.02.2021	India	75.00%	75.00%
DiZBI Private Limited ⁵	10.07.2020	India	60.00%	53.00%
PDS Brands Private Limited ²	28.07.2021	India	100.00%	0.00%



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

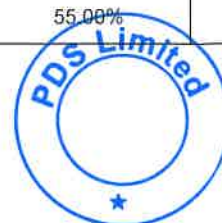
Note 2: Statement of compliance (cont'd)

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

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
PDS Sourcing Ltd. (Formerly Global Textiles Group Ltd.)	31.03.2006	Mauritius	100.00%	100.00%
Norwest Industries Limited	31.05.2006	Hong Kong	100.00%	100.00%
Zamira Fashions Limited	20.09.2007	Hong Kong	67.00%	67.00%
PG Group Limited	13.05.2008	Hong Kong	51.00%	51.00%
Simple Approach Limited	30.11.2008	Hong Kong	75.00%	75.00%
PDS Smart Fabric Tech Limited (Formerly Fullhouse Manufacturing Limited)	19.01.2009	Hong Kong	100.00%	100.00%
Casa Forma Limited	01.01.2012	United Kingdom	100.00%	100.00%
PDS Asia Star Corporation Limited	24.10.2012	Hong Kong	60.00%	60.00%
Techno Design HK Limited	02.11.2012	Hong Kong	55.00%	55.00%
Poeticgem International Limited ⁵	27.09.2013	Hong Kong	100.00%	83.00%
Multinational OSG Services Bangladesh Limited ⁵	02.02.2014	Bangladesh	99.97%	97.00%
Green Apparel Industries Limited	15.03.2016	Hong Kong	75.00%	75.00%
Grupo Sourcing Limited	15.03.2016	Hong Kong	51.00%	51.00%
PDS Ventures Limited (Formerly MultiTech Ventures Limited)	25.11.2015	Mauritius	100.00%	100.00%
Techno Design GMBH	14.02.2014	Germany	55.00%	55.00%
Progress Manufacturing Group Limited	17.07.2015	Hong Kong	97.00%	97.00%
Blueprint Design Limited	30.06.2016	Hong Kong	100.00%	100.00%
PDS Global Investments Limited	01.04.2018	Hong Kong	100.00%	100.00%
Techno Sourcing BD Limited	22.10.2019	Bangladesh	49.00%	49.00%
Kleider Sourcing FZCO	17.01.2019	Dubai	41.00%	90.00%
Spring Near East FZCO	17.01.2019	Dubai	55.00%	55.00%
PDS Manufacturing Limited	22.03.2021	Mauritius	100.00%	100.00%
PDS Fashion USA Limited (Formerly known as Pro Trusted Med Tech Limited)	28.02.2020	Hong Kong	100.00%	100.00%
PDS Multinational FZCO	01.02.2021	Dubai	100.00%	100.00%

(iii) Norwest Industries Limited, holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
Nor Lanka Manufacturing Limited ³	22.10.2008	Hong Kong	90.00%	95.00%
PDS Tailoring Limited (Formerly known as Nor India Manufacturing Company Limited)	17.12.2010	Hong Kong	70.00%	70.00%
Design Arc Europe Limited	04.11.2011	Hong Kong	70.00%	70.00%
Rising Asia Star HongKong Limited (Formerly Known as Techno. Manufacturing Co. Ltd.)	03.01.2012	Hong Kong	100.00%	100.00%
Spring Near East Manufacturing Company Limited	17.12.2010	Hong Kong	65.00%	65.00%
Clover collection Limited (Formerly known as PDS Manufacturing Limited/ Designed and Sourced Limited)	27.08.2012	Hong Kong	100.00%	100.00%
360 Notch Limited(Formerly known as PoeticGem Australia Ltd /Gem Australia Manufacturing Company Limited)	31.07.2015	Hong Kong	100.00%	100.00%
Design Arc Asia Limited (Formerly known as Nor France Manufacturing Company Limited) ⁵	18.12.2012	Hong Kong	100.00%	100.00%
Kleider Sourcing Hong Kong Limited	24.10.2013	Hong Kong	51.00%	51.00%
Razamtazz Limited ³	23.03.2011	United Kingdom	0.00%	100.00%
Twins Asia Limited	27.07.2015	Hong Kong	100.00%	100.00%
JJ Star Industrial Limited	28.04.2015	Hong Kong	57.50%	57.50%
Krayons Sourcing Limited	16.12.2014	Hong Kong	75.00%	75.00%
Fareast Vogue Limited	26.07.2016	Hong Kong	60.00%	60.00%
PDS Far-east Limited	23.08.2016	Hong Kong	100.00%	100.00%
PDS Brands Manufacturing Limited (Formerly known as 6Degree Manufacturing Limited and Zamira Denim Lab Limited) ⁴	24.10.2014	Hong Kong	100.00%	100.00%
Kindred Brands Limited (Formerly Norwest Fareast Limited) ³	23.08.2016	Hong Kong	57.50%	60.00%
Sourcing Solutions Limited ⁵	12.03.2015	Hong Kong	100.00%	50.00%
Styleberry Limited	13.09.2016	Hong Kong	100.00%	100.00%
PDS Fareast USA Inc	11.07.2017	USA	100.00%	100.00%
Jcraft Array Limited	12.4.2018	Hong Kong	85.00%	85.00%
Casa Collective Limited (Formerly Sourcing East West Ltd.)	19.01.2018	HongKong	75.00%	50.00%
Brand Collective Limited (Formerly PDS H2GO Glove Manufacturing Limited)	30.09.2020	HongKong	55.00%	51.00%



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 2: Statement of compliance (cont'd)

(iv) Design Arc Europe Limited holds the following subsidiary:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
Nor Europe SPA	17.11.2011	Spain	100.00%	100.00%

(v) Nor Lanka Manufacturing Company Limited holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
Nor Lanka Progress (Private) Limited ⁵	20.10.2015	Sri Lanka	100.00%	95.00%
Nor Lanka Manufacturing Colombo Limited ⁵	13.08.2012	Sri Lanka	100.00%	95.00%
LillyandSid Limited ⁵	10.03.2020	United Kingdom	55.00%	52.25%

(vi) PDS Sourcing Limited (Formerly known as Global Textiles Group Limited) holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
Poeticgem Limited	30.03.2006	United Kingdom	100.00%	100.00%
Poetic Brands Limited	15.01.2015	United Kingdom	100.00%	100.00%
Design Arc UK Limited	21.10.2016	United Kingdom	85.00%	85.00%
PDS Ventures Limited	03.07.2018	United Kingdom	100.00%	100.00%
Spring Design London Limited	13.05.2021	United Kingdom	100.00%	100.00%

(vii) Poeticgem Limited holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
Pacific Logistics Limited	27.10.2003	United Kingdom	100.00%	100.00%
FX Imports Company Limited	26.03.2008	United Kingdom	100.00%	100.00%
Poetic Knitwear Limited	31.03.2009	United Kingdom	100.00%	100.00%

(viii) PG Group Limited holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
PG Home Group Limited	13.05.2008	Hong Kong	90.00%	90.00%
PG Shanghai Manufacturing Co Limited	08.06.2012	China	100.00%	100.00%

(ix) PDS Multinational FZCO holds the following subsidiaries:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
PG Capital FZE ¹	27.09.2021	UAE	100.00%	0.00%
Twins Asia FZCO	17.01.2019	UAE	75.00%	75.00%
Design Arc FZCO	17.01.2019	UAE	75.00%	75.00%
Poeticgem International FZCO	01.02.2021	UAE	65.00%	65.00%
Clover Collections FZCO	20.02.2020	UAE	75.00%	75.00%
PDS Brands Manufacturing FZCO ²	01.01.2022	UAE	100.00%	0.00%



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 2: Statement of Compliance (Contd)

(x) PDS Ventures Limited (Formerly Smart Notch Industrial Limited) has following Joint venture/Associate

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
Filkor Limited ¹	21.09.2021	United Kingdom	50.00%	0.00%
Loop Digital Wardrobe Limited ¹	15.09.2021	United Kingdom	34.00%	0.00%

(xi) PDS Asia Star Corporation Limited holds the following subsidiary:

PDS Trading (Shanghai) Co., Limited	31.12.2012	China	100.00%	100.00%
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(xii) Simple Approach Limited holds the following subsidiary:

Simple Approach (Canada) Limited	02.05.2013	Canada	100.00%	100.00%
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(xiii) Kleider Sourcing HongKong Limited holds the following subsidiary:

Kleider Sourcing Limited	10.08.2014	Bangladesh	99.97%	99.97%
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(xiv) Zamira Fashions Limited holds the following subsidiaries:

Zamira Fashion Limited Zhongshan	26.06.2015	China	100.00%	100.00%
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(xv) Grupo Sourcing Limited holds the following subsidiary:

Grupo Sourcing Limited	02.05.2016	Bangladesh	99.98%	99.98%
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(xvi) Green Apparel Industries Limited holds the following subsidiary:

Green Smart Shirts Limited	04.05.2016	Bangladesh	99.98%	99.98%
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(xvii) PDS Ventures Limited (Formerly MultiTech Venture Limited) (Mauritius)

PDS Ventures Limited (Formerly Smart Notch Industrial Limited)	28.12.2017	Hong Kong	100.00%	100.00%
Apex Black Limited (Formerly known as Fabric and Trims Limited)	28.12.2017	Hong Kong	65.00%	65.00%



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PDS Limited

(Formerly PDS Multinational Fashions Limited)

Summary of significant accounting policies and other explanatory information

Note 2: Statement of compliance (cont'd)

(xviii) Sourcing Solutions Limited holds the following subsidiary:

Name of the entity	Date of acquisition/ incorporation	Country of incorporation	% of voting power held as at March 31, 2022	% of voting power held as at March 31, 2021
Sourcing Solutions Europe BVBA	01.04.2018	Belgium	100.00%	100.00%

(xix) PDS Ventures Limited (Formerly MultiTech Venture Limited) (Mauritius) holds the following joint venture:

Redwood Internet ventures Limited	09.12.2015	Hong Kong	50.00%	50.00%
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(xx) Redwood Internet Ventures Limited holds the following subsidiary:

Digital Internet Technologies Limited	25.02.2016	Hong Kong	100.00%	100.00%
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(xxi) Digital Internet Technologies Limited holds the following subsidiary:

Digital Ecom Techno Private Limited	17.06.2016	India	100.00%	100.00%
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(xxii) Progress Manufacturing Group Limited holds the following subsidiary:

Progress Apparels Bangladesh Limited	12.07.2015	Bangladesh	99.99%	99.99%
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(xxiii) 360 Notch Limited holds the following subsidiary:

Smart Notch Ltd. (Shanghai)	20.04.2018	China	100.00%	100.00%
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(xxiv) Poetic Brands Limited holds the following subsidiary:

Recovered Clothing Limited	24.07.2018	United Kingdom	100.00%	100.00%
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(xxv) Poeticgem International Limited holds the following subsidiary:

Kindred Fashions Limited	23.10.2018	Canada	100.00%	100.00%
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(xxvi) Multinational Textiles Group Limited holds the following associate:

GWD Enterprises Limited	21.10.2010	United Kingdom	25.00%	25.00%
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(xxvii) PDS Smart Fabric Tech Limited holds the following subsidiary:

PDS Smart Fabric Tech (UK) Limited	07.09.2020	United Kingdom	100.00%	100.00%
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(xxviii) Techno Design HK Limited holds the following subsidiary:

Techno Design USA LLC	16.04.2020	USA	100.00%	100.00%
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(xxix) PG Home Group Limited holds the following subsidiary:

PG Home Group SPA	31.07.2008	Chile	100.00%	100.00%
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(xxx) PG Capital FZE holds the following joint ventures:

Yellow Octopus EU Sp. z.oo ¹	27.09.2021	Poland	50.00%	0.00%
Yellow Octopus EU LLP ¹	27.09.2021	Poland	50.00%	0.00%
One Stop Shop Solutions EU Sp. z.oo ¹	27.09.2021	Poland	50.00%	0.00%
One Stop Shop Solutions LLP ¹	27.09.2021	Poland	50.00%	0.00%
Yellow Octopus Ventures FZCO ¹	27.09.2021	Poland	50.00%	0.00%

(xxxi) PDS Multinational FZCO holds the following joint ventures:

Yellow Octopus Fashion Ltd ¹	27.09.2021	United Kingdom	50.00%	0.00%
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(xxxii) Technocian Fashions Private Limited holds the following subsidiary:

S.O.T Garments India Pvt Limited ¹	01.12.2021	India	99.99%	0.00%
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(xxxiii) Brand Collective Limited (Formerly PDS H2GO Glove Manufacturing Limited) holds the following subsidiary:

Brand Collective Corporation Limited ²	29.11.2021	India	100.00%	0.00%
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(xxxiv) Yellow Octopus Ventures FZCO holds the following Associates:

Reflaunt Pte Ltd. ¹	27.09.2021	Singapore	26.00%	0.00%
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Notes:

- 1 Acquired during the year
- 2 Incorporated during the year
- 3 Dilution of holding stake during the year
- 4 Change in immediate holding company
- 5 Acquired stake from the non-controlling interests during the year



Note 3: Significant accounting policies

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

Judgements, estimates and assumptions:

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

i Revenue recognition and presentation

The Group assess its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Group has concluded that it is operating on a principal to principal basis in all its revenue arrangements. When deciding the most appropriate basis for presenting revenue or costs of revenue, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction.

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

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

iii Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

iv Current tax and deferred tax

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

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

v Impairment of long lived assets

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

vi Impairment of inventories

Management reviews the ageing analysis of inventories of the Group at the end of each reporting period, and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The assessment of the provision amount required involves management judgements and estimates. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying value of the inventories and the provision charge/write-back of provision for obsolete and slow-moving inventory items in the period in which estimate has been changed.

vii Impairment of goodwill

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

viii Valuation of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing the fair values. The judgements include consideration of inputs such as liquidity risks, credit risks and volatility in market. Changes in assumptions about these factors could affect the reported fair value of the financial instruments.



Note 3: Significant accounting policies (cont'd)

ix Provision for expected credit losses (ECL) on trade receivables

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

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic condition (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

x Defined benefit plan

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

xi Leases – estimating the incremental borrowing rate

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

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

In assessing the recoverability of receivables, goodwill, PPE, intangible assets, and certain investments, the Group has considered relevant internal business projections, cash flows, and external information available up to the date of approval of these consolidated financial statements. The Group has performed sensitivity analysis on the assumptions used herein. Based on the current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

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

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

xiii Employee stock option plan

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group initially measures the cost of cash-settled transactions with employees using a Black Scholes model to determine the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black Scholes model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 47.

b Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

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

All other assets are classified as non-current.



Note 3: Significant accounting policies (cont'd)

b Current versus non-current classification (cont'd)

Liabilities:

A liability is current when:

- i) It is expected to be settled in normal operating cycle
 - ii) It is held primarily for the purpose of trading
 - iii) It is due to be settled within twelve months after the reporting period, or
 - iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- All other liabilities are classified as non-current.

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

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

c) **Property, plant and equipment (PPE)**

Property, plant and equipment, capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset.

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

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

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

Capital work in progress: Capital work in progress comprises the cost of property, plant and equipment that are not ready for their intended use at the reporting date.

Depreciation:

Depreciation on PPE, except leasehold improvements, is provided on straight-line method over the estimated useful lives of assets. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit and Loss. Leasehold improvements are amortized over the lease term or the useful life of the assets, whichever is earlier.

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

Asset	Useful lives	
	India*	Foreign entities
Furniture and fixtures	10 years	3 - 5 years
Office equipments	5 years	NA
Vehicles	8 years	5 - 8 years
Electrical installations and equipments	10 years	NA
Buildings	60 years	NA
Computers	3 years	3 - 5 years
Plant and machinery	NA	4 - 5 years
Infrastructure	NA	5 years

* As per Schedule II of the Companies Act, 2013.

Freehold land is not depreciated.

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

d) **Intangible assets**

Goodwill

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

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

Goodwill is not amortised.

Intangible assets (other than goodwill)

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



Note 3: Significant accounting policies (cont'd)

e) Investment property

(i) Recognition and measurement

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

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The Group measures investment property using cost based measurement and, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

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

(ii) Depreciation

Depreciation on investment property is provided, under the straight line method, pro rata to the period of use, based on their remaining useful lives.

f) Borrowing costs

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

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

g) Foreign currencies

Functional and presentational currency

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

Transactions and balances

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

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

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

- assets and liabilities are translated at the closing rate at the date of that consolidated Balance Sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in Other Comprehensive Income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

h) Revenue recognition

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

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

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

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



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Summary of significant accounting policies and other explanatory information

Note 3: Significant accounting policies (cont'd)

Recognising revenue from major business activities

(i) Rendering of services

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

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

(ii) Sale of goods

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

Other income and other operating revenues

Interest income

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

Investment income

Investment income is recognized as and when the right to receive the same is established.

Handling fee income

Handling fee income is recognized in the period in which the services are rendered.

Commission income and management income

Commission income is recognized when the services are rendered.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Rental income

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

Export incentives

Export incentives are recognized as income when the Company is entitled to the incentive as per the terms of the scheme in respect of the exports made and where it is probable that the Company will collect such incentive proceeds.

Any other income is recognized on an accrual basis.

i) Inventories

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

j) Leases

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

Group as a lessee

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

(a) Right-of-use assets

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

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



Note 3: Significant accounting policies (cont'd)

(b) Lease liabilities

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

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

(c) Short term leases

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

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

Group as a lessor

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

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

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

k) Employee benefits

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

Defined contribution plan: A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution scheme and contributions paid / payable are recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined benefit plan

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

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

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

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the Statement of Profit and Loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.



Note 3: Significant accounting policies (cont'd)

k) Employee benefits (cont'd)

Share based Compensation

The Group has equity-settled share-based remuneration plans for its employees. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

For cash-settled share-based payments, the fair value of the amount payable to employees is recognised as employee benefits expense with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expense.

The Group has created an Employee Benefit Trust for providing share-based payment to its employees. The Group uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Group from the market, for giving shares to employees. The Company treats Trust as its extension and shares held by the Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from Equity. No gain or loss is recognised in profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting year are satisfied with treasury shares.

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) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

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

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

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

m) Financial instruments

i) Recognition and initial measurement

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

ii) Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

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



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Summary of significant accounting policies and other explanatory information

Note 3: Significant accounting policies (cont'd)

m) Financial instruments (cont'd)

Financial assets at fair value through other comprehensive income (FVTOCI)

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

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

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

Financial liabilities

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

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

iv) Offsetting

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

v) Impairment of financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

n) Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship with which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedge item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.



Note 3: Significant accounting policies (cont'd)

n) Derivative financial instruments and hedge accounting (cont'd)

The effective portion of the gain or loss on the hedging instrument for cash flow hedges is recognised directly in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts recognised in other comprehensive income are transferred to the statement of profit and loss when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction occurs or the foreign currency firm commitment is met.

o) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ('CGU').

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

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

p) Fair value measurement

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

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

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

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

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

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

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

q) Taxes

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit or Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period in the respective jurisdiction/ Country. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.



Note 3: Significant accounting policies (cont'd)

q) Taxes (cont'd)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

r) Cash and cash equivalents

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

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

s) Earnings per share (EPS)

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

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

- For the purpose of calculating diluted earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

t) Segment reporting

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



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4 : Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Computers	Right to use assets	Total
Gross Carrying Value										
Balance as at April 01, 2020	912.33	9,533.72	9,526.32	6,448.51	2,393.47	1,116.96	8,365.62	1,794.72	9,992.33	50,083.98
Additions/ transfers during the year	-	1,014.51	774.50	368.70	978.44	93.37	774.91	91.46	2,344.13	6,440.02
Disposals during the year	-	-	(20.35)	(0.58)	-	(24.54)	(6.09)	(137.86)	(1,239.17)	(1,428.58)
Effect of changes in exchange rates	(25.79)	(260.49)	(57.30)	(29.00)	(65.43)	82.30	(368.78)	3.08	388.34	(333.07)
Balance as at March 31, 2021	886.54	10,287.73	10,223.18	6,737.63	3,306.48	1,268.08	8,765.66	1,751.40	11,485.63	54,762.35
Additions/ transfers during the year	-	535.05	485.08	447.18	930.21	250.22	1,166.99	312.63	7,346.22	11,473.59
Disposals during the year	-	(14.95)	(28.65)	(356.58)	(352.04)	(229.95)	(647.76)	(153.23)	(628.54)	(2,412.71)
Effect of changes in exchange rates	31.30	229.17	141.03	82.28	48.18	15.20	94.13	35.97	154.60	831.86
Balance as at March, 2022 (A)	917.84	11,037.00	10,819.63	6,960.52	3,932.84	1,303.56	9,379.02	1,946.76	18,357.92	64,655.09
Accumulated depreciation										
Balance as at April 01, 2020	-	1,469.79	2,330.31	3,377.47	1,993.76	851.96	4,950.61	653.26	1,849.50	17,476.66
Depreciation charge for the year	-	451.56	880.27	555.94	334.85	88.09	1,319.52	293.17	2,437.38	6,360.78
Disposals during the year	-	-	-	-	-	(20.63)	-	(81.06)	(160.41)	(262.11)
Effect of changes in exchange rates	-	1.25	271.35	4.56	(29.49)	23.39	(263.52)	(0.06)	234.93	242.42
Balance as at March 31, 2021	-	1,922.60	3,481.93	3,937.97	2,299.13	942.81	6,006.61	865.31	4,361.40	23,817.76
Depreciation charge for the year	-	715.95	823.83	571.35	390.50	77.59	1,145.99	244.41	2,619.04	6,588.66
Disposals during the year	-	(14.95)	(27.79)	(348.00)	(351.14)	(201.50)	(637.71)	(150.85)	(145.78)	(1,877.73)
Adjustments during the year	-	-	-	3.21	3.85	-	16.49	3.86	-	27.41
Effect of changes in exchange rates	-	(115.44)	58.52	53.57	43.02	14.66	134.27	29.36	(56.58)	161.37
Balance as at March, 2022 (B)	-	2,508.15	4,336.49	4,218.09	2,385.36	833.55	6,665.64	992.10	6,778.08	28,717.47
Net book value										
Balance as at March, 2022 (A-B)	917.84	8,528.85	6,483.15	2,742.42	1,547.48	470.00	2,713.38	954.67	11,579.83	35,937.62
Balance as at March, 2021	886.54	8,365.14	6,741.25	2,849.66	1,007.36	325.28	2,759.05	886.09	7,124.23	30,944.59

The buildings situated in Hong Kong of Norwest Industries Limited, a Subsidiary of the Company, are pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries of the Group. The details are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Gross carrying value	3,548.44	3,447.79
Less: Accumulated depreciation	1,068.60	969.33
Net book value	2,479.84	2,478.46



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 5 : Capital work in progress	As at March 31, 2022	As at March 31, 2021
Balance in the beginning of the year	468.18	2,059.25
Addition during the year	223.17	253.32
Capitalisation during the year	(377.76)	(1,844.39)
Balance as at the year end	313.59	468.18

Note 6 : Investment property	Freehold land	Building	Total
Gross carrying amount			
Balance as at April 01, 2020	68.81	14,727.71	14,796.52
Foreign exchange fluctuation	-	739.77	739.77
Balance as at March 31, 2021	68.81	15,467.48	15,536.29
Disposals during the year	-	(10,603.89)	(10,603.89)
Foreign exchange fluctuation	-	(24.70)	(24.70)
Balance as at March 31, 2022	68.81	4,838.89	4,907.70
Accumulated depreciation			
Balance as at April 01, 2020	-	5,227.75	5,227.75
Depreciation charge for the year	-	255.73	255.73
Foreign exchange fluctuation	-	86.69	86.69
Balance as at March 31, 2021	-	5,570.17	5,570.17
Disposals during the year	-	(5,220.34)	(5,220.34)
Depreciation charge for the year	-	65.55	65.55
Foreign exchange fluctuation	-	5.29	5.29
Balance as at March 31, 2022	-	420.68	420.68
Net book value			
Balance as at March 31, 2022	68.81	4,418.21	4,487.02
Balance as at March 31, 2021	68.81	9,897.32	9,966.12
a) Fair value			
Balance as at March 31, 2022	3,806.25	4,948.90	8,755.15
Balance as at March 31, 2021	3,140.00	8,057.60	11,197.60

b) Information regarding income and expenditure pertaining to investment properties of the Group is as under:	As at March 31, 2022	As at March 31, 2021
Rental Income derived from investment property	419.36	634.38
Less: Direct operating expenses	296.49	300.61
Profit arising from investment property before depreciation	122.87	333.77
Less: Depreciation	65.55	255.73
Profit arising from investment property	57.32	78.04

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

Particulars	As at March 31, 2022	As at March 31, 2021
Not later than 1 year	410.65	632.90
Later than 1 year but not later than 5 years	184.90	530.35
Total	595.55	1,163.25



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PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 6 : Investment property (cont'd)

d) The above schedule of investment property includes :

i) Property of the Company situated at Udyog Vihar, Gurugram, Haryana in India. The investment property comprises two class of assets - Land and Building - based on the nature, characteristics and risks of the property. The fair value of such property is ₹5,768.11 (land: ₹3,806.25 and building: ₹1,961.86) (2021 ₹5,270.00 (land - ₹3,140.00 Building ₹2,130.00))

ii) The fair value of the residential property is of GBP 3,000,000 (₹ 2,987.04) (2021:GBP 3,000,000 (₹3,021.60) was determined by the management and valuation has been performed by an independent professionally qualified valuer. During the year ended March 31, 2021, there were two Investment properties in United Kingdom held by Poeticgem Limited and Razmataaz Limited. During the year, the group has sold entire stake of Razmataaz Limited, due to which the investment property held by Razmataaz Limited(Fair value as at March 31, 2021 : GBP 5,000,000(₹5,036.00)) is disposed off. During the year ended 31 March 2022, a property held by Poeticgem Limited is with a fair value of GBP 3,000,000 (₹2,987.04) (2021: GBP 3,000,000 (₹3,021.60) are currently being held for the purpose of rental income from a third party.

iii) As at March 31, 2022 and March 31, 2021 the investment property was pledged to secure the general banking facilities granted to the Poeticgem Limited. In the opinion of the directors, the open market value of the property is not materially different from the stated amount. The details are as follows:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Gross carrying value	2,317.50	10,160.27
Less: Accumulated depreciation	148.94	2,699.11
Net book value	2,168.57	7,461.16

e) The fair valuation of the said property is based on current prices in the active market for similar properties. The main input used are quantum, area, location, population, profile of surrounding developments, negotiations, connectivity and accessibility.

Note 7 : Goodwill

Particulars	Amount
Gross carrying amount	
Balance as at April 01, 2020	5,141.59
Exchange difference	(109.56)
Balance as at March 31, 2021	5,032.03
Exchange difference	144.21
Balance as at March 31, 2022	5,176.24

Impairment testing for Goodwill

For impairment testing, goodwill is allocated to a CGU representing the lowest level within the Group at which goodwill is monitored for internal management purposes, and which is not higher than the Company's operating segment. Goodwill is tested for impairment at least annually in accordance with the Company's procedure for determining the recoverable value of each CGU.

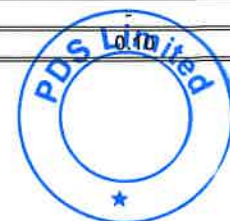
The recoverable amount of the CGU is determined on the basis of Higher or value in use or Fair Value Less Cost of Disposal (FVLCD). The recoverable amount of the CGU is determined based on the discounted cash flow approach, using the discount rate and terminal income growth rate from unobservable market data. The discount rate applied to the cash flow projections is within the range of 10.00%-20.00% and cash flows beyond the five-year period were extrapolated using a growth rate of 2.50%-3.00%, which was the same as the long term average growth rate of the garment products industry in the respective geographies. The fair value measurement is categorised as a level 3 fair value based on the inputs in the valuation techniques used.

Goodwill acquired through business combinations have been allocated to the reporting units for impairment testing.

Note 8 : Intangible assets

The following table presents the reconciliation of changes in the carrying value of other intangible assets in the Group:

Particulars	Computer software	Trade marks	Total
Gross carrying amount			
Balance as at April 01, 2020	1,050.58	0.90	1,051.48
Add: Additions during the year	424.33	-	424.33
Disposals during the year	(308.89)	-	(308.89)
Exchange difference	(94.69)	-	(94.69)
Balance as at March 31, 2021	1,071.33	0.90	1,072.23
Add: Additions during the year	442.80	-	442.80
Exchange difference	238.36	-	238.36
Balance as at March 31, 2022	1,752.48	0.90	1,753.38
Amortisation			
Balance as at April 01, 2020	464.93	0.62	465.55
Add: Amortisation charge for the year	152.99	0.18	153.17
Disposals/ adjustments made during the year	45.50	-	45.50
Exchange difference	(25.45)	-	(25.45)
Balance as at March 31, 2021	637.97	0.80	638.77
Add: Amortisation charge for the year	336.50	0.10	336.60
Exchange difference	43.82	-	43.82
Balance as at March 31, 2022	1,018.29	0.90	1,019.19
Net carrying value			
Balance as at March 31, 2022	734.20	-	734.20
Balance as at March 31, 2021	433.36	-	433.47



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9A : Investments

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Fair value through profit or loss (refer note 'a' below)				
Equity investments - refer note (i) and (v) below	57.00	3,687.22	525.15	2,135.80
Debt investments - refer note (ii) below	-	153.23	-	3,592.55
Investment in convertible notes	1,961.46	-	-	-
Investment in funds	2,162.75	-	-	-
Other investments - refer note (iii) and (iv) below	2,818.12	-	2,525.74	-
Total (A)	6,999.33	3,840.45	3,050.89	5,728.35
Fair value through other comprehensive income				
Equity instruments (refer note 'b' below)	11,436.20	-	5,646.59	-
Investment in bonds	-	-	69.55	-
Total (B)	11,436.20	-	5,716.14	-
Total [C= (A+B)]	18,435.53	3,840.45	8,767.03	5,728.35

Note:

a) Financial assets at fair value through profit or loss :

- The above listed equity instruments as at March 31, 2022 and March 31, 2021 were classified as financial assets at fair value through profit or loss as they were held for trading.
- The above listed debt instruments and Investment in Funds as at March 31, 2022 and March 31, 2021 were classified as financial assets at fair value through profit or loss as they were held for trading.
- The above listed convertible notes as at March 31, 2022 and March 31, 2021 were classified as financial assets at fair value through profit or loss as because of derivative component.
- The Group entered into three life insurance policies with an insurance company to insure an executive director. Under these policies, the Group is the beneficiary and the policy holder. The Group paid upfront premiums for these policies and may surrender any time by filing a written request and receive cash based on the surrender value of the policy at the date of withdrawal, which is calculated by the insurer. In the opinion of the management, the surrender values of the policies provided by the insurance company are the best approximation of their fair values, which are categorised within Level 2 of the fair value hierarchy.
- As at March 31, 2022, the Group's unlisted investments with an aggregate carrying value of ₹ 2,678.69 (March 31, 2021: ₹ 2,525.74) were pledged to secure the general banking facilities granted to the Group.
- The below mentioned equity investments as at March 31, 2022 were designated by the Group as financial assets at fair value through profit or loss and are stated at fair value.

Particulars	As at March 31, 2022	As at March 31, 2021
Equity investments, at fair value		
Parc Designs Private Limited 570,000 equity shares of ₹10 each (March 31, 2021: 570,000 equity shares of ₹10 each)	57.00	57.00
Investment in equity shares of listed companies	3,687.22	2,603.95
Total	3,744.22	2,660.95

b) Financial assets at fair value through other comprehensive income:

Equity investments, at fair value

Name of the investee entity	Investment instrument	As at March 31, 2022	As at March 31, 2021
Alacrity Law Limited	Equity Shares	207.55	151.04
Atterley.Com Holding Limited	Equity Shares	1,619.17	1,210.36
Brand Kreations Limited	Equity Shares	619.48	503.45
Cerebra Technologies, Inc.	Preference Shares	150.62	146.28
Ethical Fashion Group Ltd	Equity Shares	157.75	153.41
Fertifa Limited	Equity Shares	49.81	50.35
Good On You Pty Limited	Equity Shares	254.95	146.28
Hydrocotton Limited	Equity Shares	1,730.54	251.73
Maudi Group Inc.	Convertible note	239.74	156.38
M-Xr Limited	Equity Shares	149.42	151.04
Style Theory Private Limited	Compulsory convertible preference shares	225.93	189.61
Symbioco Limited	Equity Shares	286.91	20.14
War Paint Men'S Grooming Limited	Equity Shares	199.22	201.38
Clinova Limited	Equity Shares	345.15	201.58
Juhu Exchange Limited	Preference Shares	283.85	401.50
Made In Africa Inc	Compulsory convertible preference shares	-	109.71
Survivour Made Goods, Inc	Convertible promissory note	-	629.28
Satis.Ai Limited	Simple agreement for future equity	-	20.14
Arpalus Limited	Simple agreement for future equity	-	20.14
Evrru Spc.	Convertible note	-	182.86
Zwift Inc	Ordinary shares	-	548.57
Monolith Ai Limited	Convertible note	-	201.38



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9A : Investments (cont'd)

Name of the investee entity	Investment instrument	As at	As at
		March 31, 2022	March 31, 2021
Bedfolk Limited	Equity Shares	433.29	-
Big Thinx, Inc.	Equity Shares	188.28	-
Boy Smells Inc.	Equity Shares	248.04	-
Brandlab 360	Equity Shares	72.87	-
Brawn Power Limited	Equity Shares	127.06	-
Co Commerce Shopping Platdorm Limited	Equity Shares	226.51	-
By Rotation Limited	Equity Shares	49.81	-
City Brands Limited	Equity Shares	49.83	-
Coat Trading Limited	Equity Shares	49.80	-
Fable Home Inc.	Equity Shares	290.31	-
Vyner Works Limited	Equity Shares	348.64	-
Haeckels Limited	Equity Shares	280.10	-
Hide Biotech Limited	Equity Shares	49.81	-
Kavida Technologies Limited	Equity Shares	41.50	-
Love The Sales Limited	Equity Shares	498.28	-
Maude Group Inc.	Equity Shares	218.93	-
Ray Studios	Equity Shares	49.91	-
Asian Court Holding Inc.	Equity Shares	75.31	-
To The Marekt Inc.	Equity Shares	344.53	-
True Capital - Zwift LP Share	Equity Shares	655.90	-
Unmind Limited	Equity Shares	197.84	-
Zen Industries Limited	Equity Shares	419.55	-
Total		11,436.20	5,646.59

* A SAFE (simple agreement for future equity) is an agreement between an investor and a company that provides rights to the investor for future equity in the company similar to a warrant, except without determining a specific price per share at the time of the initial investment.

Note 9B : Investments accounted for using the equity method

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Interest in joint ventures (refer note a below)	9,219.72	913.53
Interest in associates (refer note b below)	443.55	-
Total	9,663.26	913.53

a) Investment in Joint ventures

Name	Investment details	Place of registration	Percentage of voting rights.		Principal activities
			March 31, 2022	March 31, 2021	
Sourcing Solutions Europe BVBA	Registered capital of USD 100,000	Hong Kong	50	50	Trading of garment product
Redwood Internet Ventures Limited	Registered capital of USD 10,000	Hong Kong	50	50	E-commerce
Digital Internet Technologies Limited [^]	Registered capital of USD 10,000	Hong Kong	50	50	
Digital Ecom Techno Private Limited ^{^^}	Authorised share capital of Rs. 100,00,000	India	50	50	Trading of garment product
Yellow Octopus EU Sp. z o.o. sp.K.	Registered capital of PLN 100,000	Poland	50	NA	
One stop Shop Solution Sp. z o.o.	Registered capital of PLN 100,000	Poland	50	NA	
Yellow Octopus Fashion Limited	Registered capital of GBP 10,000	UK	50	NA	
Upcycle Labs Limited (Ertswile known as Filkor Limited)	Registered capital of GBP 1000	UK	50	NA	

b) Investment in associates

Name	Amount of investment	Place of registration and business	Ownership interest	Voting power	Carrying value (₹ lakhs)	Principal activities
Loop Digital Wardrobe Limited	GBP 200000	United Kingdom	34.00%	34.00%	172.64	Trading of garments
GWD Enterprises Limited	USD 800,070	United Kingdom	25.00%	25.00%	-	Trading of garments
Sourcing Solutions BVPA	EUR 60,000	Belgium	50.00%	50.00%	270.91	Trading of garments



Note 9B : Investments accounted for using the equity method (cont'd)

c) Investment in Joint Venture during the year

Summarised financial information of the Group's investment in Yellow Octopus EU Sp. z o.o. sp.K.: (refer note 46)

Particulars	As at March 31, 2022
Share of the Joint Venture's statement of financial position:	
Non Current assets	244.09
Current assets other than cash and cash equivalents	1,188.23
Cash and cash equivalents	218.99
Non Current liabilities	(997.04)
Current liabilities	(161.67)
Equity	492.59
Proportion of the Group's ownership (40%)	197.04
Add: Provisional goodwill included in the carrying value of investment (refer note 46)	8,411.75
Group's carrying amount of the investment	8,608.79

Note:
On September 29, 2021 the Group has acquired of 50% equity interest in Yellow Octopus EU Sp. z o.o. sp.K., One stop Shop Solution Sp. z o.o. sp.K and Yellow Octopus Fashion Limited through PG Capital FZE and PDS Multinational FZCO (a wholly owned subsidiary of Multinational Textiles Group Limited) (refer note 46)

Particulars	Year ended March 31, 2022
Share of the Joint Venture's statement of profit or loss:	
Revenue from operations	3,257.04
Cost of sales	(2,568.67)
Administrative expenses	(462.99)
Finance costs	(29.03)
Other income/(expenses), net	9.44
Income tax expense	(19.62)
Profit after tax	186.16
Other comprehensive (loss)	-
Total comprehensive income attributable to shareholders	186.16
Group's share of profit for the year (40%)	74.46
Group's share of other comprehensive income for the year, net of tax	74.46

Investments accounted for using the equity method - other investments which are not material

Particulars	As at March 31, 2022	As at March 31, 2021
i) Profit or Loss from continuing operation	(132.32)	(391.61)
ii) Total comprehensive income	(132.32)	(391.61)

Note 10 : Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current (unsecured, considered good)		
Security deposits (refer to note 'a' below)	0.01	50.33
Application money paid towards securities	-	299.38
Loan to others (refer note 'c' below)	1,134.53	1,311.92
Total (A)	1,134.54	1,661.63
Current (unsecured, considered good)		
Security deposits (refer to note 'a' below)	1,765.38	1,500.12
Deposits with original maturity of more than 12 months (refer to note 'b' below)	1.00	1.00
Interest accrued but not due	50.33	28.77
Dues from related party (refer note 36)	2,591.52	1,227.21
Derivative financial instruments (refer note 38)	277.22	370.16
Receivable from others (refer note 36)	2,065.72	2,746.90
Unbilled revenue	308.16	149.57
Total (B)	7,059.33	6,023.73
Total (A+B)	8,193.87	7,685.36

- a) The Group has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.
b) Fixed deposits with a carrying amount of ₹ 1.00 (March 31, 2021: ₹ 1.00) are pledged with the government authorities.
c) Loan to others represent interest free loan given to a director of a step down subsidiary of the Company.



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 11 : Other assets	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	226.15	90.64
Advances recoverable in cash or in kind		
- From others	148.11	144.76
Total (A)	374.26	235.40
Current		
Balance with government authorities	737.04	714.67
Prepaid expenses	2,562.96	1,853.24
Advances to suppliers	4,475.63	6,228.35
Advances to employees (refer note 36)	1,264.01	299.38
Advances recoverable in cash or in kind		
- From others	2,067.59	572.29
Total (B)	11,107.23	9,667.93
Total (A+B)	11,481.49	9,903.33

Note 12: Inventories* (at lower of cost or net realisable value)

Raw materials	13,952.17	9,307.82
Work in progress	3,591.14	3,208.07
Finished goods	6,815.02	5,577.37
Goods-in-transit	6,166.38	1,619.56
Total	30,524.71	19,712.82

* Write-downs of inventories to net realisable value on account of slow moving and obsolete items amounted to ₹ 371.74 (March 31, 2021: ₹ 2,659.08). These were recognized as an expense/reversal of expense respectively during the year and were included in cost of goods sold.

Note 13 : Trade receivables

(a) Trade receivable considered good - secured	-	-
(b) Trade receivable considered good - unsecured	142,130.97	90,980.73
(c) Trade receivable which have significant increase in credit risk	-	-
(d) Trade receivable - credit impaired	828.62	518.14
	142,959.59	91,498.87
Less: Allowance for expected credit loss	828.62	518.14
Total	142,130.97	90,980.73

a) There are no receivables at the reporting date having significant increase in credit risk.

b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

c) The above impairment loss amounting to March 31, 2022 ₹ 828.62 (March 31, 2021: ₹ 518.14) related to trade receivables majorly from the subsidiaries namely Simple Approach Limited, Norwest Industries Limited, Poeticgem International Limited, Poetic Brands, Design Arc UK Limited and Techno design GMBH.

d) Trade receivables are generally on terms of not more than 90 days.

e) Trade receivable ageing schedule:

Particulars	As at March 31, 2022		
	Outstanding for following periods from due date of payment		
	Less than 6 months	6 months - 1 year	Total
Trade receivable considered good - unsecured	142,070.95	60.02	142,130.97
Total	142,070.95	60.02	142,130.97

Particulars	As at March 31, 2021		
	Outstanding for following periods from due date of payment		
	Less than 6 months	6 months - 1 year	Total
Trade receivable considered good - unsecured	90,967.33	13.40	90,980.73
Total	90,967.33	13.40	90,980.73



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 14 : Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- Current account*	45,953.94	29,299.50
Cash on hand	46.26	46.71
Total	46,000.20	29,346.21

Note:

At March 31, 2022, the cash and bank balances of the Group denominated in RMB amounted to USD 51,017 (₹ 38.66) (2021: USD 98,363 (₹ 71.91)). RMB is not freely convertible into another currencies, however, under mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

* includes funds in transit amounting to ₹ 114.43 as at March 31, 2022 (March 31, 2021: ₹859.35) pertaining to Norwest Industries limited and Progress Apparels Bangladesh Limited.

Note 15 : Bank balance other than cash and cash equivalents

Earmarked balances for share fraction account	1.15	1.15
Deposits with original maturity of more than 3 months but less than 12 months	20,483.35	13,717.19
Total	20,484.50	13,718.34

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

b) Deposits amounting to March 31, 2022 ₹15,435.05 (March 31, 2021: ₹11,878.19) are pledged to secure the general banking facilities granted to the Norwest Industries Limited and subsidiaries. The pledged time deposits are deposited with creditworthy banks with no recent history of default.



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PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 16 : Share capital

	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
28,000,000 (March 31, 2021: 27,000,000) equity shares of ₹10 each	2,800.00	2,700.00
	<u>2,800.00</u>	<u>2,700.00</u>
Issued, subscribed and paid up		
26,046,724 (March 31, 2021: 26,046,724) equity shares of ₹ 10 each	2,604.67	2,604.67
Less: Treasury shares	(0.42)	-
	<u>2,604.25</u>	<u>2,604.67</u>

a) Reconciliation of issued and subscribed share capital:

	No. of shares [^]
Balance as at April 1, 2020	26,046,724
Changes during the year	-
Balance as at March 31, 2021	26,046,724
Changes during the year*	(4,245)
Balance as at March 31, 2022	26,042,479

* Company has purchased 4245 equity shares through ESOP Trust during the year ended March 31, 2022.

b) The Company has not issued any bonus shares or any shares for consideration other than cash during five years immediately preceding March 31, 2022. Further, the Company has bought 4,245 shares through ESOP trust during the year ended March 31, 2022.

c) Terms/ rights attached to equity shares:

1. The Company has only one class of equity share having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at March 31, 2022		As at March 31, 2021	
	No. of shares [^]	Holding %	No. of shares [^]	Holding %
Mrs. Payal Seth	13,875,242	53.27	13,875,242	53.27
Mr. Deepak Seth	3,155,734	12.12	3,155,734	12.12
Mr. Sanjiv Dhiresbhai Shah	1,618,366	6.21	1,618,366	6.21

[^] The number of shares are given in absolute numbers.

e) Details of shareholding of Promoters:

	As at March 31, 2022		
	Number of shares	% of total shares	% change during the year
Mrs. Payal Seth	13,875,242	53.27%	-
Mr. Deepak Seth	3,155,734	12.12%	-
Mr. Pallak Seth	278,838	1.07%	-
Mr. Pulkit Seth	1	0.00%	-
Mrs. Shefali Seth	36	0.00%	-
Pearl Global Industries Limited	49,999	0.19%	-
NIM International Commerce LLP	36	0.00%	-

	As at March 31, 2021		
	Number of shares	% of total shares	% change during the year
Mrs. Payal Seth	13,875,242	53.27%	-
Mr. Deepak Seth	3,155,734	12.12%	-
Mr. Pallak Seth	278,838	1.07%	-
Mr. Pulkit Seth	1	0.00%	-
Mrs. Shefali Seth	36	0.00%	-
Pearl Global Industries Limited	49,999	0.19%	-
NIM International Commerce LLP	36	0.00%	-



PDS Limited**(Formerly PDS Multinational Fashions Limited)****Notes to the consolidated financial statements for the year ended March 31, 2022**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 17 : Other equity	As at	As at
	March 31, 2022	March 31, 2021
Capital reserve (note i)	26,185.92	26,185.92
Restricted reserve (note ii)	664.52	664.52
Other reserve (note iii)	(6,792.17)	(3,821.21)
Retained earnings (note iv)	45,962.47	25,223.83
Foreign currency translation reserve (note v)	14,360.31	13,007.10
Hedging reserve (note vi)	224.26	124.37
Financial instruments through other comprehensive income (note vii)	2,021.15	736.67
Treasury shares (note viii)	(57.73)	-
Stock Options Outstanding account (note ix)	2,064.21	-
Defined benefit obligation through other comprehensive income (note x)	3.00	(37.28)
	84,635.94	62,083.92

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

i) During Demerger, the excess of consideration received, over the net assets is treated as capital reserve.

ii) Restricted reserve was created on account of redemption of preference shares made in a subsidiary in FY 2015-16, retrospectively rectified by a reclassification adjustment. Such reserve is in the nature of 'Capital redemption reserve' and can be used for the issue of bonus shares.

iii) Other reserves comprise gain or loss on change in proportion of equity interest held by non controlling interests that do not result in a change in control.

iv) Retained earnings are the profits that the company earned till date, less any transfers to general reserve, dividends or other distribution paid to shareholders.

v) Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve.

vi) The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges.

vii) This represents the cumulative gains and losses arising on the revaluation of financial instruments measured at fair value through other comprehensive income that have been recognized in other comprehensive income.

viii) Treasury shares are the shares purchased by a controlled trust from the external market in accordance with an employee stock option plan.

ix) The fair value of equity-settled share based payment transactions is recognised in consolidated statement of profit and loss with corresponding credit to stock option outstanding account.

x) This represents the cumulative actuarial gains and losses arising on the revaluation of employee benefits measured at fair value through other comprehensive income that have been recognized in other comprehensive income.

Details of dividend distributions proposed:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Proposed dividend on equity shares:		
Proposed dividend: ₹ 23.85 per equity share of ₹ 10/- each (March 31, 2021: ₹ 15.75/- per equity share of ₹ 10/- each)	6,212.14	4,102.36
Total proposed dividend on equity shares	6,212.14	4,102.36

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



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PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 18 : Borrowings	As at March 31, 2022	As at March 31, 2021
Non-current		
Secured loan		
- Vehicle loan from bank	10.77	71.16
- Term loan from bank	-	430.55
Less: Current maturities of long term borrowings (refer note 19)	-	(317.67)
Total (A)	10.77	184.04
Current		
Secured loan		
- From banks	60,580.06	47,053.09
Add: Current maturities of long term borrowings (refer note 19)	-	317.67
- Bank overdraft	1,740.52	1,107.71
Unsecured loan		
- From directors	3.76	18.30
- From related parties (refer note 36)	-	300.00
Total (B)	62,324.34	48,796.77
Total (A+B)	62,335.11	48,980.81

a) For interest rate and liquidity risk related disclosures, refer note 41.

b) The nature of security for the loans are :

(i) Vehicle loan

- Vehicle loan of ₹ 27.00 taken by the Company, from Axis Bank, during the year ended March 31, 2019 and was secured against hypothecation of the respective vehicle. The applicable rate of interest is 8.80% per annum (March 31, 2021: 8.80% per annum). The loan is repayable in 60 monthly instalments.

- Vehicle loan of ₹ 57.35 taken by the Company, from BMW Financial Services, during the year ended March 31, 2021 and was secured against hypothecation of the respective vehicle. The applicable rate of interest is 7.50% per annum (March 31, 2021: 7.50%). The loan is repayable in 60 monthly instalments. During the year, Company has made the full repayment of loan with interest.

c) In case of term loan from bank, the terms are as under:

i) Term loan of ₹ 1,500.00 taken by the Company during the year ended March 31, 2015 and March 31, 2016 is guaranteed by Stand By Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 7 years with 1 year moratorium period and it is repayable in 24 equal quarterly installments over the said tenor.

ii) Term loan of ₹ 300.00 taken by the Company during the year ended March 31, 2017 is also guaranteed by SBDC documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 6 years and it is repayable in 23 equal quarterly installments over the said tenor.

iii) Term loan carries rate of interest ranging from 8.50% to 10.25% per annum (March 31, 2021: 9.60% to 10.25% per annum).

d) Unsecured loan from related party are repayable on demand and carries interest rate of 10% per annum (March 31, 2021: 10% per annum). The loan has been repaid during the year.

e) Short term Loan: Short term loan of ₹ 300.00 taken by the Company during the year ended March 31, 2022 is also is also guaranteed by SBDC documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of short term loan is 4 months and is repayable on demand. It carries rate of interest of 7.50% per annum (March 31, 2021: Nil).

f) Others:

(i) In case of secured loans (other than vehicle loan) of Norwest Industries Limited ('NIL') and its subsidiaries (NIL Group), these loans are secured by way of NIL Group's guarantees from the immediate holding company, fellow subsidiaries, directors of NIL, a related party, Group's investment property, unlisted investments and certain of NIL Group's insurance deposits. Also these loans contains repayable on demand clauses and hence the loans are shown as short term, though the repayment of these loans is spread more than an year.

ii) In case of banking facilities of Simple Approach Limited, Zamira fashions Limited, Techno Design HK Limited, PDS Asia Star Limited, Poeticgem International Limited, Green Apparel Industries Limited and Progress Manufacturing Group Limited, the banking facilities are secured by fellow subsidiaries' corporate guarantee, directors' personal guarantee, life insurance policy, bank guarantee and fellow subsidiary's properties.

iii) With respect to the loans of PG Group the interest-bearing bank borrowings are guaranteed by the immediate holding company and a director of the Company and these loans are repaid during the year ending March 31, 2022.



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

Note 18 : Borrowings (cont'd)

(iv) Interest details of secured loans are as follows:

Entity name	Nature of loan	March 31, 2022	March 31, 2021
PDS Asia star Limited	Discounted bills		
	Import loans	LIBOR+2% p.a	LIBOR +2% p.a
	Trust receipt loans		
Simple Approach Limited	Discounted bills	LIBOR+2% p.a	LIBOR+2% p.a
	Trust receipt loans	Bank prime rate+1.5% p.a	Bank prime rate+1.5% p.a
Zamira Fashions Limited	Import loans	Bank prime rate+1.5% p.a	Bank prime rate+1.5% p.a
	Trust receipt loans	Bank prime rate+1.5% p.a	Bank prime rate+1.5% p.a
Poeticgem International Limited	Import loans	LIBOR+2% to 2.4% p.a	LIBOR+2% to 2.4% p.a
	Trust receipt loans	LIBOR+2% to 2.4% p.a	LIBOR+2% to 2.4% p.a
Techno Design HK Limited	Import loans	LIBOR+2% p.a	LIBOR+2% p.a
Green Apparel Industries Limited	Term loan	LIBOR+2.75% p.a	LIBOR+2.75% p.a
Progress Manufacturing Group Limited	Term loan	LIBOR +2.75% p.a	LIBOR +2.75% p.a
PG Group Limited	Import loans	LIBOR +2.0% p.a	Nil
Clover Collection FZCO	Import loans	SOFRR+2% p.a.	Nil
	Trust receipt loans		
Green Smart Shirts Limited	Bill discounting	LIBOR+3.5% p.a	LIBOR+3.5% p.a
	Term loan	11% p.a	11% p.a
Progress Apparel (Bangladesh) Limited	Bill discounting	LIBOR+3.5% p.a	LIBOR+3.5% p.a
	Bank overdraft	LIBOR+3.5% p.a	LIBOR+3.5% p.a
	Import loans	LIBOR+2.75% p.a	LIBOR+2.75% p.a
	Trust receipt loans	LIBOR+3.5% p.a	LIBOR+3.5% p.a
Norwest Industries Limited and its subsidiaries	Term loans	Nil	1.75% over 3 months HIBOR [^] , 1.47% p.a, 1 month LIBOR#+4% p.a.
	Import loans	EURIBOR ^{^^^} +2%, USD SOFR [*] +2.15% GBP SONIA ^{**} +2%	USD/GBP/EUR: LIBOR [#] +2%, BFR ^{^^} +1.75% p.a
	Trust receipt loans	COF ^{^^} +2.0%, LIBOR#+3.5%, HIBOR [^] +2%, LIBOR#+2%, BFR ^{^^} +1.75% p.a., EURIBOR#+2%, USD SOFR [*] +2.15%, GBP SONIA ^{**} +2%	COF ^{^^} +2.25%, LIBOR#+3.5%, HIBOR [^] +2%, LIBOR#+2%, BFR ^{^^} +1.75% p.a., LIBOR#+2.37% p.a., 2% over higher of LIBOR# and COF ^{^^}
	Bank overdraft	LIBOR#+3.5%, HIBOR [^] +2%,	1.5% p.a.
	Export Loan	EURIBOR ^{^^^} +2%, USD SOFR [*] +2.15% GBP SONIA ^{**} +2%	Nil

London Interbank Offered Rate ("LIBOR")

[^]Hong Kong Interbank Offered Rate ("HIBOR")

^{^^} Intesa Sanpaolo S.P.A.'s Cost of Funds ("COF")

^{^^} BNP PARIBAS's Funding Rate ("BFR")

^{^^^}Euro Interbank Offered Rate ("EURIBOR")

^{*}HSBC Secured Overnight Financing Rate ("SOFR")

^{**}HSBC GBP Sterling Overnight Index Average ("SONIA")



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PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 19 : Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposit received (refer to note 'a' below)	-	63.23
Total (A)	-	63.23
Current		
Interest accrued but not due on borrowings from bank	0.25	0.34
Security deposit received	71.63	-
Derivative financial instruments (refer note 38)	83.77	252.76
Dues to employees	4,729.04	4,961.02
Share Based payment liability	166.38	-
Dues to others	166.36	405.96
Due to related party (note 36)	1,473.54	3,038.93
Total (B)	6,690.97	8,659.01
Total (A+B)	6,690.97	8,722.24

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

Note 20 : Provisions

Non-current		
Gratuity and other defined benefit plans (refer note 35)	1,716.46	1,369.55
Total (A)	1,716.46	1,369.55
Current		
Provision for compensated absences	1,214.40	961.35
Gratuity and other defined benefit plans (refer note 35)	462.54	539.21
Total (B)	1,676.94	1,500.56
Total (A+B)	3,393.40	2,870.11

Note 21 : Trade payable

- Outstanding dues to Micro Enterprises and Small Enterprises - (refer note 'a' & 'c' below)	9.50	1.72
- Others (refer note 36)	156,622.43	89,242.79
Total	156,631.93	89,244.51

a) In respect of the Company, as per Schedule III of the Companies Act, 2013 read with notification number GSR 719 (E) dated November 16, 2007, the amount due to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	As at March 31, 2022	As at March 31, 2021
- the principal amount (March 31, 2022: ₹ 9.50, March 31, 2021: ₹ 1.72) and the interest (March 31, 2022: Nil, March 31, 2021: Nil) due thereon remaining unpaid to any supplier at the end of each accounting year;	9.50	1.72
- the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
- the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
- the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

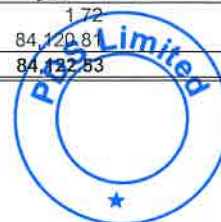
b) The amount does not include any amount due to be transferred to Investor Education and Protection fund.

c) Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

d) Ageing schedule:

Particulars	Accrued liabilities	As at March 31, 2022		
		Outstanding for following periods from the due date of payment		
		Less than 1 year	1-2 Years	Total
- Outstanding dues to Micro Enterprises and Small Enterprises	-	9.50	-	9.50
- Others	4,024.92	152,586.66	10.85	156,622.43
Total	4,024.92	152,596.16	10.85	156,631.93

Particulars	Accrued liabilities	As at March 31, 2021		
		Outstanding for following periods from the due date of payment		
		Less than 1 year	1-2 Years	Total
- Outstanding dues to Micro Enterprises and Small Enterprises	-	1.72	-	1.72
- Others	5,121.98	84,120.81	-	89,242.79
Total	5,121.98	84,122.53	-	89,244.51



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 22 : Other liabilities

	As at March 31, 2022	As at March 31, 2021
Non-current		
Deferred income on security deposit received	60.59	-
Other payables	1.16	112.29
Total (A)	61.75	112.29
Current		
Deferred income on security deposit received	20.68	71.90
Statutory dues	1,234.03	1,385.96
Advance from customers	704.18	1,987.42
Other payables	423.87	172.16
Total (B)	2,382.76	3,617.44
Total (A + B)	2,444.51	3,729.73

Note 23 : Liabilities for current tax (net)

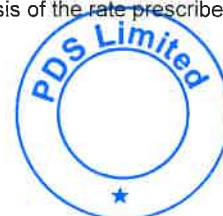
Provision for income tax, net of advance tax	2,713.74	2,177.80
Total	2,713.74	2,177.80

Note 24 : Income Tax

(a) Deferred tax, net

Particulars	As at March 31, 2022		As at March 31, 2021	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Deferred tax asset relates to the following:				
Provision for employee benefits	116.53	-	110.77	2.43
Lease liability	33.42	-	-	-
Brought forward losses and unabsorbed depreciation	1,198.08	-	979.14	-
FDR interest income	-	11.91	-	-
Property, plant and equipment	99.85	334.26	27.83	286.34
Preliminary expenses	0.08	-	-	-
Others	50.21	16.68	40.55	9.97
	1,498.16	362.86	1,158.29	298.74
Deferred tax asset (net)	1,135.31	-	859.55	-
Deferred tax liability relates to the following:				
Provision for employee benefits	42.74	5.57	57.59	6.42
Property, plant and equipment	-	194.87	-	-
Lease liability	70.65	-	-	-
Depreciation	-	-	-	197.73
Others	15.32	213.41	41.92	30.29
	128.71	413.85	99.51	234.44
Deferred tax liability (net)	-	285.13	-	134.93
Charge/ (credit) for the year		(125.56)		(745.47)
Reconciliation to the consolidated Statement of Profit and Loss				
a. Charge/ (credit) for the year		(125.56)		(745.47)
b. Exchange differences		5.13		210.25
c. Recognised in statement of OCI		(5.57)		-
c. Others		47.47		220.00
Charge/(credit) during the year		(78.53)		(315.22)

During the year ended March 31, 2020, the holding Company had decided to exercise the option permitted under Section 115BBA of the Indian Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. The Company has recognised provision for income tax and deferred tax for the years ended March 31, 2021 and March 31, 2022, on the basis of the rate prescribed in the said section.



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 24 : Income Tax (cont'd)

The Group has recognised deferred tax asset in respect of temporary differences in accordance with Ind AS 12 "Income tax" across the entities in various tax jurisdictions, Deferred tax asset created on unabsorbed depreciation of ₹ 8,825.59 can be carried forward indefinitely. Following are Details of expiry period of Business losses for which deferred tax has been recognised.

As at March 31, 2022, a subsidiary of the Group has unused tax losses of ₹ 2,770.31 (March 31, 2021 ₹ 2,233.79) arising in Bangladesh, on which the Group has created deferred tax asset of ₹ 277.03 (March 31, 2021 ₹ 223.40). Such tax losses expire between FY 2023 to FY 2027.

As at March 31, 2022, certain subsidiaries of the Group have unused tax losses arising in Mainland China of ₹ 38.20 (March 31, 2021: ₹ 35.60), on which no deferred tax asset had been created, that will expire in five years for off setting against future taxable profits. Another overseas subsidiary of the group also had tax losses arising in Chile of ₹ 575.61 (March 31, 2021: ₹ 584.74), that are available indefinitely for off setting against future taxable profits of that subsidiary.

(b) Income tax expense in the Statement of Profit and Loss

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

Particulars	As at March 31, 2022	As at March 31, 2021
Tax expense:		
a) Current tax	1,804.24	2,467.48
b) Deferred tax (credit)/ charge	(78.53)	(315.22)
Income tax expense reported in the Statement of Profit and Loss	1,725.71	2,152.26

(c) Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate for March 31, 2022 and March 31, 2021

Particulars	As at March 31, 2022	As at March 31, 2021
Accounting profit before income tax	31,007.80	16,994.68
Statutory rate	25.168%	25.168%
At statutory income tax rate (applicable rate)	7,804.05	4,277.23
Business losses where no deferred tax has been recognised	1,102.60	469.72
Net effect of tax rates in foreign jurisdictions	(3,159.14)	(2,349.06)
Income exempt from tax	(5,657.28)	(1,251.58)
Tax effect on Intercompany dividend	699.22	-
Non-deductible expenses	1,496.94	1,435.99
Effect of prior period errors adjusted	(23.48)	303.19
Reversal of provision for tax	(577.05)	-
Foreign tax credit	-	(680.77)
Others	39.85	(52.46)
At the effective income tax rate	1,725.71	2,152.26

Income tax recognised in other comprehensive income

Deferred tax related to items recognised in other comprehensive income during the year:

Net loss/(gain) on remeasurements of defined benefit plans	(5.57)	-
Net amount charged to Other Comprehensive Income	(5.57)	-



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PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 25 : Revenue from operations	Year ended March 31, 2022	Year ended March 31, 2021
Sale of goods (refer note 44)	868,029.01	605,256.79
Other operating revenues		
- Others (refer note 44)	14,792.37	16,030.05
Total	882,821.38	621,286.84

Note 26 : Other income

Rental income	419.36	634.38
Interest income		
- On fixed deposits	80.68	155.06
- Others	51.26	39.32
Gain on fair valuation of investments	610.66	368.63
Unwinding of discount on deposits	2.42	3.54
Sundry balance written back	104.35	458.63
Dividend from non trade investments	64.26	44.42
Other non-operating income	10.92	7.65
Recovery income	812.94	981.00
Gain on deemed disposal of associate/joint venture	-	424.73
Gain on disposal of subsidiary	4,073.89	-
Miscellaneous income	2,372.00	622.18
Total	8,602.74	3,739.54

Note 27 : Cost of material consumed

Inventory at the beginning of the year	9,307.82	8,505.88
Add: Purchases	55,597.39	60,116.09
Less: Inventory at the end of the year	13,952.17	9,307.82
Total	50,953.04	59,314.15

Note 28 : Purchase of stock in trade

Purchases	694,826.60	459,825.00
Total	694,826.60	459,825.00

Note 29 : Changes in inventories of finished goods, work in progress and stock in trade

Inventories at the beginning of the year		
- Finished goods	7,196.93	5,821.32
- Work-in-progress	3,208.07	3,974.99
Total (A)	10,405.00	9,796.31
Inventories at the end of the year		
- Finished goods	12,981.40	7,196.93
- Work-in-progress	3,591.14	3,208.07
Total (B)	16,572.54	10,405.00
(Increase) / decrease in inventory (A-B)	(6,167.54)	(608.69)

Note 30 : Employee benefits expense

Salaries, wages and bonus	55,028.48	38,205.79
Contribution to provident and other fund (refer note 35)	3,103.75	1,870.62
Staff welfare expenses	689.59	468.49
Compensated absences	433.82	233.88
Gratuity expense (refer note 35)	600.38	646.70
Stock based compensation expense (refer note 47)	2,230.59	-
Total	62,086.61	41,425.48



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 31 : Finance costs	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense		
- on term loans	188.26	375.13
- on loan from related party (refer note 36)	22.98	30.06
- on cash credit and working capital facilities	1,771.26	1,499.71
- on vehicle loan	6.09	2.55
- on lease obligation (refer note 45)	316.25	337.21
- on loan from others	365.12	119.13
- on others	120.38	201.47
Unwinding of discount on security deposit received	11.49	8.53
Total	2,801.83	2,573.79

Note 32 : Depreciation and amortization expense		
Depreciation of property plant and equipment	3,969.62	3,923.40
Depreciation of investment property	65.55	255.73
Amortization of intangible assets	336.60	153.17
Depreciation on right to use of assets	2,619.04	2,437.38
Total	6,990.81	6,769.68

Note 33 : Other expenses		
Other manufacturing expenses	518.82	420.49
Electricity charges	849.96	654.98
Rent (refer note 45)	1,041.21	555.84
Rates and taxes	539.12	78.59
Repairs and maintenance	830.79	750.73
Legal and professional expenses	12,897.24	13,063.62
Software cost	164.87	345.57
Travelling and conveyance	2,611.57	1,681.72
Selling and marketing	2,987.67	1,976.70
Postage and courier	2,213.61	1,563.07
Commission and brokerage	2,505.94	3,083.86
Loss allowance for doubtful advances	1,255.29	-
Loss allowance for expected credit loss	310.48	261.42
Freight cost	8,193.66	2,544.41
Loss on sale of plant, property and equipment	33.26	0.38
Recruitment expenses	434.18	225.35
Impairment of investment in joint venture	-	616.75
Impairment of advance to joint venture and associate, net	-	125.70
Foreign exchange fluctuation (net)	-	1,004.18
Royalty	4,125.66	2,876.72
Advertisement and business promotion	872.68	567.30
Insurance	955.03	623.48
Security expenses	137.86	125.12
Printing and stationery	465.55	301.75
Communication costs	677.31	562.66
Bank charges	1,138.56	1,477.66
CSR expenses	7.90	-
Office expenses	-	493.57
Research and development expenses	91.73	-
Investment management fee	181.27	-
Miscellaneous expenses	2,825.89	2,359.06
Total	48,867.11	38,340.68



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 34 : Earnings per share (EPS)

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

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Profit attributable to the equity holders of the Company	24,840.99	8,431.75
Weighted average number of equity shares for basic EPS*	26,044,864	26,046,724
Effect of dilution:		
Employee stock option plan	303,580	-
Weighted average number of equity shares for diluted EPS*	26,348,444	26,046,724
Earning per Equity share (in ₹)		
Basic earnings per share (in ₹) (face value ₹ 10 per share)	95.38	32.37
Diluted earnings per share (in ₹) (face value ₹ 10 per share)	94.28	32.37

* Net of purchase of treasury shares of equity shares 4,245

Note 35: Defined benefit plans

a) Defined contribution plans:

The Group makes contribution towards Employees Provident Fund, Mandatory Provident Fund retirement benefit scheme and Employee's State Insurance scheme across the various geographies in which it operates. Under the rules of these schemes, the Group is required to contribute a specified percentage of payroll costs. The Group during the year recognised the following amounts in the Consolidated Statement of Profit and Loss under contribution to defined contribution plans:

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Employer's contribution to provident fund/ pension fund	3,103.66	1,870.53
Employer's contribution to employee state insurance	0.09	0.09
Total	3,103.75	1,870.62

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

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected Unit Credit Method" was carried out, which enable to determine the present value of obligations arising out of the defined benefit plans. "Projected Unit Credit Method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation. Following are the benefit plans provided for -

i) The Group operates an unfunded defined benefit gratuity plan for all its qualifying employees in India. Gratuity is calculated as 15 days' salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

ii) The Group operates an unfunded defined benefit plan for all its qualifying employees in Bangladesh. The Group has made provisions for estimated liabilities for employee benefits for meeting the minimum benefits required to be paid to the qualified employees as required under Bangladesh Labour Act. Under Bangladesh Labor Act, companies are required to pay a minimum benefit of fourteen days salary for every completed year of service. For unfunded scheme, the Group engages the services of actuaries to conduct valuation studies to determine the retirement obligations to ensure that these maturing obligations and expected benefit payments are covered and budgeted for. Benefits are determined by reference to employees' final salaries and length of service, and the schemes have undergone independent valuations on an annual basis.

c) The following tables summarize the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and amounts recognised in the Balance Sheet for the defined benefit plans. These have been provided on accrual basis, based on year end actuarial valuations.

Change In benefit obligation	Year ended	Year ended
	March 31, 2022	March 31, 2021
Opening defined benefit obligation	1,908.76	1,371.46
Add: Interest cost	130.67	100.81
Add: Current service cost	469.72	545.89
Less: Benefits paid	(289.87)	(150.19)
Add: Actuarial (gain) / loss	(40.28)	40.79
Present value of obligation as at the end of the year	2,179.00	1,908.76



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 35: Defined benefit plans (cont'd)

d) The following tables summarise the net benefit expense recognised in:

i) Statement of Profit and Loss:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cost for the year included under employee benefit		
Current service cost	469.71	545.89
Interest cost	130.67	100.81
Net cost	600.38	646.70

ii) Other comprehensive income:

Particulars		
Actuarial gain/(loss)	40.28	(40.79)
Total	40.28	(40.79)

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

Economic assumptions

1) Discount rate	6.5-7.6%	6.8-7.0%
2) Rate of increase in compensation levels	5.0-9.0%	5.0-9.0%

Demographic assumptions

1) Retirement age (years)	58-60 Years	58-60 Years
---------------------------	-------------	-------------

Employee Turnover / Attrition rate

1) Ages up to 30 years	1.5% - 9.2%	3% - 9.2%
2) Ages from 30-44	1.5% - 9.2%	2% - 9.2%
3) Above 44 years	1.5% - 9.2%	1% - 9.2%

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

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation	2,179.00	1,908.76
Net liability	2,179.00	1,908.76

g) The weighted average duration of the defined benefit obligations are in the range of 6.34 - 17.74 years (March 31, 2021: 9 - 13.24 years).

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

Particulars	As at March 31, 2022	As at March 31, 2021
	increase/ (decrease) in liability	increase/ (decrease) in liability
A. Discount rate		
0.5% increase in discount rate	(93.99)	(60.23)
0.5% decrease in discount rate	102.13	64.92
B. Salary escalation rate		
0.5% increase in salary escalation rate	102.24	64.98
0.5% decrease in salary escalation rate	(94.98)	(60.73)

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

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

i) Description of risk exposures:

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
1 year	136.71	121.86
2 to 6 years	404.92	422.35
More than 6 years	1,314.47	888.23

k) The estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 36 : Related parties disclosure

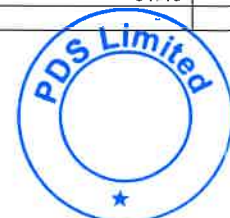
a) List of related parties

Name of the related party	Nature of relationship
Digital Ecom Techno Private Limited	Joint ventures
Redwood Internet Ventures Limited	
Digital Internet Technologies Limited	
Yellow Octopus EU Sp. Z.oo*	
Yellow Octopus EU Spolka z ograniczona odpowiedzialnoscia spolka komandytowa (LLP)*	
One Stop Shop Solutions EU Sp. Z.oo*	
Yellow Octopus Ventures FZCO*	
One Stop Shop Solutions EU Spolka z ograniczona odpowiedzialnoscia spolka komandytowa (LLP)*	
Filkor Limited**	
Yellow Octopus Fashion Limited*	Associates
GWD Enterprises Limited	
Loop Digital Wardrobe Limited**	
Sourcing Solution Europe BVBA#	
Refaunt Pte Limited	Enterprise over which KMP exercise control and significant influence.
Pearl Global Industries Limited	
Frou Holding Limited	
JSM Trading FZE	Key managerial personnel (KMP)
Mrs. Payal Seth (Director)^	
Mr. Deepak Seth (Director)	
Mr. Pallak Seth (Director)	
Mr. Ashok Kumar Sanghi (Independent Director)^^	
Mr. Ashutosh Prabhudas Bhupatkar (Independent Director)^^	
Ms. Saraswathy Venkateswaran (Independent Director)^^	
Mr. Parth Gandhi (Non Executive-Non Independent Director)^^	
Mr. Nishant Parikh (Non Executive -Independent Director)^^	
Mr. Mungo Park (Non Executive -Independent Director)^^	
Mrs. Yael Gairola (Non Executive -Independent Director)^^	
Mr. Robert Sinclair (Non Executive- Independent Director)^^	
Mr. Ashok Kumar Chhabra (Independent Director)^^	
Mr. Omprakash Makam Suryanarayana (Chief Operating Officer)##	
Mr. Sanjay Jain (Chief Executive Officer)##	
Mr. Ashish Gupta (Chief Financial Officer)^^^	
Mr. Ajay Singh (Chief Financial Officer)^^^	
Mr. Chandra Shekhar Reddy (Head of Legal & Company Secretary)***	
Mr. Abhishekh Kanoi (Head of Legal & Company Secretary)***	
PDS Multinational ESOP Trust****	Controlled trust

Refer Note 2 for details of subsidiaries and step down subsidiaries.

b) Transactions with related parties

Name of Related Party	Relationship	Nature	For the year ended March 31, 2022	For the year ended March 31, 2021	
Sourcing Solutions Limited@	Associate	Management income	-	139.44	
		Management expense	-	123.30	
		Interest income	-	37.17	
JSM Trading FZE	Enterprises owned or significantly influenced by KMP or their relatives	Consultancy fees	-	2,226.75	
Pearl Global Industries Limited		Interest expenses	22.98	30.06	
Digital Ecom Techno Private Limited	Joint Venture	Rental income	0.12	0.03	
Sourcing Solution Europe BVBA	Associate	Sale of goods	995.78	-	
		Marketing fees expense	20.99	-	
Mr. Ashok Kumar Sanghi	Key managerial personnel	Director sitting fees	3.00	4.00	
Mr. Ashutosh Prabhudas Bhupatkar		Director sitting fees	4.00	4.00	
Mr. Ashok Kumar Chhabra		Director sitting fees	3.00	4.00	
Ms. Saraswathy Venkateshwaran#		Director sitting fees	6.00	4.00	
Mr. Parth Gandhi		Stock based compensation expense		52.48	-
Mr. Sanjay Jain				748.93	-
Mr. Ashish Gupta				24.67	-
Mr. Abhishek Kanoi				12.33	-
Mr. Ashok Kumar Sanghi		Remuneration		3.74	-
Mr. Ashok Kumar Chhabra				3.74	-
Mr. Pallak Seth			201.97	178.17	
Mrs. Payal Seth			34.81	-	
Mr. Ajai Singh			19.02	162.78	
Mr. Ashish Gupta			105.85	-	
Mr. Omprakash Makam Suryanarayan Setty			-	64.52	
Mr. Sanjay Jain			324.78	63.66	
Mr. Abhishekh Kanoi			61.45	9.39	
Mr. Chandra Shekar Reddy				31.19	



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 36 : Related parties disclosure (Cont'd)

c) Year end receivable balances

Name of related party	Relationship	Nature	As at March 31, 2022	As at March 31, 2021
Digital Internet Technologies Limited	Joint venture		261.20	258.13
Frou Holding Limited	Enterprises owned or significantly influenced by KMP or their relatives	Dues from related party	-	287.60
Sourcing Solution Europe BVBA	Associate		750.27	-
Yellow Octopus EU sp.zo.o.	Joint venture		951.25	-
GWD Enterprises Limited	Associate		-	681.49
Mr. Abhishekh Kanoi	Key managerial personnel	Advance to employees	29.50	-

d) Year end payable balances

Name of related party	Relationship	Nature	As at March 31, 2022	As at March 31, 2021
JSM Trading FZE	Enterprises owned or significantly influenced by KMP or their relatives	Trade payable	-	639.67
Pearl Global Industries Limited		Loan outstanding	-	300.00
Mr. Ashish Gupta	Key managerial personnel	Salary payable	5.39	-
Mr. Abhishek Kanoi			3.91	3.16
Mr. Sanjay Jain			20.02	19.71
Mr. Pallak Seth ***			12.59	14.85
Mr. Ajai Singh			-	13.56
Mr. Deepak Seth ***			833.61	3,038.93
Yellow Octopus Ventures-FZCO	Joint venture	Dues to related party	10.32	-
One Stop Solutions sp.zo.o	Joint venture	Dues to related party	0.48	-
One Stop Shop Solutions sp.zo.o.sp.k	Joint venture	Dues to related party	0.96	-
Yellow Octopus EU sp.zo.o.	Joint venture	Dues to related party	0.48	-
Yellow Octopus EU sp.zo.o.sp.k	Joint venture	Dues to related party	0.96	-

* During the year, Company subsidiary PG Capital FZE has invested in these joint ventures.

** During the year, Company subsidiary PDS Ventures Limited (Formerly Smart Notch Industrial Limited) has invested in Loop Digital Wardrobe Limited (34% stake) and Filkor Limited (50% stake)

*** Net of receivable

During the year, the group purchase the remaining interest in Sourcing solutions limited on May 12, 2021. Therefore, it become wholly owned subsidiary thereafter. Earlier Sourcing Solutions Limited BVBA was a subsidiary of Sourcing Solutions limited which became associate after above acquisition.

^ Mrs. Payal Seth is the controlling shareholder

^^ The Board of Directors of the Company has appointed Mr. Parth Gandhi effective from May 27, 2021, Mr Mungo Park, Mr Robert Sinclair effective from November 09, 2021 and Mr. Nishant Parikh and Ms. Yael Gairola effective from December 08, 2021 as Independent Director and KMP of the Company. Mr. Ashok Kumar Chhabra, Mr. Ashok Kumar Sanghi has resigned asan Independent Director & KMP of the Company on November 09, 2021, Mr. Ashutosh Bhupatkar has resigned as an Independent Director & KMP of the Company on December 08, 2021 and Mr. Saraswathy Venkateswaran has resigned as an Independent Director & KMP of the Company on March 14, 2022.

The Board of Directors of the Company has appointed Mr. Sanjay Jain as Chief Executive Officer and KMP of the Company effective from January 15, 2021. Mr. Omprakash Makam Suryanarayana has resigned as Chief Executive Officer & KMP of the Company on January 14, 2021 and continues his association as Group Chief Operating Officer with effect from January 15, 2021. However, he has resigned from its position of Group Chief Operating Office effective from April 09, 2021.

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

*** The Board of Directors of the Company has appointed Mr. Abhishekh Kanoi as Head of Legal and Company Secretary and KMP of the Company effective from January 11, 2021. Mr. Chandra Sekhara Reddy has resigned as Head of Legal and Company Secretary and KMP of the Company on January 10, 2021.

@The Group has acquired 100% stake in Sourcing solutions limited and hence it ceases to be a related party from current year

****The Group has created an Employee Benefit Trust for providing share-based payment to its employees. The Group uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Group from the market, for giving shares to employees. The Company treats Trust as its extension and shared held by the Trust are treated as treasury shares.

e) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate, wherever applicable.

f) In respect of figures disclosed above:

(i) The amount of transactions/ balances are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation.

(ii) Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Group.



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 37: Capital management

(a) The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Borrowings (refer note 18 and 19)	62,335.11	48,980.81
Less: Cash and cash equivalents (refer note 14)	46,000.20	29,346.21
Less: Other bank balance (refer note 15)	20,484.50	13,718.34
Adjusted Net debt (A)	(4,149.59)	5,916.26
Equity share capital (refer note 16)	2,604.25	2,604.67
Other equity (refer note 17)	84,635.94	62,083.92
Total Capital (B)	87,240.19	64,688.59
Capital and net debt (A + B)	83,090.60	70,604.85

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

(b) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 38: Currency derivative

Forward currency and option currency contracts are designated as hedging instruments in respect of forecast future sales and forecast purchases in foreign currencies to which the Group has firm commitments. The forward currency contract balances vary with the levels of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

Particular	Assets	Liabilities	Assets	Liabilities
	2022	2021	2021	2021
	USD	USD	USD	USD
Forward currency contracts	365,792	110,535	506,340	345,749
	(Equivalent to ₹ 277.22)	(Equivalent to ₹ 83.77)	(Equivalent to ₹ 370.16)	(Equivalent to ₹ 252.76)

The carrying amount of foreign currency contracts are the same as their fair values

At 31 March 2022, the Group held 139 forward currency contracts (March 31, 2021: 129) and no option currency contracts (March 31, 2021: Nil) and they are designated as hedges in respect of expected future sales to customers in the United Kingdom for which the said Group has firm commitments.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. The cash flow hedges of the expected future sales between April 2022 and March 2023 were assessed to be highly effective and a net gain of ₹99.89 (March 31, 2021: net loss of ₹ 405.76), was included in the hedging reserve for the year.



PDS Limited
(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 39 : Fair values disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments. Carrying value of financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, borrowings, other financial liabilities etc. represent the best estimate of fair value.

a) Fair value of financial assets:

	Carrying values		Fair values	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets measured at FVTPL				
Equity investments (refer note 9A)	3,744.22	2,660.95	3,744.22	2,660.95
Debt investments (refer note 9A)	153.23	3,592.55	153.23	3,592.55
Other investments (refer note 9A)	2,818.12	2,525.74	2,818.12	2,525.74
Investment in convertible notes (refer note 9A)	1,961.46	-	1,961.46	-
Investment in funds (refer note 9A)	2,162.75	-	2,162.75	-
	10,839.78	8,779.24	10,839.78	8,779.24
Financial assets measured at FVOCI				
Equity and debt investments (refer note 9A)	11,436.20	5,646.59	11,436.20	5,646.59
Derivative financial instruments (refer note 10)	277.22	370.16	277.22	370.16
Other investments (refer note 9A)	-	69.55	-	69.55
	11,713.42	6,086.30	11,713.42	6,086.30
Financial assets measured at amortised cost				
Security deposits (refer note 10)	1,765.39	1,550.45	1,765.39	1,550.45
Application money paid towards securities (refer note 10)	-	299.38	-	299.38
Loan to others (refer note 10)	1,134.53	1,311.92	1,134.53	1,311.92
Dues from related party (refer note 10)	2,591.52	1,227.21	2,591.52	1,227.21
Deposits with original maturity of more than 12 months (refer note 10)	1.00	1.00	1.00	1.00
Interest accrued but not due (refer note 10)	50.33	28.77	50.33	28.77
Loans receivable from others (refer note 10)	2,065.72	2,746.90	2,065.72	2,746.90
Unbilled revenue (refer note 10)	308.16	149.57	308.16	149.57
Trade receivable (refer note 13)	142,130.97	90,980.73	142,130.97	90,980.73
Cash and cash equivalents (refer note 14)	46,000.20	29,346.21	46,000.20	29,346.21
Other bank balances (refer note 15)	20,484.50	13,718.34	20,484.50	13,718.34
	216,532.32	141,360.48	216,532.32	141,360.48

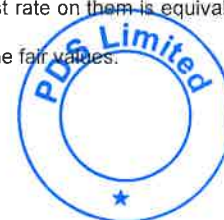
b) Fair value of financial liabilities:

	Carrying values		Fair values	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial liabilities measured at fair value through other comprehensive income				
Derivative financial instruments (refer note 19)	83.77	252.76	83.77	252.76
	83.77	252.76	83.77	252.76
Financial liabilities measured at amortised cost				
Borrowings (refer note 18)	62,335.11	48,980.81	62,335.11	48,980.81
Trade payables (refer note 21)	156,631.93	89,244.51	156,631.93	89,244.51
Interest accrued but not due on borrowings (refer note 19)	0.25	0.34	0.25	0.34
Lease liabilities (refer note 45)	11,713.02	7,173.89	11,713.02	7,173.89
Dues to employees (refer note 19)	4,729.04	4,961.02	4,729.04	4,961.02
Due to related party (refer note 19)	1,473.54	3,038.93	1,473.54	3,038.93
Due to others (refer note 19)	166.36	405.96	166.36	405.96
Security deposit received (refer note 19)	71.63	63.23	71.63	63.23
	237,120.88	153,868.69	237,120.88	153,868.69
Financial liabilities measured at FVTPL				
Share based payment (refer note 19)	166.38	-	166.38	-
	166.38	-	166.38	-

c) Discount rate used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of borrower which in case of financial liabilities is average market cost of borrowings and in case of financial asset is the average market rate of similar credit rated instrument. The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Fair value for all other non-current financial assets and liabilities is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.
- For other financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 40 : Fair value hierarchy

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

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

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

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

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

a) Fair value measurement hierarchy of financial assets as at March 31, 2022:

	Total	Level 1	Level 2	Level 3
Financial assets measured at FVTPL				
Listed and unlisted equity investments, at fair value	3,744.22	3,687.22	-	57.00
Listed debt investments, at fair value	153.23	153.23	-	-
Investment in convertible notes	1,961.46	-	-	1,961.46
Investment in funds	2,162.75	163.46	1,999.29	-
Investments in life insurance policies, at fair value	2,818.12	-	2,818.12	-
Total (A)	10,839.78	4,003.91	4,817.41	2,018.46
Financial assets measured at FVOCI				
Equity investments, at fair value	11,436.20	-	345.15	11,091.04
Derivative financial instruments	277.22	-	277.22	-
Total (B)	11,713.42	-	622.37	11,091.04
Total (A+B)	22,553.20	4,003.91	5,439.78	13,109.50

b) Fair value measurement hierarchy for financial liabilities as at March 31, 2022:

	Total	Level 1	Level 2	Level 3
Financial liabilities measured at FVOCI				
Derivative financial instruments	83.77	-	83.77	-
Total (A)	83.77	-	83.77	-

c) Fair value measurement hierarchy of financial assets as at March 31, 2021:

	Total	Level 1	Level 2	Level 3
Financial assets measured at FVTPL				
Listed and unlisted equity investments, at fair value	2,660.95	2,603.95	-	57.00
Listed debt investments, at fair value	3,592.55	3,592.55	-	-
Investments in life insurance policies, at fair value	2,525.74	-	2,525.74	-
Total A	8,779.24	6,196.50	2,525.74	57.00
Financial assets measured at FVOCI				
Equity investments, at fair value	5,646.59	-	-	5,646.59
Derivative financial instruments	370.16	-	370.16	-
Investments in bonds, at fair value	69.55	69.55	-	-
Total B	6,086.29	69.55	370.16	5,646.59
Total (A+B)	14,865.53	6,266.05	2,895.90	5,703.59

d) Fair value measurement hierarchy for financial liabilities as at March 31, 2021:

	Total	Level 1	Level 2	Level 3
Financial liabilities measured at FVOCI				
Derivative financial instruments	252.76	-	252.76	-
Total	252.76	-	252.76	-

The movements in fair value measurements within Level 3 during the year are as follows:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
At beginning of the year	5,703.59	1,080.61
Addition	5,551.84	2,730.34
Total gains/(losses) recognised in statement of profit and loss	120.83	-
Total gains/(losses) recognised in other comprehensive income	1,663.97	798.99
Transferred from an investment in an associate	-	1,210.36
Foreign exchange gain/(loss)	69.28	(116.71)
At end of the year	13,109.51	5,703.59

i) There have been no transfers between level 1, level 2 and level 3 category during the years ended on March 31, 2022 and March 31, 2021.



Note 40 : Fair value hierarchy (cont'd)

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) **Investment in listed equity and debt instruments and bonds:** The fair value of listed investment in equity and debt instruments and bonds are determined using its quoted market price.

(b) **Investment in unlisted equity and debt instruments:** The fair value of unlisted investments at fair value through other comprehensive income and fair value through profit or loss are based on either using a valuation technique which incorporates various market observable inputs including quoted prices or most recent transaction prices. The management believe that the estimated fair value resulting therefrom, which is recorded in the Consolidated Balance Sheet and the related change in fair value, which is recorded in the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), are reasonable, and that it was the most appropriate value at the end of the reporting period.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at March 31, 2022 and March 31, 2021:

Particulars	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial assets at fair value through other comprehensive income and statement of profit and loss	Market approach	Enterprise-value-to-revenue multiple	Increase/decrease in EV/ Revenue would result in increase/ decrease in fair value
	Income approach	Discount rate	Increase/decrease in discount rate would result in decrease/ increase in fair value
	Recent transaction approach	Value of recent transaction with unrelated party	Valuation is dependant on the most recent transaction/ round of investment that was carried out with an unrelated party.

(c) **Derivative financial instruments:** The Group enters into derivative financial instruments with financial institutions with high credit ratings. Derivative financial instruments, representing forward currency contracts and option currency contracts, are measured using valuation techniques similar to forward and option pricing, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values. As at March 31, 2022 the mark-to-market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

(d) **Investment in life insurance policies:** The fair values of investments in life insurance policies have been estimated based on the surrender values, which are calculated and quoted by the issuer. The management believe that the estimated fair values resulting therefrom, which are recorded in the consolidated Balance Sheet, and the related changes in fair values, which are recorded in the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), are reasonable, and that they were the most appropriate values at the end of the reporting period.



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PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 41 Financial risk management objectives and policies

The Group's principal financial liabilities comprises of trade and other payables, borrowings and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets includes investments, trade receivables, cash and cash equivalents, other bank balances and other financial assets. The Group is exposed to credit risk, liquidity risk and market risk. The Group's senior level management oversees the management of these risks and advises on the appropriate financial risk governance framework.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk.

i) Interest rate

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates. The Group has significant exposure to interest rate risk as shown below. The Group's interest rate risk mainly arises from borrowings with variable rates.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Variable rate borrowing	60,580.06	47,483.64
Fixed rate borrowing	1,755.05	1,497.17
	62,335.11	48,980.81

Particulars		
50 bps increase would decrease the profit before tax by	(270.16)	(300.81)
50 bps decrease would Increase the profit before tax by	270.16	300.81

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

ii) Foreign currency risk

The Group's exposure to foreign currency risk as at 31 March 2022 are as follows:

Currency	Trade receivables	Unbilled revenue	Other receivable	Cash and cash equivalent	Lease liability	Trade payable	Bank borrowings	As at March 31, 2022
USD	1,746.78	33.86	-	-	-	(1,225.25)	-	555.39
EUR	990.68	-	-	833.74	-	(1,130.51)	-	693.92
GBP	6,034.71	-	374.22	2,945.28	-	(2,149.91)	(2,282.68)	4,921.61
CNY	90.94	-	-	539.97	(225.07)	-	-	405.85
BDT	7.42	-	-	706.42	(9.78)	(420.76)	-	283.31
CAD	-	-	-	112.28	-	(21.07)	-	91.21
CHF	-	-	-	0.09	-	-	-	0.09
LKR	3.88	-	-	5.88	-	(6.41)	-	3.34
Net Exposure	8,874.41	33.86	374.22	5,143.67	(234.85)	(4,953.91)	(2,282.68)	6,954.70



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ii) Foreign currency risk(cont'd)

The Group's exposure to foreign currency risk as at 31 March 2021 are as follows:

Currency	Trade receivables	Unbilled revenue	Other receivable	Cash and cash equivalent	Lease liability	Trade payable	Bank borrowings	As at March 31, 2021
USD	255.84	41.04	-	-	-	(355.37)	-	(58.49)
EUR	1,278.74	-	-	607.58	-	(307.58)	(24.31)	1,554.43
GBP	2,961.80	-	112.35	2,657.98	-	(2,270.81)	(5,239.28)	(1,777.96)
CNY	44.84	-	-	176.23	(60.97)	(106.31)	-	53.79
BDT	50.33	-	-	548.85	(31.65)	(368.98)	-	198.55
CAD	1.56	-	-	46.62	-	(42.61)	-	5.57
CHF	-	-	-	0.07	-	-	-	0.07
LKR	6.27	-	-	12.84	-	(58.76)	-	(39.65)
Net Exposure	4,599.38	41.04	112.35	4,050.18	(92.62)	(3,510.43)	(5,263.59)	(63.69)

Sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP, EURO, HKD, AED and BDT exchange rates, with all other variables held constant.

Particulars	Change in FC exchange rate by	Impact on profit or loss and equity (in lakhs)			
		Increase in FC exchange		Decrease in FC exchange	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	5%	27.77	(2.92)	(27.77)	2.92
EUR	5%	34.70	77.72	(34.70)	(77.72)
GBP	5%	246.08	(88.90)	(246.08)	88.90
CNY	5%	20.29	2.69	(20.29)	(2.69)
BDT	5%	14.17	9.93	(14.17)	(9.93)
CAD	5%	4.56	0.28	(4.56)	(0.28)
CHF	5%	0.00	0.00	(0.00)	(0.00)
LKR	5%	0.17	(1.98)	(0.17)	1.98

The Group has transactional currency exposures. Such exposures arise from sales or purchases in currencies other than the Group's functional currency. The Group uses forward currency contracts to eliminate the foreign currency exposures on its sales transactions, for which the corresponding settlements are anticipated to take place more than one month after the Group has entered into firm commitments for the sales. The forward currency contracts must be in the same currency as that of the hedged items. Group negotiates the terms of the hedge derivatives to match the terms of the hedged items to maximise hedge effectiveness. It is the Group's policy that a forward contract is not entered into until a firm commitment is in place.

B. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Group. The Group continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The Group also uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model. The credit risk also arises from cash and cash equivalents, deposits from banks and other financial assets measured at amortised cost.

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

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

Particulars	Less than 30 days	30 to 90 days	More than 90 days	Total
Trade receivables as of March 31, 2022	131,818.02	6,924.07	3,388.88	142,130.97
Trade receivables as of March 31, 2021	79,271.21	8,280.89	3,428.63	90,980.73

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 40.

Receivables that were neither past due nor impaired relate to a number of customers for whom there was no recent history of default. This applies to most of the subsidiaries.

The total impairment loss amounting to ₹ 828.62 as at March 31, 2022 (March 31, 2021: ₹ 518.14) on trade receivables.



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 41: Financial risk management objectives and policies (cont'd)

C. Liquidity risk

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

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

As at March 31, 2022	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	62,324.34	10.77	-	62,335.11
Trade payables	156,631.93	-	-	156,631.93
Lease liabilities	3,148.16	8,162.40	1,543.76	12,854.32
Other financial liabilities	6,760.30	-	-	6,760.30
Total	228,864.73	8,173.16	1,543.76	238,581.66

As at March 31, 2021	< 1 year	1 to 5 years	> 5 years	Total
Borrowings	48,796.77	184.04	-	48,980.81
Trade payables	89,244.51	-	-	89,244.51
Lease liabilities	2,422.69	5,154.12	337.99	7,914.81
Other financial liabilities	8,659.01	125.73	-	8,784.74
Total	149,122.98	5,463.90	337.99	154,924.87

Note 42 : Commitments and contingencies

a) Commitments

(i) Capital commitment:

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	33.37

(ii) Other commitment:

The Company has entered into a Capital commitment agreement where contribution has to be made to WaterBridge Ventures II Trust (the "Fund") and the contribution agreement has been executed between Vistra ITCL (India) Limited (the "Trustee Company"), WaterBridge Capital Management LLP (the "Investment Manager") and PDS Multinational Fashions Limited (The "contributor") in which the contributor has committed ₹ 1000.00 which will be paid as per the terms of agreement. During the year, 50% of the amount i.e. ₹ 500.00 has been contributed based on the drawdown notice received from the fund.

b) Contingent liabilities

i) In case of the Company, claims against Company not acknowledged as debt

- On account of stamp duty on demerger	148.20	148.20
- Tenancy case*	15.00	-
	163.20	148.20

- Pending resolution of the respective proceedings, it is difficult to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.

*The company has filed a Petition in the High Court of Delhi under section 9 of Arbitration and Conciliation Act for securing the our interest/rightful entitlement of due rent and CAM Charges payable by the tenant. The case is under settlement process and hence the security deposit received from the tenant is considered as contingent liability.

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

iii) In case of Norwest Industries Limited, Guarantee given to banks in connection with facilities granted to subsidiaries and fellow subsidiaries ₹53,390.58 (March 31, 2021: ₹38,912.67). At March 31, 2022, the banking facilities guaranteed by Norwest Industries Limited to its fellow subsidiaries were utilised to the extent of approximately ₹51,807.01 (March 31, 2021 : ₹31,944.10).

In determining whether financial liabilities should be recognised in respect of Norwest Industries Limited's financial guarantee contracts, the directors exercise judgement in the evaluation of the probability of resources outflow that will be required and the assessment of whether a reliable estimate can be made of the amount of the obligation. In the opinion of the directors of Norwest Industries Limited, the fair values of the financial guarantee contracts are insignificant at initial recognition and the directors consider that the possibility of the default of the parties involved is remote, and accordingly, no value was recognised in its consolidated financial statements.

(iv) In case of Poeticgem Limited, HSBC Bank PLC, has provided a guarantee to H M Revenue and Customs amounting to 534.61 (March 31, 2021 : Nil).

(v) Poeticgem Limited had available ₹ 2,489.19 (March 31, 2021: ₹ 2,518.10) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

(vi) In case of Progress Apparel Bangladesh Limited, unconditional bank guarantee issued of ₹2.62 (March 31, 2021 : Nil) to Green Della Insurance Company Limited towards guarantee of 30 days credit period.

(vii) FX Import Company Limited has extended an unlimited multilateral guarantee to its Parent Company and fellow subsidiaries, Poeticgem Limited and Pacific Logistics Limited. The bank has a fixed charge over the assets of FX Import Company Limited which is supported by a debenture.

(viii) Contingent liabilities related to irrevocable letters of credit as at March 31, 2022 of Group companies is ₹ 20,762.47 (March 31, 2021: ₹ 17,869.43).



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 43 : Segment reporting

(a) Primary segment information:

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment e.g. sourcing, manufacturing and others), or in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business segments. The Group's primary format for segment reporting is based on business segments.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Other items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Group's headquarters) and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the reporting period to acquire property, plant and equipment, investment property and intangible assets other than goodwill.

(b) Segment details are as below:

Particulars	Sourcing		Manufacturing		Others		Adjustment / elimination		Total	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Segment revenue	850,650.55	607,317.62	54,710.45	28,462.19	221.42	(207.45)	(22,763.05)	(14,285.52)	882,819.38	621,286.84
Other income	3,786.19	1,860.25	193.58	181.88	4,821.07	1,697.41	(198.10)	-	8,602.74	3,739.54
Segment results before tax	28,753.14	28,292.86	(1,894.85)	(10,368.10)	4,216.15	(11.93)	(28.78)	(526.54)	31,045.66	17,386.29
Tax expense									(1,725.71)	(2,152.26)
Share of loss of associates and joint ventures									(57.86)	(391.61)
Profit for the year	262,032.47	167,620.42	47,769.80	41,951.65	30,005.97	25,016.32	-	-	29,262.09	14,842.42
Segment assets									339,808.24	234,588.39
Segment assets as a % of total assets	77.11	71.45	14.06	17.88	8.83	10.66	-	-	100.00	100.00
Segment liabilities	225,549.32	134,776.62	18,099.32	19,731.85	2,559.17	8,525.55	-	-	246,207.81	163,034.02
Segment liabilities as a % of total liabilities	91.61	82.67	7.35	12.10	1.04	5.23	-	-	100.00	100.00
Other material non-cash items included under Statement of Profit and loss before tax										
Depreciation and amortisation	4,384.80	4,064.53	2,325.78	2,336.83	280.23	368.32	-	-	6,990.81	6,769.68

(c) Information about products and services:

(i) Revenue from external customers by nature of product:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of goods	868,029.01	605,256.79
Others	14,792.37	16,030.05
	882,821.38	621,286.84

(d) Information about Geographical areas

(i) Revenue from external customers by Geography are as follows:

India	6,358.87	2,341.42
Europe	679,772.46	521,880.95
Others	196,690.05	97,064.47
	882,821.38	621,286.84

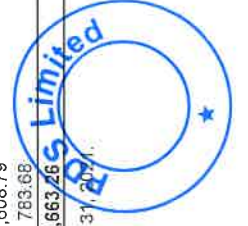
(ii) The Group's non-current assets are majority located as follows:

India	4,456.31	3,753.07
Hong Kong	16,670.74	13,855.53
Bangladesh	16,968.34	21,338.76
Others	19,860.09	9,174.71
	57,955.48	48,122.07

(iii) The Group's investments accounted as per equity method are majority located as follows:

Hong Kong	270.79	913.53
Poland	8,608.79	-
Others	783.68	-
	9,663.26	913.53

(e) Revenue from major customers: There were 2 customers who had contributed 10% or more to the Group's revenue for the year ended March 31, 2022 and 2 customers for the year ended March 31, 2021.



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 44: Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to Statement of Profit and Loss:

	Year ended March 31, 2022	Year ended March 31, 2021
Revenues by category and nature		
Sale of goods	868,029.01	605,256.79
Others	14,792.37	16,030.05
	882,821.38	621,286.84
Revenues from geographic areas based on the location of the customers are as follows:		
Europe	679,772.46	521,880.95
Other than Europe	203,048.92	99,405.89
	882,821.38	621,286.84
Revenues based on timing of recognition		
Sale of goods transferred at a point in time	868,029.01	605,256.79
Services transferred over the period of time	14,792.37	16,030.05
	882,821.38	621,286.84

Significant changes in contract assets and contract liabilities during the period are as follows:

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Assets and liabilities related to contracts with customers

	As at March 31, 2022	As at March 31, 2021
Trade receivables	142,130.97	90,980.73
Contract assets	308.16	149.57
Contract liabilities	704.18	1,987.42

Trade receivables are non-interest bearing and are generally on terms of 60-90 days. The Group has recognised Nil provision for expected credit loss on trade receivables during the year ended March 31, 2022 (March 31, 2021: Nil).

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

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

	As at March 31, 2022	As at March 31, 2021
Contract assets at the beginning of the year	149.57	42.49
Revenue billed/ accrued during the year	158.59	107.08
Contract assets at the end of the year	308.16	149.57
Contract liabilities at the beginning of the year	1,987.42	3,166.37
Advance received from customers during the year	(1,283.24)	(1,178.95)
Contract liabilities at the end of the year	704.18	1,987.42

Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

Revenue as per contract	884,831.77	624,283.34
Adjustments	(2,010.39)	(2,996.50)
Revenue from contract with customers	882,821.38	621,286.84



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 45: Lease disclosure

Where the Group is the lessee:

As lessee

On March 30, 2019 Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). The Group has adopted this standard using the modified retrospective approach and accordingly, the comparative figures for the year ended March 31, 2019 has not been restated. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 at the date of initial application.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

As a lessee

- i) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Buildings	
	As at	As at
	March 31, 2022	March 31, 2021
At the beginning of the year	7,124.23	8,142.83
Additions during the year	7,346.22	2,344.13
Disposals/adjustment during the year	(482.77)	(1,078.76)
Depreciation expenses	(2,619.04)	(2,437.38)
Forex translation, net	211.18	153.41
At the end of the year	11,579.83	7,124.23

- ii) Set out below are the carrying amounts of lease liabilities (included under other financial liabilities) and the movements during the period:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
At the beginning of the year	7,173.89	8,158.94
Addition	7,074.64	2,685.17
Accretion of interest	316.25	337.21
Covid concession	(2.33)	(136.88)
Payment	(2,535.50)	(2,140.56)
Derecognition upon exercise of termination options	(554.71)	(1,154.87)
Forex translation	240.79	(575.12)
At the end of the year	11,713.02	7,173.89
Current	2,567.71	2,436.34
Non-current	9,145.31	4,737.55
	11,713.02	7,173.89

- iii) Maturity analysis of lease liabilities:

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Lease payments		
Not later than one year	3,148.16	2,422.69
Later than one year	8,162.40	5,154.12
Later than five years	1,543.76	337.99
Total	12,854.32	7,914.80

- iv) Amount recognised in Consolidated Statement of Profit and Loss

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Depreciation on right of use assets	2,619.04	2,437.38
Interest on lease liabilities	316.25	337.21
Expenses relating to short term leases	1,041.21	555.84

As a lessor

The Group has entered into operating leases on its investment property. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Refer note 5 for rental income and future minimum rentals receivable under non-cancellable operating leases as at March 31, 2022 and March 31, 2021.



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 46A: Business Combinations

i) Acquisition of PG Capital FZE

On 29 September 2021, the Group acquired 100% of the equity interest in PG Capital FZE. PG Capital FZE holds investment in the following joint ventures Joint ventures, collectively referred to as the "Yellow Octopus Group" -

1. Yellow Octopus EU Sp. z o.o. sp.K., based in Poland
2. One stop Shop Solution Sp. z o.o. sp.K., based in Poland
3. Yellow Octopus Fashion Limited, based in UK

The Yellow octopus group is primarily engaged in in providing commercial sustainability solutions in the fashion industry. It aims to transform fashion industry from linear to circular economy model. The services provided by the entities include stock exits, e-commerce, recycling and upcycling. The acquisition is made as part of a strategic expansion plan of the Group, for a consideration of ₹ 8,501.08. The purchase consideration for the acquisition was in form of cash, which has been paid as at 31 March 2022.

The fair values of the identifiable assets and liabilities of PG Capital as at the respective date of acquisition were as follows:

	<u>Amount</u>
Investment in Joint ventures	8,534.32
Other liabilities	(175.70)
	<u>8,358.63</u>
Fair value of cash consideration	8,358.63

The Group incurred transaction costs of ₹ 9.70 for the acquisition of PG Capital FZE. These transaction costs have been expensed and are included in miscellaneous expenses in the consolidated statement of profit or loss.

Since the acquisition, PG Capital FZE contributed ₹ Nil to the Group's revenue and profit of ₹ 74.46 to the consolidated profit for the year ended March 31, 2022

The allocation of the fair value of the Joint venture to the Group's share of Joint venture's intangible assets is pending as at 31 March 2022 (Refer disclosure under note 9B). The Group has aquired certain intangibles the valuation for which has not been finalised and has been collectively disclosed under goodwill which forms part of investment in such Joint venture. The Group shall finalise such accounting by 1 September 2022, which is within the measurement period of one year prescribed under IndAS 103 "Business combination".

Following is a description of the net assets of Yellow Octopus Group as at acquisition date:

Tangible Assets	71.20
Intangible Assets	7.94
Inventories	1,143.26
Trade and other Receivables	256.84
Cash and cash equivalents	164.55
Borrowings	(983.96)
Trade and other payable	(353.40)
Sub Total (A)	<u>306.43</u>
Proportion of the Group's ownership	40%
Provisional Goodwill	8,411.75
Investment in Joint venture	8,534.32

ii) Acquisition of Sourcing Solutions Limited

On 11th June, 2021, the Group entered into a agreement to acquire the remaining 50% of equity interest of Sourcing Solution Limited ('SSL') for a consideration of ₹ 3.73. SSL is engaged in trading of garments. The acquisition was made as part of the Group's strategy to expand its market share of garment business. The purchase consideration for the acquisition was in form of cash, the consideration remained unpaid at 31 March 2022. Such acquisition including the purchase price allocation is not material to the group.

iii) Acquisition of S.O.T. Garments India Private Limited

On December 1, 2021 the Group acquired 99.99% of the equity interest in S.O.T Garment India Private Limited ('SOTGPL') for a consideration of ₹ 357. SOTGPL is engaged in providing sourcing of Garments. The acquisition was made to aquire the existing set-up of workforce and supply chain. The purchase consideration for the acquisition was partly in form of cash (paid as at 31 March 2022) and partly in form of a contingent consideration being ₹ 86 which remained unpaid as at 31 March 2022, and is expected to be settled within one year. Such acquisition including the purchase price allocation is not material to the group.

Note 46B: Change in proportion held by Non-controlling interest

Acquisition of Non-controlling interest in Poeticgem international

On 1 June 2021, the Group acquired additional equity interest of 17% in its subsidiary Poeticgem International Limited , at a consideration of USD 4.017 million (₹ 2,985.84). The net loss arising on the transaction has been adjusted directly in equity in accordance with IndAS 110, consolidated financial statements.

Fair value of cash consideration (A)	2,985.84
Value of Non controlling interst acquired (B)	56.01
Net loss adjusted directly in other equity (B-A)	<u><u>2,929.82</u></u>



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 47: Employee Share Based Payments

As at March 31, 2022 the Company has the following share-based payments arrangements :

A. Employee Stock Option Plan 2021 - Plan A and Plan B

i) Brief description of the share based payment arrangement

On April 3, 2021, the Group established the PDS Multinational Fashions Limited – Employee Stock Option Plan 2021 – Plan A ('Plan A') which entitles key managerial personnel and senior employees to purchase shares of the Company. On July 27, 2021, the Group established the PDS Multinational Fashions Limited Employee stock option plan 2021 – Plan B ('Plan B') through Direct and through Trust route for other KMP and senior employees. The plans are designed to provide incentives to the employees of the Group to deliver long-term returns. The Plans are administered by the Nomination and Remuneration committee. As at 31 March 2022, the Group has granted 1,088,732 equity settled stock options (ESOPs) under these plans. Vesting of the options would be subject to continuous employment with the Group and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest.

Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Particulars	Number of instruments*	Exercise price*	Vesting period	Exercise period
FY 2021-22	1,088,732	₹ 400 - ₹ 1354	1 - 4 years	3 - 4 years post vesting period
	<u>1,088,732</u>			

*The number of instruments and the exercise prices are in absolute figures.

ii) Summarized information about movement in Plan A and Plan B

Particulars	March 31, 2022		March 31, 2021	
	Number of options	Weighted average exercise price per share (₹)	Number of options	Weighted average exercise price per share (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	1,088,732	837.28	-	-
Outstanding at the end of the year	1,088,732	837.28	-	-
Exercisable at the end of the year	-	-	-	-

The Group has charged ₹ 2,064.21 (March 31, 2021: Nil) to the consolidated statement of profit and loss in respect of options granted under Plan A and Plan B.

iii) Measurement of fair value

The Fair value of ESOPs granted under Plan A and Plan B have been measured using the Black-Scholes option-pricing model using the following assumptions, sorted according to their grant dates:

Particulars	For option granted
Weighted average Grant date fair value, per share (in ₹)	517.41
Weighted average Exercise price, per share (in ₹)	837.28
Assumptions used:	
Volatility	31.5% - 36.3%
Expected lives (in years)	1.50 - 5.00
Risk-free interest rate	4.67% - 6.16%
Expected dividend yield rate	0.84% - 2.23%

Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during 5 years before the date of Grant. The Group believes that such measure of volatility is currently the best available indicator of the expected volatility used in these estimates.

The expected life of the ESOP is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behavior of the employee who receives the ESOP.

Risk-free interest rates are determined using the implied yield currently available for India government issues with a remaining term equal to the expected life of the options.

Expected dividend yields are based on the annualised approved dividend rate and the market price of Holding Company's common stock at the time of grant. No assumption for a future dividend rate change is included unless there is an approved plan to change the dividend in the near term.

The fair value per share of ESOP is determined based on the closing price of holding Company's share on the date of grant.



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements as at March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 47: Employee Share Based Payments (Cont'd)

B. Cash Settled Share based payment (Phantom Stock Units)

i) Brief description of the share based payment arrangement

On October 22, 2021 the Group established the PDS Multinational Fashions Limited – Phantom Stock Units Plan 2021 ('Phantom stock plan'), which entitles few senior employees of the Group to a cash payment on exercise. The Group has granted 83,500 Stock Units ('Phantom Stock Units/ PSU') as at 31 March 2022. These PSU's carry a vesting period of up to 4 years and an exercise period of 4 years from the date of vesting.

ii) Summarized information about movement in the Phantom stock plan

	March 31, 2022		March 31, 2021	
	Number of options	Weighted average exercise price per share (₹)	Number of options	Weighted average exercise price per share (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	83,500	1,095.00	-	-
Outstanding at the end of the year	83,500	1,095.00	-	-
Exercisable at the end of the year	-	-	-	-

The Group has charged ₹ 166.38 (March 31, 2021: Nil) to the consolidated statement of profit and loss in respect of PSUs granted under the Phantom Stock Plan.

iii) Cash Settled Share based payment (Phantom Stock Units)

The Fair value of PSUs have been measured using the Black-Scholes option-pricing model using the following assumptions -

	Measurement date March 31, 2022
Weighted average grant date fair value, per share (in ₹)	₹ 896
Weighted average Exercise price, per share (in ₹)	₹ 1095
Assumptions used:	
Expected volatility	36.3%
Expected lives (in years)	4.60
Average Risk-free interest rate	6.14%
Expected dividend yield	0.86%

Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares during 5 years before the date of Measurement. The Group believes that such measure of volatility is currently the best available indicator of the expected volatility used in these estimates.

The expected life of the PSU is estimated based on the vesting term and contractual term of the ESOP, as well as expected exercise behavior of the employee who receives the PSU.

Risk-free interest rates are determined using the implied yield currently available for India government issues with a remaining term equal to the expected life of the options.

Expected dividend yields are based on the annualised approved dividend rate and the market price of Holding Company's common stock at the time of grant. No assumption for a future dividend rate change is included unless there is an approved plan to change the dividend in the near term.

The fair value per share of ESOP is determined based on the closing price of holding Company's share on the date of grant.

C Share based payment expense recognised in the Statement of Profit and Loss in respect of the above plans is as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Share based payment expense	2,230.59	-

D Share based payment reserve and Share based payment liability recognised in the balance sheet in respect of the above plans is as follows:

	As at March 31, 2022	As at March 31, 2021
Share based payment liability	166.38	-
Share based payment reserve	2,064.21	-



PDS Limited

(Formerly PDS Multinational Fashions Limited)

Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 48: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/ associates/ joint ventures.

Name of enterprises	Net assets i.e. total assets minus total liability		Share in profit/(loss) for the year		Share in other comprehensive income		Share in total comprehensive income	
	As % of total	Amount	As % of	Amount	As % of total	Amount	As % of total	Amount
Parent Company								
PDS Multinational Fashions Limited	23.16%	20,201.12	26.89%	6,678.84	0.60%	16.57	24.25%	6,695.41
Indian subsidiaries								
Technocian Fashions Private Limited	0.16%	137.08	0.51%	126.10	0.00%	-	0.46%	126.10
PDS Brands Private Limited	0.00%	0.67	0.00%	(0.33)	0.00%	-	0.00%	(0.33)
S.O.T Garments Private Limited	0.53%	461.55	0.09%	22.43	(0.07%)	(1.92)	0.07%	20.51
DIZBI Private Limited	0.07%	62.44	0.11%	26.36	0.00%	-	0.10%	26.36
Norlanka Brands Private Limited	(0.11%)	(94.80)	(0.30%)	(74.72)	0.00%	-	(0.27%)	(74.72)
Foreign subsidiaries								
Multinational Textile Group Limited	45.68%	39,851.57	82.64%	20,529.72	(4.78%)	(132.42)	73.87%	20,397.30
PDS Ventures Limited (Formerly known as Multitech Venture Limited)	15.95%	13,913.76	0.32%	78.46	48.65%	1,348.73	5.17%	1,427.19
PDS Sourcing Limited (Formerly known as Global Textiles Group Limited)	3.78%	3,294.81	9.86%	2,450.34	0.00%	-	8.87%	2,450.34
PDS Global Investments Limited	0.04%	32.97	0.00%	-	0.00%	-	0.00%	-
PDS Manufacutring Limited	(0.01%)	(8.42)	(0.02%)	(4.59)	0.00%	-	(0.02%)	(4.59)
Spring Design Lonodon Limited	(0.48%)	(420.85)	(1.73%)	(430.33)	0.00%	-	(1.56%)	(430.33)
Techno Design GmBH	(0.13%)	(117.06)	(2.09%)	(517.99)	0.00%	-	(1.88%)	(517.99)
Pro Trusted Med Tech Limited (Formerly known as FX Import Hong Kong Limited)	(0.37%)	(321.40)	(0.07%)	(18.18)	0.00%	-	(0.07%)	(18.18)
PG Group Limited	4.30%	3,752.78	6.04%	1,501.04	(0.12%)	(3.40)	5.42%	1,497.64
PDS Smart Fabric Tech Limited (Formerly known as Fullhouse Manufacturing Limited)	0.50%	438.87	(1.89%)	(470.52)	0.00%	-	(1.70%)	(470.52)
Norwest Industries Limited and its subsidiaries	80.83%	70,512.77	69.17%	17,182.14	23.51%	651.89	64.58%	17,834.03
Progress Manufacturing Group Limited	(6.59%)	(5,750.15)	(0.94%)	(233.36)	1.31%	36.40	(0.71%)	(196.96)
Progress Apparels (Bangladesh) Limited	(10.49%)	(9,150.94)	(8.68%)	(2,156.39)	1.31%	36.34	(7.68%)	(2,120.05)
Green Apparel Industries Limited	(5.85%)	(5,104.29)	(2.22%)	(551.82)	0.00%	-	(2.00%)	(551.82)
Green Smart Shirts Limited	9.60%	8,378.97	(0.20%)	(50.42)	0.00%	-	(0.18%)	(50.42)
PDS Asia Star Corporation Limited and its subsidiaries	2.85%	2,489.37	3.60%	893.28	0.00%	-	3.23%	893.28
Simple Approach Limited and its subsidiaries	4.29%	3,743.92	3.18%	789.76	0.00%	-	2.86%	789.76
Zamira Fashions Limited and its subsidiaries	1.00%	876.22	1.76%	436.92	0.00%	-	1.58%	436.92
Poeticgem International Limited	0.72%	629.43	6.76%	1,678.06	0.00%	-	6.08%	1,678.06
Grupo Sourcing Limited and its subsidiaries	0.17%	146.55	0.33%	82.71	0.00%	-	0.30%	82.71
Techno Design HK Limited	4.75%	4,147.12	13.87%	3,444.40	0.00%	-	12.47%	3,444.40
Blueprint Design Limited	(3.70%)	(3,225.90)	(0.01%)	(3.52)	0.00%	-	(0.01%)	(3.52)
Poetic Brands Limited	1.89%	1,650.61	3.35%	831.64	0.00%	-	3.01%	831.64
FX Import Company Limited	(0.59%)	(514.83)	0.23%	57.45	0.00%	-	0.21%	57.45
Poeticgem Limited	11.40%	9,947.81	1.32%	327.14	1.60%	44.35	1.35%	371.49
Poetic Knitwear Limited	(0.81%)	(706.61)	(0.01%)	(2.07)	0.00%	-	(0.01%)	(2.07)
Design Arc UK Limited	0.61%	536.52	1.60%	398.48	0.00%	-	1.44%	398.48
Pacific Logistics Limited	(0.46%)	(399.01)	(0.02%)	(5.28)	0.00%	-	(0.02%)	(5.28)
Casa Forma Limited	0.02%	14.76	(0.06%)	(15.05)	0.00%	-	(0.05%)	(15.05)
PDS Fashion Limited	0.18%	160.99	(1.71%)	(425.93)	0.00%	-	(1.54%)	(425.93)
Recovered Clothing Limited	(0.14%)	(125.49)	0.44%	109.08	0.00%	-	0.40%	109.08
Multinational OSG Services Bangladesh Private Limited	0.76%	662.86	(0.47%)	(117.78)	0.00%	-	(0.43%)	(117.78)
Design Arc FZCO	(0.30%)	(262.04)	(0.20%)	(48.57)	0.00%	-	(0.18%)	(48.57)
Kleider Sourcing FZCO	0.88%	770.09	6.15%	1,526.60	0.00%	-	5.53%	1,526.60
Spring Near East FZCO	2.17%	1,895.90	2.35%	582.95	0.00%	-	2.11%	582.95
Twins Asia FZCO	1.15%	999.35	2.53%	627.25	0.00%	-	2.27%	627.25
Clover Collections FZCO	1.22%	1,064.86	4.13%	1,026.64	0.00%	-	3.72%	1,026.64
Poeticgem International FZCO	(0.12%)	(108.36)	(0.51%)	(126.83)	0.00%	-	(0.46%)	(126.83)
PDS Multinational FZCO	(9.92%)	(8,655.53)	(0.48%)	(118.32)	0.00%	-	(0.43%)	(118.32)
PG Capital FZE	0.08%	65.68	0.21%	51.68	0.00%	-	0.19%	51.68
Techno Sourcing BD Limited	0.45%	395.99	0.92%	229.65	0.00%	-	0.83%	229.65
Techno Design USA LLC	(0.14%)	(121.55)	(0.19%)	(47.45)	0.00%	-	(0.17%)	(47.45)



PDS Limited
(Formerly PDS Multinational Fashions Limited)
Notes to the consolidated financial statements for the year ended March 31, 2022

(All amounts in ₹ lakhs, unless otherwise stated)

Note 48: Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary/ associates/ joint ventures. (cont'd)

Name of enterprises	Net assets i.e. total assets minus total liability		Share in profit/(loss) for the year		Share in other comprehensive income		Share in total comprehensive income	
	As % of total	Amount	As % of	Amount	As % of total	Amount	As % of total	Amount
Foreign associates								
Sourcing Solutions Europe BVPA	0.31%	270.91	(0.64%)	(157.97)	0.00%	-	(0.57%)	(157.97)
Loop Digital Wardrobe Ltd	0.20%	172.64	(0.14%)	(34.62)	0.00%	-	(0.13%)	(34.62)
GWD Enterprises Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign joint ventures								
Upcycle Labs Limited								
(Ertswile known as Filkor Ltd)	0.70%	610.92	(0.10%)	(25.62)	0.00%	-	(0.09%)	(25.62)
Sourcing Solutions Limited	0.00%	-	0.44%	109.15	0.00%	-	0.40%	109.15
Yellow Octopus EU Sp. z o.o. sp.K.	9.87%	8,608.79	0.21%	51.21	0.00%	-	0.19%	51.21
	190.07%	165,813.42	226.29%	56,211.82	72.02%	1,996.54	210.80%	58,208.36
Non-controlling interest in subsidiaries	(7.29%)	(6,360.24)	(17.88%)	(4,441.10)	(21.11%)	(585.34)	(18.20%)	(5,026.44)
Intercompany elimination and consolidation adjustments	(82.77%)	(72,212.99)	(108.41%)	(26,929.73)	49.10%	1,361.08	(92.60%)	(25,568.65)
Grand-total		87,240.19		24,840.99		2,772.28		27,613.27

Note 49: Covid-19

The spread of COVID-19 had severely impacted businesses around the globe in FY 2020 and FY 2021. As a result, the operations of the Group were impacted in these financial years with a series of lockdowns announced by the Governments of respective countries. However, in the FY21-22, the Group has carried out its business activities without any significant limitations imposed due to COVID 19. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business and believes that it has sufficient financial resources to operate for the next twelve months.

Note 50: Others


(a) In the view of management, no material events have occurred between the Balance Sheet date to the date of issue of these consolidated financial statements that could affect the values stated in the financial statements as at March 31, 2022.
(b) Figures have been rounded off to the nearest lakhs except otherwise stated.


As per our report of even date attached

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

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


Aasheesh Arjun Singh
Partner
Membership No: 210122


Deepak Seth
Chairman & Non-Executive Director
DIN 00003021


Pallak Seth
Vice chairman & Non-Executive Director
DIN 00003040


Sanjay Jain
Chief Executive Officer


Ashish Gupta
Chief Financial Officer


Abhishek Kanoi
Head of Legal & Company Secretary
Membership No. FCS 9530

Mumbai, India
May 16, 2022

Mumbai, India
May 16, 2022



Unaudited Condensed Interim Consolidated Financial Statements and Independent Auditors' Review Report

PDS Limited

30 June 2024

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Bagmane Tridib, Bagmane
Tech Park, C V Raman Nagar,
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Independent Auditor's Review Report on the Unaudited Condensed Interim Consolidated Financial Statements of PDS Limited for the period ended 30 June 2024

To the Board of Directors of PDS Limited

Introduction

1. We have reviewed the accompanying Unaudited Condensed Interim Consolidated Financial Statements of PDS Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') its associates and joint ventures, as listed in Annexure I, which comprise the Unaudited Condensed Interim Consolidated Balance Sheet as at 30 June 2024, the Unaudited Condensed Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Unaudited Condensed Interim Consolidated Statement of Cash Flows, the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the quarter ended and other explanatory information (together hereinafter referred to as the 'Unaudited Condensed Interim Consolidated Financial Statements'). The management is responsible for the preparation and presentation of these Unaudited Condensed Interim Consolidated Financial Statements in accordance with the requirements of Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules 2015 (as amended) and other accounting principles generally accepted in India. These Unaudited Condensed Interim Consolidated Financial Statements have been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on these Unaudited Condensed Interim Consolidated Financial Statements based on our review.

Scope of Review

2. We conducted our review of the Unaudited Condensed Interim Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandiook & Co LLP

Conclusion

3. Based on our review conducted and procedures performed as stated in paragraph 2 above and upon consideration of the review reports of the other auditors referred to in paragraph 4 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited condensed Interim Consolidated Financial Statements are not prepared, in all material aspects, in accordance with the requirements of Ind AS 34, prescribed under Section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India.

Other Matter

4. We did not review the interim financial information of 85 subsidiaries, whose interim financial statements/ financial information reflects total assets ₹ 570,360.23 Lakhs as at 30 June 2024, total revenues of ₹ 182,264.38 Lakhs, total net profit after tax of ₹ 5,314.30 Lakhs, total comprehensive income of ₹ 5,660.70 Lakhs and cash outflows (net) of ₹ 9,201.04 Lakhs for the period ended 30 June 2024 as considered in the Unaudited Condensed Interim Consolidated Financial Statements. The Unaudited Condensed Interim Consolidated Financial Statements also include the Group's share of net profit of ₹ 80.94 Lakhs and total comprehensive income of ₹ 80.94 Lakhs for the period ended 30 June 2024, as considered in the Unaudited Condensed Interim Consolidated Financial Statements, in respect of 3 associates and 4 joint ventures, whose interim financial statements/ financial information have not been reviewed by us. These interim financial statements/ financial information have been reviewed by other auditors whose review reports have been furnished to us by the management and our conclusion on the Unaudited Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates/ joint ventures is based solely on the review reports of such other auditors.

Further, of these subsidiaries/ associates/ joint ventures, 85 subsidiaries, 3 associates, 4 joint ventures, are located outside India, whose interim financial statements/ financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/ financial information of such subsidiaries/ associates/ joint ventures from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion on the Unaudited Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates/ joint ventures is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

5. The Unaudited Condensed Interim Consolidated Financial Statements includes the interim financial statements/ financial information of 16 subsidiaries, which have not been reviewed by their auditors, whose interim financial statements/ financial information reflects total assets of ₹ 1,530.52 Lakhs as at 30 June 2024, total revenues of ₹ 264.13 Lakhs, net loss after tax of ₹ 198.33 Lakhs, total comprehensive loss of ₹ 198.33 Lakhs and cash inflow (net) of ₹ 111.98 Lakhs for the period ended 30 June 2024 as considered in the Unaudited Condensed Interim Consolidated Financial Statements. The Unaudited Condensed Interim Consolidated Financial Statements also includes the Group's share of net profit after tax of ₹ Nil, and total comprehensive income of ₹ Nil for the period ended on 30 June 2024, in respect of 2 associates, based on their interim financial statements/ financial information, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Unaudited Condensed Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on such unreviewed interim financial statements/ financial information. According to the information and explanations given to us by the management, such interim financial statements/ financial information are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the interim financial statements/ information certified by the management of the respective entities and provided to us by the Holding Company's management.

Walker Chandiook & Co LLP

6. The Holding Company has prepared separate set of consolidated financial information for the quarter ended 30 June 2024 in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India pursuant to the requirements of Regulations 33 of SEBI (Listing obligations and disclosure requirements) Regulation, 2015 (as amended) ('Listing Regulations'), on which we had expressed an unmodified conclusion vide our review report dated 24 July 2024 issued to the Board of Directors of the Holding Company.

Our conclusion is not modified in respect of this matter.

Restriction on distribution or use

7. The Unaudited Condensed Interim Consolidated Financial Statements has been prepared by the Holding Company's management to be included in the Holding Company's Preliminary Placement Document/ Placement Document for the purpose of proposed offering of equity shares by the Holding Company through Qualified Institutional Placement as approved by the Board of Directors in their meeting dated 01 November 2023 and therefore, it may not be suitable for any other purpose. This review report is issued solely for the aforementioned purpose and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Aasheesh
Arjun Singh

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Date: 2024.08.22
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Aasheesh Arjun Singh

Partner

Membership No.: 210122

UDIN: 24210122BKEWLU5507

Bengaluru

22 August 2024

Unaudited Condensed Interim Consolidated Balance Sheet as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	As at	As at
		June 30, 2024	March 31, 2024
Assets			
I. Non-current assets			
(a) Property, plant and equipment	3	33,113.23	34,416.64
(b) Capital work in progress	4	10,411.52	11,461.04
(c) Investment property	5	2,546.05	2,562.40
(d) Goodwill	6	10,445.96	10,407.14
(e) Other Intangible assets	7	4,103.19	3,037.53
(f) Investments accounted for using the equity method	8	10,956.80	11,048.02
(g) Financial assets			
(i) Investments	9	35,339.91	33,292.47
(ii) Other financial assets	10	934.54	1,026.18
(h) Deferred tax assets (net)		1,439.47	1,077.22
(i) Non-current tax asset (net)		3,107.06	2,653.56
(j) Other non-current assets	11	463.56	150.86
Total non-current assets		1,12,861.29	1,11,133.08
Current assets			
(a) Inventories	12	34,629.09	32,863.83
(b) Financial assets			
(i) Investments	9	2,013.20	1,366.47
(ii) Trade receivables	13	1,45,911.05	1,67,713.55
(iii) Cash and cash equivalents	14	34,386.07	46,148.64
(iv) Bank balances other than (iii) above	15	24,254.87	22,259.72
(v) Other financial assets	10	9,295.11	9,498.01
(c) Other current assets	11	21,670.01	15,205.24
Total current assets		2,72,159.40	2,95,055.46
Total assets		3,85,020.69	4,06,188.53
II. Equity and liabilities			
Equity			
(a) Equity share capital	16	2,636.39	2,634.73
(b) Other equity	17	1,13,365.52	1,14,015.03
Equity attributable to equity holders of the parent		1,16,001.91	1,16,649.77
Non-controlling interest		7,905.92	7,917.09
		1,23,907.83	1,24,566.85
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	4,988.88	4,549.62
(ii) Lease liabilities	40	7,234.27	7,636.08
(iii) Other financial liabilities	19	179.62	176.64
(b) Provisions	20	2,795.06	2,801.91
(c) Other non-current liabilities	22	34.11	36.90
Total non-current liabilities		15,231.94	15,201.15
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	78,130.31	89,740.46
(ii) Lease liabilities	40	3,281.22	3,467.25
(iii) Trade payables	21		
- Total outstanding dues to micro enterprises and small enterprises		13.92	20.99
- Total outstanding dues to creditors other than micro and small enterprises		1,41,845.51	1,50,398.35
(iv) Other financial liabilities	19	3,983.29	4,785.96
(b) Other current liabilities	22	12,119.40	11,464.35
(c) Provisions	20	1,216.50	1,683.51
(d) Current tax liabilities (net)	23	5,290.77	4,859.66
Total current liabilities		2,45,880.92	2,66,420.53
Total equity and liabilities		3,85,020.69	4,06,188.53
Summary of material accounting policies and other explanatory information	2		

The accompanying notes form an integral part of these condensed interim consolidated financial statements
As per our report of even date

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

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

Aasheesh Arjun Singh
Digitally signed by
Aasheesh Arjun Singh
Date: 2024.08.22
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Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Signed by:

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Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

Aasheesh Arjun Singh
Partner
Membership No: 210122

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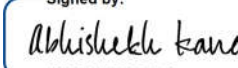
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Sanjay Jain
Chief Executive Officer

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Rahul Ahuja
Chief Financial Officer

Signed by:

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

Benqaluru, India
August 22, 2024

Mumbai, India
August 22, 2024

Unaudited Condensed Interim Consolidated Statement of Profit and Loss for the Period ended June 30, 2024

Particulars	Note no.	(All amounts in ₹ lakhs, unless otherwise stated)	
		For the Period from April 01, 2024 to June 30, 2024	For the Period from April 01, 2023 to June 30, 2023
I Revenue from operations	24	2,62,105.55	2,11,493.61
II Other income	25	1,957.72	479.08
III Total income (I+II)		2,64,063.27	2,11,972.69
IV Expenses			
(a) Cost of materials consumed	26	15,144.00	12,303.19
(b) Purchases of stock-in-trade	27	1,91,665.44	1,76,236.66
(c) Changes in inventories of finished goods and work-in-progress	28	786.01	(16,558.13)
(d) Employee benefits expense	29	27,302.75	20,041.10
(e) Finance costs	30	3,301.44	2,338.93
(f) Depreciation and amortization expense	31	2,331.16	2,154.57
(g) Other expenses	32	19,875.52	12,742.56
V Total expenses		2,60,406.32	2,09,258.88
VI Profit before share of loss in associates and joint ventures (III-V)		3,656.95	2,713.81
VII Share of profit/ (loss) of associates and joint ventures		(80.93)	118.66
VIII Profit before tax (VI+VII)		3,576.02	2,832.47
IX Tax expense			
(a) Current tax		802.84	500.36
(b) Deferred tax credit		(346.61)	(1.47)
Total tax expense		456.23	498.89
X Profit for the period (VIII-IX)		3,119.79	2,333.58
XI Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss			
(a) Re-measurement profit on defined benefit plans		10.73	7.90
(b) Net (loss)/ gain on instruments measured at fair value through other comprehensive income		(87.60)	343.30
(ii) Income tax on items that will not be reclassified to profit or loss		(2.15)	-
(B) (i) Items that will be reclassified to profit or loss			
(a) Net gain/ (loss) on cash flow hedges		432.40	(5.70)
(b) Gain/(loss) arising on translating the financial statements of foreign operations		(3,035.72)	356.44
Other comprehensive income/ (loss) for the period, net of tax		(2,682.34)	701.94
XII Total comprehensive income for the period, net of tax		437.45	3,035.52
Net profit for the period attributable to			
- Owners of the Company		1,990.46	1,884.18
- Non controlling interest		1,129.33	449.40
		3,119.79	2,333.58
Other comprehensive income for the period, net of tax			
- Owners of the Company		(2,761.52)	481.28
- Non controlling interest		79.18	220.66
		(2,682.34)	701.94
Total comprehensive income for the period, net of tax			
- Owners of the Company		(771.06)	2,365.46
- Non controlling interest		1,208.51	670.06
		437.45	3,035.52
XIII Earnings per share: (Face value ₹ 2 per share) (not annualised)	33		
1) Basic (amount in ₹)		1.51	1.44
2) Diluted (amount in ₹)		1.49	1.42
Summary of material accounting policies and other explanatory information	2		

The accompanying notes form an integral part of these condensed interim consolidated financial statements
As per our report of even date

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

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

Aasheesh Arjun Singh
Digitally signed by
Aasheesh Arjun Singh
Date: 2024.08.22
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Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Signed by:

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Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

Aasheesh Arjun Singh
Partner
Membership No: 210122

Signed by:

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Sanjay Jain
Chief Executive Officer

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Rahul Ahuja
Chief Financial Officer

Signed by:

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

Bengaluru, India
August 22, 2024

Mumbai, India
August 22, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the period from 01 April 2024 to June 30, 2024	For the period from 01 April 2023 to June 30, 2023
Cash flows from operating activities		
Profit before tax	3,576.02	2,832.47
Adjustments for:		
Share of profit/ (loss) of associates and joint ventures	80.93	(118.66)
Depreciation and amortization expense	2,331.16	2,154.57
Finance costs	3,301.44	2,338.93
Reversal of allowance for expected credit loss	(89.15)	(77.14)
Interest income	(438.19)	(269.60)
Dividend from investments carried at fair value through profit or loss	(7.28)	(24.60)
Sundry balance written back	(119.93)	-
Gain on fair valuation of investments carried at fair value through profit or loss	(955.97)	(41.04)
Employee share compensation expense	279.96	443.21
Loss on sale of property, plant & equipment	0.46	-
Unrealised foreign exchange fluctuation loss/(gain)	76.01	(253.01)
Unwinding of discount on security deposits	(0.90)	(1.10)
Operating profit before working capital changes	8,034.56	6,984.02
Movement in working capital:		
Change in trade payables and other financial liabilities	(7,587.93)	2,948.35
Change in other liabilities	661.09	(1,780.54)
Change in provisions	(465.28)	208.56
Change in trade receivables	20,742.23	388.63
Change in other assets	(6,871.85)	(5,133.07)
Change in inventories	(2,630.22)	(3,022.12)
Change in other financial assets	(258.87)	(284.68)
Cash generated from operations	11,623.73	309.16
Direct tax paid, net of refunds received	(840.87)	(442.97)
Net cash generated from/ (used in) operating activities (a)	10,782.86	(133.81)
Cash flows from investing activities		
Purchase of property, plant and equipment, capital work in progress and investment property	(595.96)	(1,953.04)
Sale of property, plant and equipment	4.51	-
Purchase of intangible assets	(1,319.25)	(185.43)
Purchase of investments	(1,616.59)	(462.94)
Proceeds from sale of investments	-	752.70
Consideration paid towards acquisition of non-controlling interest in subsidiary, business combinations and asset acquisition, net of cash acquired	(313.62)	(10,123.75)
Investment in bank deposits, net	(1,995.15)	(1,237.09)
Dividend received	7.28	24.60
Interest received	274.85	175.37
Net cash used in investing activities (b)	(5,553.93)	(13,009.57)
Cash flows from financing activities		
(Repayment)/ Proceeds of short term borrowings, net	(11,720.97)	2,896.27
Proceeds/ (Repayment) of long term borrowings	647.59	(172.90)
Acquisition of own equity shares by a controlled ESOP trust	(312.75)	(98.34)
Payment of dividend to shareholders	(0.16)	-
Payment of dividend to non-controlling interests of subsidiaries	(1,409.23)	(727.01)
Issuance of share capital including premium	232.81	422.58
Payment of principal portion of lease liabilities	(970.47)	(805.36)
Interest paid on lease liabilities	(140.66)	(119.81)
Interest paid on borrowings	(3,157.80)	(2,216.22)
Net cash used in financing activities (c)	(16,831.64)	(820.80)

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PDS Limited

Unaudited Condensed Interim Consolidated Statement of Cash flows for the period ended June 30, 2024

Particulars	(All amounts in ₹ lakhs, unless otherwise stated)	
	For the period from 01 April 2024 to June 30, 2024	For the period from 01 April 2023 to June 30, 2023
Net decrease in cash and cash equivalents (a+b+c)	(11,602.71)	(13,964.16)
Effect of exchange rate changes on cash and cash equivalents	(290.92)	214.03
Opening balance of cash and cash equivalents (net of bank overdraft)	32,783.04	48,567.31
Cash and cash equivalents at the end of the period	20,889.41	34,817.19
Components of cash and cash equivalents		
Cash on hand	94.11	56.75
Balance with banks - current account	34,291.96	40,022.04
Bank overdraft	(13,496.66)	(5,261.60)
Cash and cash equivalent at the end of the period	20,889.41	34,817.19

Summary of material accounting policies and other explanatory information

2

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

As per our report of even date

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

For and on behalf of Board of Directors of
PDS Limited

Aasheesh Arjun Singh
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Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Signed by:

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Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

Aasheesh Arjun Singh
Partner
Membership No: 210122

Signed by:

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Sanjay Jain
Chief Executive Officer

Signed by:

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Rahul Ahuja
Chief Financial Officer

Signed by:

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Abhishek Kanoi
Head of Legal & Company Secretary
Membership No. FCS 9530

Bengaluru, India
August 22, 2024

Mumbai, India
August 22, 2024

Unaudited Condensed Interim Consolidated Statement of Changes in Equity as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

A. Equity Share Capital

	Amount
As at April 01, 2023	2,615.91
Fresh issue (Net of treasury share)	18.82
As at March 31, 2024	2,634.73
Fresh issue (Net of treasury share)	1.66
As at June 30, 2024	2,636.39

B. Other Equity

Particulars	Securities Premium Reserve	Capital reserve	Restricted reserve	Retained earnings	Other reserves	Treasury shares	Other Comprehensive Income			Share based payment reserve	Total equity before Non-controlling interest	Non-controlling interest	Total equity
							Foreign currency translation	Equity instruments through OCI	Remeasurement of defined benefit plan				
Balance as at April 01, 2023	1,124.77	26,214.22	664.52	62,974.15	(10,412.88)	(402.90)	16,917.64	2,491.32	(303.23)	3,565.19	1,02,751.92	5,893.13	1,08,645.04
Net Profit for the year	-	-	-	14,423.10	-	-	-	-	-	-	14,423.10	5,844.98	20,268.08
Net gain on instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	2,845.45	-	-	2,845.45	803.01	3,648.46
Share based payments to employees	-	-	-	-	-	-	-	-	-	460.71	460.71	-	460.71
Premium on issue of shares	2,293.69	-	-	-	-	-	-	-	-	-	2,293.69	-	2,293.69
Purchase of Treasury shares	-	-	-	-	-	(119.01)	-	-	-	-	(119.01)	-	(119.01)
Gain arising on translating the financial statements of foreign operations	-	-	-	-	-	-	2,689.42	-	-	-	2,689.42	645.16	3,334.58
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	-	155.27	-	155.27	-	155.27
Net loss on cash flow hedges	-	-	-	-	-	-	-	-	-	-	(58.18)	-	(58.18)
Decrease in interest by non-controlling interest	-	-	-	-	(5,914.21)	-	-	-	-	-	(5,914.21)	3,612.46	(2,301.75)
Increase in interest by non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	182.71	182.71
Total Comprehensive Income	3,418.46	26,214.22	664.52	77,397.25	(16,327.09)	(521.91)	19,607.06	5,336.77	(147.96)	4,025.90	1,19,528.16	16,981.43	1,36,509.60
Dividend paid, net of tax	-	-	-	(5,513.13)	-	-	-	-	-	-	(5,513.13)	(9,064.36)	(14,577.48)
Balance as at March 31, 2024	3,418.46	26,214.22	664.52	71,884.12	(16,327.09)	(521.91)	19,607.06	5,336.77	(147.96)	4,025.90	1,14,015.03	7,917.09	1,21,932.12

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Unaudited Condensed Interim Consolidated Statement of Changes in Equity as at June 30, 2024

Particulars	Securities Premium Reserve	Capital reserve	Restricted reserve	Retained earnings	Other reserves	Treasury shares	Other Comprehensive Income			Share based payment reserve	Total equity before Non-controlling interest	Non-controlling interest	Total equity
							Foreign currency translation reserve	Equity instruments through OCI	Remeasurement of defined benefit plan				
Balance as at April 01, 2024	3,418.46	26,214.22	664.52	71,884.12	(16,327.09)	(521.91)	19,607.06	5,336.77	(147.96)	4,025.90	7,917.09	1,21,932.12	
Net Profit for the period	-	-	-	1,990.46	-	-	-	-	-	-	1,129.33	3,119.79	
Net loss on instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	(87.60)	-	-	-	(87.60)	
Share based payments to employees	-	-	-	-	-	-	-	-	-	238.28	-	238.28	
Premium on issue of shares	255.40	-	-	-	-	-	-	-	-	-	-	255.40	
Purchase of Treasury shares	-	-	-	-	-	(182.58)	-	-	-	-	-	(182.58)	
Loss arising on translating the financial statements of foreign operations	-	-	-	-	-	-	(3,114.90)	-	-	-	-	(3,035.72)	
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	-	8.58	-	-	8.58	
Net gain on cash flow hedges	-	-	-	-	-	-	-	-	-	432.40	-	432.40	
Increase in interest by non-controlling interest	-	-	-	-	(189.54)	-	-	-	-	(189.54)	189.54	-	
Total Comprehensive Income	3,673.86	26,214.22	664.52	73,874.57	(16,516.63)	(704.49)	16,492.16	5,249.17	(139.38)	4,264.18	9,315.15	1,22,680.67	
Dividend paid, net of tax	-	-	-	-	-	-	-	-	-	-	(1,409.23)	(1,409.23)	
Balance as at Jun 30, 2024	3,673.86	26,214.22	664.52	73,874.56	(16,516.63)	(704.49)	16,492.16	5,249.17	(139.38)	4,264.18	7,905.92	1,21,271.44	

Summary of material accounting policies and other explanatory information 2

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

As per report of even date

For Walker Chandlok & Co LLP

Chartered Accountants

Firm's Registration Number: 001076N/N500013

Aasheesh Arjun Singh

Digitally signed by Aasheesh Arjun Singh
Date: 2024.08.22 10:59:45 +05'30'

Aasheesh Arjun Singh

Partner

Membership No: 210122

Signed by: 

Deepak Seth

Chairman & Non-Executive Director

DIN 00003021

For and on behalf of Board of Directors of PDS Limited

PDS Limited

Signed by: 

Pallab Sethi

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Vice Chairman & Executive Director

DIN 00003040

Signed by: 

Sanjay Jain

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Chief Executive Officer

Signed by: 

Rahul Ahuja

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Chief Financial Officer

Signed by: 

Abhishek Kanojia

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Head of Legal & Company Secretary

Membership No. FCS 9530

Bengaluru, India

August 22, 2024

Mumbai, India

August 22, 2024

Note 1: Corporate information

PDS Limited is a Public Limited Company (hereinafter referred as 'the Holding Company') domiciled in India and has its registered office at Unit No.971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai- 400 093 Maharashtra. The Company along with its subsidiaries (collectively referred to as "the Group"), associates and joint ventures, is engaged in the trading of garment, investment holding, design, development, marketing, sourcing and distribution of readymade garments of all the kinds and other consumer products worldwide. The Company has its listings on the BSE Limited and the National Stock Exchange of India Limited.

The Unaudited Condensed Interim Consolidated Financial Statements of the Group for the period ended June 30, 2024 were approved by the Board of Directors and authorized for issue on August 22, 2024.

Note 2: Statement of compliance**Basis of preparation and presentation**

The Unaudited Condensed Interim Consolidated Financial Statements of the Group, its associates and joint ventures consisting of the Unaudited Condensed Interim Consolidated Balance Sheet as at June 30, 2024, the Unaudited Condensed Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Unaudited Condensed Interim Consolidated Statement of Cash Flows, the Unaudited Condensed Interim Consolidated Statement of Changes in Equity for the period ended and other explanatory information (together hereinafter referred to as "the statement"), has been prepared in accordance with the principles of the Indian Accounting Standards ('Ind AS') 34, 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India.

The statements has been prepared by the Holding Company's Management to be included in the Holding Company's Preliminary Placement Document/ Placement Document for the purpose of proposed offering of equity shares by the Holding Company as approved by the Board of Directors on November 01, 2023 through Qualified Institutional Placement. Accordingly, such statement may not be suitable for any other purpose.

The material accounting policy information adopted in the preparation of the statement is consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended March 31, 2024.

Further, certain selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in financial position and performance since the last annual audited consolidated financial statements. These Statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statement for the year ended March 31, 2024.

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Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 3 : Property, plant and equipment

Particulars	Particulars							Right to use assets		Total
	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Leasehold improvements	Vehicles	Office equipments	Computers		
Gross Carrying Value										
Balance as at April 01, 2023	866.85	10,795.18	10,868.14	6,489.35	4,288.65	1,135.59	10,226.45	2,228.27	21,646.92	68,545.38
Additions/ transfers during the year	22.04	401.36	1,365.20	810.49	637.87	440.59	778.94	405.24	3,206.12	8,067.96
Disposals during the year	-	-	(1.53)	(61.56)	(12.44)	(86.04)	(17.13)	(38.75)	-	(217.45)
Effect of changes in exchange rates	(13.89)	4.19	78.19	78.27	30.51	9.96	82.98	14.85	374.74	659.80
Balance as at March 31, 2024	875.00	11,200.73	12,310.02	7,316.54	4,944.60	1,500.20	11,071.25	2,609.61	25,227.78	77,055.68
Additions/ transfers during the period	-	-	30.69	258.99	686.53	-	241.42	114.85	463.13	1,795.61
Disposals during the period	-	-	-	(79.87)	(222.21)	-	(170.26)	(1.92)	(111.64)	(585.91)
Effect of changes in exchange rates	(59.61)	(384.39)	(564.59)	(93.88)	(107.18)	0.59	(188.99)	(42.10)	196.08	(1,244.06)
Balance as at June 30, 2024 (A)	815.40	10,816.35	11,776.11	7,401.79	5,301.73	1,500.80	10,953.42	2,680.44	25,775.36	77,021.31
Accumulated depreciation										
Balance as at April 01, 2023	-	3,070.55	4,843.21	3,344.81	2,582.18	847.79	7,438.23	1,204.90	10,212.00	33,543.68
Depreciation charge for the year	-	520.89	946.87	716.58	736.49	109.16	1,067.12	366.87	4,127.31	8,591.30
Disposals during the year	-	-	(0.72)	(3.50)	-	(22.83)	(2.40)	(30.00)	-	(59.45)
Effect of changes in exchange rates	-	1.44	65.81	67.69	24.87	7.12	72.89	8.39	315.28	563.50
Balance as at March 31, 2024	-	3,592.87	5,855.17	4,125.58	3,343.53	941.24	8,575.85	1,550.16	14,654.58	42,639.04
Depreciation charge for the period	-	127.13	212.06	196.86	205.92	33.05	256.98	89.19	938.37	2,059.56
Disposals during the period	-	-	-	(79.29)	(222.19)	-	(172.20)	(1.92)	(105.34)	(580.94)
Effect of changes in exchange rates	-	(60.16)	(193.93)	(49.34)	(37.51)	0.70	(107.83)	(31.79)	270.28	(209.58)
Balance as at June 30, 2024 (B)	-	3,659.84	5,873.29	4,193.82	3,289.76	974.99	8,552.80	1,605.64	15,757.90	43,908.08
Net book value										
Balance as at June 30, 2024 (A-B)	815.40	7,156.50	5,902.82	3,207.97	2,011.98	525.81	2,400.62	1,074.80	10,017.46	33,113.23
Balance as at March 31, 2024	875.00	7,607.86	6,454.85	3,190.96	1,601.06	558.96	2,495.40	1,059.45	10,573.20	34,416.64

Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4 : Capital work in progress

	As at	As at
	June 30, 2024	March 31, 2024
Balance in the beginning of the year/ period	11,461.04	415.65
Addition during the period	247.25	11,033.72
Capitalisation during the period	(1,219.43)	(115.12)
Foreign exchange fluctuation	(77.33)	126.79
Balance as at the end of the year/ period	10,411.52	11,461.04

Note 5 : Investment property

	Freehold land	Building	Total
Gross carrying amount			
Balance as at April 01, 2023	68.81	2,654.95	2,723.76
Additions during the year	-	151.49	151.49
Balance as at March 31, 2024	68.81	2,806.44	2,875.25
Additions during the period	-	1.66	1.66
Balance as at June 30, 2024	68.81	2,808.10	2,876.91
Accumulated depreciation			
Balance as at April 01, 2023	-	247.76	247.76
Depreciation charge for the year	-	65.09	65.09
Balance as at March 31, 2024	-	312.85	312.85
Depreciation charge for the period	-	18.01	18.01
Balance as at June 30, 2024	-	330.86	330.86
Net book value			
Balance as at June 30, 2024	68.81	2,477.24	2,546.05
Balance as at March 31, 2024	68.81	2,493.59	2,562.40

Note 6 : Goodwill

Particulars	Amount
Gross carrying amount	
Balance as at April 01, 2023	7,981.27
Acquisition of a subsidiary	2,308.96
Exchange difference	116.91
Balance as at March 31, 2023	10,407.14
Exchange difference	38.82
Balance as at June 30, 2024	10,445.96

Allocation of goodwill to Cash Generating Units

Particulars	As at	As at
	June 30, 2024	March 31, 2024
Poeticgem Limited, Poeticgem International Limited, Poetic Brands Limited, Design Arc UK Limited and Design Arc Asia Limited	2,167.73	2,176.55
Simple Approach Limited	1,892.82	1,893.10
DBS Lifestyle India Private Limited	1,627.11	1,603.26
Nor Lanka Manufacturing Limited	967.64	967.78
Lilly and Sid Limited	667.13	667.23
Upcycle labs Limited	557.86	557.94
Sunny up Limited	528.90	528.98
Sourcing Solutions BVBA	326.14	326.18
Infinity Fashion FZCO	259.17	259.17
PDS Radius Brands FZCO	294.32	294.40
Vivere London Limited	188.22	188.25
Wonderwall (F.E) Limited	968.93	944.30
	10,445.96	10,407.14

Note 7 : Intangible assets

The following table presents the reconciliation of changes in the carrying value of other intangible assets in the Group:

Particulars	Computer software	Trade marks	Total
	Gross carrying amount		
Balance as at April 01, 2023	4,314.60	0.90	4,315.50
Add: Addition during the year	985.13	-	985.13
Disposals during the year	(203.80)	-	(203.80)
Exchange difference	50.90	-	50.90
Balance as at March 31, 2024	5,146.83	0.90	5,147.73
Add: Addition during the period	1,237.40	-	1,237.40
Exchange difference	133.30	-	133.30
Balance as at June 30, 2024	6,517.53	0.90	6,518.43
Amortisation			
Balance as at April 01, 2023	1,404.30	0.90	1,405.20
Add: Amortisation charge for the year	686.42	-	686.42
Exchange difference	18.57	-	18.57
Balance as at March 31, 2024	2,109.30	0.90	2,110.20
Add: Amortisation charge for the period	253.59	-	253.59
Exchange difference	51.45	-	51.45
Balance as at June 30, 2024	2,414.34	0.90	2,415.24
Net carrying value			
Balance as at June 30, 2024	4,103.19	-	4,103.19
Balance as at March 31, 2024	3,037.53	-	3,037.53

Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 8 : Investments accounted for using the equity method

	As at	
	June 30, 2024	March 31, 2024
Interest in joint ventures	9,926.95	10,041.55
Interest in associates	1,029.85	1,006.47
	10,956.80	11,048.02

Note 9 : Investments

	As at		As at	
	June 30, 2024		March 31, 2024	
	Non-current	Current	Non-current	Current
Fair value through profit or loss				
Equity investments	57.00	496.82	57.00	486.24
Debt investments	-	1,516.38	-	880.23
Investment in Convertible notes	2,692.35	-	2,284.85	-
Investment in Funds	6,079.56	-	4,732.42	-
Other investments	3,161.77	-	3,134.74	-
Total (A)	11,990.68	2,013.20	10,209.01	1,366.47
Fair value through other comprehensive income				
Equity instruments	23,349.23	-	23,083.46	-
Total (B)	23,349.23	-	23,083.46	-
Total [C= (A+B)]	35,339.91	2,013.20	33,292.47	1,366.47

Note 10 : Other financial assets

	As at	
	June 30, 2024	March 31, 2024
Non-current (unsecured, considered good)		
Security deposits (refer to note 'a' below)	19.18	14.78
Deposits with remaining maturity of more than 12 months	331.01	331.01
Others	584.35	680.39
Total (A)	934.54	1,026.18
Current (unsecured, considered good)		
Security deposits (refer to note 'a' below)	2,041.64	2,095.66
Interest accrued but not due	534.56	371.22
Dues from related party	1,409.44	1,420.39
Derivative financial instruments	399.39	149.07
Others	4,910.08	4,938.41
Unbilled revenue	-	523.26
Total (B)	9,295.11	9,498.01
Total (A+B)	10,229.65	10,524.19

a) The Group has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.

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Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 11 : Other assets	As at June 30, 2024	As at March 31, 2024
Non-current		
Capital advances	463.56	150.86
Total (A)	463.56	150.86
Current		
Balance with government authorities	1,450.82	729.93
Prepaid expenses	10,416.68	6,629.09
Advances to suppliers	7,574.52	5,519.04
Advances to employees	2,227.99	2,327.18
Total (B)	21,670.01	15,205.24
Total (A+B)	22,133.57	15,356.10

Note 12: Inventories	As at June 30, 2024	As at March 31, 2024
Raw materials	16,544.25	13,992.98
Work in progress	4,703.04	5,057.11
Finished goods	9,020.68	8,605.97
Goods-in-transit	4,361.12	5,207.77
Total	34,629.09	32,863.83

Note: Write-downs of inventories to net realisable value on account of slow moving and obsolete items amounted to ₹ 391.33 (March 31, 2024: ₹ 211.70). These were recognized as an expense/reversal of expense respectively during the period/ year and were included in cost of material consumed.

Note 13 : Trade receivables	As at June 30, 2024	As at March 31, 2024
(a) Trade receivable considered good - secured	-	-
(b) Trade receivable considered good - unsecured	1,45,911.05	1,67,713.55
(c) Trade receivable which have significant increase in credit risk	-	-
(d) Trade receivable - credit impaired	1,524.69	1,613.84
	1,47,435.74	1,69,327.39
Less: Allowance for expected credit loss	1,524.69	1,613.84
Total	1,45,911.05	1,67,713.55

Note 14 : Cash and cash equivalents	As at June 30, 2024	As at March 31, 2024
Balances with banks:		
- Current account	34,291.96	46,061.21
Cash on hand	94.11	87.43
Total	34,386.07	46,148.64

Note:
At June 30, 2024, the cash and bank balances of the Group denominated in RMB amounted to ₹ 160.76 (March 31, 2024: ₹ 224.54). RMB is not freely convertible into another currencies, however, under mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

* Cash and cash equivalents as at June 30, 2024 and March 31, 2024 include restricted cash and bank balances pertaining to following:

Particulars	As at June 30, 2024	As at March 31, 2024
bank account held by ESOP trust controlled by the Company	18.55	161.36
balance in unpaid dividend account	113.37	113.53
	131.92	274.89

Note 15 : Bank balance other than cash and cash equivalents	As at June 30, 2024	As at March 31, 2024
Earmarked balances for share fraction account	1.15	1.15
Deposits with original maturity of more than 3 months but less than 12 months	24,253.72	22,258.57
Total	24,254.87	22,259.72

Note 16 : Share capital

	As at June 30, 2024	As at March 31, 2024
Authorised share capital		
250,000,000 (March 31, 2024: 250,000,000) equity shares of ₹ 2/- each*	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, subscribed and paid up		
131,819,553 (March 31, 2024: 131,736,551) equity shares of ₹ 2/- each*	2,636.39	2,634.73
	2,636.39	2,634.73

a) Reconciliation of issued and subscribed share capital:

	No. of shares	Amount
Balance as at April 1, 2023	13,07,95,495	2,615.91
Add: Issued during the year#	9,75,419	19.51
Less: Treasury shares#	(34,363)	(0.69)
Balance as at March 31, 2024	13,17,36,551	2,634.73
Add: Issued during the period#	1,48,502	2.97
Less: Treasury shares#	(65,500)	(1.31)
Balance as at June 30, 2024	13,18,19,553	2,636.39

During the period ended June 30, 2024, Company has issued 148,502 equity shares (March 31, 2024 :975,419) to the employees who have exercised stock option as per employee stock option scheme 2021. Further, the Company has purchased 65,500 equity shares (March 31, 2024: 34,363 equity shares) through the ESOP trust.

The ESOP trust has transfer 12,500 equity shares (March 31, 2024: 9,056) from ESOP trust to employees who exercised there option as per stock option scheme 2021.

b) The Company has not issued any bonus shares or any shares for consideration other than cash during five years immediately preceding June 30, 2024.

*Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on July 29, 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share.

c) Terms/ rights attached to equity shares:

1. The Company has only one class of equity share having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at June 30, 2024		As at March 31, 2024	
	No. of shares [^]	Holding %	No. of shares [^]	Holding %
Mrs. Payal Seth	6,96,26,570	52.73%	6,96,26,570	52.79%
Mr. Deepak Seth	1,57,78,670	11.95%	1,57,78,670	11.96%
Mr. Sanjiv Dhiresbhai Shah	68,41,968	5.18%	68,41,968	5.19%

e) Details of shareholding of Promoters:

	As at June 30, 2024		
	Number of shares [^]	% of total shares	% change during the period
Mrs. Payal Seth	6,96,26,570	52.73%	0.00%
Mr. Deepak Seth	1,57,78,670	11.95%	0.00%
Mr. Pallak Seth	13,94,190	1.06%	0.00%

	As at March 31, 2024		
	Number of shares [^]	% of total shares	% change during the year
Mrs. Payal Seth	6,96,26,570	52.79%	0.36%
Mr. Deepak Seth	1,57,78,670	11.96%	0.00%
Mr. Pallak Seth	13,94,190	1.06%	0.00%

[^]The number of shares are given in absolute numbers.

Note 17 : Other equity

	As at June 30, 2024	As at March 31, 2024
Securities premium reserve	3,673.86	3,418.46
Capital reserve	26,214.22	26,214.22
Restricted reserve	664.52	664.52
Other reserve	(16,516.63)	(16,327.09)
Retained earnings	73,874.56	71,884.12
Foreign currency translation reserve	16,492.16	19,607.06
Effective portion of cash flow hedge	293.34	(139.06)
Financial instruments through other comprehensive income	5,249.17	5,336.77
Treasury shares	(704.49)	(521.91)
Stock based payment reserve	4,264.18	4,025.90
Remeasurement of defined benefit plan	(139.38)	(147.96)
	1,13,365.52	1,14,015.03

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

(All amounts in ₹ lakhs, unless otherwise stated)

Note 18 : Borrowings	As at June 30, 2024	As at March 31, 2024
Non-current		
Secured loan		
- Term loan from bank	5,613.88	4,966.29
Less: Current maturities of long term borrowings	(625.00)	(416.67)
Total (A)	4,988.88	4,549.62
Current		
Secured loan		
- From banks (refer note (i) below)	62,962.61	74,666.73
- Bank overdraft	13,496.66	13,365.60
- Import Loan	810.43	978.81
- Current maturities of long term borrowings	625.00	416.67
Unsecured loan		
- From directors	235.61	312.65
Total (B)	78,130.31	89,740.46
Total (A+B)	83,119.19	94,290.08

Note:

(i) The Group's interest-bearing bank borrowings are secured by certain of the Group's investment properties, time deposits and unlisted investments with an aggregate carrying amount of approximately ₹ 23,303.43 (March 31, 2024: ₹ 23,257.74) and guaranteed by the immediate holding company, fellow subsidiaries and directors of the Company.

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Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

	(All amounts in ₹ lakhs, unless otherwise stated)	
	As at	As at
	June 30, 2024	March 31, 2024
Note 19 : Other financial liabilities		
Non-current		
Security deposit received (refer to note 'a' below)	179.62	176.64
Total (A)	179.62	176.64
Current		
Interest accrued but not due on borrowings from bank	37.19	37.19
Derivative financial instruments	117.12	298.20
Dues to employees	3,001.36	3,677.54
Share based payment liability	714.25	659.50
Unclaimed dividend (refer to note 'b' below)	113.37	113.53
Total (B)	3,983.29	4,785.96
Total (A+B)	4,162.91	4,962.60
a) The Group has determined its security deposits are not in the nature of borrowings and accordingly have been classified as part of other financial liabilities.		
b) It does not include any amount due and outstanding, to be credited to investor education and protection fund.		
Note 20 : Provisions		
Non-current		
Gratuity and other defined benefit plans	2,795.06	2,801.91
Total (A)	2,795.06	2,801.91
Current		
Provision for compensated absences	998.13	1,256.52
Gratuity and other defined benefit plans	218.37	426.99
Total (B)	1,216.50	1,683.51
Total (A+B)	4,011.56	4,485.42
Note 21 : Trade payable		
- Total outstanding dues to micro enterprises and small enterprises	13.92	20.99
- Total outstanding dues to creditors other than micro and small enterprises	1,41,845.51	1,50,398.35
Total	1,41,859.43	1,50,419.34

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Note 22 : Other liabilities	As at June 30, 2024	As at March 31, 2023
Non-current		
Deferred income on security deposit received	32.96	35.75
Other payables	1.15	1.15
Total (A)	34.11	36.90
Current		
Statutory dues	999.11	840.37
Revenue received in advance	8,017.88	5,836.60
Other payables	3,102.41	4,787.38
Total (B)	12,119.40	11,464.35
Total (A + B)	12,153.51	11,501.25
Note 23 : Liabilities for current tax (net)		
Provision for income tax, net of advance tax	5,290.77	4,859.66
Total	5,290.77	4,859.66

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Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

	(All amounts in ₹ lakhs, unless otherwise stated)	
Note 24 : Revenue from operations	For the Period from April 01, 2024 to June 30, 2024	For the Period from April 01, 2023 to June 30, 2023
Sale of goods	2,49,794.14	2,06,116.35
Other operating revenues*	12,311.41	5,377.26
Total	2,62,105.55	2,11,493.61
*Other operating revenue includes commission income, marketing fee income and other miscellaneous operating revenue.		
Note 25 : Other income		
Rental income	159.39	41.41
Interest income	438.19	269.60
Gain on fair valuation of investments carried at fair value through profit or loss	955.97	41.04
Unwinding of discount on deposits carried at amortised cost	0.90	1.10
Reversal of allowance for expected credit loss	89.15	77.14
Sundry balance written back	119.93	-
Dividend from investments carried at fair value through profit or loss	7.28	24.60
Miscellaneous income	186.91	24.19
Total	1,957.72	479.08
Note 26 : Cost of material consumed		
Inventory at the beginning of the period	13,992.98	10,239.75
Add: Purchases	17,695.27	11,242.38
Less: Inventory at the end of the period	16,544.25	9,178.94
Total	15,144.00	12,303.19
Note 27 : Purchase of stock in trade		
Purchases	1,91,665.44	1,76,236.66
Total	1,91,665.44	1,76,236.66
Note 28 : Changes in inventories of finished goods and work in progress		
Inventories at the beginning of the period		
- Finished goods	13,813.74	10,269.41
- Work-in-progress	5,057.11	5,065.05
Total (A)	18,870.85	15,334.46
Inventories at the end of the period		
- Finished goods	13,381.80	27,067.87
- Work-in-progress	4,703.04	4,824.72
Total (B)	18,084.84	31,892.59
Decrease/ (Increase) in inventory (A-B)	786.01	(16,558.13)
Note 29 : Employee benefits expense		
Salaries, wages and bonus	25,406.97	18,263.45
Contribution to provident and other fund	1,213.01	946.89
Staff welfare expenses	173.04	201.18
Gratuity expense	229.77	186.37
Employee share compensation expense	279.96	443.21
Total	27,302.75	20,041.10
Note 30 : Finance costs		
Interest expense		
- on term loans	198.74	98.10
- on cash credit, factoring and working capital facilities	2,731.14	2,018.24
- on vehicle loan	-	0.10
- on lease obligation	140.66	119.81
- on loan from others	224.95	96.62
- on others	2.97	3.16
Unwinding of discount on security deposit received	2.98	2.90
Total	3,301.44	2,338.93
Note 31 : Depreciation and amortization expense		
Depreciation of property plant and equipment	1,121.19	1,080.93
Depreciation of investment property	18.01	10.27
Depreciation on right to use of assets	938.37	890.19
Amortization of intangible assets	253.59	173.18
Total	2,331.16	2,154.57

Note 32 : Other expenses	For the Period from April 01, 2024 to June 30, 2024	For the Period from April 01, 2023 to June 30, 2023
Other manufacturing expenses	161.38	158.68
Electricity charges	284.60	239.59
Rent	239.33	220.06
Rates and taxes	311.16	201.18
Repairs and maintenance	420.22	316.38
Legal and professional expenses	2,947.12	2,106.93
Software cost	331.42	125.51
Travelling and conveyance	2,416.85	1,715.39
Selling and marketing	2,391.53	1,767.19
Postage and courier	959.99	782.97
Commission and brokerage	1,824.40	1,204.68
Freight cost	1,977.15	543.75
Loss on sale of plant, property and equipment	0.46	-
Recruitment expenses	248.50	134.26
Foreign exchange fluctuation (net)	162.07	87.70
Royalty	1,150.51	816.17
Advertisement and business promotion	536.61	408.75
Insurance	312.90	139.52
Security expenses	45.98	46.56
Printing and stationery	136.49	165.84
Communication costs	188.45	177.90
Bank charges	775.90	553.87
Corporate social responsibility expenses	-	12.36
Investment management fee	73.05	132.69
Miscellaneous expenses	1,979.45	684.63
Total	19,875.52	12,742.56

Note 33 : Earnings per share (EPS)

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

Particulars	For the Period from April 01, 2024 to June 30, 2024	For the Period from April 01, 2023 to June 30, 2023
Profit attributable to the equity holders of the Company (₹)	1,990.46	1,884.18
Weighted average number of equity shares for basic EPS**	13,18,46,047	13,08,57,917
Effect of dilution:		
Employee stock option plan^	21,85,719	22,21,385
Weighted average number of equity shares for diluted EPS**	13,40,31,766	13,30,79,302
Earning per Equity share (in ₹)		
Basic earnings per share (in ₹) (face value ₹2/- per share)	1.51	1.44
Diluted earnings per share (in ₹) (face value ₹ 2/- per share)	1.49	1.42

* Net of issue of fresh capital & treasury shares during quarter ended June 30, 2024 is 83,002 shares (June 30, 2023- 2,39,250 shares).

^The number of shares are given in absolute numbers.

Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on July 29, 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share

Note 34 : Related parties disclosure

a) List of related parties

Name of the related party	Nature of relationship
Digital Ecom Techno Private Limited	Joint ventures
Redwood Internet Ventures Limited***	
Digital Internet Technologies Limited	
Yellow Octopus EU SA (Joint Stock Company)	
One Stop Shop Solutions spolka z ograniczona odpowiedzialnoscia spolka komandytowa (LLP)***	
Yellow Octopus Ventures FZCO	
Yellow Octopus-UK Limited (formerly Yellow Octopus Fashion Limited)	Associates
GWD Enterprises Limited	
Loop Digital Wardrobe Limited	
Nobleswear Private Limited**	
Sourcing Solution Europe BVBA*	
Mambo Leisure Masters Limited**	
Reflaunt Pte Limited	Key managerial personnel (KMP)
Mrs. Payal Seth (Non-Executive Director)^	
Mr. Deepak Seth (Non-Executive Director)	
Mr. Pallak Seth (Executive Director)#	
Mr. Parth Gandhi (Non Executive-Non Independent Director)	
Mr. Nishant Parikh (Non Executive -Independent Director)	
Mr. BG Srinivas (Additional Non-Executive -Independent Director)	
Mr. Mungo Park (Non Executive -Independent Director)	
Mrs. Yael Gairola (Non Executive -Independent Director)	
Mr. Robert Sinclair (Non Executive- Independent Director)	
Mr. Sanjay Jain (Chief Executive Officer)	
Mr. Rahul Ahuja (Chief Financial Officer)^^^	
Mr. Ashish Gupta (Chief Financial Officer)^^^^	
Mrs. Sandra Campos (Independent Director)^^^	
Mr. Abhishekh Kanoi (Head of Legal & Company Secretary)	

Refer Note 2 of annual consolidated financial statement for the period ended March 31, 2024 for details of subsidiaries, step down subsidiaries and controlled trust.

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	For the period from April 01, 2024 to June 30, 2024	For the period from April 01, 2023 to June 30, 2023
Digital Ecom Techno Private Limited	Joint Venture	Service charges	0.03	0.03
GWD Enterprises Limited	Associate	Sale of goods	34.34	80.95
Sourcing Solution Europe BVBA*	Associate	Sale of goods	-	1,280.21
Nobleswear Private Limited	Associate	Purchase of goods	158.12	-
Mr. Nishant Parikh	Key managerial personnel	Director sitting fees	10.42	10.27
Mr. Robert Sinclair		Director sitting fees	10.42	10.27
Mr. Mungo Park		Director sitting fees	12.50	10.27
Mr. Pallak Seth		Director sitting fees	29.19	-
Mr. Depak Seth		Director sitting fees	189.78	-
Mrs. Yael Gairola		Director sitting fees	12.51	10.18
Mr. BG Srinivas		Director sitting fees	10.42	10.27
Ms. Sandra Campos		Director sitting fees	38.58	-
Mr. Pallak Seth			221.75	362.91
Mr. Ashish Gupta			-	114.14
Mr. Sanjay Jain		Remuneration	145.89	99.53
Mr. Abhishekh Kanoi			18.42	21.32
Mr. Rahul Ahuja			40.08	36.96
Mr. Parth Gandhi			5.52	13.64
Mr. Abhishekh Kanoi	Employee stock compensation expense	3.79	6.75	
Mr. Rahul Ahuja		5.86	38.21	

c) Balance receivable

Name of related party	Relationship	Nature	As at June 30, 2024	As at March 31, 2024
Digital Internet Technologies Limited	Joint venture	Dues from related party	287.69	287.73
Yellow Octopus EU SA (Joint stock company)	Joint venture		496.40	497.61
Yellow Octopus Ventures FZCO	Joint venture		613.29	635.05
GWD Enterprises Limited	Associate		12.06	-

d) Balance payable

Name of related party	Relationship	Nature	As at June 30, 2024	As at March 31, 2024
Mr. Abhishekh Kanoi	Key managerial personnel	Due to employees	4.49	4.77
Mr. Rahul Ahuja			7.54	8.18
Mr. Sanjay Jain			11.90	16.01
Mr. Pallak Seth			71.83	-
Mr. Deepak Seth			151.77	-

* During the year ended March 31, 2024, entity is converted into subsidiary.

** During the year ended March 31, 2024, Group has acquired these associate entities.

*** During the year ended March 31, 2024, entities are dissolved.

^ Mrs. Payal Seth is the largest shareholder.

^^ Mrs. Sandra Campos was appointed as Independent Director of the Company w.e.f. November 01, 2023 at the Board meeting held on November 01, 2023.

#The Board of Directors of the Company has appointed Mr. Pallak Seth as Executive Vice Chairman & Director (Executive Director) is for a period of 5 years with effect from November 02, 2022 to November 01, 2027.

^^^ Mr. Rahul Ahuja was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. January 25, 2023 at the Board meeting held on January 24, 2023. Mr. Ashish Gupta has resigned as a Chief Financial Officer of the Company w.e.f. close of business hours of January 24, 2023.

e) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and carried interest rate, wherever applicable.

f) In respect of figures disclosed above:

(i) The amount of transactions/ balances are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation, if any.

(ii) Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Group.

Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 35 : Fair values disclosure**a) The carrying amounts of financial assets by categories is as follows:**

	As at June 30, 2024	As at March 31, 2024
Financial assets measured at fair value through profit and loss		
Equity investments	553.82	543.24
Debt investments	1,516.38	880.23
Other investments	3,161.77	3,134.74
Investment in convertible notes	2,692.35	2,284.85
Investment in funds	6,079.56	4,732.42
Sub Total (A)	14,003.88	11,575.49
Financial assets measured at fair value through other comprehensive income		
Equity and debt investments	23,349.23	23,083.46
Derivative financial instruments	399.39	149.07
Sub Total (B)	23,748.62	23,232.53
Financial assets measured at amortised cost		
Other financial assets	9,830.26	10,375.12
Trade receivable	1,45,911.05	1,67,713.55
Cash and cash equivalents	34,386.07	46,148.64
Other bank balances	24,254.87	22,259.72
Sub Total (C)	2,14,382.25	2,46,497.03
Total financial assets (A+B+C)	2,52,134.75	2,81,305.05

b) The carrying amounts of financial liabilities by categories is as follows:

Financial liability measured at fair value through profit and loss		
Share based payment liability	714.25	659.50
Sub Total (A)	714.25	659.50
Financial liabilities measured at fair value through other comprehensive income		
Derivative financial instruments	117.12	298.20
Sub Total (B)	117.12	298.20
Financial liabilities measured at amortised cost		
Borrowings	83,119.19	94,290.08
Trade payables	1,41,859.43	1,50,419.34
Other financial liabilities	3,331.54	4,004.90
Lease liabilities	10,515.49	11,103.33
Sub Total (C)	2,38,825.65	2,59,817.65
Total Financial Liabilities (A+B+C)	2,39,657.02	2,60,775.35

c) The fair value of trade receivables, cash and bank balances, other financial assets, borrowings, lease liabilities, trade payables and other financial liabilities are considered to be equal to the carrying amount of these items due to their short term nature.

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Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 36 : Fair value hierarchy

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

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

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

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

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

a) Fair value measurement hierarchy of financial assets as at June 30, 2024:

	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit and loss				
Listed and unlisted equity investments, at fair value	553.82	496.82	-	57.00
Listed debt investments, at fair value	1,516.38	1,516.38	-	-
Investment in convertible notes	2,692.35	-	-	2,692.35
Investment in funds	6,079.56	46.62	1,253.57	4,779.38
Investments in life insurance policies, at fair value	3,161.77	-	3,161.77	-
Total (A)	14,003.88	2,059.83	4,415.34	7,528.73
Financial assets measured at fair value through other comprehensive income				
Equity investments, at fair value	23,349.23	-	653.80	22,695.43
Derivative financial instruments	399.39	-	399.39	-
Total (B)	23,748.62	-	1,053.19	22,695.43
Total (A+B)	37,752.50	2,059.83	5,468.53	30,224.15

b) Fair value measurement hierarchy for financial liabilities as at June 30, 2024:

	Total	Level 1	Level 2	Level 3
Financial liabilities measured at fair value through other comprehensive income				
Derivative financial instruments	117.12	-	117.12	-
Total (A)	117.12	-	117.12	-
Financial liability measured at fair value through profit and loss				
Share based payment liability	714.25	-	714.25	-
Total (B)	714.25	-	714.25	-
Total (A+B)	831.37	-	831.37	-

c) Fair value measurement hierarchy of financial assets as at March 31, 2024:

	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit and loss				
Listed and unlisted equity investments, at fair value	543.24	486.24	-	57.00
Listed debt investments, at fair value	880.23	880.23	-	-
Investment in convertible notes	2,284.85	-	-	2,284.85
Investment in funds	4,732.42	46.62	1,253.57	3,432.23
Investments in life insurance policies, at fair value	3,134.74	-	3,134.74	-
Total (A)	11,575.49	1,413.10	4,388.31	5,774.08
Financial assets measured at fair value through other comprehensive income				
Equity investments, at fair value	23,083.46	-	653.80	22,429.66
Derivative financial instruments	149.07	-	149.07	-
Total B	23,232.53	-	802.87	22,429.66
Total (A+B)	34,808.01	1,413.10	5,191.18	28,203.74

d) Fair value measurement hierarchy for financial liabilities as at March 31, 2024:

	Total	Level 1	Level 2	Level 3
Financial liabilities measured at fair value through other comprehensive income				
Derivative financial instruments	298.20	-	298.20	-
Total (A)	298.20	-	298.20	-
Financial liability measured at fair value through profit and loss				
Share based payment liability	659.50	-	659.50	-
Total (B)	659.50	-	659.50	-
Total (A+B)	957.70	-	957.70	-

The movements in fair value measurements within level 3 during the period are as follows:

Particulars	As at	
	June 30, 2024	March 31, 2024
At beginning of the year/ period	28,203.75	21,928.85
Addition	961.74	2,680.29
Total gains recognised in statement of profit and loss	923.72	(158.63)
Total gains recognised in other comprehensive income	44.57	3,197.99
Disposals	-	(197.75)
Foreign exchange gain	90.38	753.00
At end of the period/ year	30,224.17	28,203.75

i) There have been no transfers between level 1, level 2 and level 3 category during the period ended on June 30, 2024 and March 31, 2024.

PDS Limited

Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 40 : Fair value hierarchy (cont'd)

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Investment in listed equity and debt instruments and bonds: The fair value of listed investment in equity and debt instruments and bonds are determined using its quoted market price.

(b) Investment in unlisted equity, funds and convertible notes: The fair value of unlisted investments at fair value through other comprehensive income and fair value through profit or loss are based on either using a valuation technique which incorporates various market observable inputs including quoted prices or most recent transaction prices. The management believe that the estimated fair value resulting therefrom, which is recorded in the Unaudited Condensed Interim Consolidated Balance Sheet and the related change in fair value, which is recorded in the Unaudited Condensed Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), are reasonable, and that it was the most appropriate value at the end of the reporting period.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at June 30, 2024 and March 31, 2024:

Particulars	Level	Valuation technique	Unobservable input	Relationship of unobservable input to fair value
Financial assets at fair value through other comprehensive income and statement of profit and loss	Level 3	Market approach	Enterprise-value-to-revenue multiple	Increase/decrease in EV/ Revenue would result in increase/ decrease in fair value
	Level 3	Income approach	Discount rate	Increase/decrease in discount rate would result in decrease/ increase in fair value
	Level 2	Recent transaction approach	Value of recent transaction with unrelated party	Valuation is dependant on the most recent transaction/ round of investment that was carried out with an unrelated party.

(c) Derivative financial instruments: The Group enters into derivative financial instruments with financial institutions with high credit ratings. Derivative financial instruments, representing forward currency contracts and option currency contracts, are measured using valuation techniques similar to forward and option pricing, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values. As at June 30, 2024 the mark-to-market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

(d) Investment in life insurance policies: The fair values of investments in life insurance policies have been estimated based on the surrender values, which are calculated and quoted by the issuer. The management believe that the estimated fair values resulting therefrom, which are recorded in the consolidated Balance Sheet, and the related changes in fair values, which are recorded in the Unaudited Condensed Interim Consolidated Statement of Profit and Loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

(e) Share based payment liability: The fair value of share based payment liability (Cash settled options) is determined using underlying value of the equity shares of the company.

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PDS Limited

Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 37 : Commitments and contingencies

a) Commitments

(i) Capital commitment:

Estimated amount of contracts remaining to be executed on capital account (net of advances) as on June 30, 2024 is Nil (March 31, 2024: Nil)

(ii) Other commitment:

a) The Company has entered into a Capital commitment agreement where contribution has to be made to Fireside Ventures Advisory LLP (Investment Manager of Fireside Ventures Investment Fund III (Fund)) and Orbis trusteeship Services Private Limited (Trustee Company of the Fund) in which the contributor has committed ₹ 700.00 which will be paid as per the terms of agreement. During the quarter, 5% (March 31, 2024 - 20%) of the amount i.e. ₹ 35.00 (March 31, 2024- 140.00) has been contributed based on the drawdown notice received from the fund. Total contribution till June 30, 2024 is ₹ 215.00.

b) The Company has entered into a Capital commitment agreement where contribution has to be made to Waterbridge Capital Management LLP (Investment Manager of WaterBridge Ventures II Trust (Fund)) and Vistra ITCL (India) Limited (Trustee Company of the Fund) in which the contributor has committed ₹ 1000.00 which will be paid as per the terms of agreement. During the quarter, Nil (March 31, 2024 - 7.50%) of the amount i.e. Nil (March 31,2024 - 75.00) has been contributed based on the drawdown notice received from the fund. Total contribution till June 30, 2024 is ₹ 675.00.

b) Contingent liabilities

Particulars	As at	As at
	June 30, 2024	March 31, 2024
i) In case of the Company, claims against Company not acknowledged as debt		
- On account of stamp duty on demerger	148.20	148.20
	148.20	148.20

- the Company has been a filed writ petition before the Hon'ble High Court of Delhi (PDS Multinational Fashions Limited Vs. Collector of Stamp, Civil Writ Petition being W. P. (C) No. 7509 of 2015) for quashing the orders dated June 19, 2015 and July 9, 2015 passed by the Collector of Stamps and was saddled with a liability of ₹ 148.20 based on the misrepresentation and misreading of the judgement passed by the Hon'ble High Court of Delhi in Delhi Towers vs. GNCT of Delhi 1(2010) 159 comp. cases 129 (Delhi).

- Pending resolution of the respective proceedings, it is difficult to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.

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

(iii) In case of Poeticgem Limited, HSBC Bank PLC, has provided a guarantee to HM Revenue and Customs and RBS PLC amounting to ₹ 565.37 (March 31, 2024 : ₹ 565.29).

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Notes to the Unaudited Condensed Interim consolidated financial statements as at June 30, 2024

(All amounts in ₹ lakhs, unless otherwise stated)

Note 38 : Segment reporting

(a) Primary segment information:

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment e.g. sourcing, manufacturing and others), or in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business segments. The Group's primary format for segment reporting is based on business segments.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Other items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Group's headquarters) and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the reporting period to acquire property, plant and equipment, investment property and intangible assets other than goodwill.

(b) Segment details are as below:

Particulars	Sourcing		Manufacturing		Others		Adjustment / elimination		Total	
	For the Quarter ended June 30, 2024	June 30, 2023	For the Quarter ended June 30, 2024	June 30, 2023	For the Quarter ended June 30, 2024	June 30, 2023	For the Quarter ended June 30, 2024	June 30, 2023	For the Quarter ended June 30, 2024	June 30, 2023
Segment revenue	2,50,451.04	2,03,091.01	17,984.85	11,712.34	133.89	117.36	(6,464.22)	(3,427.10)	2,62,105.56	2,11,493.62
Other income	365.30	395.93	578.97	62.49	984.82	23.23	28.65	(2.55)	1,957.72	479.10
Segment results before tax	2,438.30	2,423.28	760.72	158.55	533.93	(67.92)	(76.00)	199.90	3,656.95	2,713.81
Tax expense									(456.23)	(498.89)
Share of loss of associates and joint ventures									(80.93)	118.66
Profit for the period	2,96,815.04	2,54,621.25	43,623.91	42,795.05	44,581.74	37,222.98	-	-	3,119.79	2,333.58
Segment assets	77.09	76.09	11.33	12.79	11.58	11.12	-	-	3,85,020.69	3,34,639.28
Segment assets as a % of total assets									100.00	100.00
Segment liabilities	2,35,812.51	2,03,024.46	16,373.12	14,751.92	8,927.22	4,753.62	-	-	2,61,112.85	2,22,530.00
Segment liabilities as a % of total liabilities	90.31	91.23	6.27	6.63	3.42	2.14	-	-	100.00	100.00
Other material non-cash items included under Statement of Profit and loss before tax										
Depreciation and amortisation	1,680.39	1,515.86	527.52	577.76	123.25	60.95	-	-	2,331.15	2,154.57

Entity wide disclosures:

(c) Information about products and services:

(i) Revenue from external customers by nature of product:

Particulars	Quarter ended June 30, 2024	Quarter ended June 30, 2023
Sale of goods	2,49,794.14	2,06,116.35
Others	12,311.41	5,377.26
	2,62,105.55	2,11,493.61

(d) Information about Geographical areas

(i) Revenue from external customers by Geography are as follows:

Geography	Quarter ended June 30, 2024	Quarter ended June 30, 2023
India	1,149.05	1,463.43
UK & Europe	1,75,755.16	1,50,135.15
North America	38,967.89	28,526.50
Asia & Middle East	28,826.24	20,941.42
Others	5,095.80	5,049.85
	2,49,794.14	2,06,116.35

(ii) The Group's non-current assets are majority located as follows:

Geography	As at June 30, 2024	As at March 31, 2024
India	7,892.25	7,571.99
Hong Kong	20,645.80	15,296.03
United Kingdom	15,681.39	17,335.83
Bangladesh	14,439.75	16,593.54
Others	16,488.17	18,939.81
	75,147.37	75,377.21

(iii) The Group's investments accounted as per equity method are majority located as follows:

Geography	As at June 30, 2024	As at March 31, 2024
Hong Kong	123.88	128.12
Sri Lanka	774.25	862.55
Poland	9,926.95	9,930.97
Others	131.72	126.38
	10,956.80	11,048.02

Note 39: Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to Statement of Profit and Loss:

	For the Period from April 01, 2024 to June 30, 2024	For the Period from April 01, 2023 to June 30, 2023
Revenues by category and nature		
Sale of goods	2,49,794.14	2,06,116.35
Others	12,311.41	5,377.26
	2,62,105.55	2,11,493.61

Revenues from geographic areas based on the location of the customers are as follows:

India	1,149.05	1,463.43
UK & Europe	1,75,755.16	1,50,135.15
North America	38,967.89	28,526.50
Asia & Middle East	28,826.24	20,941.42
Others	5,095.80	5,049.85
	2,49,794.14	2,06,116.35

Revenues based on timing of recognition

Sale of goods transferred at a point in time	2,49,794.14	2,06,116.35
Services transferred over the period of time	12,311.41	5,377.26
	2,62,105.55	2,11,493.61

Significant changes in contract assets and contract liabilities during the period are as follows:

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Assets and liabilities related to contracts with customers

	As at June 30, 2024	As at March 31, 2024
Trade receivables	1,42,359.82	1,67,713.55
Contract assets	-	523.26
Contract liabilities	8,017.88	5,836.60

Trade receivables are non-interest bearing and are generally on terms of 90-135 days. The Group has provide reversal of provision for expected credit loss for an amount of ₹ 89.15 on trade receivables during the quarter ended June 30, 2024.

Contract assets at the beginning of the year

	As at June 30, 2024	As at March 31, 2024
Revenue to be billed during the period/ year	523.26	971.85
Contract assets at the end of the period/ year	(523.26)	(448.59)
	-	523.26

Contract liabilities at the beginning of the year

Advance received from customers during the period/ year	5,836.60	2,746.49
Contract liabilities at the end of the period/ year	2,181.28	3,090.11
	8,017.88	5,836.60

Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

	For the Period from April 01, 2024 to June 30, 2024	For the Period from April 01, 2023 to June 30, 2023
Revenue as per contract	2,62,633.67	2,11,986.96
Variable consideration adjustments	(528.12)	(493.35)
Revenue from contract with customers	2,62,105.55	2,11,493.61

Summary of material accounting policies and other explanatory information

The accompanying notes form an integral part of these condensed interim consolidated financial statements
As per our report of even date

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

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

Aasheesh Arjun Singh
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Aasheesh Arjun Singh
Partner
Membership No: 210122

Signed by:

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Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Signed by:

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Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

Signed by:

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Sanjay Jain
Chief Executive Officer

Signed by:

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Rahul Ahuja
Chief Financial Officer

Signed by:

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

Bengaluru, India
August 22, 2024

Mumbai, India
August 22, 2024

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of PDS Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of PDS Limited ('the Company') for the quarter ended 30 June 2024 being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations')
2. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Walker Chandiok & Co LLP

4. Based on our review conducted as above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Aasheesh
Arjun Singh

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Aasheesh Arjun Singh

Partner

Membership No. 210122

UDIN: 24210122BKEWLO1265

Bengaluru

24 July 2024

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of PDS Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of PDS Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures (refer Annexure 1 for the list of subsidiaries, associates and joint ventures included in the Statement) for the quarter ended 30 June 2024, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Walker Chandniok & Co LLP

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and as per the presentation requirements of the SEBI Circular(s) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the interim financial statements/ financial information/ financial results of 77 subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 1,80,645.60 lakhs, total net profit after tax of ₹ 5,652.44 lakhs and total comprehensive income of ₹ 5,998.84 lakhs, for the quarter ended on 30 June 2024, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of ₹ 80.94 lakhs and total comprehensive loss of ₹ 80.94 lakhs for the quarter and 30 June 2024, as considered in the Statement, in respect of 3 associates and 4 joint ventures, whose interim financial statements/ financial information/ financial results have not been reviewed by us. These interim financial statements/ financial information/ financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates/ joint ventures is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.

Further, of these subsidiaries/ associates/ joint ventures, 77 subsidiaries, 3 associates, 4 joint ventures, are located outside India, whose interim financial statements/ financial information/ financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/ financial information/ financial results of such subsidiaries/ associates/ joint ventures from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates/ joint ventures is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

6. The Statement includes the interim financial statements/ financial information/ financial results of 24 subsidiaries, which have not been reviewed by their auditors, whose interim financial statements/ financial information/ financial results reflects total revenues of ₹ 1,882.90 lakhs, net loss after tax of ₹ 536.47 lakhs and total comprehensive loss of ₹ 536.47 lakhs for the quarter ended 30 June 2024 as considered in the Statement. The Statement also includes the Group's share of net profit after tax of ₹ Nil, and total comprehensive income of ₹ Nil for the quarter ended on 30 June 2024, in respect of 2 associates, based on their interim financial statements/ financial information/ financial results, which have not been reviewed/audited by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, are based solely on such unreviewed interim financial statements / financial information/ financial results. According to the information and explanations given to us by the management, these interim financial statements/ financial information/ financial results are not material to the Group.

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Our conclusion is not modified in respect of this matter with respect to our reliance on the financial statements/information/ results certified by the management of the respective entities and provided to us by the Holding Company's management.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Aasheesh
Arjun Singh

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Date: 2024.07.24
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Aasheesh Arjun Singh

Partner

Membership No: 210122

UDIN: 24210122BKEWLP8120

Bengaluru
24 July 2024

Walker Chandiook & Co LLP

Annexure I- List of entities included in the consolidated financial statements

Subsidiaries

Sl. No	Name of the entity
1	Technocian Fashions Private Limited
2	Multinational Textile Group Limited
3	Casa Forma Limited
4	PDS Sourcing Limited
5	PDS Asia Star Corporation Limited
6	Simple Approach Limited
7	Simple Approach Home Limited
8	Moda & Beyond Limited (Erstwhile Moda and Beyond Limited)
9	Wonderwall (F.E) Limited (HK)
10	Wonderwall (F.E) Limited
11	Simple Approach Bangladesh Private Limited
12	Zamira Fashion Limited Zhongshan
13	PG Group Limited
14	Techno Design HK Limited
15	Norwest Industries Limited
16	Poeticgem International Limited
17	PDS Sourcing Bangladesh Limited (Formerly known as Multinational OSG Services Bangladesh Private Limited)
18	PDS Smart Fabric Tech Limited (Formerly known as Funky Brands Company Limited and Full House Manufacturing Limited)
19	Techno Design GmBH
20	Poetic Brands Limited
21	Poeticgem Limited
22	PDS Trading (Shanghai) Co. Limited
23	Simple Approach (Canada) Limited
24	PDS Brands Manufacturing Limited
25	PG Home Group Limited
26	PG Shanghai Manufacturer Co. Limited
27	360 Notch Limited
28	PDS Fashions Bangladesh Limited
29	Design Arc Europe SPA
30	Sourcing Solutions Limited
31	PDS Brands Private Limited
32	Krayons Sourcing Limited
33	Design Arc Asia Limited
34	Nor Lanka Manufacturing Limited
35	Design Arc Europe Limited
36	Kleider Sourcing Hong Kong Limited
37	Kleider Sourcing Limited
38	Rising Asia Star Hong Kong Co., Limited
39	PDS Tailoring Limited

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Subsidiaries (Cont'd)

Sl. No	Name of the entity
40	Spring Near East Manufacturing Co. Limited
41	Clover Collections Limited
42	PG Group SPA
43	PG Home Group SPA
44	Nor Lanka Manufacturing Colombo Limited
45	Brand Collective Limited
46	PDS Fashion USA Limited
47	PDS Ventures Limited
48	Progress Manufacturing Group Limited
49	Progress Apparels (Bangladesh) Limited
50	GoodEarth Lifestyle Limited (Erstwhile Green Apparel Industries Limited)
51	Grupo Sourcing Limited
52	JJ Star Industrial Limited
53	Twins Asia Limited
54	Nor Lanka Progress Private Limited
55	Design Arc UK Limited
56	Grupo Sourcing Limited, Bangladesh
57	Fareast Vogue Limited
58	PDS Far-east Limited
59	Kindred Brands Limited
60	Styleberry Limited
61	PDS Global Procurement Service FZCO
62	GoodEarth Apparels Limited. (Erstwhile Green Smart Shirts Limited)
63	Zamira Fashion Limited
64	PDS Far East USA, Inc.
65	PDS Ventures Limited (Erstwhile Smart Notch Industrial Limited)
66	Apex Black Limited
67	Casa Collective Limited
68	Smart Notch (Shanghai) Limited
69	Jcraft Array Limited
70	TECHNO SOURCING DIŞ TİCARET ANONİM ŞİRKETİ
71	Upcycle labs Limited
72	Kindred Fashion Limited
73	Recovered Clothing Limited
74	PDS Fashions Limited
75	Design Arc FZCO

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Subsidiaries (Cont'd)

Sl. No.	Name of the entity
76	Spring Near East FZCO
77	Kleider Sourcing FZCO
78	Twins Asia FZCO
79	Techno Sourcing BD Limited
80	Clover Collections FZCO
81	PG Capital FZE
82	PDS Manufacturing Limited
83	Norlanka Manufacturing India Private Limited
84	Poeticgem International FZCO
85	PDS Multinational FZCO
86	Spring Design London Limited
87	LillyandSid Limited
88	Brand Collective Corporation Limited
89	DBS Lifestyle India Private Limited
90	Pangram Brands Global Private Limited
91	Suri Overseas Private Limited
92	S.Oliver Fashion India Private Limited
93	Sunny Up Limited
94	Techno Design USA LLC
95	Techno (Shanghai) Trading Co. Limited
96	Lily And Lionel London Limited
97	Design Arc Brands Limited
98	PDS Collective Sourcing Limited (formerly Casa Collective Sourcing Limited)
99	PDS Incubation Company Limited (PDS Sourcing Hong Kong Limited)
100	PDS Fashions Hong Kong Limited
101	New Lobster Limited
102	PDS Design Services Limited
103	PDS Lifestyle Limited
104	SKOPE Apparels FZCO
105	Infinity Fashion FZCO
106	PDS Logistics FZCO
107	PDS Lifestyle Limited UK
108	PDS Sourcing FZCO
109	PDS Brands Manufacturing FZCO

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Subsidiaries (Cont'd)

Sl. No	Name of the entity
110	PDS DSGN FZCO (formerly PDS Lifestyle FZCO)
111	Moda and Beyond FZCO (formerly PDS Design Services FZCO)
112	Design Hub Sourcing FZCO
113	PDS Radius Brands FZCO
114	The Source Fashions Platform FZCO
115	Collaborative Sourcing Services FZCO
116	Nodes Studio LDA
117	Progressive Crusade Unipessoal LDA
118	Home Sourcing Solutions Limited
119	Vivere London Limited
120	Sourcing Solutions Europe BVBA
121	The Brand Group Limited
122	INFINITY FASHION TEDARİK HİZMETLERİ ANONİM ŞİRKETİ (Formerly known as GEORGE TEDARİK HİZMETLERİ ANONİM ŞİRKETİ)
123	Collective Near East Sourcing Services FZCO
124	DH Sourcing Limited
125	Subtract Retail Limited
126	Positive Materials Limited
127	Roksanda UK Limited
128	PDS Online Enterprise UK Limited
129	Poeticgem Europe Limited
130	Sunny UP US Limited
131	PDS MEA Limited
132	PDS Online Enterprise USA Limited

Associates

Sl. No	Name of the entity
1	Reflaunt Pte Limited
2	GWD Enterprises Limited
3	Loop Digital Wardrobe Limited
4	MAMBO LEISURE MASTERS LIMITED
5	Nobleswear (Private) Limited

Joint Ventures

Sl. No	Name of the entity
1	Digital Ecom Techno Private Limited
2	Digital Internet Technologies Limited
3	Yellow Octopus EU SA (Joint Stock Company)
4	Yellow Octopus Ventures FZCO
5	Yellow Octopus-UK Limited (Formerly Yellow Octopus Fashion Limited)

Controlled Trust

Sl. No	Name of the entity
1	PDS Multinational Fashions ESOP Trust

PDS Limited

(CIN: L18101MH2011PLC388088)

Regd. Office: Unit No. 971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri East Mumbai -400093, Maharashtra, India.
Tel. +91-22-41441100, Website : www.pdsitd.com, E-mail : investors@pdsitd.com



(All amounts in ₹ lakhs, unless otherwise stated)

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2024

Sl. No.	Particulars	Consolidated				Standalone			
		Quarter ended		Year Ended		Quarter ended		Year Ended	
		30 June 2024 (Unaudited)	31 March 2024 (Unaudited) (Refer note 6)	30 June 2024 (Unaudited)	31 March 2024 (Audited)	30 June 2024 (Unaudited)	31 March 2024 (Unaudited) (Refer note 6)	30 June 2024 (Unaudited)	31 March 2024 (Audited)
I	Revenue from operations	2,62,105.55	3,21,517.98	2,11,493.61	10,37,264.96	9,593.41	19,373.28	13,205.78	62,541.97
II	Other income	1,957.72	575.76	479.08	3,467.45	4,848.46	4,693.97	73.04	7,571.53
III	Total income	2,64,063.27	3,22,093.74	2,11,972.69	10,40,732.41	14,441.87	24,067.25	13,278.82	70,113.50
IV	Expenses								
a)	Cost of material consumed	15,144.00	23,209.01	12,303.19	59,693.63	-	-	-	-
b)	Purchase of stock in trade	1,91,665.44	2,29,935.68	1,76,236.66	7,70,018.22	6,628.93	15,519.10	10,004.92	47,255.18
c)	Changes in inventories of finished goods, work in progress and stock in trade	786.01	4,460.05	(16,568.13)	(3,536.39)	-	-	-	-
d)	Employee benefits expense	27,302.75	28,170.69	20,041.10	97,949.70	1,089.10	1,279.34	1,221.88	6,168.11
e)	Finance costs	3,301.44	2,783.32	2,338.93	10,699.33	174.99	180.47	36.86	497.99
f)	Depreciation and amortization expense	2,331.16	2,641.22	2,154.57	9,342.80	162.01	174.41	173.20	677.55
g)	Other expenses	19,875.52	24,389.12	12,742.56	73,943.17	1,329.69	2,962.78	1,316.67	7,329.54
	Total expenses	2,60,406.32	3,15,579.09	2,09,258.88	10,18,110.65	9,384.72	20,116.10	12,753.53	61,928.37
V	Profit before share of profit/(loss) in associates and joint ventures	3,656.95	6,514.65	2,713.81	22,621.76	5,057.15	3,951.15	525.29	8,185.13
VI	Share of profit/(loss) of associates and joint ventures	(80.93)	458.87	118.66	617.81	-	-	-	-
VII	Profit before tax	3,576.02	6,973.52	2,832.47	23,239.57	5,057.15	3,951.15	525.29	8,185.13
VIII	Tax expense								
a)	Current tax	802.84	731.50	500.36	3,259.69	137.55	(130.17)	134.67	304.55
b)	Deferred tax	(346.61)	(296.69)	(1.47)	(42.50)	(21.71)	(42.50)	1.92	(27.38)
	Total tax expense	456.23	434.81	498.89	2,917.49	115.84	(172.67)	136.59	277.17
IX	Profit for the period/year	3,119.79	6,538.71	2,333.58	20,268.08	4,941.31	4,123.82	388.70	7,907.96
X	Other comprehensive income/ (loss) for the period/year								
(a)	Items that will not be reclassified to profit or loss	(76.87)	3,685.77	351.20	3,799.23	8.54	(17.86)	(0.29)	(17.86)
(b)	Income tax relating to items that will not be reclassified to profit or loss	(2.15)	4.50	4.50	4.50	(2.15)	4.50	-	4.50
(c)	Items that will be reclassified to profit or loss	(2,803.32)	906.30	350.74	3,276.40	-	-	-	-
(d)	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total other comprehensive income/ (loss) for the period/year	(2,682.34)	4,596.57	701.94	7,080.13	6.39	(13.36)	(0.29)	(13.36)
XI	Total comprehensive income for the period/year	437.45	11,135.28	3,035.52	27,348.21	4,947.70	4,110.46	388.41	7,894.60
XII	Profit for the period/year attributable to								
-	Owners of the Company	1,990.46	4,577.84	1,884.18	14,423.10	-	-	-	-
-	Non-controlling interest	1,129.33	1,960.87	449.40	5,844.98	-	-	-	-
XIII	Other comprehensive income/(loss) for the period/year attributable to								
-	Owners of the Company	(2,761.52)	3,272.54	481.28	5,631.96	-	-	-	-
-	Non-controlling interest	79.18	1,324.03	220.66	1,448.17	-	-	-	-
XIV	Total comprehensive income for the period/year attributable to								
-	Owners of the Company	(771.06)	7,850.38	2,365.46	20,055.06	-	-	-	-
-	Non-controlling interest	1,208.51	3,284.90	670.06	7,293.15	-	-	-	-
XV	Other equity								
	Paid-up equity share capital								
	(Face value of ₹2 each)	2636.39*	2634.73*	2,620.69*	2634.73*	2636.39*	2634.73*	2,620.69*	2634.73*
XVII	Earnings per share (in ₹)								
(a)	Basic	1.51	3.48	1.44	10.98	3.75	3.13	0.30	6.02
(b)	Diluted	1.49	3.41	1.42	10.77	3.69	3.07	0.29	5.91

* Net of issue of ₹ fresh capital & treasury shares during quarter ended 30 June 2024 is 83,002 shares (30 June 2023- 239,250 shares).

PDS Limited

(CIN: L18101MH2011PLC388088)

Regd. Office: Unit No. 971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri East Mumbai 400063, Maharashtra, India.
Tel: +91-22-41441100, Website: www.pds Ltd.com, E-mail: Investors@pds Ltd.com



(All amounts in ₹ lakhs, unless otherwise stated)

Notes:

- 1 The Financial Results of the Company/Group for the quarter ended 30 June 2024, have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 24 July 2024 and have been reviewed by the Statutory Auditors.
- 2 The above consolidated financial results have been prepared in accordance with the recognition and measurement of the Company (Indian Accounting Standard) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013, other accounting principles generally accepted in India and in compliance with the presentation and disclosures requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended).
- 3 The Group has identified operating segments for the consolidated operations on the basis of the business operations viz Sourcing, Manufacturing and Others. (Refer Annexure- I, Segment Information).
- 4 The reviewed quarterly financial results of the Group and the Company for the quarter ended 30 June 2024 are available on the Company's website (www.pds Ltd.com) and on the website of BSE (www.bse India.com) and NSE (www.nse India.com).
- 5 Previous period figures have been re-grouped/ reclassified wherever necessary, to confirm to current period's classification and the impact of the same is not considered to be material.
- 6 The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to third quarter of the financial year.

For and on behalf of the Board of Directors of
PDS Limited


Deepak.Kumar.Seth@PDS.Ltd.com

(Deepak Kumar Seth)
Chairman
DIN: 00003021

Place: Mumbai
Date: 24 July 2024

PDS Limited

(CIN:L18101MH2011PLC388088)

Regd. Office: Unit No. 971, Solitaire Corporate Park Andheri Ghatkopar Link Road, Andheri East Mumbai 400093, Maharashtra, India.
Tel : +91-22-41441100; Website : www.pdsLtd.com, E-mail : Investors@pdsLtd.com



Statement of Consolidated Segment wise Revenue, Results, Assets and Liabilities

Reportable - Business segment	Quarter ended 30 June 2024 (Unaudited)	%	Quarter ended 31 March 2024 (Unaudited)	%	Quarter ended 30 June 2023 (Unaudited)	%	Year Ended 31 March 2024 (Audited)	%
Segment revenue			Refer Note 6					
Sourcing	2,50,451.04	93.25	3,12,697.20	93.36	2,03,091.01	94.50	10,07,997.14	94.36
Manufacturing	17,984.85	6.70	22,109.22	6.60	11,712.34	5.45	59,666.10	5.59
Others	133.89	0.05	134.47	0.04	117.36	0.05	551.97	0.05
Total (net)	2,68,569.78	100.00	3,34,940.89	100.00	2,14,920.71	100.00	10,68,215.22	100.00
Less: Inter-segment revenue	6,464.23		13,422.91		3,427.10		30,950.26	
Net segment revenue	2,62,105.55	100.00	3,21,517.98	100.00	2,11,493.61	100.00	10,37,264.96	100.00
Segment results								
Profit/(loss) before tax								
Sourcing	2,438.30	66.68	7,270.95	100.20	2,423.28	89.29	23,025.84	101.78
Manufacturing	760.72	20.80	757.19	11.62	158.55	5.84	1,455.59	6.43
Others	533.93	14.60	(741.87)	(11.39)	(67.92)	(2.50)	(1,044.19)	(4.61)
Less: Inter-segment profit/(loss)	(76.00)	(2.08)	(771.62)	0.49	199.90	7.37	(815.48)	(3.60)
Segment operating profit (incl. other income)	3,656.95	100.00	6,514.65	100.00	2,713.81	100.00	22,621.76	100.00
Share of profit/ (loss) of associates and joint ventures	(80.93)		458.87		118.66		617.81	
Less: Tax expenses (including deferred tax)	456.23		434.81		498.89		2,971.49	
Profit for the period/ year	3,119.79	100.00	6,538.71	100.00	2,333.58	100.00	20,268.08	100.00
Segment assets								
Sourcing	2,96,815.04	77.09	3,17,160.13	78.08	2,54,621.25	76.08	3,17,160.13	78.08
Manufacturing	43,623.91	11.33	46,651.46	11.49	42,795.05	12.79	46,651.46	11.49
Others	44,581.74	11.58	42,376.95	10.43	37,222.98	11.12	42,376.95	10.43
Total	3,85,020.69	100.00	4,06,188.54	100.00	3,34,639.28	100.00	4,06,188.54	100.00
Segment liabilities								
Sourcing	2,35,812.51	90.31	2,59,820.64	90.26	2,03,024.46	91.23	2,59,820.64	92.26
Manufacturing	16,373.12	6.27	15,047.20	5.34	14,751.92	6.63	15,047.20	5.34
Others	8,927.22	3.42	6,753.84	2.40	4,753.62	2.14	6,753.84	2.40
Total	2,61,112.85	100.00	2,81,621.68	100.00	2,22,530.00	100.00	2,81,621.68	100.00

Deepinder Seth (Jul 24, 2024 13:59 GMT+1)

Unaudited Special Purpose Interim Consolidated
Financial Statements and Independent Auditors' Review
Report

PDS Limited

30 June 2023

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Bagmane Tridib, Bagmane
Tech Park, C V Raman Nagar,
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Independent Auditor's Review Report on the Unaudited Special Purpose Interim Consolidated Financial Statements of PDS Limited for the period ended 30 June 2023

To the Board of Directors of PDS Limited

Introduction

1. We have reviewed the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements of PDS Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') its associates and joint ventures, as listed in Annexure I, which comprise the Unaudited Special Interim Consolidated Balance Sheet as at 30 June 2023, the Unaudited Special Purpose Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Unaudited Special Purpose Interim Consolidated Statement of Cash Flows, the Unaudited Special Purpose Interim Consolidated Statement of Changes in Equity for the quarter then ended and other explanatory information (together hereinafter referred to as the 'Unaudited Special Purpose Interim Consolidated Financial Statements'). The Holding Company's management is responsible for the preparation and presentation of these Unaudited Special Purpose Interim Consolidated Financial Statements in accordance with the basis of preparation stated in note 2 to the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements which has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on these Unaudited Special Purpose Interim Consolidated Financial Statements based on our review.

Scope of Review

2. We conducted our review of the Unaudited Special Purpose Interim Consolidated Financial Statements in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013 ("the Act"), and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

3. Based on our review conducted and procedures performed as stated in paragraph 2 above and upon consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements are not prepared, in all material aspects, in accordance with the basis of preparation stated in note 2 to the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements.

Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Emphasis on matter – Basis of preparation and Restriction on Distribution to use

4. We draw attention to note 2 of the accompanying Unaudited Special Purpose Interim Consolidated Financial Statements, which describes the basis of its preparation. The Unaudited Special Purpose Interim Consolidated Financial Statements have been prepared by the Holding Company's management for the purpose of its inclusion as comparative financial information in the Unaudited Condensed Interim Consolidated Financial Statements of the Holding Company for the period ended 30 June 2024 which is to be included in the Holding Company's Preliminary Placement Document/ Placement Document to be filed for the purpose of proposed offering of equity shares by the Holding Company through Qualified Institutional Placement as approved by the Board of Directors in their meeting dated 01 November 2023 and therefore, it may not be suitable for any other purpose. This review report is issued solely for the aforementioned purpose and accordingly should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this review report is shown or into whose hands it may come without our prior consent in writing. Our conclusion is not modified in respect of this matter.

Other Matter

5. We did not review the interim financial statements/ financial information of 74 subsidiaries, whose interim financial statements/ financial information reflects total assets of ₹ 426,680.35 Lakhs as at 30 June 2023, total revenues of ₹ 129,525.11 Lakhs, total net profit after tax of ₹ 8,501.53 Lakhs, total comprehensive income of ₹ 8,912.30 Lakhs and cash outflows (net) of ₹ 10,003.43 Lakhs, for the period ended on 30 June 2023, as considered in the Unaudited Special Purpose Interim Consolidated Financial Statements. The Unaudited Special Purpose Interim Consolidated Financial Statements also include the Group's share of net profit of ₹ 118.66 Lakhs and total comprehensive income of ₹ 118.66 Lakhs for the period ended 30 June 2023, as considered in the Unaudited Special Purpose Interim Consolidated Financial Statements, in respect of 4 associates and 7 joint ventures, whose interim financial statements/ financial information have not been reviewed by us. These interim financial statements/ financial information have been reviewed by other auditors whose review reports have been furnished to us by the management and our conclusion on the Unaudited Special Purpose Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates/ joint ventures is based solely on the review reports of such other auditors.

Further, of these subsidiaries/ associates/ joint ventures, 74 subsidiaries, 4 associates, 7 joint ventures, are located outside India, whose interim financial statements/ financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements/ financial information of such subsidiaries/ associates/ joint ventures from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion on the Unaudited Special Purpose Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ associates/ joint ventures is based on the review report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.

Our conclusion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

Walker Chandiook & Co LLP

6. The Unaudited Special Purpose Interim Consolidated Financial Statements includes the interim financial statements/ financial information of 11 subsidiaries, which have not been reviewed by their auditors, whose interim financial statements/ financial information reflects total assets of ₹ 735.27 Lakhs as at 30 June 2023, total revenues of Nil, net loss after tax of ₹ 97.54 Lakhs, total comprehensive loss of ₹ 97.54 Lakhs and cash outflows (net) of ₹ 25.04 Lakhs for the period ended 30 June 2023 as considered in the Unaudited Special Interim Consolidated Financial Statements. Our conclusion on the Unaudited Special Purpose Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, are based solely on such unreviewed interim financial statements/ financial information. According to the information and explanations given to us by the management, this interim financial statements/ financial information are not material to the Group.

Our conclusion is not modified in respect of this matter with respect to our reliance on the interim financial statements/ information certified by the management of the respective entities and provided to us by the Holding Company's management.

7. The Holding Company has prepared separate set of consolidated financial information for the quarter ended 30 June 2023 in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India pursuant to the requirements of Regulations 33 of SEBI (Listing obligations and disclosure requirements) Regulation, 2015 (as amended) ('Listing Regulations'), on which we had issued review report dated 26 July 2023 to the Board of Directors of the Holding Company, wherein we had expressed an unmodified conclusion.

Our conclusion is not modified in respect of this matter.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Aasheesh
Arjun Singh**

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Date: 2024.08.22
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Aasheesh Arjun Singh

Partner

Membership No.: 210122

UDIN: 24210122BKEWLV6573

Bengaluru

22 August 2024

Unaudited Special Purpose Interim Consolidated Balance Sheet as at June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	As at June 30, 2023
Assets		
I. Non-current assets		
(a) Property, plant and equipment		33,459.25
(b) Capital work in progress		1,449.41
(c) Investment property		2,465.73
(d) Goodwill	3	8,876.85
(e) Other Intangible assets		2,922.54
(f) Intangible assets under development		349.31
(g) Investments accounted for using the equity method	4	10,021.41
(h) Financial assets		
(i) Investments	5	27,565.34
(ii) Other financial assets	6	243.43
(i) Deferred tax assets (net)		822.09
(j) Non-current tax asset (net)		2,000.30
(k) Other non-current assets	7	61.51
Total non-current assets		90,237.17
Current assets		
(a) Inventories	8	41,071.53
(b) Financial assets		
(i) Investments	5	4,656.48
(ii) Trade receivables	9	1,10,617.39
(iii) Cash and cash equivalents	10	40,078.79
(iv) Bank balances other than (iii) above	11	23,024.92
(v) Other financial assets	6	6,277.49
(c) Other current assets	7	18,675.53
Total current assets		2,44,402.11
Total assets		3,34,639.28
II. Equity and liabilities		
Equity		
(a) Equity share capital	12	2,620.69
(b) Other equity	13	1,00,634.38
Equity attributable to the owners of the parent		1,03,255.07
Non-controlling interest		8,854.21
		1,12,109.28
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	14	20.31
(ii) Lease liabilities		7,039.20
(iii) Other financial liabilities	15	122.85
(b) Provisions	16	2,222.41
(c) Other non-current liabilities	18	46.26
Total non-current liabilities		9,451.03
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	14	66,111.59
(ii) Lease liabilities		3,704.15
(iii) Trade payables	17	
- Total outstanding dues to micro enterprises and small enterprises		-
- Total outstanding dues to creditors other than micro and small enterprises		1,19,515.90
(iii) Other financial liabilities	15	12,682.46
(b) Other current liabilities	18	5,328.03
(c) Provisions	16	1,725.90
(d) Current tax liabilities (net)	19	4,010.94
Total current liabilities		2,13,078.97
Total equity and liabilities		3,34,639.28
Summary of significant accounting policies and other explanatory information	2	

The accompanying notes form an integral part of Special Purpose Interim Consolidated financial statements

As per our report of even date

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

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

Aasheesh Arjun Singh
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Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Signed by:

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Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

Signed by:

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Sanjay Jain
Chief Executive Officer

Signed by:

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Rahul Ahuja
Chief Financial Officer

Signed by:

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

Bengaluru, India
August 22, 2024

Mumbai, India
August 22, 2024

Unaudited Special Purpose Interim Consolidated Statement of Profit and Loss for the Period ended June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Note no.	For the period April 01, 2023 to June 30, 2023
I Revenue from operations	20	2,11,493.61
II Other income	21	479.08
III Total income (I+II)		2,11,972.69
IV Expenses		
(a) Cost of materials consumed	22	12,303.19
(b) Purchases of stock-in-trade	23	1,76,236.66
(c) Changes in inventories of finished goods and work-in-progress	24	(16,558.13)
(d) Employee benefits expense	25	20,041.10
(e) Finance costs	26	2,338.93
(f) Depreciation and amortization expense	27	2,154.57
(g) Other expenses	28	12,742.56
V Total expenses		2,09,258.88
VI Profit before share of loss in associates and joint ventures (III-V)		2,713.81
VII Share of profit of associates and joint ventures		118.66
VIII Profit before tax (VI+VII)		2,832.47
IX Tax expense		
(a) Current tax		500.36
(b) Deferred tax credit		(1.47)
Total tax expense		498.89
X Profit for the period (VIII-IX)		2,333.58
XI Other Comprehensive Income		
(A) (i) Items that will not be reclassified to profit or loss		
(a) Re-measurement profit on defined benefit plans		7.90
(b) Net gain on instruments measured at fair value through other comprehensive income		343.30
(ii) Income tax on items that will not be reclassified to profit or loss		-
(B) (i) Items that will be reclassified reclassifies to profit or loss		
(a) Net loss on cash flow hedges		(6.33)
(b) Gain arising on translating the financial statements of foreign operations		357.09
Other comprehensive income for the period, net of tax		701.95
XII Total comprehensive income for the period, net of tax		3,035.54
Net profit for the period attributable to		
- Owners of the Company		1,884.18
- Non controlling interest		449.40
		2,333.58
Other comprehensive income for the period, net of tax		
- Owners of the Company		481.30
- Non controlling interest		220.66
		701.95
Total comprehensive income for the period, net of tax		
- Owners of the Company		2,365.48
- Non controlling interest		670.06
		3,035.54
XIII Earnings per share: (Face value ₹ 2 per share) (not annualised)	29	
1) Basic (amount in ₹)		1.44
2) Diluted (amount in ₹)		1.42

Summary of significant accounting policies and other explanatory information

2

The accompanying notes form an integral part of Special Purpose Interim Consolidated financial statements
As per our report of even date

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

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

Aasheesh Arjun Singh
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Date: 2024.08.22
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Aasheesh Arjun Singh
Partner
Membership No: 210122

Signed by:

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Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Signed by:

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Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

Signed by:

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Sanjay Jain
Chief Executive Officer

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Rahul Ahuja
Chief Financial Officer

Signed by:

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

Bengaluru, India
August 22, 2024

Mumbai, India
August 22, 2024

Unaudited Special Purpose Interim Consolidated Statement of Changes in Equity as at June 30, 2023

A. Equity Share Capital

As at March 31, 2023
Fresh issue (Net of treasury share)
As at June 30, 2023

Amount
2,615.91
4.79
2,620.69

B. Other Equity

Particulars	Securities Premium	Capital reserve	Restricted reserve	Retained earnings	Other reserves ^	Treasury shares	Other Comprehensive Income			Share based payment reserve	Total equity before Non-controlling interest	Non-controlling interest	Total equity
							Foreign currency translation reserve	Equity instruments through OCI	Remeasurement of defined benefit plan				
Balance as at April 01, 2023	1,134.94	26,214.22	664.52	62,974.15	(10,412.88)	(402.90)	2,491.32	(313.40)	3,565.19	1,02,751.92	5,893.13	1,08,645.04	
Net Profit for the period	-	-	-	1,884.18	-	-	-	-	-	1,884.18	449.40	2,333.58	
Net gain on instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	343.30	-	-	343.30	-	343.30	
Share based payments to employees	-	-	-	-	-	-	-	-	-	312.14	-	312.14	
Premium on issue of shares	525.61	-	-	-	-	-	-	-	-	525.61	-	525.61	
Purchase of Treasury shares	-	-	-	-	-	(97.74)	-	-	-	(97.74)	-	(97.74)	
Gain/ (loss) arising on translating the financial statements of foreign operations	-	-	-	-	-	-	-	-	-	136.43	220.66	357.09	
Remeasurement of the net defined benefit liability	-	-	-	-	-	-	-	7.90	-	7.90	-	7.90	
Net gain on cash flow hedges	-	-	-	-	(5,223.02)	-	-	(6.33)	-	(6.33)	-	(6.33)	
Decrease in interest by non-controlling interest	-	-	-	-	-	-	-	-	-	(5,223.02)	3,198.02	(2,025.00)	
Increase in interest by non-controlling interest	-	-	-	-	-	-	-	-	-	-	(180.00)	(180.00)	
Total Comprehensive Income	1,660.55	26,214.22	664.52	64,858.33	(15,635.91)	(500.64)	2,834.62	(305.50)	3,877.33	1,00,634.38	9,581.22	1,10,215.60	
Dividend paid, net of tax	-	-	-	-	-	-	-	-	-	-	(727.01)	(727.01)	
Balance as at June, 2023	1,660.55	26,214.22	664.52	64,858.33	(15,635.91)	(500.64)	2,834.62	(305.50)	3,877.33	1,00,634.38	8,854.21	1,09,488.59	

Summary of significant accounting policies and other explanatory information 2

The accompanying notes form an integral part of Special Purpose Interim Consolidated financial statements
As per our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants
Firm's Registration Number: 001076N/IN500013

Aasheesh Arjun Singh
Digitally signed by
Aasheesh Arjun Singh
Date: 2024.08.22
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Aasheesh Arjun Singh
Partner
Membership No: 210122

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

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Sanjay Jain
Chairman & Non-Executive Director
DIN 00003040

Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

Sanjay Jain
Chief Executive Officer

Rahul Anuja
Chief Financial Officer

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

Bengaluru, India
August 22, 2024

Mumbai, India
August 22, 2024

Unaudited Special Purpose Interim Consolidated Statement of Cash flows for the period ended June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	For the period from April 01, 2023 to June 30, 2023
Cash flows from operating activities	
Profit before tax	2,832.47
Adjustments for:	
Share of profit of associates and joint ventures	(118.66)
Depreciation and amortization expense	2,154.57
Finance costs	2,338.93
Reversal of allowance for expected credit loss	(77.14)
Interest income	(269.60)
Dividend income	(24.60)
Gain on fair valuation of investments carried at fair value through profit or loss	(41.04)
Employee share compensation expense	443.21
Unrealised foreign exchange fluctuation gain	(253.01)
Unwinding of discount on deposits carried at amortised cost	(1.10)
Operating profit before working capital changes	6,984.03
Movement in working capital:	
Change in trade payables and other financial liabilities	2,948.36
Change in other liabilities	(1,780.54)
Change in provisions	208.56
Change in trade receivables	(1,069.14)
Change in other assets	(6,586.46)
Change in inventories	(3,022.12)
Change in other financial assets	2,626.46
Cash generated from operations	309.16
Direct tax paid, net of refunds received	(442.97)
Net cash generated from operating activities (a)	(133.81)
Cash flows from investing activities	
Purchase of property, plant and equipment, capital work in progress and investment property	(1,953.04)
Purchase of intangible assets	(902.44)
Purchase of investments	(462.94)
Proceeds from sale of investments	752.70
Consideration paid towards acquisition of non-controlling interest in subsidiary, business combinations and asset acquisition net of cash acquired	(10,123.75)
Investment in time deposits, net	(1,237.09)
Dividend received	24.60
Interest received	175.37
Net cash (used in) investing activities (b)	(13,726.58)
Cash flows from financing activities	
Proceeds of short term borrowings, net	2,896.27
Repayment of long term borrowings	(172.90)
Acquisition of own equity shares by a controlled ESOP trust	(98.34)
Issuance of share capital including premium	422.58
Payment of dividend to non-controlling interests of subsidiaries	(727.01)
Payment of principal portion of lease liabilities	(88.35)
Interest paid on lease liabilities	(119.81)
Interest paid on borrowings	(2,216.22)
Net cash (used in) financing activities (c)	(103.78)
Net increase in cash and cash equivalents (a+b+c)	(13,964.16)
Effect of exchange rate changes on cash and cash equivalents	214.04
Opening balance of cash and cash equivalents (net of bank overdraft)	48,567.31
Cash and cash equivalents at the end of the period	34,817.19
Components of cash and cash equivalents	
Cash on hand	56.75
Balance with banks	40,022.04
Bank overdraft	(5,261.60)
Total Cash and Cash equivalents	34,817.19

Summary of significant accounting policies and other explanatory information

2

The accompanying notes form an integral part of Special Purpose Interim Consolidated financial statements

As per our report of even date

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

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

Aasheesh Arjun Singh
Digitally signed by Aasheesh Arjun Singh
Date: 2024.08.22 10:57:57 +05'30'

Aasheesh Arjun Singh
Partner
Membership No: 210122

Signed by:

6FB996B316F24F1...
Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Signed by:

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Pallak Seth
Vice Chairman & Executive Director
DIN 00003040

Signed by:

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Sanjay Jain
Chief Executive Officer
Mumbai, India

Signed by:

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Rahul Ahuja
Chief Financial Officer

Signed by:

478264492786410...
Abhishekh Kanoi
Head of Legal & Company Secretary
M. No. FCS 9530

Summary of significant accounting policies and other explanatory information

Note 1: Corporate information

PDS Limited is a Public Limited Company (hereinafter referred as 'the Holding Company') domiciled in India and has its registered office at Unit No.971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai- 400 093 Maharashtra. The Company along with its subsidiaries (collectively referred to as "the Group"), associates and joint ventures, is engaged in the trading of garment, investment holding, design, development, marketing, sourcing and distribution of readymade garments of all the kinds and other consumer products worldwide. The Company has its listings on the BSE Limited and the National Stock Exchange of India Limited.

The Unaudited Special Purpose Interim Consolidated Financial Statements of the Group for the period ended June 30, 2023 were approved by the Board of Directors and authorized for issue on August 22, 2024.

Note 2: Statement of compliance**Basis of preparation and presentation**

The Unaudited Special Purpose Interim Consolidated Financial Statements of the Group, its associates and joint ventures, consisting of the Unaudited Special Purpose Interim Consolidated Balance Sheet as at June 30, 2023, the Unaudited Special Purpose Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Unaudited Special Purpose Interim Consolidated Statement of Cash Flows, the Unaudited Special Purpose Interim Consolidated Statement of Changes in Equity for the period ended and other explanatory information (together hereinafter referred to as "the statement"), has been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards ('Ind AS') 34, 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other generally accepted accounting principles in India. However, comparative information along with certain other disclosures which are considered not relevant for the intended purpose have not been provided in the statement and hence the presentation and disclosure requirements otherwise required as per the applicable financial reporting framework have not been complied with in entirety. The statement has been prepared by the Holding Company's Management for the purpose of its inclusion as comparative financial information in the Unaudited Condensed Interim Consolidated Financial Statements of the Company for the period ended June 30, 2024 which is to be included in the Holding Company's Preliminary Placement Document/ Placement Document to be filed for the purpose of proposed offering of equity shares by the Holding Company through Qualified Institutional Placement as approved by the Board of Directors of the Holding Company in their meeting dated November 01, 2023 and therefore, such the statement may not be suitable for any other purpose.

The accounting policies adopted in the preparation of the statement are consistent with those followed in the preparation of the Holding Company annual consolidated financial statements as at and for the year ended March 31, 2023.

Further, certain selected explanatory notes are included to explain events and transactions that are significant for the understanding of the changes in financial position and performance since the last annual audited consolidated financial statements. The statement do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Holding Company annual consolidated financial statement for the year ended March 31, 2023.

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Notes to the Unaudited Special Purpose Interim Consolidated financial statements as at June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 3 : Goodwill

Particulars	As at June 30, 2023
Gross carrying amount	
Balance as at April 01, 2023	7,981.27
Acquisition of a subsidiary	890.99
Exchange difference	4.59
Balance as at June 30, 2023	8,876.85

Allocation of goodwill to Cash Generating Units

Particulars	
Poeticgem Limited, Poeticgem International Limited, Poetic Brands Limited, Design Arc UK Limited and Design Arc Asia Limited	2,150.33
Simple Approach Limited	1,877.62
DBS Lifestyle India Private Limited	1,603.26
Nor Lanka Manufacturing Limited	959.87
Lily and Sid Limited	661.77
Upcycle labs Limited	553.38
Sunny up Limited	527.98
Wonderwall (F.E) Limited	542.64
	8,876.85

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Notes to the Unaudited Special Purpose Interim Consolidated financial statements as at June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 4 : Investments accounted for using the equity method

	As at June 30, 2023	
Interest in Joint Ventures		9,635.31
Interest in Associates		386.10
Total		10,021.41

Note 5 : Investments

	As at June 30, 2023	
	Non-current	Current
Fair value through profit or loss		
Equity investments	57.00	1,315.35
Debt investments	-	3,341.13
Investment in Convertible notes	2,370.71	-
Investment in Funds	4,129.89	-
Other investments	3,029.03	-
Total (A)	9,586.63	4,656.48
Fair value through other comprehensive income		
Equity instruments	17,978.71	-
Total (B)	17,978.71	-
Total [C= (A+B)]	27,565.34	4,656.48

Note 6 : Other financial assets

	As at June 30, 2023	
Non-current (unsecured, considered good)		
Security deposits (refer to note 'a' below)		23.01
Others		220.42
Total (A)		243.43
Current (unsecured, considered good)		
Security deposits (refer to note 'a' below)		1,912.89
Deposits with original maturity of more than 12 months (refer to note 'b' below)		1.00
Interest accrued but not due		384.46
Dues from related party		2,382.85
Derivative financial instruments		26.17
Others		1,570.12
Total (B)		6,277.49
Total (A+B)		6,520.92

a) The Group has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.

b) Fixed deposits with a carrying amount of ₹ 1.00 are pledged with the respective Government authorities.

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Notes to the Unaudited Special Purpose Interim Consolidated financial statements as at June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 7 : Other assets	As at June 30, 2023
Non-current	
Capital advances	60.73
Advances recoverable in cash or in kind	
- From others	0.78
Total (A)	61.51
Current	
Balance with government authorities	1,308.15
Prepaid expenses	5,790.93
Advances to suppliers	9,335.00
Advances to employees	2,241.45
Total (B)	18,675.53
Total (A+B)	18,737.04

Note 8: Inventories (at lower of cost or net realisable value)

Raw materials	9,178.94
Work in progress	4,824.72
Finished goods	20,581.19
Goods-in-transit	6,486.68
Total	41,071.53

Note: Write-downs of inventories to net realisable value on account of slow moving and obsolete items amounted to ₹ 311.57. These were recognized as an expense/reversal of expense respectively during the period and were included in cost of goods sold.

Note 9 : Trade receivables

	As at June 30, 2023
(a) Trade receivable considered good - secured	-
(b) Trade receivable considered good - unsecured	1,10,617.39
(c) Trade receivable which have significant increase in credit risk	-
(d) Trade receivable - credit impaired	548.04
	1,11,165.43
Less: Allowance for expected credit loss	548.04
Total	1,10,617.39

Note 10 : Cash and cash equivalents

Balances with banks:	
- Current account	40,022.04
Cash on hand	56.75
Total	40,078.79

Note:

At June 30, 2023, the cash and bank balances of the Group denominated in RMB amounted to ₹ 463.75. RMB is not freely convertible into another currencies, however, under mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

*Cash and Cash equivalents as at June 30, 2023 include restricted cash and bank balances pertaining to following

Particulars	As at June 30, 2023
Bank account held by ESOP trust controlled by the Company	3.98
	3.98

Note 11 : Bank balance other than cash and cash equivalents

	As at June 30, 2023
Earmarked balances for share fraction account	1.15
Deposits with original maturity of more than 3 months but less than 12 months	23,023.77
Total	23,024.92

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Notes to the Unaudited Special Purpose Interim Consolidated financial statements as at June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 12 : Share capital

	As at June 30, 2023
Authorised share capital	
140,000,000 equity shares of ₹ 2/- each*	2,800.00
	2,800.00
Issued, subscribed and paid up	
131,034,745 equity shares of ₹ 2/- each*	2,620.69
	2,620.69
a) Reconciliation of issued and subscribed share capital:	
	No. of shares[^]
Balance as at March 31, 2023	13,07,95,495
Add: Issued during the period #	2,69,250
Less: Treasury shares purchased #	(30,000)
Balance as at June 30, 2023	13,10,34,745
	Amount
	2,615.91
	5.39
	(0.60)
	2,620.69

During the period June 30, 2023, Company has issued 2,69,250 equity shares the employees who have exercised stock option as per stock option plan 2021. Further, the Company has purchased 30,000 equity shares through the ESOP trust.

b) The Company has not issued any bonus shares or any shares for consideration other than cash during five years immediately preceding June 30, 2023.

*Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 29 July 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share.

c) Terms/ rights attached to equity shares:

1. The Company has only one class of equity share having a par value of ₹2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	As at June 30, 2023	
	No. of shares [^]	Holding %
Mrs. Payal Seth	6,96,26,570	53.07%
Mr. Deepak Seth	1,57,78,670	12.03%
Mr. Sanjiv Dhiresbhai Shah	74,45,913	5.68%

e) Details of shareholding of Promoters:

Mrs. Payal Seth	6,96,26,570	53.07%
Mr. Deepak Seth	1,57,78,670	12.03%
Mr. Pallak Seth	13,94,190	1.06%

[^] The number of shares are given in absolute numbers.

Note 13 : Other equity

	As at June 30, 2023
Securities premium reserve	1,660.55
Capital reserve	26,214.22
Restricted reserve	664.52
Other reserve	(15,635.91)
Retained earnings	64,858.33
Foreign currency translation reserve	17,054.07
Effective portion of cash flow hedge	(87.21)
Financial instruments through other comprehensive income	2,834.62
Treasury shares	(500.64)
Stock based payment reserve	3,877.33
Remeasurement of defined benefit plan	(305.50)
	1,00,634.38

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

Note 14 : Borrowings	As at June 30, 2023
Non-current	
Secured loan	
- Term loan from bank	20.31
Total (A)	<u>20.31</u>
Current	
Secured loan	
- From banks (refer note (i) below)	60,540.31
- Bank overdraft	5,261.60
- Vehicle loan from bank	3.20
Unsecured loan	
- From directors	306.48
Total (B)	<u>66,111.59</u>
Total (A+B)	<u><u>66,131.90</u></u>

Note:

(i) The Group's interest-bearing bank borrowings are secured by certain of the Group's investment properties, time deposits and unlisted investments with an aggregate carrying amount of approximately ₹ 23,476.79 and guaranteed by the immediate holding company, fellow subsidiaries and directors of the Company.

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Notes to the Unaudited Special Purpose Interim Consolidated financial statements as at June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 15 : Other financial liabilities

	As at June 30, 2023
Non-current	
Security deposit received (refer to note 'a' below)	122.85
Total (A)	<u>122.85</u>
Current	
Interest accrued but not due on borrowings from bank	0.25
Security deposit received	1.00
Derivative financial instruments	113.24
Dues to employees	5,858.29
Share Based payment liability	428.98
Dues to others	6,280.70
Total (B)	<u>12,682.46</u>
Total (A+B)	<u><u>12,805.31</u></u>

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

Note 16 : Provisions

Non-current	
Gratuity	2,222.41
Total (A)	<u>2,222.41</u>
Current	
Provision for compensated absences	1,115.74
Gratuity and other defined benefit plans	610.16
Total (B)	<u>1,725.90</u>
Total (A+B)	<u><u>3,948.31</u></u>

Note 17 : Trade payable

- Total outstanding dues to micro enterprises and small enterprises	-
- Total outstanding dues to creditors other than micro and small enterprises	1,19,515.90
Total	<u><u>1,19,515.90</u></u>

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Notes to the Unaudited Special Purpose Interim Consolidated financial statements as at June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 18 : Other liabilities	As at June 30, 2023
Non-current	
Deferred income on security deposit received	45.11
Other payables	1.15
Total (A)	46.26
Current	
Deferred income on security deposit received	5.63
Statutory dues	929.70
Revenue received in advance	4,213.19
Other payables	179.51
Total (B)	5,328.03
Total (A + B)	5,374.29
Note 19 : Liabilities for current tax (net)	
Provision for income tax, net of advance tax	4,010.94
Total	4,010.94

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Notes to the Unaudited Special Purpose Interim Consolidated financial statements for the period ended June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 20 : Revenue from operations	For the period April 01, 2023 to June 30, 2023
Sale of goods	2,06,116.35
Other operating revenues*	5,377.26
Total	2,11,493.61

*Other operating revenue includes commission income, marketing fee income and other miscellaneous operating revenue.

Note 21 : Other income	
Rental income	41.41
Interest income	269.60
Gain on fair valuation of investments carried at fair value through profit or loss	41.04
Reversal of allowance for expected credit loss	77.14
Unwinding of discount on deposits carried at amortised cost	1.10
Dividend from investments carried at fair value through profit or loss	24.60
Miscellaneous income	24.19
Total	479.08

Note 22 : Cost of material consumed	
Inventory at the beginning of the period	10,239.75
Add: Purchases	11,242.38
Less: Inventory at the end of the period	9,178.94
Total	12,303.19
	31,830.61

Note 23 : Purchase of stock in trade	
Purchases	1,76,236.66
Total	1,76,236.66

Note 24 : Changes in inventories of finished goods and work in progress	
Inventories at the beginning of the period	
- Finished goods	10,269.41
- Work-in-progress	5,065.05
Total (A)	15,334.46
Inventories at the end of the period	
- Finished goods	27,067.87
- Work-in-progress	4,824.72
Total (B)	31,892.59
Increase in inventory (A-B)	(16,558.13)

Note 25 : Employee benefits expense	
Salaries, wages and bonus	18,263.45
Contribution to provident and other funds	946.89
Staff welfare expenses	201.18
Gratuity expense	186.37
Employee share compensation expense	443.21
Total	20,041.10

Notes to the Unaudited Special Purpose Interim Consolidated financial statements for the period ended June 30, 2023**(All amounts in ₹ lakhs, unless otherwise stated)****Note 26 : Finance costs****For the period April 01, 2023
to June 30, 2023**

Interest expense	
- on term loans	98.10
- on cash credit, factoring and working capital facilities	2,018.24
- on vehicle loan	0.10
- on lease obligation	119.81
- on loan from others	96.62
- on others	3.16
Unwinding of discount on security deposit received	2.90
Total	2,338.93

Note 27 : Depreciation and amortization expense

Depreciation of property plant and equipment	1,080.93
Depreciation of investment property	10.27
Depreciation on right to use of assets	890.19
Amortization of intangible assets	173.18
Total	2,154.57

Note 28 : Other expenses

Other manufacturing expenses	158.68
Electricity charges	239.59
Rent	220.06
Rates and taxes	201.18
Repairs and maintenance	316.38
Legal and professional expenses	2,106.93
Software cost	125.51
Travelling and conveyance	1,715.39
Selling and marketing	1,767.19
Postage and courier	782.97
Commission and brokerage	1,204.68
Freight cost	543.75
Recruitment expenses	134.26
Foreign exchange fluctuation (net)	87.70
Royalty	816.17
Advertisement and business promotion	408.75
Insurance	139.52
Security expenses	46.56
Printing and stationery	165.84
Communication costs	177.90
Bank charges	553.87
Corporate social responsibility expenses	12.36
Investment management fee	132.69
Miscellaneous expenses	684.63
Total	12,742.56

Notes to the Unaudited Special Purpose Interim Consolidated financial statements for the period ended June 30, 2023**(All amounts in ₹ lakhs, unless otherwise stated)****Note 29 : Earnings per share (EPS)**

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

Particulars	For the period April 01, 2023 to June 30, 2023
Profit attributable to the equity holders of the Company	1,884.18
Weighted average number of equity shares for basic EPS*#	13,08,57,917
Effect of dilution:	
Employee stock option plan	22,21,385
Weighted average number of equity shares for diluted EPS*#	13,30,79,302
Earning per Equity share (in ₹)	
Basic earnings per share (in ₹) (face value ₹2/- per share)	1.44
Diluted earnings per share (in ₹) (face value ₹ 2/- per share)	1.42

* Net of issue of shares and purchase of treasury shares of 239,250.

#Pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on 29 July 2022, each equity share of face value of ₹ 10/- per share has been subdivided into 5 (five) equity shares of face value of ₹ 2/- per share.

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Note 30 : Related parties disclosure

a) List of related parties

Name of the related party	Nature of relationship
Digital Ecom Techno Private Limited	Joint ventures
Redwood Internet Ventures Limited	
Digital Internet Technologies Limited	
Yellow Octopus EU SA (Joint Stock Company)	
Yellow Octopus Ventures FZCO	
Yellow Octopus-UK Limited (formerly Yellow Octopus Fashion Limited)	
One Stop Shop Solutions spolka z ograniczona odpowiedzialnoscia spolka komandytowa (LLP)	Associates
GWD Enterprises Limited	
Loop Digital Wardrobe Limited	
Sourcing Solution Europe BVBA	Key managerial personnel (KMP)
Reflaunt Pte Limited	
Mrs. Payal Seth (Non - Executive Director) [^]	
Mr. Deepak Seth (Non - Executive Director)	
Mr. Pallak Seth (Executive Director) ^{^^}	
Mr. Parth Gandhi (Non Executive-Non Independent Director)	
Mr. Nishant Parikh (Non Executive -Independent Director)	
Mr. BG Srinivas (Additional Non-Executive -Independent Director)	
Mr. Mungo Park (Non Executive -Independent Director)	
Ms. Yael Gairola (Non Executive -Independent Director)	
Mr. Robert Sinclair (Non Executive- Independent Director)	
Mr. Sanjay Jain (Chief Executive Officer)	
Mr. Ashish Gupta (Chief Financial Officer) ^{^^^}	
Mr. Rahul Ahuja (Chief Financial Officer) ^{^^^}	
Mr. Abhishekh Kanoi (Head of Legal & Company Secretary)	

Refer Note 2 of annual consolidated financial statement for the period ended March 31, 2023 for details of subsidiaries, step down subsidiaries and controlled trust.

b) Transactions with related parties

Name of Related Party	Relationship	Nature of Transaction	For the period April 01, 2023 to June 30, 2023	
Digital Ecom Techno Private Limited	Joint Venture	Rental income	0.03	
GWD Enterprises Limited	Associate	Sale of goods	80.95	
Sourcing Solution Europe BVBA	Associate	Sale of goods	1,280.21	
Mr. Robert Sinclair	Key managerial personnel	Director sitting fees	10.27	
Mr. Mungo Park		Director sitting fees	10.27	
Ms. Yael Gairola		Director sitting fees	10.18	
Mr. BG Srinivas		Director sitting fees	10.27	
Mr. Pallak Seth		Remuneration		362.91
Mr. Ashish Gupta				114.14
Mr. Sanjay Jain				99.53
Mr. Abhishekh Kanoi				21.32
Mr. Rahul Ahuja			36.96	
Mr. Parth Gandhi			13.64	
Mr. Abhishekh Kanoi		Employee share compensation expense		6.75
Mr. Rahul Ahuja				38.21

c) Balance receivable

Name of related party	Relationship	Nature	As at June 30, 2023
Digital Internet Technologies Limited	Joint venture	Dues from related party	283.03
Sourcing Solution Europe BVBA	Associate		784.13
Yellow Octopus EU SA (Joint stock company)	Joint venture		675.04
Yellow Octopus Ventures FZCO	Joint venture		610.56
GWD Enterprises Limited	Associate		30.09

d) Balance payable

Name of related party	Relationship	Nature	As at June 30, 2023
Mr. Abhishekh Kanoi	Key managerial personnel	Due to Employees	3.89
Mr. Rahul Ahuja			7.60
Mr. Sanjay Jain			10.86
Mr. Pallak Seth			160.83

[^] Mrs. Payal Seth is the largest shareholder.

^{^^}The Board of Directors of the Company has appointed Mr. Pallak Seth as Executive Vice Chairman & Director (Executive Director) is for a period of 5 years with effect from November 02, 2022 to November 01, 2027.

^{^^^} Mr. Rahul Ahuja was appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. January 25, 2023 at the Board meeting held on January 24, 2023. Mr. Ashish Gupta has resigned as a Chief Financial Officer of the Company w.e.f. close of business hours of January 24, 2023.

*For post-employment defined benefits, the same is done by actuary considering all employees of the Company and hence split is not available.

e) Terms and conditions of transactions with related parties

All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period-end are unsecured and carried interest rate, wherever applicable.

f) In respect of figures disclosed above:

(i) The amount of transactions/ balances are without giving effect to the Ind AS adjustments on account of fair valuation/ amortisation, if any.

(ii) Remuneration and outstanding balances of KMP does not include long term benefits by way of gratuity and compensated absences, which are currently not payable and are provided on the basis of actuarial valuation by the Group.

Notes to the Unaudited Special Purpose Interim consolidated financial statements as at June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 31 : Fair values disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments. Carrying value of financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, borrowings, other financial liabilities etc. represent the best estimate of fair value.

a) The carrying amounts of financial assets by categories is as follows::

	Fair values As at June 30, 2023
Financial assets measured at at fair value through profit and loss	
Equity investments	1,372.35
Debt investments	3,341.13
Other investments	3,029.03
Investment in convertible notes	2,370.71
Investment in funds	4,129.89
Sub Total (A)	14,243.11
Financial assets measured at fair value through other comprehensive income	
Equity and debt investments	17,978.71
Derivative financial instruments	26.17
Sub Total (B)	18,004.88
Financial assets measured at amortised cost	
Other financial assets	6,494.75
Trade receivable	1,10,617.39
Cash and cash equivalents	40,078.79
Other bank balances	23,024.92
Sub Total (C)	1,80,215.85
Total financial assets (A+B+C)	2,12,463.84

b) The carrying amounts of financial liabilities by categories is as follows::

Financial liabilities measured at fair value through profit and loss	
Share based payment liability	428.98
Sub Total (A)	428.98
Financial liabilities measured at fair value through other comprehensive income	
Derivative financial instruments	113.24
Sub Total (B)	113.24
Financial liabilities measured at amortised cost	
Borrowings	66,131.90
Trade payables	1,19,515.90
Lease liabilities	10,743.35
Other financial liabilities	12,263.09
Sub Total (C)	2,08,654.24
Total financial liabilities (A+B+C)	2,09,196.46

c) The fair value of trade receivables, cash and bank balances, other financial assets, borrowings, lease liabilities, trade payables and other financial liabilities are considered to be equal to the carrying amount of these items due to their short term nature.

Notes to the Unaudited Special Purpose Interim consolidated financial statements as at June 30, 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Note 32 : Fair value hierarchy

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

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

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

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

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

a) Fair value measurement hierarchy of financial assets as at June 30, 2023:

	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit and loss				
Listed and unlisted equity investments, at fair value	1,372.35	1,315.35	-	57.00
Listed debt investments, at fair value	3,341.13	3,341.13	-	-
Investment in convertible notes	2,370.71	-	-	2,370.71
Investment in funds	4,129.89	166.54	1,058.48	2,904.87
Investments in life insurance policies, at fair value	3,029.03	-	3,029.03	-
Total (A)	14,243.11	4,823.02	4,087.51	5,332.58
Financial assets measured at fair value through other comprehensive income				
Equity investments, at fair value	17,978.71	-	642.28	17,336.43
Derivative financial instruments	26.17	-	26.17	-
Total (B)	18,004.88	-	668.45	17,336.43
Total (A+B)	32,247.98	4,823.02	4,755.96	22,669.01

b) Fair value measurement hierarchy for financial liabilities as at June 30, 2023:

	Total	Level 1	Level 2	Level 3
Financial liabilities measured at fair value through profit and loss				
Share based payment liability	428.98	-	428.98	-
Total (A)	428.98	-	428.98	-
Financial liabilities measured at fair value through other comprehensive income				
Derivative financial instruments	113.24	-	113.24	-
Total (B)	113.24	-	113.24	-
Total (A+B)	542.22	-	542.22	-

The movements in fair value measurements within Level 3 during the period are as follows:

Particulars	As at June 30, 2023
At beginning of the period	21,928.85
Addition	336.85
Total gains recognised in statement of profit and loss	40.72
Total gains recognised in other comprehensive income	386.43
Foreign exchange gain	(23.83)
At end of the period	22,669.02

i) There have been no transfers between level 1, level 2 and level 3 category during the period ended on June 30, 2023.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) Investment in listed equity, debt instruments and bonds: The fair value of listed investment in equity and debt instruments and bonds are determined using its quoted market price.

(b) Investment in unlisted equity, convertible notes and funds: The fair value of unlisted investments at fair value through other comprehensive income and fair value through profit or loss are based on either using a valuation technique which incorporates various market observable inputs including quoted prices or most recent transaction prices. The management believe that the estimated fair value resulting therefrom, which is recorded in the Unaudited Special Purpose Interim Consolidated Balance Sheet and the related change in fair value, which is recorded in the Unaudited Special Purpose Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income), are reasonable, and that it was the most appropriate value at the end of the reporting period.

Below is a summary of significant unobservable inputs to the valuation of financial instruments as at June 30, 2023:

Particulars	Valuation technique	Level	Unobservable input	Relationship of unobservable input to fair value
Financial assets at fair value through other comprehensive income and statement of profit and loss	Market approach	Level 3	Enterprise-value-to-revenue multiple	Increase/decrease in EV/ Revenue would result in increase/ decrease in fair value
	Income approach	Level 3	Discount rate	Increase/decrease in discount rate would result in decrease/ increase in fair value
	Recent transaction approach	Level 2	Value of recent transaction with unrelated party	Valuation is dependant on the most recent transaction/ round of investment that was carried out with an unrelated party

(c) Derivative financial instruments: The Group enters into derivative financial instruments with financial institutions with high credit ratings. Derivative financial instruments, representing forward currency contracts and option currency contracts, are measured using valuation techniques similar to forward and option pricing, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates. The carrying amounts of forward currency contracts are the same as their fair values. As at June 30, 2023 the mark-to-market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

(d) Investment in life insurance policies: The fair values of investments in life insurance policies have been estimated based on the surrender values, which are calculated and quoted by the issuer. The management believe that the estimated fair values resulting therefrom, which are recorded in the Unaudited Special Purpose Interim Consolidated Balance Sheet, and the related changes in fair values, which are recorded in the Unaudited Special Purpose Interim Consolidated Statement of Profit and Loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

(e) Share based payment liability: The fair value of share based payment liability (Cash settled options) is determined using underlying value of the equity shares of the company.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 33 : Segment reporting

(a) Primary segment information:

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment e.g. sourcing, manufacturing and others), or in providing products or services within a particular economic environment, which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business segments. The Group's primary format for segment reporting is based on business segments.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Other items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets (primarily the Group's headquarters) and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the reporting period to acquire property, plant and equipment, investment property and intangible assets other than goodwill.

(b) Segment details are as below:

Particulars	Sourcing	Manufacturing	Others	Adjustment /	Total
	For the period from April 01, 2023 to June 30, 2023	For the period from April 01, 2023 to June 30, 2023	For the period from April 01, 2023 to June 30, 2023	For the period from April 01, 2023 to June 30, 2023	For the period from April 01, 2023 to June 30, 2023
Segment revenue	2,03,091.02	11,712.34	117.35	(3,427.10)	2,11,493.61
Other income	395.91	62.49	23.23	(2.55)	479.08
Segment results before tax	2,423.28	158.55	(67.92)	199.91	2,713.81
Tax expense					(498.89)
Share of loss of associates and joint ventures					118.66
Profit for the period	2,54,621.25	42,795.05	37,222.99	-	3,34,639.29
Segment assets as a % of total assets	76.09	12.79	11.12	-	100.00
Segment liabilities	2,03,024.46	14,751.92	4,753.62	-	2,22,529.99
Segment liabilities as a % of total liabilities	91.23	6.63	2.14	-	100.00
Other material non-cash items included under Statement of Profit and loss before tax					
Depreciation and amortisation	1,515.86	577.76	60.95	-	2,154.57

Entity wide disclosures:

(c) Information about products and services:

(i) Revenue from external customers by nature of product:

Particulars	For the period from April 01, 2023 to June 30, 2023
Sale of goods	2,06,116.35
Others	5,377.26
	2,11,493.61

(d) Information about Geographical areas

(i) Revenue from external customers by Geography are as follows:

Geography	For the period from April 01, 2023 to June 30, 2023
India	1,463.43
UK & Europe	1,50,135.15
North America	28,526.50
Asia & Middle East	20,941.42
Others	5,049.85
	2,06,116.35

(ii) The Group's non-current assets are majority located as follows:

Geography	As at June 30, 2023
India	7,189.10
Hong Kong	15,785.82
United Kingdom	3,729.98
Bangladesh	17,145.61
Others	17,755.79
	61,606.31

(iii) The Group's investments accounted as per equity method are majority located as follows:

Geography	As at June 30, 2023
Hong Kong	357.91
Poland	9,635.31
Others	28.19
	10,021.41

Note 34: Revenue from contracts with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to Statement of Profit and Loss:

Revenues by category and nature	For the period	
	April 01, 2023 to June 30, 2023	
Sale of goods		2,06,116.35
Others		5,377.26
		2,11,493.61
Revenues from geographic areas based on the location of the customers are as follows:		
India		1,463.43
UK & Europe		1,50,135.15
North America		28,526.50
Asia & Middle East		20,941.42
Others		5,049.85
		2,06,116.35
Revenues based on timing of recognition		
Sale of goods transferred at a point in time		2,06,116.35
Services transferred over the period of time		5,377.26
		2,11,493.61

Significant changes in contract assets and contract liabilities during the period are as follows:

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Assets and liabilities related to contracts with customers

Particulars	As at	
	June 30, 2023	
Trade receivables		1,10,617.39
Contract liabilities		4,213.19

Trade receivables are non-interest bearing and are generally on terms of 90-135 days. The Group has provide reversal of provision for expected credit loss for an amount of ₹ 77.14 on trade receivables during the quarter ended June 30, 2023.

Contract liabilities at the beginning of the period

Advance received (adjusted) from customers during the period	2,746.49
Contract liabilities at the end of the period	1,466.70
	4,213.19

Particulars	For the period	
	April 01, 2023 to June 30, 2023	
Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price		
Revenue as per contract		2,11,986.96
Adjustments		(493.35)
Revenue from contract with customers		2,11,493.61

Summary of material accounting policies and other explanatory information

2

The accompanying notes form an integral part of these special purpose interim consolidated financial statements
As per our report of even date

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

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

Aasheesh Arjun Singh
Digitally signed by Aasheesh Arjun Singh
Date: 2024.08.22 10:58:21 +05'30'

Aasheesh Arjun Singh
Partner
Membership No: 210122

Signed by:

6FB996B316F24F1...

Deepak Seth
Chairman & Non-Executive Director
DIN 00003021

Signed by:

85A9E5CE17F14A0...

Pallak Seth
Vice chairman & Executive Director
DIN 00003040

Signed by:

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Sanjay Jain
Chief Executive Officer

Signed by:

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Rahul Ahuja
Chief Financial Officer

Signed by:

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

Bengaluru, India
August 22, 2024

Mumbai, India
August 22, 2024

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below.

Sr. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%) ^{(^)(*)}
1.	AXIS MUTUAL FUND TRUSTEE LIMITED A/C AXIS MUTUAL FUND A/C AXIS SMALL CAP FUND	1.00%
2.	ICICI PRUDENTIAL EQUITY & DEBT FUND	0.25%
3.	ICICI PRUDENTIAL ELSS TAX SAVER FUND	1.46%
4.	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	1.00%
5.	INDIA ACORN FUND LTD	0.06%
6.	ABU DHABI INVESTMENT AUTHORITY - WAY	0.25%
7.	WHITE OAK INDIA SELECT EQUITY FUND II	0.02%
8.	WHITE OAK INDIA SELECT EQUITY FUND	0.02%
9.	WHITE OAK INDIA EQUITY FUND V	0.03%
10.	WHITE OAK INDIA EQUITY FUND VI	0.01%
11.	ASHOKA WHITEOAK ICAV - ASHOKA WHITEOAK INDIA OPPORTUNITIES FUND	0.42%
12.	DENDANA INVESTMENTS (MAURITIUS) LIMITED	0.01%
13.	ASHOKA INDIA EQUITY INVESTMENT TRUST PLC	0.13%
14.	ASHOKA WHITEOAK ICAV - ASHOKA WHITEOAK EMERGING MARKETS EQUITY FUND	0.02%
15.	ASHOKA WHITEOAK EMERGING MARKETS TRUST PLC	0.01%
16.	NEUBERGER BERMAN INVESTMENT FUNDS PLC/NEUBERGER BERMAN EMERGING MARKETS EQUITY FUND	0.09%
17.	NEUBERGER BERMAN STRATEGIC INDIA EQUITY MASTER FUND L.P.	0.01%
18.	OPTIMIX WHOLESALE GLOBAL EMERGING MARKETS SHARE TRUST	0.13%
19.	ASK INDIA 2025 EQUITY FUND	0.04%
20.	ASK GOLDEN DECADE FUND	0.17%
21.	ASK GOLDEN DECADE FUND - SERIES II	0.11%
22.	ASK GOLDEN DECADE FUND SERIES III	0.01%
23.	MORGAN STANLEY ASIA (SINGAPORE) PTE.	0.13%
24.	MERU INVESTMENT FUND PCC-CELL 1	0.33%
25.	VERITION MULTI-STRATEGY MASTER FUND LTD.	0.11%
26.	GHISALLO MASTER FUND LP	0.11%
27.	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED - ODI	0.11%
28.	VIKASA INDIA EIF I FUND	0.05%
29.	BOFA SECURITIES EUROPE SA - ODI	0.11%
30.	SOCIETE GENERALE - ODI	0.18%
31.	MAIQ GROWTH SCHEME-LONG ONLY	0.03%

[^] Based on beneficiary position as on August 23, 2024 (adjusted for Equity Shares Allocated in the Issue).

^{*} The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID have been considered.

Note: Subject to Allotment in this Issue

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Placement Document are true and correct.

For and on behalf of the Board, signed by:

Pallak Seth
(Executive Vice Chairman and Non-Independent Director)
(DIN – 00003040)

Date: August 27, 2024

Place: London, United Kingdom

DECLARATION

We, the Board of Directors of the Company certify that:

- (i) the Company has complied with the provisions of the Companies Act and the rules made thereunder;
- (ii) the compliance with the Companies Act and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and
- (iii) the monies received under the Issue shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board, signed by:

Pallak Seth
(Executive Vice Chairman and Non-Independent Director)
(DIN – 00003040)

Date: August 27, 2024
Place: London, United Kingdom

I am authorized by the Fund Raising Committee of the Company, pursuant to resolution dated August 22, 2024 to sign this form and declare that all the requirements of Companies Act and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Pallak Seth
(Executive Vice Chairman and Non-Independent Director)
(DIN – 00003040)

Date: August 27, 2024
Place: London, United Kingdom

PDS LIMITED

Registered and Corporate Office
Unit No. 971, Solitaire Corporate Park,
Andheri, Ghatkopar Link Road
Andheri (East), Mumbai - 400093
Maharashtra, India

Company Secretary and Compliance Officer
Abhishekh Kanoi (Head of Legal & Company Secretary)
Address: Unit No. 971, Solitaire Corporate Park,
Andheri, Ghatkopar Link Road
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Maharashtra, India

Telephone: +91-22-41441100

E-mail: investors@pdsLtd.com

BOOK RUNNING LEAD MANAGERS

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Ambit Private Limited
Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013, Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

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Bagmane Tech Park,
CV Raman Nagar,
Bengaluru – 560093
Karnataka, India

LEGAL COUNSEL TO OUR COMPANY

Trilegal
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Lower Parel (West)
Mumbai 400 013

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS


Linklaters Singapore Pte. Ltd.
1 George St,
Singapore 049145

Cyril Amarchand Mangaldas
5th floor, Peninsula Chambers,
Peninsula Corporate Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai, 400 013
Maharashtra, India

APPLICATION FORM

An indicative format of the Application Form is set forth below:

(Note: The format of the Application Form included herein below is for reference and for the purposes of compliance with applicable law only, and no Bids in this Issue should be made through the Application Form. The Company, in consultation with the BRLMs, will identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in this Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form, and not on the basis of the indicative format below.)

	<h3 style="margin: 0;">APPLICATION FORM</h3>
<p><i>PDS Limited ("Company" or "Issuer") was incorporated as 'PDS Multinational Fashions Limited', under the Companies Act, 1956 pursuant to a certificate of incorporation dated April 6, 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi and commenced its business on May 11, 2011 pursuant to a certificate of commencement of business issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana at Delhi. Pursuant to a change in our registered office from A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi, Delhi, India – 110028 to No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bengaluru, Karnataka, India, 560102 by way of a special resolution passed by our Shareholders on January 7, 2016, a certificate of registration of regional director order in relation to the change of State was issued by the Registrar of Companies, Karnataka at Bangalore dated June 14, 2016. The name of our Company was subsequently changed to 'PDS Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Karnataka at Bangalore on January 28, 2022. Thereafter, pursuant to a change in our registered office from No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bengaluru, Karnataka, India, 560102 to Unit No.971, Solitaire Corporate Park, Andheri Ghatkopar Link Road, Andheri (East), Mumbai - 400093, Maharashtra, India by way of a special resolution passed by our Shareholders on January 12, 2022, a certificate of registration of regional director order in relation to the change of State was issued by the Registrar of Companies, Maharashtra at Mumbai ("RoC") dated August 3, 2022.</i></p> <p>Registered and Corporate Office: Unit No. 971, Solitaire Corporate Park, Andheri, Ghatkopar Link Road, Andheri (East), Mumbai - 400093, Maharashtra, India Telephone: +022-41441100 Email: investors@pdsdtd.com Website: www.pdsdtd.com CIN: L18101MH2011PLC388088 LEI: 335800ZCIQKCSMTUYE86 ISIN: INE111Q01021</p>	<p>Name of Bidder: _____</p> <p>Form No: _____</p> <p>Date: _____</p>

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO 80,22,388 EQUITY SHARES OF FACE VALUE ₹ 2 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 536.00 PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ 534.00 PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ 43,000 LAKHS UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY PDS LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 563.59 AND OUR COMPANY HAS OFFERED A DISCOUNT OF UP TO 4.90% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 230 and 236, respectively, in the accompanying preliminary placement document dated August 22, 2024 (the "PPD").

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019, ("FEMA RULES"). ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	AIF	Alternative Investment Fund*
MF	Mutual Funds	IF	Insurance Funds
FPI	Foreign Portfolio Investors**	NIF	National Investment Fund

VCF	Venture Capital Funds	SI-NBFC	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	OTH	Others <hr/> <small>(Please specify)</small>
<p>Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the PPD. * Sponsor and Manager should be Indian owned and controlled. **Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue</p>			

To,

**The Board of Directors
PDS LIMITED**

Unit No. 971, Solitaire Corporate Park
Andheri, Ghatkopar Link Road, Andheri (East)
Mumbai - 400093
Maharashtra, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "Takeover Regulations"). We confirm that, in relation to our application, each foreign portfolio investor ("FPI") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "Eligible FPIs"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with JM Financial Limited and Ambit Private Limited (the "BRLMs"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai (the "RoC") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "Stock Exchanges") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("RBI") and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled "Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "Risk Factors" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("CAN"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs; and (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the other; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9)

We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States (as defined under Regulation S) and are purchasing Equity Shares in an "offshore transaction" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.** We confirm that we have read and agree with the representations, warranties and agreements contained in the sections entitled "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" of the PPD.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		FAX NO.	
EMAIL ID			
LEI			
FOR ELIGIBLE FPIs**	SEBI FPI Registration Number:	For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/IFs	SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs

*Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.

**In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.

***Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 1.00 P.M. (IST), AUGUST 27, 2024	
Name of the Account	PDS LIMITED - QIP ESCROW A/C
Name of the Bank	ICICI Bank Limited
Address of the Branch of the Bank	ICICI Bank Ltd, Ravindra Natya Mandir, Kala Academy, Prabhadevi , Mumbai - 400025
Account Type	Current A/c
Account Number	005705029305
LEI Number	R7RX8ER1V4666J8D1I38
IFSC	ICIC0000057
Tel No.	022 - 68052182
E-mail	shetty.sanjay@icicibank.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "PDS LIMITED - QIP ESCROW A/C". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS			
Depository Name(Please ✓)	National Security Depository Limited	Central Depository Services (India) Limited	
Depository Participant Name			
DP - ID	I N		
Beneficiary Account Number		(16 digit beneficiary account. No. to be mentioned above)	
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.			

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		PRICE PER EQUITY SHARE (RUPEES)	
(In figures)	(In words)	(In figures)	(In words)

BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		FAX NO.	
EMAIL			

OTHER DETAILS	
PAN*	
Date of Application	
Signature of Authorised Signatory (may be signed either physically or digitally)**	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:
<input type="checkbox"/> Copy of PAN Card or PAN allotment letter
<input type="checkbox"/> Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF
<input type="checkbox"/> Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank
<input type="checkbox"/> Copy of notification as a public financial institution
<input type="checkbox"/> FIR
<input type="checkbox"/> Copy of IRDAI registration certificate
<input type="checkbox"/> Intimation of being part of the same group
<input type="checkbox"/> Certified true copy of Power of Attorney
<input type="checkbox"/> Other, please specify

* It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.

** A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.

Note:

- (1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.
- (2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.
- (3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.
- (4) The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.
- (5) The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents