



ANNUAL REPORT
2015-2016

PDS MULTINATIONAL FASHIONS LIMITED

Corporate Information

Board of Directors

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

Chief Financial Officer

Mr. Omprakash Makam S. Setty

Company Secretary

Mr. Chandra Kishor Jha

Audit Committee

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

Nomination and Remuneration Committee:

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

Stakeholders Relationship Committee:

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

Auditors

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

Registered Office:

No. 758 & 759, 2nd Floor, 19th Main,
HSR Layout, Sector-II,
Bangalore-56-102
Karnataka, India

Bankers

Axis Bank
HSBC Bank

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Proxy Form

PDS MULTINATIONAL FASHIONS LIMITED

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

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

CIN: L18101KA2011PLC094125

NOTICE TO MEMBERS

Notice is hereby given that the 5th Annual General Meeting of the Members of the PDS Multinational Fashions Limited, will be held on Wednesday, 28th September, 2016 at 12.15 PM at Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru - 562110, Karnataka, India, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Standalone and Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Deepak Seth, who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s S. R. Dinodia & Co. LLP. Chartered Accountants, (Regn. No. 001478N/N500005), New Delhi, as Statutory Auditors of the Company and to fix their remuneration.

By order of the Board of Directors

For **PDS MULTINATIONAL FASHIONS LIMITED**

Place: Gurgaon

Date: 12th August, 2016

(Chandra Kishor Jha)
Company Secretary

Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 22nd September, 2016 to Wednesday, the 28th September 2016 (both days inclusive).
3. The relevant Statements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereto in respect of re-appointment(s) of Directors are mentioned in this notice.
4. Members/Proxies are requested to bring their attendance slip to the Meeting and are requested not to bring any article, briefcase, hand bag, carry bag etc., as the same will not be allowed to be taken inside the for security reasons. Further, the Company or any of its officials shall not be responsible for their articles, bags etc., being misplaced, stolen or damaged at the Meeting place.
5. Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those hold shares in Physical forms are requested to write their Folio Number in the attendance slip for attending the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Corporate members intending to send their authorised representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits Companies to send soft copies of the annual report to all those shareholders who have registered their email address with the Company/RTA/depository Participants. To support this green initiative, the shareholders holding shares both in physical/demat form are requested to register/update their email address with the Company/RTA/Depository Participants. Accordingly, the Annual Report for 2015-16, Notice for annual general meeting etc., are being sent in electronic mode to those shareholders who have registered their email address with the Company/RTA/Depository Participant. For those shareholders who have not opted for the above, the same are being sent in physical form.
9. Additional information pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of Directors seeking appointment/re-appointment at the annual general meeting are furnished and forms part of the notice.
10. All relevant documents referred to in the accompanying notice are available for inspection at the Registered office of the Company during working hours upto the date of Annual General Meeting
11. Annual Report of the Company circulated to the members of the Company is also available on the Company's website www.pdsmultinational.com
12. **NO GIFT(S) SHALL BE DISTRIBUTED AT THE ENSUING 5TH ANNUAL GENERAL MEETING OF YOUR COMPANY.**
13. **Voting through electronic means**
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is please to provide to its members facility to exercise their right to vote at the 5th Annual General Meeting (AGM) by electronic means and the business contained herein may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL):

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September at 10:00 AM and ends on 27th September at 5:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field.

Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK"; else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch

of the Notice and holding shares as on the cut-off date i.e.21/09/2016 may follow the same instructions as mentioned above for e-Voting.

- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. Mr. Deepak Somaiya, Practicing Company Secretary (Membership No. FCS 5845) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- III. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IV. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.pdsmultinational.com and on the website of CDSL and communicated to the BSE Limited and National Stock Exchange of India Limited.

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

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name	Qualification	Brief Resume and area of expertise	Directorship in other Listed Companies	Committee Membership	No. of Shares held
Mr. Deepak Seth (DIN:00003021)	B.A and MBA	Deepak Seth, aged 62 years is the Group Chairman of the Company. He has a Bachelor of Economics from St. Stephens College, Delhi University and holds a MBA degree from Jamanalal Bajaj Institute of Management Studies, Mumbai, India. He is an active member of the Apparel Export Promotion Council of India and held the post of “Vice Chairman” of the Eastern Region of AEPC for 2 years. He is also an executive member of the Apparel Exporters & Manufacturers Association (AEMA) and was awarded the “Udyog Ratna” Award by the Haryana Govt. in 2006 for his entrepreneurial skills.	Pearl Global Industries Limited	i. Audit Committee ii. Stakeholders Relationship Committee	1853398 (7.11%)

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

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

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

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

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 5th Annual Report and Audited Accounts for the year ended 31st March 2016, together with the Auditors' Report thereon.

FINANCIAL SUMMARY

During the year under review your Company's financial summary is as under:

(Rs. in Crore)

Particulars	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Income from operations	4276.77	3872.35	24.90	6.93
Other Income	31.25	13.64	0.11	0.10
Profit before Tax	43.73	33.95	(0.40)	(2.01)
Provision for Tax	0.66	5.41	(0.54)	0.17
Provision for Bad debt	4.83	0.14	0.42	0
Profit After Tax	27.91	21.79	0.14	(1.84)
EPS (in Rs.)	10.71	10.21	0.05	(0.86)

FINANCIAL PERFORMANCE

Consolidated

On Consolidated basis, the total revenue was maintained at Rs. 4,308.02 Crore as against Rs. 3885.99 Crore in Financial Year 2014-15

The Profit after Tax in FY16 was higher at Rs 27.91 crore as compared to Rs. 21.79 Crore last year

Standalone

On Standalone basis, the Operation Revenue stood Rs 25.01 Crore in Financial Year 2015-16, as against 7.03 Crores in Financial Year 2014-15.

The Profit after Tax in FY16 was higher at Rs 0.14 Crore as compared to loss of Rs. 1.84 Crore last year

STATE OF THE AFFAIRS OF THE COMPANY

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

DIVIDEND & RESERVES

Your Directors did not recommend any dividend for the financial year 2015-16 and not proposed to carry any amounts to reserves.

CHANGE IN THE NATURE OF THE BUSINESS

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

CHANGE IN REGISTERED OFFICE ADDRESS

The Company has been changed its registered office address from NCT of Delhi to State of Karnataka vide Regional Director, Northern Region Order dated 25th May, 2015 and Certificate granted by Registrar of Companies, Bangalore

DEPOSITS

Your Company has not accepted any deposits from the Public or Shareholders during the year, nor has any unclaimed or unpaid deposits at the end of the financial year 2015-16.

NUMBER OF MEETINGS OF THE BOARD

The Board met five (5) times during the financial year, the details of which are given in the Corporate Governance report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013 and Listing Regulations

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended 31st March 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2016 and of the profit of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149 (7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149 (6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION (Sec 178(4))

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

The Company has also formulated a Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178 (3) of the Companies Act, 2013 and the same is annexed as **Annexure-I** with this report.

BOARD EVALUATION

As per regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board shall

monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Re-appointment

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

AUDITORS

Statutory Auditors

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

The Auditors' Report for financial year 2015-16 does not contain any qualification, reservation or adverse remark or disclaimer. The Auditors' Report is enclosed with the financial statements in this Annual Report.

Secretarial Auditor

The Board has appointed Mr. Deepak Somaiya, Practicing Company Secretary, proprietor of M/s. Deepak Somaiya & Co., Company Secretary, to conduct Secretarial Audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer. The Secretarial Audit Report for the financial year 2015-16 forms part of the Annual Report as **Annexure-II** to the Board's Report.

Internal Auditor

The Board has appointed Mr. Shovik Sen, Head of Internal Audit of the Company, as internal Auditor under section 138 of the Companies Act, 2013. However, Mr. Shovik Sen ceased to be internal auditor of the company w.e.f. 17th March, 2016 due to his resignation.

Compliance Certificate on Corporate Governance

As required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate on corporate governance is enclosed as **Annexure-III** to the board's report.

INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT

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

CORPORATE GOVERNANCE

Report on Corporate Governance along with the certificate of the Auditors, confirming compliance of conditions of Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, forming part of the Annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (3) of the Listing Regulations, is presented in a separate section under the head "Management Discussion and Analysis" forming part of the Annual Report.

AUDIT COMMITTEE

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

VIGIL MECHANISM

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

During the year under review, no protected disclosure were made by the whistle blowers.

CORPORATE SOCIAL RESPONSIBILITY

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

CONSOLIDATED FINANCIAL STATEMENT

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

Companies which have become Subsidiaries during the financial year 2015-16:

1. MultiTech Venture Limited
2. Progress Manufacturing Group Limited
3. Progress Apparels (Bangladesh) Limited
4. Green Apparel Industries Limited
5. Grupo Sourcing Limited
6. Redwood Internet Ventures Limited
7. Digital Internet Technologies Limited
8. JJ Star Industrial Limited
9. Twins Asia Limited
10. Nor Lanka Progress Pvt. Limited

Companies which ceased to be subsidiaries during the financial year 2015-16

No subsidiaries has been ceased during the financial year 2015-16.

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

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

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

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

There were no Material Changes and Commitments affecting Financial Position between the end of the financial year and Date of the Report.

EXTRACTS OF ANNUAL RETURN

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

A statement containing the names of employees under Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendment thereto is enclosed as **Annexure- VIII**.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) is annexed as **Annexure-IX** to this report.

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

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

LISTING & LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of Capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into the Listing Agreement with National Stock Exchange of India Limited and BSE Limited.

The equity shares of the Company is listed and traded on the National Stock Exchange of India Limited and BSE Limited.

The listing fees to the Stock Exchanges for the year 2016-17 have been paid.

REGISTRAR AND SHARE TRANSFER AGENT

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

GREEN INITIATIVES

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

Electronic copies of the Annual Report 2015-16 along with Notice of the 5th Annual General Meeting are sent to all members whose email addresses are registered with the Company/RTA/Depository Participant(s). For members who have not registered their email addresses, physical copies of Annual Report 2015-16 and Notice of 5th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

ACKNOWLEDGEMENT

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

For and on behalf of the Board
PDS MULTINATIONAL FASHIONS LIMITED

(DEEPAK SETH)
DIRECTOR
DIN:00003021

(PAYEL SETH)
MANAGING DIRECTOR
DIN:00003035

Place: Gurgaon
Date: 12th August, 2016

Annexure-I to the Directors' Report

Nomination and Remuneration Policy

1. OBJECTIVE

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

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

2. DEFINITIONS

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

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

3.1. Appointment criteria and qualifications:

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

3.2. Term / Tenure

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

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

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

3.3. Evaluation

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

3.4. Removal

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

3.5. Retirement

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

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

4.1. General:

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

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

a) Fixed pay:

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

b) Minimum Remuneration:

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

c) Provisions for excess remuneration:

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

4.3. Remuneration to Non- Executive / Independent Director:

a) Sitting Fees:

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

b) Stock Options:

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

5. MEMBERSHIP

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

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

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

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

6. **CHAIRPERSON**

6.1 Chairperson of the Committee shall be an Independent Director.

6.2 Chairperson of the Board may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

6.3 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

6.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. **FREQUENCY OF MEETINGS**

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

8. **COMMITTEE MEMBERS' INTERESTS**

8.1 A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

8.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

9. **SECRETARY**

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

10. **VOTING**

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

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

11. **NOMINATION DUTIES**

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

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

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

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

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

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

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

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

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

12. **REMUNERATION DUTIES**

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

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

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

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

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

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

Annexure-II to the Directors' Report

Form No MR-3
SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2016

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

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

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

Based on our verification **PDS Multinational Fashions Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has **proper Board-processes** and **compliance mechanism** in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and there records maintained by **PDS Multinational Fashions Limited** ("the Company") for the financial year ended on 31st March, 2016, according to the provisions of (hereinafter to be referred as "Act" collectively):

- (i) **The Companies Act, 2013 (the Act) and the rules made thereunder;**
- (ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;**
- (iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;**
- (iv) **Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;**
- (v) **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(There is no stock option scheme issued during the year)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the company)**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company)**
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(No such case)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(There is no buyback of Shares during the year)**
- (vi) **No specific law applicable specifically to the company (like Banking and Insurance).**

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

- (i) **Secretarial Standards issued by The Institute of Company Secretaries of India.**
- (ii) **The Listing Agreements entered into by the Company with Stock Exchange (s) i.e, BSE Limited and National Stock Exchange of India Limited Stock Exchange(s),**
- (iii) **The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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

- Company has received the disclosure under Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and intimated to Stock Exchanges also.
- Company has received declaration under Section 149(6) of the Companies Act, 2013 from all the Independent directors.
- Company has adopted a conflict of interest policy, a code of business conduct setting out the Company's requirements and process to report and deal with non compliance.

- Company has made responsible the Compliance officer for oversight and management of these policies and procedures.
- Company has established various policies as per the Companies Act, 2013 and listing agreement / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, like, Vigil Mechanism policy, Related Party Transaction Policy, Whistle Blower Policy and Directors appointment and remuneration policy.
- Company has composite various committee(s) are as under:
 - 1. Audit Committee:**

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

Mr. Ashok Kumar Sanghi	-	Chairman
Dr. Ashutosh Prabhudas Bhupatkar	-	Member Director
Mr. Ashok Kumar Chhabra	-	Member Director
 - 3. Stakeholder Relationship Committee:**

Mr. Ashok Kumar Chhabra	-	Chairman
Mr. Deepak Seth	-	Member Director
Mr. Ashok Kumar Sanghi	-	Member Director
 - 4. Management Committee**

Mr. Deepak Seth	-	Chairman
Mrs. Payel Seth	-	Member
Mr. Pallak Seth	-	Member
 - 5. Compliance Officer:**

Mr. Chandra Kishor Jha
- The Company's shares are in compulsory demat segment and are available for trading in the depository system of both NSDL and CDSL. As on 31st March 2016 the company has **22761108** shares in NSDL A/c, **2700550** shares in CDSL A/c and balance of **585066** are in physical mode.
- The Company's shares in physical form are process by the Registrar and Share Transfer Agent (**Link Intime India Pvt Ltd at 44 Community Centre, 2nd Floor, Naraina Industrial Area Phase-1, New Delhi-110028**) and approved by the Stakeholders Relationship Committee. Share transfer process also reviewed by the Board.
- Investor's Grievance Report during the Financial year:

No. of Grievances Received	-	2
No. of Grievances Attended	-	2
No. of Grievances Pending	-	0
- As informed to us there is no change in general character or nature of business / disruption of operations due to natural calamity/ dispute with a material impact during year.
- The Company has published quarterly results during the year in time.

Various Committee meetings and meeting of Independent Directors:

Audit Committee: During the Financial Year 2015-16 Audit Committee met on 28.05.2015, 14.08.2015, 13.11.2015 and 12.02.2016. The Company has also maintained the proper record of the minutes of the meetings.

Stakeholders Relationship Committee: During the Financial Year 2015-16 the committee met on 13.04.2015, 27.04.2015, 11.06.2015, 19.08.2015, 25.01.2016, 02.02.2016 & 26.03.2016. The Company has also maintained the proper record of the minutes of the meetings.

Nomination and Remuneration Committee meeting:

The Committee met on 28.05.2015, 13.11.2015 during the Financial Year 2015-16. The Company has also maintained the proper record of the minutes of the meetings.

Independent Directors' meeting:

During the Financial Year 2015-16 the Independent Directors met on 12.02.2016.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Composition of the Board:

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

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

No change in composition of board of directors.

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

Details of Board Meeting:

Board has met five times during the Financial Year on 28.05.2015, 14.08.2015, 13.11.2015 12.02.2016 and 10.03.2016. The Company has also maintained the proper record of the minutes of the meetings.

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

Annual General Meeting:

During the Financial Year 2015-16 the Company has called 4th Annual General Meeting for the Financial Year 2014-15 on 22nd September 2015 at Sri Sathya Sai International Centre, Pragati Vihar, Lodi Road, New Delhi-110003. The Company has kept the date of book Closure on 16th September 2015 to 22nd September 2015 (both days inclusive).

Maintenance of Statutory Registers:

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

1. Register of Members
2. Register of Directors and Key Managerial personnel
3. Register of Security held by the Director
4. Register of Loans, Investment and Guarantee
5. Register of Charge
6. Register of Contracts or Arrangements
7. Register of Transfer and Transmission.
8. Register of Renewal and Duplicate Shares Certificate

Alteration of Memorandum of Association (Change of Registered office)

The company has altered the Registered office Clause-II of the Memorandum of Association subject to the approval of Central Govt. be shifted to the State of Karnataka and a postal ballot has been conducted to seek the approval of Shareholders/Members, report dated 08-01-2016.

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

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

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

Other General Laws Relating to Finance:

Income Tax Act
Sales Tax Act

Service Tax
Finance Act
ESI and PF

We have not checked the transactions relating to the above Financial Act, we simply rely on the Report of the Statutory Auditors for Financial Year 2015-16.

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

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

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

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

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

For **Deepak Somaiya & Co.**
Company Secretaries

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

Place: New Delhi
Date: 17th May, 2016

Annexure-III to the Directors' Report

Compliance Certificate on Corporate Governance

To

The Members of PDS Multinational Fashions Limited

We have examined the compliance of conditions of Corporate Governance by PDS Multinational Fashions Limited for the year ended 31st March, 2016 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing agreement of the said Company with Stock Exchanges.

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

In our opinion an best to of our information an according to the explanations given to us, we certify that company has complied with the Conditions of Corporate Governance as stipulated in the provisions specified in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the Listing agreement of the said Company with Stock Exchanges.

We further stat that such compliance is neither an assurance as to the future viability of the Company not the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sandeep Dinodia
Partner
Membership No. 083689

Place New Delhi
Date: 5th August, 2016

Annexure-IV to the Directors' Report

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

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

Name of Subsidiary	Currency	Equity Share Capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit/Loss before taxation	Provision for taxation	Profit after taxation	Proposed dividend	% of shareholding
Norwest Industries Limited	USD	4,193,407	43,641,664	131,010,580	87,368,916	19,955,465	392,041,139	5,340,123	113,107	5,453,230	2,040,000	-
Poeticgem Limited	USD	86,972	14,926,386	18,741,116	3,814,731	2,267,207	31,394,599	573,276	(78,589)	494,687	-	-
Pacific Logistics Limited	USD	16,943	(545,896)	2,911	548,807	-	-	(10,718)	(9,218)	(19,937)	-	-
Poetic Brands Limited	USD	75,935	(46,304)	466,411	512,714	-	273,075	(44,330)	-	(44,330)	-	-
Multinational OSG Service Bangladesh	USD	13,400	(884)	12,516	13,400	-	-	-	-	-	-	-
Progress Apparels Bangladesh Limited	USD	52,000	(1,845)	327,572	329,417	-	-	-	-	-	-	-
Progress Manufacturing Group Limited	USD	10,000	(8,700)	343,022	351,721	-	-	(8,728)	-	(8,728)	-	-
SACB Holdings Limited	USD	50,000	(64,537)	2,377,822	2,442,359	800,070	-	(14,012)	-	(14,012)	-	-
Global Textiles Group Limited	USD	3,987,266	294,239	4,634,911	4,340,672	2,575,935	3,399,257	39,413	-	39,413	-	-
Zamira Fashions Limited	USD	250,000	180,877	10,260,205	10,079,329	-	38,775,682	1,189,939	(115,541)	1,074,398	-	-
FX Import Hong Kong Limited	USD	1,291	504,116	2,957,260	2,453,144	-	12,654,301	105,738	-	105,738	-	-
FX Import Company Limited (UK)	USD	50,221	(245,625)	2,263,849	2,509,474	1,291	5,107,402	265,262	(52,815)	212,447	-	-
DPOD Manufacturing Limited	USD	100,000	(31,466)	3,736,284	3,767,751	-	10,060,892	(590,370)	-	(590,370)	-	-
Poeticgem International Limited	USD	10,000	(107,595)	12,042,713	12,150,308	-	46,669,303	629,417	-	629,417	-	-
PG Group Limited	USD	1,000,000	1,292,739	3,574,007	2,281,268	195,400	23,103,580	300,270	122,558	422,828	51,000	-
Nor Delhi Manufacturing Ltd	USD	257,800	21,549	515,335	493,786	-	-	(2,496)	-	(2,496)	-	-
Poetic Knitwear Limited	USD	142	(1,002,141)	2,566	1,004,707	-	-	(3,063)	-	(3,063)	-	-
Simple Approach Limited	USD	2,440,000	1,403,108	23,690,540	22,287,433	-	52,725,139	776,691	(140,136)	636,555	-	-
PDS Asia Star	USD	300,000	(2,199,531)	9,280,545	11,480,076	-	32,448,829	113,087	-	113,087	-	-
Techno Design GMBH	USD	138,540	(823,812)	505,222	1,329,033	-	324,553	(394,569)	-	(394,569)	-	-
Casa Forma Ltd	USD	388,650	(900,480)	643,772	1,544,252	-	-	(100,437)	-	(100,437)	-	-
MultiTech Ventures Limited	USD	350,000	(6,816)	350,774	357,590	5,000	-	(6,816)	-	(6,816)	-	-
Grupo Sourcing Limited	USD	100,000	(1,424)	100,284	101,708	-	-	(1,708)	-	(1,708)	-	-
Green Apparel Industries Ltd	USD	200,000	(1,328)	202,991	204,318	-	-	(1,896)	-	(1,896)	-	-
Multinational Textiles Group Limited	USD	21,948,270	2,928,967	26,622,129	23,693,162	15,504,146	4,339,318	551,460	(22,138)	529,322	-	-

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

Norwest Industries Limited	INR	278,148,663	2,894,751,594	8,689,931,789	5,795,180,195	1,323,645,986	26,004,088,780	354,210,386	7,502,356	361,712,742	135,313,200	-
Poeticgem Limited	INR	5,768,830	990,067,157	1,243,098,236	253,031,079	150,383,843	2,082,403,724	38,025,394	(5,212,790)	32,812,604	-	-
Pacific Logistics Limited	INR	1,123,829	(36,209,290)	193,084	36,402,373	-	-	(710,953)	(611,462)	(1,322,415)	-	-
Poetic Brands Limited	INR	5,036,769	(3,071,314)	30,937,024	34,008,339	-	18,113,043	(2,940,379)	-	(2,940,379)	-	-
Multinational OSG Service Bangladesh	INR	888,822	(58,618)	830,203	888,822	-	-	-	-	-	-	-
Progress Apparels Bangladesh Limited	INR	3,449,160	(122,373)	21,727,861	21,850,234	-	-	-	-	-	-	-
Progress Manufacturing Group Limited	INR	663,300	(577,048)	22,752,621	23,329,669	-	-	(578,933)	-	(578,933)	-	-
SACB Holdings Limited	INR	3,316,500	(4,280,707)	157,720,952	162,001,660	53,068,619	-	(929,403)	-	(929,403)	-	-
Global Textiles Group Limited	INR	264,475,354	19,516,876	307,433,643	287,916,767	170,861,769	225,472,698	2,614,242	-	2,614,242	-	-
Zamira Fashions Limited	INR	16,582,500	11,997,541	680,559,401	668,561,860	-	2,571,991,014	78,928,646	(7,663,804)	71,264,841	-	-
FX Import Hong Kong Limited	INR	85,649	33,438,036	196,155,086	162,717,050	-	839,359,773	7,013,599	-	7,013,599	-	-
FX Import Company Limited (UK)	INR	3,331,164	(16,292,292)	150,161,096	166,453,388	85,650	338,773,963	17,594,842	(3,503,219)	14,091,623	-	-
DPOD Manufacturing Limited	INR	6,633,000	(2,087,161)	247,827,739	249,914,899	-	667,338,999	(39,159,231)	-	(39,159,231)	-	-
Poeticgem International Limited	INR	663,300	(7,136,769)	798,793,152	805,929,921	-	3,095,574,898	41,749,234	-	41,749,234	-	-
PG Group Limited	INR	66,330,000	85,747,378	237,063,884	151,316,506	12,960,882	1,532,460,461	19,916,909	8,129,272	28,046,181	3,382,830	-
Nor Delhi Manufacturing Ltd	INR	17,099,874	1,429,315	34,182,147	32,752,831	-	-	(165,536)	-	(165,536)	-	-
Poetic Knitwear Limited	INR	9,428	(66,471,988)	170,211	66,642,199	-	-	(203,187)	-	(203,187)	-	-
Simple Approach Limited	INR	161,845,200	93,068,126	1,571,393,533	1,478,325,407	-	3,497,258,441	51,517,924	(9,295,235)	42,222,689	-	-
PDS Asia Star	INR	19,899,000	(145,894,890)	615,578,561	761,473,451	-	2,152,330,805	7,501,056	-	7,501,056	-	-
Techno Design GMBH	INR	9,189,348	(54,643,422)	33,511,355	88,154,777	-	21,527,627	(26,171,733)	-	(26,171,733)	-	-
Casa Forma Ltd	INR	25,779,155	(59,728,827)	42,701,390	102,430,218	-	-	(6,661,980)	-	(6,661,980)	-	-
MultiTech Ventures Limited	INR	23,215,500	(452,105)	23,266,839	23,718,945	331,650	-	(452,105)	-	(452,105)	-	-
Grupo Sourcing Limited	INR	6,633,000	(94,436)	6,651,851	6,746,287	-	-	(113,287)	-	(113,287)	-	-
Green Apparel Industries Ltd	INR	13,266,000	(88,056)	13,464,384	13,552,439	-	-	(125,758)	-	(125,758)	-	-
Multinational Textiles Group Limited	INR	1,455,828,749	194,278,378	1,765,845,795	1,571,567,416	1,028,389,982	287,826,963	36,578,342	(1,468,414)	35,109,928	-	-

Annexure-V to the Directors' Report

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

As on financial year ended on 31.03.2016

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L18101KA2011PLC094125
2	Registration Date	6/4/2011
3	Name of the Company	PDS Multinational Fashions Ltd
4	Category/Sub-category of the Company	Public Limited Company
5	Address of the Registered office & contact details	No. 758 & 759, 2nd Floor, 19th Main, Sector-2, HSR Layout, Bangalore-560102, Karnataka, Tel. No.- 080-67653000, Email- investors@pdsmultinational.com Website - www.pdsmultinational.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, New Delhi-110028, Contact Person: Mr. V. M. Joshi, General Manager, Tel: 011-41410592-94, Email: delhi@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale trade, except of motor vehicles and motorcycles	46	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Multinational Textiles Limited	NA	Subsidiary	100	2(87)(ii)
2	Global Textiles Group Limited	NA	Subsidiary	100	2(87)(ii)
3	Casa Forma Limited	NA	Subsidiary	100	2(87)(ii)
4	PDS Asia Star Corporation Limited	NA	Subsidiary	60	2(87)(ii)
5	Simple Approach Limited	NA	Subsidiary	75	2(87)(ii)
6	Zamira Fashion Limited	NA	Subsidiary	67	2(87)(ii)
7	PG Group Limited	NA	Subsidiary	51	2(87)(ii)
8	DPOD Manufacturing Limited	NA	Subsidiary	55	2(87)(ii)
9	Norwest Industries Limited	F02587	Subsidiary	85	2(87)(ii)
10	Poeticgem International Limited	NA	Subsidiary	100	2(87)(ii)
11	SACB Holding Limited	NA	Subsidiary	51	2(87)(ii)
12	Multinational OSG Services Bangladesh Ltd.	NA	Subsidiary	97	2(87)(ii)
13	Nor Delhi Manufacturing Limited	NA	Subsidiary	100	2(87)(ii)
14	Techno Design GmbH	NA	Subsidiary	55	2(87)(ii)
15	Poetic Brands Limited	NA	Subsidiary	100	2(87)(ii)
16	Poeticgem Limited	NA	Subsidiary	100	2(87)(ii)

17	PDS Trading (Shanghai) Co. Ltd.	NA	Subsidiary	60	2(87)(ii)
18	Simple Approach (Canada) Limited	NA	Subsidiary	75	2(87)(ii)
19	Zamira Denim Lab Ltd.	NA	Subsidiary	67	2(87)(ii)
20	PG Home Group Limited	NA	Associate	45.9	2(6)
21	PG Shanghai MFG Co. Limited	NA	Subsidiary	51	2(87)(ii)
22	Gem Australia Manufacturing Company Limited	NA	Subsidiary	85	2(87)(ii)
23	Norwest Inc.	NA	Subsidiary	85	2(87)(ii)
24	Sourcing Solutions Limited	NA	Associate	42.5	2(6)
25	Grand Pearl Trading Co. Ltd. (Hangzhou)	NA	Subsidiary	85	2(87)(ii)
26	Razamtazz Limited	NA	Subsidiary	85	2(87)(ii)
27	Krayon Sourcing Limited (Formerly Known as Sourcing Solutions HK Ltd.)	NA	Subsidiary	85	2(87)(ii)
28	Nor France Manufacturing Co. Limited	NA	Subsidiary	72.25	2(87)(ii)
29	Nor Lanka Manufacturing Limited	NA	Subsidiary	85	2(87)(ii)
30	Nor Europe Manufacturing Limited	NA	Subsidiary	59.5	2(87)(ii)
31	Kleider Sourcing Hong Kong Limited	NA	Associate	46.75	2(6)
32	Kleider Sourcing Limited	NA	Associate	46.74	2(6)
33	Techno Manufacturing Co. Limited (Formerly known as Sino West Manufacturing Co. Ltd.)	NA	Subsidiary	85	2(87)(ii)
34	Nor India Manufacturing Co. Limited	NA	Subsidiary	85	2(87)(ii)
35	Spring Near East Manufacturing Co. Ltd.	NA	Subsidiary	55.25	2(87)(ii)
36	Desinged and Sourced Limited	NA	Subsidiary	51	2(87)(ii)
37	FX Import Co. Limited	NA	Subsidiary	75	2(87)(ii)
38	Poetic Knitwear Limited	NA	Subsidiary	100	2(87)(ii)
39	Pacific Logistics Limited	NA	Subsidiary	100	2(87)(ii)
40	PG Home Group SPA	NA	Associate	45.9	2(87)(ii)
41	Nor France SAS	NA	Subsidiary	72.25	2(87)(ii)
42	Nor Lanka Manufacturing Colombo Limited	NA	Subsidiary	85	2(87)(ii)
43	Nor Europe SPA	NA	Subsidiary	59.5	2(87)(ii)
44	FX Import Hong Kong Limited	NA	Subsidiary	75	2(87)(ii)
45	MultiTech Venture Limited	NA	Subsidiary	100	2(87)(ii)
46	Progress Manufacturing Group Limited	NA	Subsidiary	100	2(87)(ii)
47	Progress Apparels (Bangladesh) Limited	NA	Subsidiary	99.99	2(87)(ii)
48	Redwood Internet Ventures Limited	NA	Associate	50	2(6)
49	Digital Internet Technologies Limited	NA	Associate	50	2(6)
50	Green Apparel Industries Limited	NA	Subsidiary	100	2(87)(ii)
51	Grupo Sourcing Limited	NA	Subsidiary	100	2(87)(ii)
52	JJ Star Industrial Limited	NA	Subsidiary	51	2(87)(ii)
53	Twins Asia Limited	NA	Subsidiary	85	2(87)(ii)
54	Norlanka Progress Pvt. Limited	NA	Subsidiary	85	2(87)(ii)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Share-holders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	13,875,282	-	13,875,282	53.27%	13,875,279		13,875,279	53.27%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	50,030		50,030	0.19%	50,035		50,035	0.19%	0.01%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	13,925,312	-	13,925,312	53.46%	13,925,314	-	13,925,314	53.46%	0.00%
(2) Foreign									
a) NRI Individuals	3,434,574		3,434,574	13.19%	3,434,572		3,434,572	13.19%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	3,434,574	-	3,434,574	13.19%	3,434,572	-	3,434,572	13.19%	0.00%
TOTAL (A)	17,359,886	-	17,359,886	66.65%	17,359,886	-	17,359,886	66.65%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,034,677		1,034,677	3.97%	1,034,677		1,034,677	3.97%	0.00%
b) Banks / FI	689,312	79	689,391	2.65%	613,600	79	613,679	2.36%	-10.98%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs	911,782		911,782	3.50%	886,628		886,628	3.40%	-2.76%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	2,635,771	79	2,635,850	10.12%	2,534,905	79	2,534,984	9.73%	-3.83%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	390,661	1,033	391,694	1.50%	349,239	1,033	350,272	1.34%	-10.58%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	205,4987	172,870	2,227,857	8.55%	1,681,063	1,64,685	1,845,748	7.09%	-17.15%

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2,909,321	-	2,909,321	11.17%	2833913	0	2,833,913	10.88%	-2.59%
c) Others (specify)									
Non Resident Indians	85,979	28,941	114,920	0.44%	109668	28542	138,210	0.53%	20.27%
Overseas Corporate Bodies	-	390,727	390,727	1.50%		390,727	390,727	1.50%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members	16,277		16,277	0.06%	54891		54,891	0.21%	237.23%
Trusts	192		192	0.00%	192		192	0.00%	0.00%
Hindu Undivided Family	-		-	0.00%	537901		537,901	2.07%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	5,457,417	593,571	6,050,988	23.23%	5,566,867	584,987	6,151,854	23.62%	1.67%
Total Public (B)	8,093,188	593,650	8,686,838	33.35%	8,101,772	585,066	8,686,838	33.35%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	25,453,074	593,650	26,046,724	100.00%	25,461,658	585,066	26,046,724	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrs. Payel Seth	11819846	45.38%		13875242	53.27%		7.89%
2	Mr. Deepak Seth	1,853,399	7.12%		1,853,399	7.12%		0.00%
3	Mr. Pallak Seth	1,581,175	6.07%		1,581,175	6.07%		0.00%
4	Mr. Pulkit Seth*	1,813,661	6.96%		1	0.00%		-100.00%
5	Mrs. Shefali Seth	36	0.00%		36	0.00%		0.00%
6	Pearl Global Industries Limited	49,994	0.19%		49,999	0.19%		0.01%
7	Nim International Commercial LLP	36	0.00%		36	0.00%		0.00%
8	Dr. A.P. Bhupatkar	1	0.00%		-	0.00%		-100.00%
9	Mrs. Kusum Malik	1	0.00%		-	0.00%		-100.00%
10	Mr. Sunil Pal Seth	241,737	0.93%		-	0.00%		-100.00%

* As a Nominee Shareholders of Pearl Global Industries Limited

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

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



(iv) Shareholding Pattern of top ten Shareholders

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

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Reliance Capital Trustee Co. Ltd.-A/C Reliance Mid & Small Cap Fund						
	At the beginning of the year	01.04.2015		1,034,677	3.97%	1,034,677	3.97%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31.03.2016		1,034,677	3.97%	1,034,677	3.97%
2	Sanjiv Dhiresbhai Shah						
	At the beginning of the year	01.04.2015		724,385	2.78%	724,385	2.78%
	Changes during the year	03.04.2015	Transfer		0.00%	724,322	2.78%
	At the end of the year	31.03.2016			0.00%	724,322	2.78%
3	LTS Investment Fund Limited						
	At the beginning of the year	01.04.2015		212,256	0.81%	212,256	0.81%
	Changes during the year	24.07.2015	Transfer		0.00%	212,006	0.81%
		31.07.2015	Transfer		0.00%	211,256	0.81%
		07.08.2015	Transfer		0.00%	210,006	0.81%
		14.08.2015	Transfer		0.00%	209,256	0.80%
		21.08.2015	Transfer		0.00%	208,506	0.80%
		28.08.2015	Transfer		0.00%	207,756	0.80%
		04.09.2015	Transfer		0.00%	207,506	0.80%
		11.09.2015	Transfer		0.00%	207,006	0.79%
		09.10.2015	Transfer		0.00%	512,452	1.97%
		16.10.2015	Transfer		0.00%	511,702	1.96%
	At the end of the year	31.03.2016			0.00%	510,952	1.96%
4	Leasing Mauritius Ltd.						
	At the beginning of the year	01.04.2014		390,727	1.50%	390,727	1.50%
	Changes during the year				0.00%	-	0.00%
		31.10.2014	Transfer		0.00%	193,405	0.74%
		19.12.2014	Transfer		0.00%	214,705	0.82%
		31.12.2014	Transfer		0.00%	281,096	1.08%
		02.01.2015	Transfer		0.00%	281,984	1.08%
		09.01.2015	Transfer		0.00%	286,133	1.10%
		16.01.2015	Transfer		0.00%	299,566	1.15%
	At the end of the year	31.03.2016			0.00%	390,727	1.50%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
5	Premier Investment Fund Ltd.						
	At the beginning of the year	01.04.2015		393,580	1.51%	393,580	1.51%
	Changes during the year	15.05.2015	Transfer		0.00%	386,480	1.48%
		22.05.2015	Transfer		0.00%	383,480	1.47%
		17.07.2015	Transfer		0.00%	378,460	1.45%
		04.09.2015	Transfer		0.00%	376,498	1.45%
		06.11.2015	Transfer		0.00%	375,676	1.44%
	At the end of the year	31.03.2016			0.00%	375,676	1.44%
6	Chetan D Shah HUF						
	At the beginning of the year	01.04.2015		301,839	1.16%	301,839	1.16%
	Changes during the year	30.09.2015	Transfer		0.00%	344,379	1.32%
		31.03.2016	Transfer		0.00%	346,879	1.33%
	At the end of the year	31.03.2016			0.00%	346,879	1.33%
7	Life Insurance Corporation of India						
	At the beginning of the year	01.04.2015		307,999	1.18%	307,999	1.18%
	Changes during the year	14.08.2015	Transfer		0.00%	299,519	1.15%
	At the end of the year	31.03.2016			0.00%	299,519	1.15%
8	General Insurance Corporation of India						
	At the beginning of the year	01.04.2015		307,999	1.18%	307,999	1.18%
	Changes during the year	04.09.2015	Transfer	-	0.00%	302,999	1.16%
		11.09.2015	Transfer		0.00%	286,275	1.10%
		04.12.2015	Transfer	-	0.00%	280,628	1.08%
		08.01.2016	Transfer		0.00%	260,308	1.00%
		15.01.2016	Transfer		0.00%	259,930	1.00%
		04.03.2016	Transfer	-	0.00%	254,386	0.98%
		11.03.2016	Transfer		0.00%	250,108	0.96%
		18.03.2016	Transfer		0.00%	249,608	0.96%
		25.03.2016	Transfer	-	0.00%	249,107	0.96%
		31.03.2016	Transfer		0.00%	240,767	0.92%
	At the end of the year	31.03.2016			0.00%	240,767	0.92%



SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
9	Bhagwanji Manji Patel						
	At the beginning of the year	01.04.2015		224,178	0.86%	224,178	0.86%
	Changes during the year	24.04.2015	Transfer		0.00%	216,178	0.83%
		08.05.2015	Transfer		0.00%	207,678	0.80%
		12.06.2015	Transfer		0.00%	197,678	0.76%
	At the end of the year	31.03.2016			0.00%	197,678	0.76%
10	Nitin Kumar Karsandas Patel						
	At the beginning of the year	01.04.2015		55,719	0.21%	55,719	0.21%
	Changes during the year	22.05.2015	Transfer		0.00%	38,619	0.15%
		12.06.2015	Transfer		0.00%	38,618	0.15%
		19.06.2015	Transfer		0.00%	38,133	0.15%
		28.08.2015	Transfer		0.00%	44,965	0.17%
		04.09.2015	Transfer		0.00%	49,287	0.19%
		11.09.2015	Transfer		0.00%	83,747	0.32%
		18.09.2015	Transfer		0.00%	94,096	0.36%
		25.09.2015	Transfer		0.00%	95,481	0.37%
		30.09.2015	Transfer		0.00%	83,176	0.32%
		09.10.2015	Transfer		0.00%	77,176	0.30%
		13.11.2015	Transfer		0.00%	77,259	0.30%
		20.11.2015	Transfer		0.00%	85,996	0.33%
		27.11.2015	Transfer		0.00%	87,636	0.34%
		04.12.2015	Transfer		0.00%	91,700	0.35%
		11.12.2015	Transfer		0.00%	97,696	0.38%
		18.12.2015	Transfer		0.00%	99,499	0.38%
		25.12.2015	Transfer		0.00%	99,590	0.38%
		31.12.2015	Transfer		0.00%	99,747	0.38%
	08.01.2016	Transfer		0.00%	109,495	0.42%	
	15.01.2016	Transfer		0.00%	114,215	0.44%	
	22.01.2016	Transfer		0.00%	119,730	0.46%	
	29.01.2016	Transfer		0.00%	126,445	0.49%	
	05.02.2016	Transfer		0.00%	129,519	0.50%	
	12.02.2016	Transfer		0.00%	132,426	0.51%	
	19.02.2016	Transfer		0.00%	139,626	0.54%	

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		26.02.2016	Transfer		0.00%	147,243	0.57%
		04.03.2016	Transfer		0.00%	155,690	0.60%
		11.03.2016	Transfer		0.00%	157,093	0.60%
		18.03.2016	Transfer		0.00%	158,339	0.61%
		25.03.2016	Transfer		0.00%	167,630	0.64%
		31.03.2016	Transfer		0.00%	195,688	0.75%
	At the end of the year	31.03.2016			0.00%	195,688	0.75%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Deepak Seth (Chairman)						
	At the beginning of the year	01.04.2015		1,853,399	7.12%	1,853,399	7.12%
	Changes during the year	19.06.2015			0.00%	1,855,006	7.12%
		11.09.2015			0.00%	1,853,399	7.12%
		23.10.2015			0.00%	1,853,398	7.12%
	At the end of the year	31.03.2016			0.00%	1,853,399	7.12%
2	Mr. Pallak Seth (Vice-Chariman)						
	At the beginning of the year	01.04.2015		1,581,175	6.07%	1,581,175	6.07%
	Changes during the year				0.00%	-	0.00%
	At the end of the year	31.03.2016			0.00%	1,581,175	6.07%
3	Mrs. Payel Seth (Managing Director)						
	At the beginning of the year	01.04.2015		11,819,846	45.38%	11,819,846	45.38%
	Changes during the year	23.10.2015	Transfer		0.00%	11,819,845	45.38%
		30.10.2015	Transfer		0.00%	13,633,505	52.34%
		22.01.2016	Transfer		0.00%	13,875,242	53.27%
	At the end of the year	31.03.2016			0.00%	13,875,242	53.27%
4	Dr. A.P. Bhupatkar(Director)						
	At the beginning of the year	01.04.2015	Allot	1*	0.00%	1*	0.00%
	Changes during the year	20.11.2015	Transfer		0.00%	-	0.00%
	At the end of the year	31.03.2016			0.00%	-	0.00%
5	Mr. Ashok Kr. Sanghi (Director)						
	At the beginning of the year	01.04.2015		-	0.00%	-	0.00%

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year				0.00%		0.00%
	At the end of the year	31.03.2016			0.00%	-	0.00%
6	Mr. Ashok Kr. Chhabra(Director)						
	At the beginning of the year	01.04.2015		-	0.00%	-	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.03.2016			0.00%	-	0.00%
7	Mr. Omprakash Makam S. Setty(Chief Financial Officer)						
	At the beginning of the year	01.04.2015		-	0.00%	-	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.03.2016			0.00%	-	0.00%
8	Mr. Chandra Kishor Jha (Company Secretary)						
	At the beginning of the year	01.04.2015		-	0.00%	-	0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.03.2016			0.00%	-	0.00%
* As a Nominee Shareholders of Pearl Global Industries Limited							

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,922,776.00	122,819,339.98		124,742,115.98
ii) Interest due but not paid				-
iii) Interest accrued but not due		44,384.00		44,384.00
Total (i+ii+iii)	1,922,776.00	122,863,723.98	-	124,786,499.98
Change in Indebtedness during the financial year				
* Addition	(493,688.00)	103,430,659.02		102,936,971.02
* Reduction	-			-
Net Change	(493,688.00)	103,430,659.02	-	102,936,971.02
Indebtedness at the end of the financial year				
i) Principal Amount	1,429,088.00	226,249,999.00		227,679,087.00
ii) Interest due but not paid				
iii) Interest accrued but not due		-		-
Total (i+ii+iii)	1,429,088.00	226,249,999.00	-	227,679,087.00

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Amount in ₹)
		Payel Seth		
	Name	Payel Seth		
	Designation	Managing Director		
1	Gross salary	3,600,000.00		3,600,000.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-		-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission	-		-
	- as % of profit	-		-
	- others, specify	-		-
5	Others, please specify	-		-
	Total (A)	3,600,000.00	-	3,600,000.00
	Ceiling as per the Act			4,200,000.00

B. Remuneration to other Directors

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

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel		Total (Amount in ₹)
		Mr. Omprakash Makam S. Setty	Mr. Chandra Kishor Jha	
	Name	Mr. Omprakash Makam S. Setty	Mr. Chandra Kishor Jha	
	Designation	CFO	CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,191,008.00	9,68,004.00	91,59,012.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	98,084.00	-	98,084.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-

2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	8,289,092.00	968,004.00	9,257,096.00

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure-VI to the Directors' Report

Form No. AOC-2

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

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

Sl. No.	Name of the related party	Nature of the relationship	Nature of Contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Value (Amount in Rs.)	Date of approval of the Board, if any	Amount paid as advances, if any
1	Multinational Textile Group Limited	Subsidiary	Sale of Services	01.04.2015 to 31.03.2016	-	11,88,35,668		
			Advance Received towards Services			31,976,481		
2	Pearl Global Industries Limited	Enterprise over which KMP can exercise significant influence	Loan Received	01.04.2015 to 31.03.2016	-	30,000,000		
			Loan Repaid			30,000,000		
			Expenditure incurred by them on our behalf			Nil		
			Interest Expense			1,949,176		

Annexure-VII to the Directors' Report

[Pursuant to Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Sl.No.	Particulars	Disclosures
I	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	Mrs. Payel Seth (MD) : 0.00x
II	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Mrs. Payel Seth (MD) : 0.00% Chief Financial Officer : 13.86% Company Secretary : 17.00%
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 9.00%.
IV	The number of permanent employees on the rolls of the Company	There were 33 permanent employees as on 31 st March, 2016
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentile increase in the salary of employees other than managerial personnel in the last financial year was 16%. Average percentile increase in the salary of Managerial personnel in the last financial year was 0.00%. Note - There is no increase in the remuneration of Managerial Personnel
VI	The key parameters for any variable component of remuneration availed by the Directors	Not Applicable
VII	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration paid to Directors/employees is as per remuneration policy.

Annexure-VIII to the Directors' Report

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

Details of Top 10 employees in terms of remuneration drawn

Sl. No.	Name of Employee	Designation	Educational qualification	Age	Experience (in years)	Date of Joining	Remuneration paid (Gross)	Nature of Employment, Whether Contractual or otherwise	Last Employment	% of equity share held	Whether employee is relative of any Director or Manager
1	Mr. Omprakash Makam S. Setty	Group -CFO	CA, ICWAI	49	25	01/Jul/2012	8,176,008	Permanent	Levis India Pvt. Limited	0	NO
2	Mr. Sridhar Thiagarajan	Executive Director HR & Factory Compliance	B.E/MBA	51	25	01/ Aug/2014	8,403,600	Permanent	Redcats Asia	0	NO
3	Mr. Swaminathan K N	Chief Technology Officer	ICWA	54	29	07/ May/2015	5,365,454	Permanent	TVS Motors Limited	0	NO
4	Mr. Ravi Prabhakar [#]	CEO - Domestic Operation	MBA	50	25	01/ Dec/2014	3,031,924	Permanent	Gokaldas Exports Limited	0	NO
5	Mr. Shovik Sen ^{\$}	Head - Internal Audit	CA	40	12	02/ July/2015	2,976,245	Permanent	Indus Towers Limited	0	NO
6	Mr. Swaminathan N	Corporate Controller	CA, ICWAI	47	21	14/ Jun/2012	4,107,962	Permanent	Norwest Industries Ltd. Hongkong	0	NO
7	Mrs. Payel Seth	Managing Director	Graduation	58	25	01/Jan/2013	3,600,000	Permanent	Not Applicable	53.27	Yes*
8	Mr. Chandra Sekhara Reddy	Head of Legal & Secretarial	CS/LLB	42	18	12/ Mar/2015	3,178,400	Permanent	Bharat Hotels Limited	0	NO
9	Mrs. Payal Pittliya	Group Head - HR	MBA	36	14	23/ Mar/2015	2,975,250	Permanent	Shahi Esports Limited	0	NO
10	Mr. Ankur Mehrotra	Corporate Controller	ICWA	42	18	15/ Jan/2013	2,737,620	Permanent	Reid & Taylor India Ltd.	0	NO

Mr. Ravi Prabhakar has resigned on 31st October, 2015.

\$ Mr. Shovik Sen has been appointed on 2nd of July 2015 and resigned on 18th March, 2016.

* Mr. Deepak Seth being husband and Mr. Pallak Seth being Son are relatives of Mrs. Payel Seth.

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

Sl. No.	Name of Employee	Designation	Educational qualification	Age	Experience (in years)	Date of Joining	Remuneration paid (Gross)	Nature of Employment, Whether Contractual or otherwise	Last Employment	% of equity share held	Whether employee is relative of any Director or Manager
1	Mr. Omprakash Makam S. Setty	Group -CFO	CA, ICWAI	49	25	01/Jul/2012	8,176,008	Permanent	Levis India Pvt. Limited	0	NO
2	Mr. Sridhar Thiagarajan	Executive Director HR & Factory Compliance	B.E/MBA	51	25	01/Aug/2014	8,403,600	Permanent	Redcats Asia	0	NO
3	Mr. Swaminathan K N	Chief Technology Officer	ICWA	54	29	07/May/2015	5,365,454	Permanent	TVS Motors Limited	0	NO
4	Mr. Ravi Prabhakar	CEO - Domestic Operation	MBA	50	25	01/Dec/2014	3,031,924	Permanent	Gokaldas Exports Limited	0	NO
5	Mr. Shovik Sen	Head - Internal Audit	CA	40	12	02.07.2015	2,976,245	Permanent	Indus Towers Limited	0	NO
6	Mr. Swaminathan N	Corporate Controller	CA, ICWAI	47	21	14/Jun/2012	4,107,962	Permanent	Norwest Industries Ltd. Hongkong	0	NO

Annexure-IX to the Directors' Report

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

A. CONSERVATION OF ENERGY

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

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

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

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

(iii) **The Capital investment on energy conservation equipment: NIL**

B. TECHNOLOGY ABSORPTION

(i) **The efforts made towards technology absorption:**

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

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

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

(iii) **The expenditure incurred on Research & Development:**

(Rs. / Lacs)

Expenditure on R & D		2015-16	2014-15
a)		-	-
b)		-	-
c)	Total	Nil	Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO
Foreign Exchange Earnings

(Amount in Rs./Lac)

Particulars	2015-16	2014-15
Export of Services - FOB basis	11,88,35,668	5,31,94,486
Interest Income	-	-
IT/SAP Income	-	-
Total	11,88,35,668	5,31,94,486

Foreign Exchange Outgo

(Amount in Rs./Lac)

Particulars	2015-16	2014-15
Foreign Travelling	189,506	Nil
EDI Expenses	-	-
Others	-	-
Total	189,506	Nil

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

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

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

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

Your Company is committed to best Corporate Governance and has fully complied with the requirements of Clause 49 of the

Listing Agreement with the Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Company in its endeavor towards the best Corporate Governance and to provide transparency, has initiated various measures.

Your Company is committed to all its Customers, Suppliers, Employees, Banks and financial institutions, government agencies and statutory authorities which are directly or indirectly concerned with the Company.

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

2. BOARD OF DIRECTORS

As on 31st March 2016, the Company's Board of Directors consists of 6 (Six) members. The Chairman of the Board is non-executive Promoter Director. The Board comprises of one Executive Director and Five non-executive Directors, of whom three are Independent Directors. The composition of the Board is in conformity with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All non-executive independent Directors are persons of eminence and bring a wide range of expertise and experience to the Board.

Composition and Category of the Board as on 31.03.2016 and their attendance in the Board and Annual General Meetings are as hereunder:

S. No.	Name of Director	Category	No. of outside Directorships*	No. of Committee		Attendance	
				Member	Chairman	Board Meetings	Annual General Meeting
1	Mr. Deepak Seth	Promoter, Non-Executive	2	2	--	3	Yes
2	Mr. Pallak Seth	Promoter, Non-Executive	-	-	--	1	No
3	Mrs. Payel Seth	Promoter, Executive	1	--	--	3	No
4	Dr. A.P.Bhupatkar	Non-executive Independent	-	2	1	5	Yes
5	Mr. Ashok Kumar Sanghi	Non-executive Independent	1	3	1	5	Yes
6	Mr. Ashok Kumar Chhabra	Non-executive Independent	-	3	1	5	Yes

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

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

There is no Nominee or Institutional Directors on the Board of the Company. Independent Directors does not hold any shares of the Company.

During the financial year 2015-16, five (5) Board Meetings were held on 28th May 2015, 14th August 2015, 13th November 2015, 12th February, 2016 and 10th March, 2016.

Mr. Deepak Seth, Chairman holds 1853398 equity shares (7.11%), Mr. Pallak Seth, Vice Chairman holds 1581174 equity shares (6.07%) and Mrs. Payel Seth, Managing Director holds 13875242 equity shares (53.27%) of the Company. No other Director holds any equity share in the Company.

Details of familiarization programmes imparted to Independent Directors are disclosed at Company's website at <http://www.pdsmultinational.com>

Information supplied to the Board

The Board has complete access to all information with the company. The minimum information required to be made

available to the Board under Regulations 17 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is followed by the Company.

Meeting of Independent Directors

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

One meeting of Independent Directors was held during the year

3. AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013 and the guidelines set out in Clause 49 of the Listing Agreement / Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference includes:-

- Overseeing financial reporting processes.
- Reviewing periodic financial results, financial statements and adequacy of internal control systems.
- Discussion and review of periodic audit reports and discussions with external auditors about the scope of audit including the observations of the auditors.
- Recommending the appointment, remuneration and removal of statutory auditors.
- Discussing with internal auditors any significant findings and follow up there on.
- Reviewing the adequacy of internal control systems with management, external and internal auditors and reviewing the Company's risk management policies / systems.
- Reviewing the financial statements and quarterly financial results.
- Reviewing Management discussion and analysis of financial condition and result of operations.
- Reviewing statement of significant related party transactions.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Scrutiny of inter-corporate loans and investments.

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

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

During the year, the Audit Committee, met four times and discharged its responsibilities in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement / SEBI Listing Regulations. The meetings of the Audit Committee were held on 28th May 2015, 14th August 2015, 13th November 2015 and 12th February 2016 during the financial year 2015-16. The maximum gap between any two meetings was less than one hundred twenty days.

During the year 2015-16, the members of the Audit Committee and their attendance are as under:

Audit Committee		
Composition		No. of Meetings attended
Dr. A. P. Bhupatkar	- Chairman	4
Mr. Deepak Seth	- Member Director	3
Mr. Ashok Kumar Sanghi	- Member Director	4
Mr. Ashok Kumar Chhabra*	- Member Director	2

* Mr. Ashok Kumar Chhabra appointed as Member of Audit committee by the Board of Directors meeting held on 14th August, 2015.

4. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference of the Nomination and Remuneration Committee include:

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

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

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

Two meetings of the Nomination and Remuneration Committee were held on 28th May, 2015 and 13th November, 2015, during the financial year 2015-16. Details of meeting of the members of Nomination and Remuneration Committee and their attendance are as under:

Nomination and Remuneration Committee		
Composition		No. of Meetings attended
Mr. Ashok Kumar Sanghi	- Chairman	2
Dr. A. P. Bhupatkar	- Member Director	2
Mr. Ashok Kumar Chhabra	- Member Director	2

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

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

5. REMUNERATION OF DIRECTORS

Details of remuneration paid to all the Directors for the year 2015-16 are as under:

(Amount in Rs.)

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

A sitting fee of Rs. 60,000/- is payable to Independent Directors for attending each Board meeting. The Company does not pay any other commission or remuneration to its Directors. The Company has no policy of stock option, pension or severance fee for its Directors. Notice period of executive directors are as per Company policy, i.e. 3 months. The Company does not have any separate service contract with executive directors apart from Resolution of Board/shareholders.

6. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee comprises of:

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

The Chairman of the Committee is Non- Executive Independent Director.

Mr. Chandra Kishor Jha, Company Secretary, is the Compliance Officer of the Company.

Status of Shareholders Complaints during the year

Complaints at the beginning of the year. 1 st April 2015	Complaints received during the year. 1 st April 2015 – 31 st March 2016	Complaints settled during the year. 1 st April 2015 – 31 st March 2016	Complaints pending at the ending of the year. 31 st March 2016
NIL	2	2	NIL

7. GENERAL BODY MEETINGS

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

Year	AGM	Location	Date	Time
2012-13	2 nd	A-3, Community Centre, Naraina Industrial Area, Phase-II, New Delhi-110028	27.09.2013	4:00 P.M.
2013-14	3 rd	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	26.09.2014	12.30 P.M.
2014-15	4 th	Sri Sathya Sai International Centre, Pragati Vihar (Near Pragati Vihar Hostel) Lodhi Road, New Delhi-110 003	22.09.2015	12.30 P.M.

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

Sl. No.	Particulars of Special Resolution	Date	Financial Year
1	Payment of Remuneration to Mrs. Payel Seth (DIN: 00003035) Managing Director of the Company.	22 nd September, 2015	2014-15
1	Consider and approve appointment of Mrs. Payel Seth (DIN: 00003035) as Managing Director of the Company commencing from 1 st June, 2014 for a period of Five Years	26 th September, 2014	2013-14
2	Borrowing powers of the Board of Directors under section 180 (1) (c) of the Companies Act, 2013 not exceeding Rs. 500 Crores	26 th September, 2014	2013-14
3	Pursuant to Section 188 of the Companies Act, 2013 for entering into contract or arrangement with related parties. (Two (2) separate resolutions)	26 th September, 2014	2013-14
1	Consider and approved under section 372A of the Companies Act, 1956	27 th September, 2013	2012-13

Postal Ballot

During the year, the company passed the following Special Resolutions by means of Postal Ballot. A snapshot of the voting results of the above mentioned postal ballots is as follows:

Date of Postal Ballot Notice: August 14, 2015

Voting period: September 10, 2015 to October 10, 2015

Date of declaration of result: October 16, 2015

Date of Approval: October 16, 2015

Name of the Resolution	Type of Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
			No. of Votes	%	No. of Votes	%
Providing Security on creation of Charge, Mortgage, etc. u/s 180(1) (a) of the Companies Act, 2013.	Special	18625428	18555557	99.62	69871	0.38
Providing Loan, Investment and guarantee by the Company u/s 186 of the Companies Act, 2013.	Special	18625428	18555557	99.62	69871	0.38

Date of Postal Ballot Notice: November 13, 2015

Voting period: December 3, 2015 to January 2, 2016

Date of declaration of Result: January 7, 2016

Date of Approval: January 7, 2016

Name of the Resolution	Type of Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
			No. of Votes	%	No. of Votes	%
Shifting of Registered Office of the Company from National Capital Territory of Delhi to Bengaluru, State of Karnataka	Special	18350245	18349833	99.998	412	0.002

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above by means of postal ballot.

M/s. Deepak Somaiya & Co., Company Secretaries, was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure of Postal Ballot

The notice containing the proposed resolutions and explanatory statement thereto is sent to the registered addresses of all the shareholders of the Company along with a postal ballot form and a postage pre-paid envelope containing the address of the scrutinizer appointed by the Board for carrying out the ballot process.

The e-voting facility is provided by the Company to all shareholders which enable them to cast their vote electronically. The Company has entered into agreement with Central Depository Services (India) Limited (CDSL) for providing the e-voting facility to its shareholders. During the year, the Company has availed e-voting facility from CDSL.

Under e-voting facility, the shareholders are provided with an electronic platform to participate and vote on the proposed resolutions of the Company. The e-voting window remains open for a period of thirty days whereby the shareholders can vote on the resolution using their login credentials. The step-wise process and manner for e-voting is provided in the postal ballot form and also the email which is sent to shareholders along with the postal ballot notice.

The scrutinizer submits his report to the Chairman/ Director or person authorized by the Board within seven days of the last date of receipt of postal ballot forms, who on the basis of the report announces the results.

8. MEANS OF COMMUNICATION

- The quarterly results of the Company are published in leading and widely circulated English/Hindi National/ Regional Newspapers as per the requirements of the Listing Regulations with the Stock Exchanges. The results are also submits to the BSE Limited and National Stock Exchange of India Limited, through their online portal.
- The results normally published in Business Standard (English) and Naya India (Hindi).
- The Company's Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website www.pdsmultinational.com

- (iv) The Company regularly updates the media, analysts, institutional investors, etc., through a formal presentation on its financials as well as other business developments.

9. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting

5th Annual General Meeting is scheduled as under:-

Day	Date	Time	Venue
Wednesday	28 th September, 2016	12.15PM	Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru - 562110, Karnataka, India

- (ii) **Financial year** : The financial year covers the period 1st April to 31st March.

(iii) Financial Calendar, 2016-17 (Tentative)

First Quarter Results : Second week of August, 2016.

Second Quarter & Half Yearly Results : Second week of November, 2016.

Third Quarter Results : Second week of February, 2017.

Fourth Quarter & Annual Results : Last week of May, 2017.

- (iv) **Date of Book Closure** : 22nd September, 2016 to 28th September, 2016 (both days inclusive).

(v) Listing on Stock Exchanges and their Stock Code

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

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

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

The ISIN No. of the equity shares of your Company is **INE111Q01013**.

(vi) Market Price Data: High, Low during each month in financial year 2015-16:

MONTH(S)	BOMBAY STOCK EXCHANGE Company Code: 538730		NATIONAL STOCK EXCHANGE Company Code: PDSMFL	
	HIGH	LOW	HIGH	LOW
April 2015	197.30	152.10	196.50	150.00
May 2015	213.00	173.00	215.00	165.00
June 2015	268.00	190.00	258.00	190.00
July 2015	255.00	224.00	256.00	216.00
August 2015	272.00	220.00	268.00	220.20
September 2015	237.90	165.00	239.95	161.00
October 2015	227.00	176.00	227.00	176.95
November 2015	232.00	214.00	231.50	214.00

December 2015	244.00	205.10	239.95	207.90
January 2016	238.00	189.00	239.00	206.00
February 2016	216.00	185.00	216.80	175.00
March 2016	192.00	175.00	192.00	168.10

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

MONTH(S) (As on end of last trading day of the month)	SHARE PRICES COMPARISON			
	PDSMFL	BSE (Sensex)	PDSMFL	NSE (Nifty)
April 2015	184.00	27,011.31	184.00	8,181.50
May 2015	203.50	27,828.44	203.65	8,433.65
June 2015	225.00	27,780.83	225.00	8,368.50
July 2015	253.10	28,114.56	253.50	8,532.85
August 2015	235.00	26,283.09	235.00	7,971.30
September 2015	183.00	26,154.83	182.30	7,948.90
October 2015	224.30	26,656.83	224.50	8,065.80
November 2015	214.90	26,145.67	215.85	7,935.25
December 2015	230.50	26,117.54	230.10	7,946.35
January 2016	215.00	24,870.69	215.90	7,563.55
February 2016	187.80	23,002.00	187.80	6,987.05
March 2016	181.20	25,341.86	181.00	7,738.40

(viii) Registrar and Share Transfer Agent

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

(ix) Share Transfer System

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

(x) Distribution Schedule

(a) Distribution of Equity Shareholding of the Company as on 31st March 2016

Number of Equity Shares * held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
1 - 500	19139	97.15	1420381	5.45
501 - 1000	286	1.45	199792	0.77
1001 - 2000	114	0.58	155819	0.60
2001 - 3000	34	0.17	85590	0.33
3001 - 4000	19	0.10	65021	0.25
4001 - 5000	10	0.05	46575	0.18
5001 - 10000	30	0.15	209847	0.80
10001 and above	69	0.35	23863699	91.62
Total				

(b) Categories of Shareholders as on 31st March 2016

	No. of Folio's	% to total Folios	No. of Shares Held*	% to total Shares
PROMOTERS				
Indian	4	0.02	13875279	53.27
Body Corporate	2	0.01	50035	0.19

NRI	4	0.02	3434572	13.19
TOTAL (A)	10	0.05	17359886	66.65
Public				
Mutual Funds / Foreign Portfolio Investors	3	0.01	1921305	7.38
Financial Institutions/ Banks	7	0.04	613679	2.36
NRI's / Foreign Companies	160	0.81	528937	2.03
Bodies Corporate	170	0.86	350272	1.34
Clearing Members	44	0.22	54891	0.21
Individual	18585	94.35	4679661	17.97
Hindu Undivided Family	721	3.66	537901	2.06
Trusts	1	0.00	192	0.00
TOTAL (B)	19691	99.95	8686838	33.65
TOTAL { (A) + (B) } = (C)	19701	100.00	26046724	100.00

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

(xi) Dematerialization of Shares and liquidity

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

As on March 31, 2016, 97.75% of our shares were held in dematerialized form and the rest in physical form.

Shares held in demat and physical modes as on March 31, 2016 are as follows:

Category	Shareholders	Shares	% of total equity
Demat Mode			
NSDL	12139	22761108	87.38
CDSL	5686	2700550	10.37
Total	17825	25461658	97.75
Physical Mode	1876	585066	2.25
Grand total	19701	26046724	100

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

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

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

(xiii) Plant locations:

The Company doesn't have plant till date

(xiv) Registered Office of the Company:

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

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

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

10. OTHER DISCLOSURES

- There had been no materially significant related party transaction that might have potential conflict with the interests of the Company at large. Transactions with related parties are disclosed in Note 23 of Notes to Financial Statement in the Annual Report.
- There has been no non-compliance, penalties/strictures imposed on the company by Stock Exchange(s) or SEBI or any other Statutory Authority, on any matter related to capital markets, during the last three years.
- The Company has a Whistle Blower Policy and Vigil Mechanism. No personnel of the Company have been denied access to the Audit Committee.
- The Company has complied with all the mandatory requirements including Regulations 17 to 27 and 46 (2) (b) to (i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has also ensured the implementation of non-mandatory items such as:
 - Separate post of Chairman and CEO or MD.
 - Unmodified audit opinion /reporting
- Policy for determining 'material' subsidiaries is disclosed at Company's website at <http://www.pdsmultinational.com>
- Policy on dealing with related party transactions is disclosed at Company's website at <http://www.pdsmultinational.com>

Compliance with the Code of Conduct

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

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



Compliance certificate on Corporate Governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors' certificate on corporate governance is annexed to the Board's report.

CEO/CFO CERTIFICATION

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

Electronic Clearing Service (ECS)

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

investors. However, members who wish to receive dividend in an account other than the one specified while opening the Depository account, may notify their DPs about any change in the Bank Account details.

Depository Services

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

National Securities Depository Ltd.

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

Central Depository Services (India) Ltd.

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

Certification by Managing Director and Chief Financial Officer of the PDS Multinational Fashions Limited

(Compliance Certificate under Regulation 17 (8) of Listing Regulations, 2015)

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

- A. We have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March, 2016 and to best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We also certify that to the best of our knowledge and belief, there are no transactions entered into by PDS Multinational Fashions Limited during the year, which are fraudulent, illegal or violate of the Company's Code of Conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
- 1) Significant changes, if any, in internal control over financial reporting during the year.
 - 2) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(Payel Seth)
Managing Director
DIN: 00003035

(Omprakash Makam S. Setty)
Chief Financial Officer

Place: Gurgaon
Date: 27th May, 2016

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

This is to certify that as per the provisions of Regulation 26 and Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2016.

For PDS Multinational Fashions Limited

(Payel Seth)
Managing Director
DIN: 00003035

Place: Gurgaon
Date: 12th August, 2016



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

The world economy witnessed a slowdown during the fiscal, primarily characterized by volatility and uncertainty across major markets, global trade and key asset prices. The global economic growth during the year decelerated from 3.4% in 2014 to an estimated 3.2% in 2015, undermined by weak global visibility.

Advanced economies of US, Europe and Asia underwent a phase of grim growth recovery led by a host of factors such as heavy debt-laden sovereign balance sheets, distressed corporates and banks, lower commodity prices and a significant decline in capital spending. Crude oil prices during the year hit a 12-year low, thus heavily impacting oil-exporting countries. The continued glut in commodity prices coupled with tough market conditions, higher deflation and volatile foreign exchange rates culminated into a bleak consumer demand, which in turn considerably hampered the global retail industry during the fiscal.

Additionally, a prolonged slump in economic growth of emerging markets, mainly China coupled with currency devaluation by China added onto the instability, diminishing trade, manufacturing activity and capital inflows during the year. The consolidated global turmoil heavily weighed upon financial markets across the globe, with sharp retrenchment in capital outflows witnessed across major exchanges.

On the whole, the near-term global outlook paints a cautious and a gloomy picture. With Brexit, UK & European markets have been significantly impacted. As per market perceptions, the global growth is likely to remain stagnated for the medium-term as risks to recovery are significant. We believe, balanced efforts towards promoting growth need to be undertaken by the advanced as well as emerging economies to improve the global outlook.

INDIAN ECONOMY

India witnessed a steady fiscal, as the pace of growth-enhancing reforms, policy implementation and foreign-direct investments maintained an even momentum throughout the year. The domestic economy successfully withheld its stance against a very weak global environment during the period, a function of the country's strong fundamentals, improving business cycle and a healthy policy support.

According to IMF, India emerged to be one of the brightest spots among major emerging markets during the fiscal, with GDP expected to reach 7.6 per cent in 2015-16. In its recent forecast, the World Bank projected India to be the fastest-growing large economy in the next two years, with a leading GDP of 7.9% by 2018.

Although the prospects remained fairly positive during the year, the economy was enfeebled by short-term hurdles. Tepid corporate balance sheets, increased non-performing assets (NPAs) of banks, weak rural economy and brewing political tensions, significantly downplayed the market sentiment during the year.

Outliving these drawbacks, the country is now significantly focusing towards increasing the pace of implementation of growth policies and other socio-economic reforms, which, we believe, will significantly improve the pace of business activity, providing a further impetus to the domestic scenario.

PDS GROUP PERFORMANCE

The economy was marked by a material slowdown during the year, leading to a host of resulting factors such as lower buyer capacity, weaker spending trends and an overall frail consumer

confidence. Despite headwinds in the global retail sector and an overall deflationary environment, PDS Group successfully delivered an encouraging set of results during FY2016.

Established business displayed a strong support during the fiscal, whereas new businesses continued to grow. The total net revenues during the year delivered a healthy improvement of 10.44%, and stood at Rs. 4,276.77 crore. Growth was primarily driven by the progress of our strong product offerings and customer service of PDS. Improved revenues translated into a net profit of Rs. 43.07 crore, significantly higher by 50.91% on a Y-o-Y basis.

During the fiscal, the Apparel segment contributed 99% to the total revenues, followed by Home Product segment at 1%. Varied fluctuation in raw material and commodity prices coupled with changes in product mix & sourcing mix during the year resulted in higher material costs, which stood at Rs. 3,698 crore as against Rs. 3,337 crore in FY15, registering an increase of 11% over last year.

In spite of the growing macro-volatility in many parts of Europe, UK and Asia, the business continued to have healthy customer relations across these geographies. 4.40% of the total revenues came in from new account acquisitions, whereas the remaining 95.60% of revenues flowed in through repeat customers during the year. Moreover, improved service along with growing customer loyalty helped build new relations across the globe. Customer additions during the fiscal stood at 23.

Last year, PDS Group worked on an array of strategies to help drive stronger efficiency in its business operations. In sync with this, higher focus was driven towards growing potential geographies across US, Middle East, Australia and LATAM, while also strengthening distribution roots in the established markets. Accordingly, turnover of our UK business amounted to 61% for the year, while our European business was at 18% followed by South America and Asia at 8% and 5% respectively.

Another long-term strategic move was towards augmenting agency model of operations. The business segment grew well during the year, with business contribution at 5% in FY16. Agency model of operation primarily helps in streamlining the entire supply chain execution of end-customers and has minimized risks of cancellation/delays associated to it, thus ensuring a bulk of turnover. During the fiscal, PDS Group signed new agreements with customers under the agency business model.

PDS' focus has primarily been forked into improving efficiency of its trading model and accelerating its manufacturing operations. Working towards this goal, PDS Group will be setting up dedicated 'Accord and Alliance'-compliant manufacturing factories in Bangladesh, expected to further enhance PDS Group's competitiveness, improve brand name and drive increased brand consumption. PDS Group will be setting up these factories in Bangladesh on a land allocated by Bangladesh EPZ Investors' Association (BEPZIA) at Ishwardhi; a ready manufacturing-building at Adamjee Export Processing Zone near Dhaka; and manufacturing unit in Mawna, Gazipur District near Dhaka. Efforts directed towards building manufacturing capabilities will not only provide cushioning to the trading business, but will also rationalize long-term business prospects.

Another comforting factor is PDS Group's wide footprint across four continents. PDS continues to enjoy a prime position in global supply chain management, spanning across 18 markets. In order to further enhance the geographic toehold, PDS continues to expand sourcing operations in Bangladesh, Belgium, Cambodia, China, India, Myanmar, Pakistan, Sri Lanka & Turkey, while also directing strong efforts in building footprint across highly-competitive retail markets of the US.

In-line with the operational scale-up, PDS Group increased the total employee strength including key personnel on business development front to combat competition, compliance, internal audit and risk management personnel during the year, which translated into higher employee cost of Rs. 237.09crore. All our customers are attended by dedicated teams across an array of operations of product Design & Development, Production and Sourcing to ensure the highest level of quality and confidentiality in services, further building brand 'PDS'.

Our commitment to Compliance and Ethical Sourcing practices is irrepensible, and we will continue to ensure the highest level of transparency, ethics, and social compliance in our supply chain system as we move forward in our goals.

On the balance sheet front, the fiscal saw stable net worth, streamlined debtors and healthy capital structure during the year. PDS Group continued to enjoy a healthy cash position at Rs. 199crore as on March 31, 2016. Total debt during the year stood at Rs. 484crore, with long-term debt at Rs. 13crore and short-term debt at Rs. 471crore. The receivables position during the fiscal stood at Rs. 775 crore.

Long-term debt-to-equity position was healthy at 0.03as against 0.12as on March 31, 2015. Networth increased from 447crore in FY15 to Rs. 481crore in FY16.

On a whole, the year in retrospect witnessed a soft retail environment. Nonetheless, the Company remains confident in its ability to fuel growth in the business and has undertaken many initiatives such as Gallup survey, leadership training to employees etc. to suit the ever-changing preferences of consumers. Steps taken towards growth, supported by a solid business model, we believe, will buoy a healthy performance and will allow us to create a compelling long-term shareholder value proposition for our investors, going forward.

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

STRENGTHS

Integrated Distribution

The Company has an expansive distribution network across key sourcing geographies such as Bangladesh, Cambodia, China, India, Morocco, Myanmar, Pakistan, Sri Lanka, and Turkey. The Company provides thorough market intelligence, trend analysis, raw material procurement and industry pricing to help meet end customers' demands and preferences, while also meeting quality benchmarks and improving time to market speed. Additionally, the Company's strong focus towards enhancing its manufacturing capabilities is also expected to improve the sourcing business arm.

Professional management team with rich industry experience

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

Strong Brand-name

The quality, transparency and reliability of our operations combined with an enduring customer satisfaction delivered have all established

your Company as a global organization and a strategic manufacturing partner to major brands and retailers. Our diverse product range, including fashion apparel, children's wear, accessories, footwear, home décor & textiles along with our niche product development and design capabilities have further helped in lending more strength to brand PDS.

Expansive Footprint

PDS enjoys a vast global foothold across all four continents, which helps leverage the massive international growth potential. Strong market share in high-prospective geographies of UK, Europe, Asia, Australia and Middle East, with over 31 offices spread across the globe, helps drive improved brand visibility and outreach. Over the past two years, the Company has also been constantly augmenting its distribution spread to other promising markets like Australia, India, Middle Eastern Countries and the LATAM region, which will also improve our market share within existing and new customers. Furthermore, PDS continues to cross-sell across its key markets of Asia, Europe, UK, Middle East and the Emerging Markets, thus further enhancing revenue share.

Financial Strength

PDS on the back of a strong balance sheet and proven pedigree over several years has in place large limits with several banks in the geographies wherein it operates. Despite a dreary macro-economic outlook, our investors, partners, bankers remain very confident on PDS' business prospects, a mere function of the Company's unparalleled balance sheet profile.

WEAKNESSES

Concentrated Market Share

Your Company enjoys a dominant market share in the Europe and UK regions. In FY15, 79% of revenues came from these geographies. The Company recognizes the need to diversify its market share and has implemented steps to improve revenue contribution from regions such as Asia, Australia and Middle East. Revenues from Europe and UK will continue to expand but the focus will be on improving the contribution of other regions.

High upfront cost for Expansion

During the year, the Company undertook significant steps towards enhancing its manufacturing business capabilities. One such effort was towards setting-up new dedicated factories in Bangladesh on a land allocated by Bangladesh EPZ Investors' Association (BEPZIA) at Ishwardhi; a ready manufacturing-building at Adamjee Export Processing Zone near Dhaka; and manufacturing unit in Mawna, Gazipur District near Dhaka. The Company will be building manufacturing facilities as per green environmental norms - 'Accord & Alliance' and LEED-certified. While doing so, the Company will have to undertake investments to appropriately set up factories for a long-term presence. These upfront investments, the benefit of which will accrue over the next several years, will have a slight impact on the balance sheet. We expect the factories to be operational by 2017-18.

Seasonality in Business

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



OPPORTUNITIES

One Belt, One Road Initiative

China's strategic initiative 'One Belt, One Road' is directed towards improving trade relations through Central Asia, West Asia, the Middle East and Europe. The initiative will connect more than 60 countries, representing a large share of the world's economy. One Belt, One Road will not only integrate trade between participating countries, but will also provide a significant push to the trading business of PDS. The Company enjoys well-entrenched relations with vendors across these participating countries, thus enhancing future growth prospects.

A range of scalable businesses

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

Mature Businesses showing results

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

Changing Preferences

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

THREATS

Cyclical Nature of the Industry

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

Global Macro-environment

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

OUTLOOK

We expect to see a gradual recovery in the macroeconomic environment in the fiscal 2018. As per market reports, weak deflationary environment, growing geopolitical tensions and a chronic promotional scenario is expected to result in a frail retail landscape in the near term. While the macroeconomic factors remain challenging in most of our key markets, our strong business capabilities along with an even strong brand recall, we believe, will help provide a strong uptick to the growth momentum of PDS.

We foresee a skew of opportunities in front of us and we continue to direct our reach towards capitalizing on each of them by establishing new customer accounts, improving market share across geographies and enhancing operational efficiencies of our business.

One of the key areas of focus for further developing and expanding our Business will continue to be the established markets of UK, Europe and some parts of Asia. It represents a significant share of revenues and we will continue to extend leadership in these existing markets, while also aggressively building on our global expansion.

On the operational front, the Company is efficiently deepening its manufacturing and trading abilities to further fuel business growth. Going forward, we expect the contribution from our manufacturing business to improve multifold, as we roll-out new factories in Bangladesh in the next fiscal. Moreover, PDS, currently, enjoys a wide network of over 1,000 suppliers in promising markets across the globe. As we continue to capture a larger market share through stringent social & ethical compliance norms, value-added services and a very solid financial risk management policy, we firmly anticipate our business to deliver continuous healthy growth in the future, as well.

In an order to mitigate the inventory risk associated with our business model, the Company ensures that certain checkpoints are met before commencing order production, which essentially includes pre-selling all orders before processing production, securing credit payment terms and partnering with only AAA rated customers.

Overall, the Company reported healthy financial performance during FY16. The focus in the near term will be to improve both the level and consistency of the financials, going forward. The foundation of our business remains solid and our internal initiatives of the last few quarters will also bear fruit in the near term. In the meantime, the management will continue its investments into the future growth of the Company, but with a reevaluated pace to optimize our stakeholder return and to deliver the long-term objectives of the Company.

CAUTION STATEMENT

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Besides the Company cannot guarantee that these assumptions and expectations are accurate or will be realized and actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

Independent Auditors` Report

To the Members of PDS Multinational Fashions Limited

Report on the Consolidated Financial Statement

We have audited the accompanying consolidated financial statements of **PDS Multinational Fashions Limited** and its subsidiaries (collectively referred to as “the Group”) comprising of the Consolidated Balance Sheet as at **March 31, 2016**, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ‘the consolidated financial statements’).

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 (“the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its subsidiaries as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the total assets of ₹ 14,15,75,20,544 as at March 31, 2016, total revenues and profit before tax of ₹ 42,63,75,34,465 and ₹ 42,74,81,143 respectively for the year then ended, included in the accompanying consolidated financial statements in respect of one subsidiary not audited by us, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiary is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

Report on Other Legal & Regulatory Requirements

1. As required by section 143(3) of 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 purposes 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.



- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and reports of the statutory auditor of the subsidiaries, none of the directors of the Group Companies is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) As the subsidiary of the Holding Company is incorporated outside India and is not a company incorporated under Companies Act, 2013, report on internal financial controls over financial reporting and the operating effectiveness of such controls of its subsidiary is not required.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. On the basis of written representations received from the management of the Company, the Company does not have any pending litigations which would impact its consolidated financial position; *except for the cases which are disclosed under Note No.25 "Contingent Liabilities & Commitments" in the consolidated financial statements.*
 - ii. The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long term contracts including derivative contracts- *Refer Note No. 30 to the consolidated financial statements.*
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

For S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership No. 083689

Place of Signature: Gurgaon

Date: 27th May, 2016

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

(Amount in ₹)

Particulars	Note No	As At March 31, 2016	As At March 31, 2015
I. Equity and Liabilities			
Shareholders' funds			
Share Capital	3	260,467,240	260,467,240
Reserves and surplus	4	4,550,470,815	4,206,093,015
		4,810,938,055	4,466,560,255
Minority Interest			
		639,294,976	513,354,677
Non-current liabilities			
Long-term borrowings	5	133,335,140	546,374,517
Deferred tax liabilities (net)	6	-	2,251,386
Long-term provisions	7	3,733,860	2,153,527
		137,069,000	550,779,430
Current liabilities			
Short-term borrowings	8	4,703,173,853	4,203,610,736
Trade payables	9	3,606,717,471	3,500,417,716
Other current liabilities	9	263,754,725	411,896,508
Short-term provisions	7	284,819,752	259,453,145
		8,858,465,801	8,375,378,105
Total		14,445,767,832	13,906,072,467
II. Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	1,485,665,701	1,480,859,644
Intangible assets	10	465,016,717	439,593,122
Capital work-in-progress	10	229,306,985	106,201,484
Deferred tax assets (net)	6	45,571,633	-
Non-current investments	11	435,034,264	169,257,781
Long-term loans and advances	12	43,004,141	87,527,384
Non Current Assets	14	105,316	-
		2,703,704,757	2,283,439,415
Current assets			
Current Investment	11	-	26,128,369
Inventories	13	502,692,300	885,133,979
Trade receivables	14	7,752,295,873	7,150,912,456
Cash and bank balances	15	1,987,459,239	1,771,619,907
Short-term loans and advances	12	1,499,486,965	1,788,836,055
Other current Assets	14	128,698	2,286
		11,742,063,075	11,622,633,052
Total		14,445,767,832	13,906,072,467
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financials statements
 As per our Audit Report of even date attached

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

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

(Sandeep Dinodia)
 Partner
 Membership No. 083689

Place of Signature: Gurgaon
 Date: 27th May, 2016

(Payel Seth)
 Managing Director
 DIN 00003035

(Omprakash M. Setty)
 Chief Financial Officer

(Deepak Seth)
 Director
 DIN 00003021

(Chandra Kishor Jha)
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED March 31, 2016

(Amount in ₹)

Particulars	Note No.	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Income			
I Revenue from operations	16	42,767,678,422	38,723,458,691
II Other income	17	312,535,759	136,409,855
III Total Income (I+II)		43,080,214,180	38,859,868,546
IV Expenses:			
a) Purchases of Stock-in-Trade	18	36,843,544,514	33,491,997,177
b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	140,888,704	(120,916,769)
c) Employee benefits expense	20	2,370,947,598	2,210,097,021
d) Finance costs	21	141,635,797	188,285,520
e) Depreciation and amortization expense	11	146,484,456	146,348,256
f) Other expenses	22	2,996,688,044	2,598,401,039
Total expenses		42,640,189,113	38,514,212,243
V Profit before exceptional and extraordinary items and tax (III-IV)		440,025,068	345,656,303
VI Exceptional items	23	2,742,573	6,181,758
VII Profit before tax (V-VI)		437,282,494	339,474,545
VIII Tax expense:			
(a) Current Tax		17,817,808	56,201,983
(b) Deferred Tax (charge)/Release		(11,233,212)	(2,125,123)
Profit/(Loss) before minority share		430,697,898	285,397,684
Less: Minorities Share in (Profit)/Loss		(151,633,618)	(67,484,976)
IX Profit after tax (VI-VII)		279,064,280	217,912,708
X Earnings per equity share:			
(1) Basic	24	10.71	10.21
(2) Diluted	24	10.71	10.21
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financials statements

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

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

(Sandeep Dinodia)

Partner

Membership No. 083689

Place of Signature: Gurgaon

Date: 27th May, 2016

(Payel Seth)

Managing Director

DIN 00003035

(Omprakash M. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN 00003021

(Chandra Kishor Jha)

Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
A. Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax And Exceptional Items	437,282,494	339,474,544
Adjustments For :		
Depreciation	146,484,455	146,348,256
Prior Period Expenses	46,555	25,626
(Profit)/Loss on sale of Assets	2,742,573	6,181,758
Net Interest paid	141,635,797	183,195,700
Foreign Currency Translation Reserve	175,678,767	93,355,011
Foreign Exchange Fluctuation	(213,589,169)	(32,992,607)
Interest received	(34,092,210)	(5,018,828)
Operating Profit Before Working Capital Changes	656,189,262	730,569,460
Adjustments For Changes In Working Capital:		
Trade and Other Receivables	(315,565,834)	(1,629,652,671)
Inventories	382,441,679	322,053,550
Short term borrowings	499,563,138	5,741,933
Trade Payables and other payables	14,402,295	475,189,289
Cash Generated From Operations	1,237,030,541	(96,098,441)
Direct Taxes Paid	(29,297,382)	(5,659,707)
Cash Flow Before Prior Period Items/Excess	1,207,733,159	(101,758,148)
Provision Written Back/Extra Ordinary Item		
Prior period Items/Excess provision w/back	(46,555)	(25,626)
Net Cash From Operating Activities (A)	1,207,686,604	(101,783,774)
Cash Flow From Investing Activities		
Purchase of Fixed Assets (including transfer of assets on account of demerger scheme)	(229,330,830)	(184,340,594)
Foreign exchange adjustment	(79,855,213)	(146,825,840)
Investment made during the year	(239,648,114)	34,038,553
Investment in bank deposits (having original maturity of less than one year)	(404,495,623)	325,662,442
Sale of Fixed Assets	6,623,841	1,515,321
Interest Received	34,092,210	5,018,828
Net Cash Used In Investing Activities (B)	(912,613,729)	35,068,709
Cash Flow From Financing Activities		
Proceeds from Share Capital- Demerger	-	-
Capital Reserve	(134,584,817)	(60,066,743)
Retained Earnings	17,634,975	166,525,966
Interest Paid	(141,635,797)	(183,195,700)
Repayment (to)/ from Minority interest	(25,693,320)	34,547,177
Proceeds from Long Term Borrowings (Net)	(413,039,377)	54,320,183
Net Cash From Financing Activities (C)	(697,318,336)	12,130,882
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	(D = A+B+C) (402,245,460)	(54,584,182)
Foreign Exchange Fluctuation	(E) 213,589,169	32,992,607
Cash And Cash Equivalents At The Beginning Of The Year	(F) 873,225,658	894,817,233

Cash And Cash Equivalents At The Close Of The Year	(D+E+F)	684,569,367	873,225,658
The above balance at year end represents:			
Balance with Scheduled banks in Current Account &		684,569,367	873,225,658
Cash In hand			
		684,569,367	873,225,658

Significant Accounting Policies

The accompanying notes are an integral part of the financials statements

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

(Sandeep Dinodia)

Partner

Membership No. 083689

Place of Signature: Gurgaon

Date: 27th May, 2016

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

(Payel Seth)

Managing Director

DIN 00003035

(Omprakash M. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN 00003021

(Chandra Kishor Jha)

Company Secretary

Notes To The Consolidated Financial Statements For The Year Ended March 31, 2016

Note 1: Corporate Information

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

Note 2: Significant Accounting Policies

a) Basis of Preparation

- i) The consolidated financial statements of the group have been prepared in accordance with applicable accounting standards and relevant presentation requirements of the Companies Act, 2013 and are based on the historical cost convention and on an accrual basis of accounting except in case of foreign subsidiary where financial assets and liabilities are measured at fair value. The financial statements of foreign subsidiaries have been prepared in compliance with the local laws and applicable accounting standards. The Company has complied in all material respects with Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of Company (Accounts) Rules, 2014, the provisions of the Act (to the extent notified), guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable statutes. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
- ii) The Financial statements of all reporting entities under consolidation are drawn up to the financial year ended March 31, 2016.

b) Uses of Estimates

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

c) Basis of Consolidation

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

- i) The financial statements of the company and its subsidiary company have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income/ expenses and after eliminating intra-group balances & intra-group transactions resulting in unrealized profits or losses within the group.
- ii) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like

transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company’s standalone financial statements. Inconsistency, if any, between the accounting policies of the subsidiary, have been disclosed in the notes to accounts.

- iii) The difference of the cost to the company of its investment in subsidiary over its share in the equity of the investee company as at the date of acquisition of stake is recognized in financial statements as Goodwill or Capital Reserve, as the case may be.
- iv) Minority interest in the Equity & Results of the entities that are controlled by the company is shown as a separate item in the Consolidated Financial Statements.
- v) The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the parent company for its standalone financial statements.

d) Effect of Changes in Foreign Exchange Rates

i) Translation of Financial Statements of Foreign Operations

- In view of Accounting Standard-11 (AS-11) Changes in Foreign Exchange Rates notified under Companies (Accounts) Rules, 2014, the operations of the foreign subsidiary (including its sub-subsidiaries) are identified as non integral subsidiaries of the company in the current year and translated into Indian Rupee.
- The Assets and Liabilities of Foreign operations, including Goodwill/Capital Reserve arising on consolidation, are translated in Indian Rupee (INR) at foreign exchange rate at closing rate ruling as at the balance sheet date. The Assets and Liabilities of Foreign operations, including Goodwill/Capital Reserve arising on consolidation, are translated in Indian Rupee (INR) at foreign exchange rate at closing rate ruling as at the balance sheet date.
- The revenue and expenses of foreign operations are translated in Indian Rupee (INR) at yearly average currency exchange rate of the respective year.
- Foreign exchange differences arising on translation of Non—integral Foreign Operations are recognized as foreign exchange translation reserve in balance sheet under the head Reserve & Surplus and those of Integral Foreign Operations are recognized in the Statement of Profit & Loss. The revenue and expenses of foreign operations are translated in Indian Rupee (INR) at yearly average currency exchange rate, of the respective years.

ii) Foreign Currency Transactions

- In case of parent company & its subsidiary sales made in foreign currencies are translated on exchange rate prevailing on the date of transactions.
- Gain/Loss arising out of fluctuation in the exchange rate on settlement of the transaction is recognized in the Statement of Profit and Loss.
- Other transactions in foreign currency are recognized on initial recognition at the exchange rate prevailing at the time of transaction. Foreign Currency monetary items are reported using the closing rate as on balance sheet date. The resultant exchange gain/loss is dealt with in the Statement of Profit & Loss.
- Premium or discount on forward contracts is amortized in the Statement of Profit and Loss over the period of the contract. Exchange differences on such contracts are recognized in the statement of Profit and loss in the year in which the exchange rates change. Any profit or loss

arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the period.

e) Inventories

- i) Inventories are valued at lower of cost and net realizable value. Cost includes purchase price, duties, non refundable taxes and all other costs incurred in bringing the inventories to their present location. Cost is calculated on First in First out (FIFO) method.
- ii) In case of foreign subsidiary work in progress includes an appropriate share of production overheads based on normal operating capacity.

f) Revenue Recognition

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

- i) Revenue is recognized when significant risk and rewards of ownership of goods are transferred to the buyer. Sales are shown net of sales return/rejection & trade discounts and include freight & insurance recovered from buyers as per terms of sales.
- ii) Export Sales is recognized on the basis of date of Airway Bill/Bill of Lading/Forwarder Cargo receipt.
- iii) Interest income is recognized on an accrual on time proportion basis. In case of Multinational Textile Group Limited and its subsidiaries interest income is recognized on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of financial asset.
- iv) Investment income is recognized as and when the right to receive the same is established.
- v) Handling Fee income is recognized in the period in which the services are rendered.
- vi) Commission Income is recognized when the services are rendered.
- vii) Dividend Income is recognized when the right to receive is established.
- viii) Other Income is recognized on accrual basis.

g) Fixed Assets & Depreciation

- i) "Fixed Assets are stated at cost less accumulated depreciation. The cost comprises the purchase price/construction cost and any attributable cost including borrowing cost of bringing the asset to its working condition for its intended use. Fixed assets under construction, and cost of assets not put to use before year end are shown as Capital Work in Progress. In the case of Multinational Textile Group Limited and its subsidiaries cost include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of fixed assets. Gains or losses arising from sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss in the year in which the asset is sold."
- ii) Depreciation on tangible assets is provided on the straight—line method over the useful lives of assets estimated by the management. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit & Loss. The management estimates the useful lives for the other fixed assets as follows

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

In case of Multinational Textile Group Limited:-

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

Depreciation is recognised on a straight line basis over the estimated useful life of each part of an item of property, plant and equipment. Leased Assets are depreciated over the shorter of the lease term and their useful lives; it is reasonably certain that the Company will obtain the ownership by the end of the lease term

The estimated useful lives are as under:

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

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

h) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non—controlling interests and any fair value of the group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed.

Where the recoverable amount of the cash generating unit is less than the carrying amount, a goodwill impairment loss is recognised.

i) Investments

The investments are classified as follows:

Held for Trading : Trading securities are those (both debt & equity) that are bought and held principally for the purpose of selling them in near term, such securities are valued at fair value and gain/loss is recognized in the Statement of Profit & Loss.

Held to Maturity : Investment in debt & capital guard products are classified as held to maturity only if the company has the positive intent and ability to hold these securities to maturity, such securities are held at historical cost.

Available-for-sale financial assets: Available-for-sale financial assets are non-derivative financial investment in listed and unlisted equity & debt instruments that are designated as available for sale or are not classified in any of the other three categories. Subsequent to initial recognition, available-for-sale financial assets are measured at fair value, with gains or loss recognized as a separate component of equity as "Investment Revaluation Reserve" until the investment is derecognized or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the Statement of Profit & Loss.

When the fair value of unlisted equity securities cannot be reliably measured because of significant variability in the range of fair value estimates or, where the probabilities of the various estimates within the range cannot be reasonably assessed, such securities are stated at cost less any impairment.

Fair value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business at the balance sheet date.

j) Financial instruments and hedging

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

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

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

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

Fair value hedges: A hedge of the exposure to changes in the fair value of recognized asset or liability or an unrecognized firm commitment (except for foreign risk); or identified portion of such asset, liability or firm commitment (except for foreign risk), or an identified portion of such asset, liability or firm commitment that is attributable to a particular risk and could affect profit or loss.

Cash flow hedges: A hedge of the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction, and could affect profit or loss.

The effective portion of the gain or loss on the hedging instrument is recognized directly in the equity, while the ineffective portion is recognized in the Statement of Profit & Loss.

k) Employee Benefits

-In case of Standalone (Indian) entity

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

i) Short term Employee benefit

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

ii) Defined Benefit Plans

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

iii) Defined Contribution Plan

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

iv) Other Long Term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss.

-In case of foreign subsidiaries

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the projected unit credit method.

l) Borrowing Cost

"Borrowing costs include interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction of qualifying fixed assets are capitalized as part of the cost of assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Investment Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation All other borrowing costs are recognized as expense in the year in which they are incurred."

m) Leases

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

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

n) Taxes On Income

Taxes include current tax and deferred tax.

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act and the tax laws prevailing in the respective tax jurisdiction where the group operates and based on the expected outcome of assessment/appeals. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

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

o) Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount is determined. Where the carrying amount of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

p) Provision, Contingent Liabilities and Contingent Assets

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

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

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

q) Earning per Share (EPS)

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

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

“For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.”

r) Cash Flow Statement

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

s) Cash and cash equivalents

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

(Amount in ₹)

Note 3 : Share Capital	As At	As At
	March 31, 2016	March 31, 2015
Authorised		
27,000,000 (March 31, 2015: 27,000,000) Equity Shares of ₹ 10/- each	270,000,000	270,000,000
	270,000,000	270,000,000
Issued, Subscribed & Paid-up Equity		
26,046,724 (March 31, 2015: 26,046,724) Equity Shares of ₹ 10/-each fully paid up	260,467,240	260,467,240
Total Issued, Subscribed & Paid-up Capital	260,467,240	260,467,240

a) Reconciliation Statement of Equity Share Capital

Equity Shares	March 31, 2016		March 31, 2015	
	No. of shares	(Amount in ₹)	No. of shares	(Amount in ₹)
Balance at the beginning of year	26,046,724	260,467,240	50,000	500,000
Add:- Addition during the year	—	—	25,996,724	259,967,240
Less:- Buy back during the year	—	—	—	—
Balance at the end of the year	26,046,724	260,467,240	26,046,724	260,467,240

b) Terms/rights attached to equity shares

The company has only one class of equity shares having per 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. For the year ended March 31, 2015, the amount of 'NIL' per share has been proposed to be declared as dividend for distribution to equity shareholders.

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

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

	March 31, 2016		March 31, 2015	
	No. of shares	% Holding	No. of shares	% Holding
Mrs. Payel Seth	13,875,242	53.27	11,819,846	45.38
Mr. Deepak Seth	1,853,399	7.12	1,853,399	7.12
Mr. Pallak Seth	1,581,175	6.07	1,581,175	6.07
Mr. Pulkit Seth	—	—	1,813,661	6.96

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

	(Amount in ₹)	
	March 31, 2016	March 31, 2015
	No. of Shares	No. of Shares
Equity Share Capital	25,996,724	25,996,724
(Being shares issued to shareholders of Pearl Global Industries Limited, in terms of Scheme of Demerger)	25,996,724	25,996,724

(Amount in ₹)

Note 4 : Reserves and surplus	As At	As At
	March 31, 2016	March 31, 2015
Foreign Currency Translation Reserve		
Balance at the beginning of year	638,884,384	545,535,508
Add:- Addition during the year on account of demerger	-	-
Add:- Addition during the year	175,678,767	93,348,875
Less:- Utilised during the year	-	-
Balance at the end of year	(A) 814,563,151	638,884,384
Capital Reserve on Consolidation		
Balance at the beginning of year	2,672,578,977	2,735,162,688
Add:- Capital reserve on account of demerger	-	-
Less:- Utilised during the year	52,873,225	62,583,711

		As At March 31, 2016	As At March 31, 2015
Note 4 : Reserves and surplus			
Balance at the end of year	(B)	2,619,705,752	2,672,578,977
Hedging Reserve			
Balance at the beginning of year		71,190,626	11,123,883
Add:- Addition during the year on account of demerger		-	-
Add:- Addition during the year		-	60,066,743
Less:- Utilised during the year		75,004,142	-
Balance at the close of year	(C)	(3,813,516)	71,190,626
Investment Reserve- Available for Sale			
Balance at the beginning of year		(236,494)	(1,049,937)
Add:- Addition during the year		-	813,443
Less:- Utilised during the year on account of demerger		122,855	-
Balance at the end of year	(D)	(359,349)	(236,494)
Retained Earnings			
Balance at the beginning of year		823,675,523	439,669,380
Add: Adjustment on account of sale of undertaking		-	95,248,741
Add: Transfer from exchange Reserve		17,634,975	-
Less:- Depreciation adjustment as per Schedule II to the Companies Act, 2013		-	(432,532)
(Net of Deferred Tax of ` Nil (March 31, 2015 : ` 193,419)		279,064,280	217,912,706
Add:- Profit/(Loss) for the year		-	71,277,226
Add:- Transfer from Capital Reserve on consolidation		-	823,675,523
Net Surplus in the statement of Profit and Loss	(E)	1,120,374,778	823,675,523
Total Reserves & Surplus	(A+B+C+D+E)	4,550,470,815	4,206,093,013

(Amount in ₹)

	Non-current portion		Current Maturities	
	As At March 31, 2016	As At March 31, 2015	As At March 31, 2016	As At March 31, 2015
Note 5 : Long—term borrowings				
Secured Loan from Bank (Refer Note ‘ a ‘ below)				
- Loan in Functional Currency	-	454,945,429	-	-
Secured Loan from Financial Institution (Refer Note ‘ a ‘ below)				
- Vehicle Loans	835,140	1,429,088	593,947	493,688
Unsecured Loan from Bank (Refer Note ‘ b ‘ below)				
- Term Loan	132,500,000	90,000,000	13,750,000	-
	<u>133,335,140</u>	<u>546,374,517</u>	<u>14,343,947</u>	<u>493,688</u>
Less: Term Loan disclosed under “Other Current Liabilities” (Refer Note 9)	-	-	14,343,947	493,688
	<u>133,335,140</u>	<u>546,374,517</u>	<u>-</u>	<u>-</u>
The above amount includes -				
Secured borrowings	133,335,140	456,374,517	593,947	493,688
Unsecured borrowings	132,500,000	90,000,000	13,750,000	-

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

i) In case of Multinational Textile Group Limited

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

ii) In case of PDS Multinational Fashions Limited

— Vehicle loan taken from BMW Financial Services is secured against hypothecation of respective vehicle. The applicable rate of interest ranges between 10 to 11 % per annum.

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

No. of Outstanding EMI as on March 31, 2016	27
Amount repayable in	Amount (₹)
FY 2016—17	593,946
FY 2017—18	659,401
FY 2018—19	175,740

b) In case of unsecured term loan the terms of loan are :-

- (i) Term Loan of ₹ 6 Crore (March 31, 2015 : ₹ 9 Crore) taken by the Company during the current financial year is guaranteed by Stand by Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 7 years with 1 year moratorium period and it is repayable in equal quarterly installments over the said tenor.
- (ii) Term Loan carries interest ranging from 10.9% to 12%.
- (iii) Maturity profile of Unsecured Term loan is set out as below:

No. of Outstanding Quarterly Installments as at March 31, 2016	23	24
Amount repayable in	Term Loan of ₹ 9 crores	Term Loan of ₹ 6 crores
FY 2016—17	11,250,000	2,500,000
FY 2017—18	15,000,000	10,000,000
FY 2018—19	15,000,000	10,000,000
FY 2019—20	15,000,000	10,000,000
FY 2020—21	15,000,000	10,000,000
FY 2021—22	15,000,000	10,000,000
FY 2022—23	-	7,500,000

(Amount in ₹)

NOTE 6 : Deferred tax liabilities (Net)

As At March 31, 2016 As At March 31, 2015

Deferred Tax Liabilities

Impact of difference between tax depreciation as per Income Tax Provisions and depreciation / amortization charged for financial reporting

2,326,709 17,254,539

Gross deferred tax liability

(A) 2,326,709 17,254,539

Deferred Tax Assets

Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis

47,898,342 15,003,154

Gross deferred tax assets

(B) 47,898,342 15,003,154

Net Deferred tax liability/(Assets)

(A - B) (45,571,633) 2,251,386

(Amount in ₹)

Note 7 : Provisions

Long Term

Short Term

	As At March 31, 2016	As At March 31, 2015	As At March 31, 2016	As At March 31, 2015
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Provision for employee benefits

Gratuity (Refer Note 20)

2,103,301 977,683 13,816 5,034

Leave Encashment (Refer Note 20)

1,418,862 1,166,139 353,325 76,592

Other provisions

Provision for current tax [Net of advance tax ₹ 24,430 (March 31, 2015: ₹ 1,054,837)]

- - 284,444,551 259,334,319

Provision for Lease Equalisation

211,697 9705 8,060 37,200

3,733,860 2,153,527 284,819,752 259,453,145

(Amount in ₹)

Note 8 : Short-term borrowings	As At March 31, 2016	As At March 31, 2015
Loan From Banks (Secured)		
- Loan in functional currency	4,327,184,771	4,077,588,669
	<u>4,327,184,771</u>	<u>4,077,588,669</u>
Unsecured Borrowings		
From Others	352,565,863	72,924,110
From Directors	23,423,219	53,097,957
	<u>375,989,082</u>	<u>126,022,067</u>
The above amount includes		
- Secured borrowings	4,327,184,771	4,077,588,669
- Unsecured borrowings	375,989,082	126,022,067
	<u>4,703,173,853</u>	<u>4,203,610,736</u>

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

i) Norwest Industries Limited

The banking facilities are secured by way of pledge of company's time deposit and marketable securities, bank guarantees aggregating ₹ 119,733,344 (March 31, 2015: ₹47,112,431, guarantees from the ultimate holding company, a fellow subsidiary, companys' insurance deposits, directors of the company including a related party.

ii) Norwest Industries Limited (Mortgage Loan)

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

iii) Poeticgem Limited

GBP long term loan are secured by a legal charge over the freehold property at Teleflex Plot, Burnleys, Kiln Farm, Milton Keynes, fixed and floating charges over the assets of the sub—subsidiary and a cross guarantee between Poeticgem Limited and its subsidiary Pacific Logistics Limited. The loan is repayable at once by September 2015

iv) PG Group Limited

PG Group has collateralised bank advances matured in April 2015.

v) Simple Approach Limited and Zamira Fashion Limited

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

vi) Loan from others

- a) The working capital loan from HSBC Bank is guaranteed by Stand by Documentary Credit(SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong.
- b) Unsecured loan from related party outstanding as at March 31, 2016 is repayable on demand and carries interest rate of 10% p.a
- c) Unsecured loan from others outstanding as at March 31, 2016 is repayable on demand and carries interest rate of 10% p.a

vii) Loan from Directors

The outstanding amount as on March 31, 2016 is repayable on demand and taken during the ordinary course of business.

(Amount in ₹)

Note 9 : Other current liabilities	As At March 31, 2016	As At March 31, 2015
Trade Payables [Refer note (a) below]		
-Due to Micro Small & Medium Enterprises	-	-
-Due to Others	3,606,717,471	3,500,417,715
	<u>(A) 3,606,717,471</u>	<u>3,500,417,715</u>

Current maturities of longterm borrowings (Refer note 5)	14,343,947	493,688
Statutory dues	2,044,395	2,047,920
Interest accrued but not due	4,738,336	53,254
Creditor for capital goods	12,893,890	2,489,104
Other payables	229,734,157	406,812,541
	(B)	
	<u>263,754,725</u>	<u>411,896,508</u>
Total (A+B) (Refer note 'c' below)	<u>3,870,472,196</u>	<u>3,912,314,222</u>

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

		(Amount in ₹)	
		As At March 31, 2016	As At March 31, 2015
(i)	Principal amount due and remaining unpaid	-	-
(ii)	Interest due on above and the unpaid interest	-	-
(iii)	Interest paid during the year	-	-
(iv)	Payment beyond the appointed day during the year	-	-
(v)	Interest due and payable for the period of delay	-	-
(vi)	Interest accrued and remaining unpaid	-	-
(vii)	Amount of further interest remaining due and payable in succeeding years	-	-
b)	This amount does not include any amount due to be transferred to Investor Education and Protection Fund.		

(Amount in ₹)

Note 11 : Investments

	As At March 31, 2016	As At March 31, 2015
Non- Current Investment		
Non-trade investments (Valued at Cost, unless stated otherwise)		
Investments in Equity shares(Unquoted)		
GWD Enterprises		
100 A Shares and 25 B Shares of GBP 1 each	53,068,619	50,076,359
India Infrastructure Opportunities LLP		
721.30 Shares of \$ 1,028.45 each	48,098,536	46,379,230
Juhu Exchange Limited		
200,000 Preference Shares of GBP 1 each	21,291,982	20,091,390
Flying Jamon Ltd		
3,286 Preference Shares of GBP 1 each	7,614,973	-
Held to Maturity Investments (Bonds)	254,471,593	52,710,802
	435,034,264	169,257,781
Current Investment (Unquoted)		
Investment in Unit Trusts	0	26,128,369
	0	26,128,369

Aggregate book value of quoted investment is ₹ NIL

Aggregate market value of quoted investment is ₹ NIL

Aggregate book value of unquoted investment is ₹ 435,034,264 (March 31, 2015: ₹ 195,386,150)

Note 10 : Fixed Assets

PARTICULARS As	GROSSBLOCK				DEPRECIATION / AMOTIZATION						NET BLOCK		
	At April 1, 2015	Addition during the year	Deduction	Foreign Exchange Fluctuation	As At March 31, 2016	As At April 1, 2015	For the year	Unplanned Depreciation as per Schedule II	Deductions / Adjustments	Foreign Exchange Fluctuation	As At March 31, 2016	As At March 31, 2016	As At March 31, 2015
Tangible Assets													
Land Freehold	6,880,947	-	-	-	6,880,947	-	-	-	-	-	6,880,947	6,880,947	6,880,947
Building	1,603,857,736	11,827,664	-	79,391,181	1,695,076,581	314,366,254	39,358,324	-	-	31,305,168	1,310,044,758	1,289,489,482	1,289,489,482
Leasehold Improvements	-	4,387,814	-	-	4,387,814	-	196,612	-	-	-	4,191,202	-	-
Office Equipments	5,336,808	233,769	-	-	5,570,577	2,569,426	1,500,186	-	-	4,069,612	1,500,965	2,767,382	2,767,382
Plant & Machinery	88,029,007	1,884,181	-	3,583,395	93,496,584	66,767,550	9,435,574	-	-	1,919,797	15,373,693	21,261,488	21,261,488
Vehicles	67,132,109	7,164,826	4,202,021	3,485,886	79,580,800	37,175,578	12,398,400	-	4,202,021	1,588,894	26,619,949	29,956,531	29,956,531
Computers	3,507,232	-	-	-	3,507,232	2,188,530	-	-	-	-	1,318,702	1,318,725	1,318,725
Furniture & Fixtures	521,737,675	56,986,538	2,116,916	23,122,003	599,729,300	392,552,581	74,275,664	-	-	18,040,711	114,860,344	129,185,094	129,185,094
Electrical Installations	-	5,102,477	-	-	5,102,477	-	227,335	-	-	-	4,875,142	-	-
Total (A)	2,296,481,513	87,587,270	6,318,937	109,582,466	2,487,332,312	815,621,889	137,392,096	-	4,202,021	52,854,570	1,485,665,701	1,480,859,644	1,480,859,644
Intangible Assets													
Goodwill	426,159,845	-	7,249,499	25,455,185	444,365,531	-	-	-	-	-	444,365,531	426,159,845	426,159,845
Software	100,646,352	2,478,473	-	-	103,124,825	88,998,627	8,085,835	-	-	-	6,040,363	11,647,725	11,647,725
Trade Mark	11,453,651	1,806,041	-	708,405	13,968,097	9,668,100	1,006,448	-	-	608,793	2,684,757	1,785,551	1,785,551
Design and development	-	14,353,545	-	(2,427,479)	11,926,066	-	-	-	-	-	11,926,066	-	-
Total (B)	538,259,849	18,638,060	7,249,499	23,736,110	573,384,520	98,666,727	9,092,283	-	-	608,793	108,367,803	439,593,122	439,593,122
Capital Work-in-progress	106,201,484	123,105,501	-	-	229,306,985	-	-	-	-	-	229,306,985	106,201,484	106,201,484
Total (C)	106,201,484	123,105,501	-	-	229,306,985	-	-	-	-	-	229,306,985	106,201,484	106,201,484
Grand Total (A+B+C)	2,940,942,846	229,330,830	13,568,436	133,318,576	3,290,023,816	914,288,616	146,484,378	-	4,202,021	53,463,363	1,110,034,336	2,179,989,403	2,572,448,856
Previous Year	2,689,228,818	184,340,591	74,647,311	142,020,744	2,940,942,846	839,069,736	146,348,256	625,951	66,950,232	(4,805,096)	914,288,616	2,026,654,230	1,850,159,082

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

Particulars	(Amount in ₹)	
	As At March 31, 2016	As At March 31, 2015
i) CWIP - Building		
- Construction Expenses	209,761,349	98,606,747
- Interest on Term loan as per AS-16	15,212,894	6,160,818
- Pre-operative expenses	4,242,742	1,343,919
ii) CWIP - Trade Mark	90,000	90,000
Total	229,306,985	106,201,484

(b) Capital Work in Progress includes interest on borrowing cost amounting to ₹ 15,212,894 (Net of Interest Income ₹ 244,320) related to borrowed funds (March 31, 2015: ₹ 6,160,818 (Net of Interest Income ₹ Nil)), in accordance with Accounting Standard-16 "Borrowing Cost".

(Amount in ₹)

	Non-current		Current	
	As At March 31, 2016	As At March 31, 2015	As At March 31, 2016	As At March 31, 2015
Note 12 : Loans and Advances				
Capital Advances				
(Unsecured, considered good)	14,725,765	10,231,276	-	-
(A)	<u>14,725,765</u>	<u>10,231,276</u>	-	-
Security Deposits				
(Unsecured, considered good)	7,908,166	11,486,253	29,816,115	38,672,725
(B)	<u>7,908,166</u>	<u>11,486,253</u>	<u>29,816,115</u>	<u>38,672,725</u>
Loan and advances to related parties				
(Unsecured - considered good)	19,899,000	18,777,000	28,747,527	94,696,916
(C)	<u>19,899,000</u>	<u>18,777,000</u>	<u>28,747,527</u>	<u>94,696,916</u>
Advances Recoverable in cash or kind				
-Unsecured - Considered Good	-	46,232,854	963,522,686	663,226,051
(D)	<u>-</u>	<u>46,232,854</u>	<u>963,522,686</u>	<u>663,226,051</u>
Other Loans and advances (Unsecured, considered good)				
Prepaid Expenses	171,210	-	6,904,978	116,418,638
Advance to Employees	300,000	800,000	2,017,209	2,180,764
Advance to Suppliers				
Unsecured - Considered Good	-	-	468,478,450	873,640,960
Unsecured, considered doubtful	-	-	1,197,948	-
	<u>471,210</u>	<u>800,000</u>	<u>478,598,585</u>	<u>992,240,362</u>
Less : Provision for Doubtful Advances	-	-	1,197,948	-
(E)	<u>471,210</u>	<u>800,000</u>	<u>477,400,637</u>	<u>992,240,362</u>
Total	(A+B+C+D+E)	<u>43,004,141</u>	<u>87,527,384</u>	<u>1,499,486,965</u>
				<u>1,788,836,054</u>

(Amount in ₹)

Note 13 : Inventories	As At March 31, 2016	As At March 31, 2015
(As taken, valued & certified by management)		
Raw materials	438,294,695	679,847,670
Finished goods(including Traded goods)	64,397,605	205,286,309
	<u>502,692,300</u>	<u>885,133,979</u>

(Amount in ₹)

Note 14 : Trade Receivables	Non-Current		Current	
	As At March 31, 2016	As At March 31, 2015	As At March 31, 2016	As At March 31, 2015
Outstanding for the period exceeding six months from the date they are due for payment				
Unsecured, considered good	-	-	-	-
Unsecured, considered Doubtful	-	-	4,204,076	-
	-	-	4,204,076	-
Less: Provision for Doubtful Debts	-	-	4,204,076	-
	-	-	-	-
Other receivables				
Unsecured, considered good	-	-	7,752,295,873	7,150,912,456
	-	-	7,752,295,873	7,150,912,456
Total	(A)	-	7,752,295,873	7,150,912,456
Other Assets				
Deposit Accounts with original maturity more than 12 months	100,000	-	25,000	
Interest accrued but not due	5,316	-	103,698	2,286
	(B)	-	128,698	2,286
Total	(A+B)	-	7,752,424,571	7,150,914,742

Note:

- (i) The deposit of ₹ 25,000 (March 31, 2015 : ₹ 25,000) is pledged with Commercial Tax department, Tirupur
(ii) The deposit of ₹ 100,000 (March 31, 2015 : ₹ Nil) is pledged with Haryana VAT Department

(Amount in ₹)

Note 15 : Cash & Cash Equivalents	Non-Current		Current	
	As At March 31, 2016	As At March 31, 2015	As At March 31, 2016	As At March 31, 2015
Cash and Cash Equivalents comprise of:				
Cash in hand and at banks	-	-	684,569,367	873,225,658
	(A)	-	684,569,367	873,225,658
Other Bank Balances				
Deposits with original maturity for more than 3 months but less than 12 months	-	-	1,302,889,872	898,394,249
Deposits with original maturity for more than 12 months	100,000	-	-	-
Less : Disclosed under non-current Assets (Refer Note 14)	(100,000)	-	-	-
	(B)	-	1,302,889,872	898,394,249
Total	(A + B)	-	1,987,459,239	1,771,619,907

(Amount in ₹)

Note 16 : Revenue from operations	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Sale of Products	42,270,478,003	38,406,471,448
Other operating revenues	497,200,419	316,987,243
Total	42,767,678,422	38,723,458,691

(Amount in ₹)

Note 17 : Other Income	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Interest Income (Refer Note ' a ' below)	34,092,210	37,016,670
Rental Income	17,139,083	23,846,064
Foreign Exchange Fluctuation (Net)	213,589,169	32,992,607
Miscellaneous Income	47,715,296	42,554,514
	312,535,759	136,409,855
a) Interest Income		
- Interest on Fixed deposits with Banks	1,873,128	1,517,635
- Interest on Bonds	176,022	3,501,194
- Interest on Others	32,043,060	31,997,842
Total	34,092,210	37,016,670

(Amount in ₹)

Note 18 : Purchase of Traded Goods	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Finished Goods	36,843,544,514	33,491,997,177
	36,843,544,514	33,491,997,177

(Amount in ₹)

Note 19 : Increase/(decrease) in inventories	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Opening Stock	205,286,309	84,369,540
Less: Closing Stock	64,397,605	205,286,309
	140,888,704	(120,916,769)

Note 20 : Employee Benefit Expense	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Salaries, wages and bonus	2,142,358,600	1,981,790,565
Contribution to Provident and other funds	188,733,446	193,920,948
Gratuity	1,134,400	1,271,171
Leave Encashment	638,724	1,422,356
Staff Welfare Expenses	38,082,428	31,691,981
	2,370,947,598	2,210,097,021

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

(i) **Defined Contribution Plan**

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

During the year company recognized ₹690,912 (March 31, 2015: ₹428,376) for provident fund contribution and ₹ Nil (March 31, 2015: ₹49,313) for ESI contribution in the Statement of Profit and Loss. The contribution payable to these plans by the Company is at rates specified in the rules of the schemes.

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

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

In accordance with Accounting Standard 15 (revised 2005), an actuarial valuation is carried out in respect of aforesaid defined

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

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

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

(Amount in ₹)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Defined benefit obligations at beginning of the year	982,717	499,782	1,242,731	298,722
Service Cost	1,031,524	485,292	548,058	560,286
Interest Cost	76,161	38,733	96,312	23,151
Actuarial (gain)/loss on Obligation	26,715	747,146	(5,646)	838,919
Benefits paid	-	(788,236)	(109,268)	(478,347)
Defined Benefit Obligations at the end of the year	2,117,117	982,717	1,772,187	1,242,731

b) Reconciliation of fair value of Assets and Obligations

(Amount in ₹)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Fair value of plan assets as at March 31, 2016	-	-	-	-
Present value of obligation as at March 31, 2016	2,117,117	982,717	1,772,187	1,242,731
Amount recognized in balance sheet	2,117,117	982,717	1,772,187	1,242,731

c) Expense recognized during the year

(Amount in ₹)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Current Service Cost	1,031,524	485,292	548,058	560,286
Interest Cost	76,161	38,733	96,312	23,151
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss	26,715	747,146	(5,646)	838,919
Net Cost	1,134,400	1,271,171	638,724	1,422,356

d) Actuarial Assumptions

(Amount in ₹)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Discount Rate (per annum)	7.75%	7.75%	7.75%	7.75%
Future increase in Compensation	5.25%	5.25%	5.25%	5.25%
In Service Mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Retirement age	58 Years	58 Years	58 Years	58 Years
Withdrawal rates				
- Upto 30 years	3.00%	3.00%	3.00%	3.00%
- Upto 44 years	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%

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

(Amount in ₹)

Note 21 : Finance Cost	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Interest Expense		
- On Loan from Related Party	-	49,315
- On Term Loan	11,925,449	26,217,710
- On bank overdraft & other credit facilities	128,355,698	156,928,675
- Others	1,354,649	5,089,819
	141,635,797	188,285,520

(Amount in ₹)

Note 22 : Other Expenses	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Manufacturing Expenses		
Other Manufacturing Expenses	1,964,227	2,726,992
Rent	182,869,790	182,755,787
Rates & taxes	29,600,821	49,901,486
Repair & Maintenance - Others	94,310,864	93,185,652
Legal & Professional Charges (Refer Note ' b ' below)	841,326,480	610,904,623
Payment to the Auditors (Refer Note ' a ' below)	25,647,694	23,014,916
Postage and courier	125,013,922	109,243,599
Selling & Marketing	299,586,922	313,679,291
Commission & Brokerage	291,410,957	237,691,078
Travelling & conveyance (Refer Note ' b ' below)	336,259,666	316,950,104
Miscellaneous Expenses (Refer Note ' b ' below)	768,696,701	658,347,511
	2,996,688,044	2,598,401,039

a) Payment to Auditors**As Auditor:**

- Audit Fees	24,897,694	22,450,316
- Tax Audit Fees	200,000	200,000

In other Capacity:

- Certification Fees	550,000	550,000
	25,647,694	23,200,316

b) Prior Period Items

Travel Overseas	-	25,626
Printing & Stationery	25,832	-
Legal & Professional	20,723	-
	46,555	25,626

(Amount in ₹)

Note 23 : Exceptional Items	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Loss/(Gain) on sale of fixed assets	2,742,573	6,181,758
Excess Depreciation written back	-	-
	2,742,573	6,181,758

(Amount in ₹)

Note 24: Earnings Per Share(EPS)		For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Profit/(Loss) attributable to the equity shareholders	(A)	279,064,280	217,912,706
Basic/weighted average no. of equity shares outstanding during the period	(B)	26,046,724	21,345,947
Potential Equity shares pursuant to scheme of Demerger	(C)	-	-
Total shares outstanding for the purpose of Dilutive Earning per share	(D=B+C)	26,046,724	21,345,947
Nominal value of equity shares (₹)	(E)	10	10
Basic Earnings per share	(F=A/B)	10.71	10.21
Dilutive Earnings per share	(G=A/D)	10.71	10.21

Note 25: Contingent Liabilities and Commitments
a) Contingent Liabilities
In case of Multinational Textile Group Limited and its subsidiaries (Foreign subsidiary)

At March 31, 2016, the sub-subsidiaries have the following Contingent Liabilities

Poeticgem Limited, UK (Foreign Subsidiary)

- a) The Sub-subsidiary bankers, HSBC plc have given a guarantee to H M Revenue & Customs amounting to ₹ 47,651,472 (March 31, 2015 : ₹ 46,423,003) and to Royal Bank of Scotland PLC amounting to ₹ 3,520,000 (March 31, 2015 : ₹ 3,429,306) on behalf of the Sub-subsidiaries.
- b) Poeticgem Limited has extended an Unlimited Multilateral Guarantee on August 28, 2012 to HSBC on behalf of its subsidiaries, Pacific Logistics Limited and FX Import Company Limited.
- c) The bank has a fixed and floating charge over the assets of Sub-subsidiary which is supported by a debenture dated September 11, 2012

Norwest Industries Limited (Foreign Subsidiary)

Guarantee given to banks in connection with facilities granted to subsidiaries and sub-subsidiaries ₹ 2,710,405,446 (March 31, 2015 : ₹ 2,333,501,348).

FX Import Company Limited

- a) HSBC Bank PLC, has provided a guarantee to H M Revenue and Customs amounting to ₹ 14,295,442 (March 31, 2015 : ₹ 13,926,901). Under this guarantee the maximum liability as at March 31, 2016 is ₹ 14,295,442 (March 31, 2015 : ₹ 13,926,901). FX Import Company Limited has extended an Unlimited Multilateral Guarantee on 28 August 2012 to HMRC on behalf of its parent company Poeticgem Limited and fellow subsidiaries Pacific Logistics Limited.
- b) The bank has a fixed charge over the assets of FX Import Company Limited which is supported by a debenture dated August 28, 2012.

Pacific Logistics Limited

- a) HSBC Bank PLC, has provided a guarantee on behalf of Pacific Logistics Limited to H M Revenue and Customs amounting to ₹ Nil (March 31, 2015: ₹ 6,963,450). Under this guarantee the maximum liability as at March 31, 2016 is ₹ Nil (March 31, 2015: ₹ 6,963,450).
- b) Company has also extended an Unlimited Multilateral Guarantee on 8 August 2012 to HSBC on behalf of its parent company Poeticgem Limited and fellow subsidiaries FX Import Company Limited. The bank has a fixed and floating charge over the assets of Pacific Logistics Limited as security.

- Simple Approach Limited, Zamira Fashion Limited, Poeticgem International Limited and DPOD Manufacturing Limited

Contingent Liabilities related to Irrevocable letters of credit is ₹ 3,122,761,545 (March 31, 2015 : ₹ 1,349,894,741).

b) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances); ₹ 55,429,147 (March 31, 2015 : ₹ 77,837,029)

Note 26: The Subsidiaries considered in the consolidated financial statements are:

Name of the Enterprises	Country of Incorporation	% of voting power held as at March 31,2016
Multinational Textile Group Ltd.	Mauritius	100.00%

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

Name of the Company	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2016
Global Textiles Group Ltd.	31.03.2006	Mauritius	100.00%
Norwest Industries Limited	31.05.2006	Hong Kong	85.00%
Zamira Fashions Limited	20.09.2007	Hong Kong	67.00%
PG Group Limited	13.05.2008	Hong Kong	51.00%
Simple Approach Limited	30.11.2008	Hong Kong	75.00%
Nor Delhi Manufacturing Limited	19.01.2009	Hong Kong	100.00%
Propur Investment Limited	01.03.2012	British Virgin Islands	100.00%
Mahidhulu Investments Limited	09.03.2012	Mauritius	100.00%
Casa Forma Limited	01.01.2012	UK	100.00%
SACB Holdings Limited	24.03.2011	Mauritius	51.00%
PDS Asia Star Corporation Limited	24.10.2012	Hong Kong	60.00%
DPOD Manufacturing Limited	02.11.2012	Hong Kong	60.00%
Poeticgem International Limited	27.09.2013	Hong Kong	100.00%
Multinational OSG Services Bangladesh Ltd	02.02.2014	Bangladesh	97.00%
Casa Forma Limited	17.07.2015	Hong Kong	100.00%
Progress Apparels Bangladesh Limited	12.07.2015	Bangladesh	99.99%
Green Apparel Industries Ltd	15.03.2016	Hong Kong	100.00%
Grupo Sourcing Limited	15.03.2016	Hong Kong	100.00%
MultiTech Ventures limited	25.11.2015	Mauritius	100.00%
Techno Design GMBH	14.02.2014	Germany	55.00%

(ii) Norwest Industries Ltd, holds the following subsidiaries

Name of the Company	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2016
Nor Lanka Manufacturing Limited	18.03.2009	Hong Kong	100.00%
Nor India Manufacturing Co. Limited, Hongkong	17.12.2010	Hong Kong	100.00%
Grand Pearl Trading Co. Ltd. (Hanzhou)	27.04.2009	China	100.00%
Nor Europe Manufacturing Co. Limited	04.11.2011	Hong Kong	70.00%
Techno. Manufacturing Co. Ltd.	03.01.2012	Hong Kong	80.00%
Spring Near East Manufacturing Co. Ltd.	17.12.2010	Hong Kong	100.00%
Designed and Sourced Limited	27.08.2012	Hong Kong	60.00%
Norwest USA Inc,	30.04.2012	USA	100.00%
Gem Australia Manufacturing Co. Ltd	06.06.2012	Hong Kong	75.00%
Nor France Manufacturing Co. Ltd	18.12.2012	Hong Kong	75.00%
Kleider Sourcing Hong Kong Limited	24.10.2013	Hong Kong	55.00%
Razamtazz Limited	23.03.2011	Mauritius	100.00%
Twins Asia Limited	27.07.2015	Hong Kong	100.00%
JJ Star Industrial Limited	28.04.2015	Hong Kong	60.00%
Nor Europe SPA	17.11.2011	Spain	100.00%
Krayon Sourcing Ltd.	16.12.2014	Hong Kong	100.00%

(iii) **Nor France Manufacturing Co. Ltd holds the following Subsidiary**

Name of the Company	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2016
Nor France SAS	14.02.2013	France	100.00%

(iv) **Nor Lanka Manufacturing Co. Ltd. holds the following Subsidiary**

Name of the Company	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2016
Nor Lanka Progress Private Limited	20.10.2015	Sri Lanka	100.00%
Nor Lanka Manufacturing colombo Limited	13.08.2012	Sri Lanka	100.00%

(v) **Global Textiles Group Limited holds the following subsidiaries:**

Name of the Company	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2016
Poeticgem Limited	30.03.2006	UK	100.00%
Poetic Brands Limited	15.01.2015	UK	100.00%

(vi) **Poeticgem Limited holds the following subsidiaries:**

Name of the Company	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2016
Pacific Logistics Limited	27.10.2003	UK	100.00%
FX Imports Company Limited	26.03.2008	UK	75.00%
Poetic Knitwear Limited	31.03.2009	UK	100.00%

(viii) **PG Home Group Limited holds the following subsidiary:**

Name of the Company	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2016
PG Home Group SPA	31.07.2008	Chile	100.00%

(ix) **FX Imports Company Limited holds the following subsidiary:**

Name of the Company	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2016
FX Import Hong Kong Limited	04.05.2009	Hongkong	100.00%

(x) **PDS Asia Star holds the following subsidiary**

Name of the Company	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2016
PDS Trading (Shanghai) Co., Limited	31.12.2012	China	100.00%

(xi) **Simple Approach Limited holds the following subsidiary**

Name of the Company	Date of Acquisition	Country of Incorporation	% of voting power held as at March 31,2016
Simple Approach (Canada) Limited	02.05.2013	Canada	100.00%

Note 27: Alignment of Accounting Policy for consolidation.

- a) In case of Multinational Textile Group Limited and its subsidiaries (hereinafter referred as foreign subsidiaries), interest income is recognized on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of financial asset. This is inconsistent with the policy of parent company and its Indian subsidiaries, where interest is recognized on time proportion basis. The interest income from foreign subsidiaries represents 99.98 % of total interest income of ₹ 34,092,210. (March 31 2015 : ₹ 37,001,848)
- b) In the case of Multinational Textile Group Limited and its subsidiaries (hereinafter referred as foreign subsidiaries), cost of fixed assets also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of fixed assets. This is inconsistent with the policy of parent company and its Indian subsidiaries, where no such treatment is prescribed under the Indian GAAP. However, the net effect on fixed assets is ₹ 9,795,284 (March 31, 2015 : ₹ 33,459,557)

- c) In case of foreign subsidiaries, sales made in foreign currency are translated at the rate ruling at the date of transaction, this is inconsistent with the policy of parent company and its Indian subsidiaries, where sales are recognized at monthly average exchange rate. The sales from foreign subsidiaries represents 99.69% of ₹ 42,270,478,003. (March 31 2015 : ₹ 38,406,471,448)

Note 28: Segment Reporting

For the year ended March 31, 2016, the company has identified geographical segments as its primary segment and business segment as its secondary segment.

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

The business segments considered by the Company are:

- Garments & Other Consumer Products
- Other Segments

A. Geographical Segment
(Amount in ₹)

Particulars	Asia	Europe	Rest of world	Unallocated	Total	Elimination	Total
Segment Revenue							
Segment Sales	39,841,920,370	2,428,557,633	-		42,270,478,003		42,270,478,003
Inter Segment Sales	119,250,144	-	118,835,668		238,085,812	(238,085,812)	-
Total Segment Sales	39,961,170,514	2,428,557,633	118,835,668		42,508,563,815	(238,085,812)	42,270,478,003
Segment Other Operating Income	448,483,615	48,716,805	-		497,200,420		497,200,420
Inter Segment Other Operating Income	411,732,343	839,491,808	642,968,656		1,894,192,806	(1,894,192,806)	-
Total Segment Other Operating Income	860,215,958	888,208,612	642,968,656		2,391,393,226	(1,894,192,806)	497,200,420
Total Segment Revenue	40,821,386,472	3,316,766,246	761,804,324		44,899,957,041	(2,132,278,619)	42,767,678,423
Total Revenue of each segment as a percentage of total revenue of all segment	95.45	7.76	1.78		104.99	(4.99)	100.00
Total Segment Operative Profit	2,030,847,440	(507,733,501)	(794,968,620)		728,145,320	-	728,145,320
Depreciation	(118,638,224)	(16,038,113)	(10,515,837)	(1,292,282)	(146,484,456)	-	(146,484,456)
Unallocated Expenses	-	-	-	-	-	-	-
Total Segment Result before Interest & Taxes/Extraordinary items	1,912,209,217	(523,771,613)	(805,484,457)	(1,292,282)	581,660,865	-	581,660,865
Total EBIT of each segment as a percentage of total EBIT of all segment	328.75	(90.05)	(138.48)		100.00	-	100.00
Net Financing Income	-	-	-	(141,635,797)	(141,635,797)	-	(141,635,797)
Income Tax Expenses				(6,584,596)	(6,584,596)	-	(6,584,596)
Exceptional Item	(945,413)	-	(1,797,161)		(2,742,573)	-	(2,742,573)
Profit for the Year	1,911,263,804	(523,771,613)	(807,281,618)	(149,512,674)	430,697,899	-	430,697,899
Segment Assets	11,724,966,476	870,167,741	828,318,569	1,054,465,284	14,477,918,070		14,477,918,070
Segment Assets as a percentage of Total assets of all segments	80.99	6.01	5.72	7.28	100.00	-	100.00
Segment Liabilities	8,591,537,140	141,449,247	50,441,228	244,257,426	9,027,685,041		9,027,685,041
Segment Liabilities as a percentage of Total Liabilities of all segments	95.17	1.57	0.56	2.71	100.00	-	100.00
Segment Capital Employed	3,133,429,336	728,718,494	777,877,342	810,207,857	5,450,233,030		5,450,233,030
Segment Capital Employed as a percentage of Total capital employed of all segments	57.49	13.37	14.27		100.00	-	100.00

B. Business Segment

(Amount in ₹)

	Garments and other consumer products	Other segments	Unallocated	Total Segment	Elimination	Total
Segment Revenue						
Segment Sales	42,270,478,003	-	-	42,270,478,003		42,270,478,003
Inter Segment Sales	119,250,144	118,835,668	-	238,085,812	(238,085,812)	-
Total Segment Sales	42,389,728,147	118,835,668	-	42,508,563,815	(238,085,812)	42,270,478,003
Segment Other Operating Income	394,168,155	103,032,265	-	497,200,420		497,200,420
Inter Segment Other Operating Income	1,251,224,150	642,968,656	-	1,894,192,806	(1,894,192,806)	-
Total Segment Other Operating Income	1,645,392,305	746,000,921	-	2,391,393,226	(1,894,192,806)	497,200,420
Total Segment Revenue	44,035,120,453	864,836,589	-	44,899,957,041	(2,132,278,619)	42,767,678,423
Total Revenue of each segment as a percentage of total revenue of all segment	103	2	-	105	(5)	100.00
Total Segment Operative Profit	1,518,442,142	(790,296,822)	-	728,145,320	-	728,145,320
Depreciation	(134,176,214)	(11,015,960)	(1,292,282)	(146,484,456)		(146,484,456)
Total Segment Result before Interest & Taxes/Extraordinary items	1,384,265,928	(801,312,781)	(1,292,282)	581,660,865	-	581,660,865
Total EBIT of each segment as a percentage of total EBIT of all segment	238	(138)		100	-	100.00
Net Financing Income	(137,730,019)	(1,051,026)	-	(141,635,797)	-	(141,635,797)
Income Tax Expenses	-	-	(6,584,596)	(6,584,596)	-	(6,584,596)
Exceptional Item	(945,413)	(1,797,161)	-	(2,742,573)	-	(2,742,573)
Profit For the Year	1,245,590,496	(804,160,968)	(7,876,877)	430,697,899	-	430,697,899
Segment Assets	12,705,548,873	717,903,913	1,054,465,284	14,477,918,070	-	14,477,918,070
Segment Assets as a percentage of total assets of all segments	87.76	4.96	7.28	100	-	100.00
Segment Liabilities	8,631,136,631	152,290,983	244,257,426	9,027,685,041		9,027,685,041
Segment Liabilities as a percentage of total liabilities of all segments	95.61	1.69	2.71	100	-	100.00
Segment Capital Employed	4,074,412,242	565,612,930	810,207,857	5,450,233,030	-	5,450,233,029
Segment Capital Employed as a percentage of total capital employed of all segments	74.76	10.38	14.87	100	-	100.00

Note 29 : Disclosure of Related parties/ Related parties transactions :
A. Name of the Related Parties and description of relationship

Nature of Relationship	Name of the Related party
Enterprise over which KMP can exercise significant influence	Pearl Global Industries Limited
	Pallas Holdings Limited
	Transnational Textile Group Ltd.
	JSM Trading Limited
	Grupo Extremo SUR S.A.
	Frou Holdings Ltd.
	NAFS Limited
	Norp Knit Industries Limited
	Pearl Global (HK) Limited
	Pearl Global Fareast Limited

(Amount in ₹)

Key Managerial Personnel	Mrs. Payel Seth	
	Mr. Deepak Seth	Managing Director
	Mr. Pallak Seth	Director
	Mr. Chandra Kishor Jha	Director
	Mr. Omprakash Makam Suryanarayan Setty	Company Secretary
		Chief Financial Officer

B. Disclosure of Related Party Transaction.

(Amount in ₹)

Nature of Transaction	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Advance Given	3,316,500	3,364,525
Advance Recovered	1,638,019	120,177,369
Advance received	10,954,261	6,070,041
Advance Repaid	16,119,881	34,554,562
Loan received	30,000,000	38,779,875
Loan re-paid	96,330,000	117,441,309
Consultancy Fees accrued	397,796,863	281,655,000
Consultancy Fees paid	346,109,940	326,546,113
Interest paid	9,876,301	9,125,630
Expenses Incurred by them on our behalf	-	77,829,356
Remuneration to Key Managerial Person (KMP)	8,963,812	9,853,047
Closing Balance		
- Other Receivable	125,784,706	123,509,661
- Other Payable	68,162,929	121,191,878

C Disclosure of Related Parties having more than 10% interest in each transaction in the ordinary course of business

Nature of Transaction	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Advance Given		
Pearl Global (HK) Limited	3,316,500	3,364,525
Advance Recovered		
Grupo Extremo	1,638,019	112,381,597
Pearl Global (HK) Limited	-	7,795,772
Advance Received		
Other Related Parties	10,954,261	5,498,594
Advance Repaid		
Frou Holdings Limited	103,541	12,518,000
Norp Knit Industries Limited	605,593	-
Other Related Parties	15,410,747	21,943,428
Loan Received		
Pearl Global Industries Limited	30,000,000	38,779,875
Loan Repaid		
Pearl Global Industries Limited	96,330,000	117,441,309
Consultancy fees accrued		
JSM Trading Limited	393,683,474	281,655,000
Consultancy paid		
JSM Trading Limited	346,109,940	326,546,113
Expenditure Incurred by them on our behalf		
Pearl Global Industries Limited	-	77,829,356
Interest Paid		
Pearl Global Industries Limited	9,876,301	9,125,630
Salary Paid to Key Managerial Personnels		
Mr. Mukesh Kumar	-	2,054,681
Mr. Chandra Kishore Jha	756,604	622,366
Mr. Omprakash Makam Suryanarayan Setty	8,207,208	7,176,000
Closing Balance		
Receivable		
JSM Trading Limited	-	44,891,113
Grupo Extremo SUR S.A.	13,786,425	14,554,741
Frou Holding Limited	31,540,512	29,664,405
Pearl Global (HK) Limited	560,464	3,129,500
Other Related Parties	48,241,908	30,979,985
Payable		
Other Related Parties	32,695,842	20,515,688
Norp Knit Industries Limited		571,447
Pearl Global Industries Limited	35,467,087	99,859,661

Note 30: Currency Derivative

(i) One of the Sub-subsidiaries, Poeticgem Limited utilises currency derivatives to hedge significant future transactions and cash flows. The Sub-subsidiary is a party to a variety of foreign currency contracts and options in the management of its exchange rate exposures

Particulars	Asset	Liabilities	Asset	Liabilities
	2016	2016	2015	2015
	USD	USD	USD	USD
Forward Foreign Exchange (fair value)		7,440	-	-
		(Equivalent to Rs 493,495)		

The terms of the forward foreign exchange contracts have been negotiated to match the terms of the commitments referred to below. The cash flow hedges of the expected future purchase were assessed to be highly effective and as at March 31, 2016, a recognised loss of Rs. 493,495 (2015: Nil) was included in the hedging reserves in respect of these contracts.

At the reporting date, the total notional amounts of outstanding forward foreign exchange contracts that the Sub-subsidiary has committed to are as below:

Particulars	As At March 31, 2016	As At March 31, 2015
	USD	USD
Forward Foreign Exchange Contract	6,319,993	-
	(Equivalent to Rs. 419,205,136)	(Equivalent to Nil)

These commitments have been entered into to hedge against future payments to suppliers and receipts from customers in the ordinary course of business that will fall due in the period ending 31 March 2016.

At March 31, 2016, the Sub-subsidiary held Nil (2015:Nil) forward currency contracts designated as hedges in respect of expected future purchases from suppliers in Asia, for which the company has firm commitments.

These arrangements are designed to address significant exchange exposures and are renewed on a revolving basis as required.

(ii) Foreign Currency contracts

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

Particulars	Asset	Liabilities	Asset	Liabilities
	2016	2016	2015	2015
	USD	USD	USD	USD
Foreign Currency contracts	58,351	461,870	1,247,678	
	(Equivalent to Rs 3,870,422)	(Equivalent to Rs 30,635,837)	(Equivalent to Rs 78,092,166)	

(iii) Forward currency contracts – cash flow hedges

At March 31, 2016 the Subsidiary Norwest Industries Limited and its subsidiaries as a group held 58 forward currency contracts (2015: 52) and they are designate as hedges in respect of expected future sales to customers in the United Kingdom for which the said group has firm commitments.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. The cash flow hedges of the expected future sales between April 2016 and September 2016 were assessed to be highly effective and a net losses of Rs. 90,200,083 (2015: a net gain of Rs 87,097,413) was included in the hedging reserve for the year.

At 31 March 2016, Poeticgem Limited held 17 forward currency contracts (2015: NIL) designated as hedges in respect of expected future purchases.

Note 31 : Lease

PDS Multinational Fashions Limited

- (a) The Company has taken immovable property located at Bangalore on lease. The lease agreement was valid till September, 2015 and lease rentals(including transfer to lease equilisation reserve) amounting to ₹ 984,645 (March 31,2015: ₹ 1,866,552) has been debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard- 19 “ Leases” notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2016 are as under:

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Not later than one Year	-	865,800
Later than one year and not later than five years	-	-
Total	-	865,800

Details of Leasing Agreement are enumerated below :-

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

- (b) The Company has during the year taken an immovable property located at Bangalore on lease. The lease agreement is valid till October, 2020 and lease rentals(including transfer to lease equilisation reserve) amounting to ₹ 2,150,959 (March 31,2015: ₹ Nil) has been debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard— 19 “ Leases” notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2016 are as under:

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Not later than one Year	3,593,766	-
Later than one year and not later than five years	14,086,106	-
Total	17,679,872	-

Details of Leasing Agreement are enumerated below :-

Property taken at lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Corporate Office at Bangalore	05.10.2020	Yes	Yes	No

- (c) The Company has taken immoveable property located at New Delhi on lease. The Lease agreement is valid till July, 2017 and lease rentals(including transfer to lease equilisation reserve) amounting to ₹ 686,023 (March 31,2015 : ₹ 562,207) has debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard-19 " Leases" notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2016 are as under:-

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Not later than one Year	605,880	605,880
Later than one year and not later than five years	201,960	807,840
Total	807,840	1,413,720

Details of Leasing Agreement are enumerated below :-

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

- (d) The Company has during the year taken an immoveable property located at Tripur, Tamil Nadu on lease. The lease agreement is valid till July, 2017 and lease rentals(including transfer to lease equilisation reserve) amounting to ₹ 122,850 (March 31,2015: ₹ Nil) has been debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard-19 " Leases" notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2016 are as under:

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Not later than one Year	167,700	-
Later than one year and not later than five years	42,900	-
Total	210,600	-

Details of Leasing Agreement are enumerated below :-

Property taken at lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Office at Tripur, Tamil Nadu	30.06.2017	Yes	Yes	No

- (e) The Company has taken an immoveable property located at Tripur, Tamil Nadu on lease. The lease agreement was valid till December, 2015 and lease rentals(including transfer to lease equilisation reserve) amounting to ₹ 28,125 (March 31,2015: ₹ 9,375) has been debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard-19 " Leases" notified under Company (Accounts) Rules 2014.

Multinational Textile Group Limited and its subsidiaries

Operating Lease Commitments

The Sub-subsidiaries Norwest industries and its subsidiaries, Simple Approach Limited, Zamira Fashion Limited, PG Group, Casa Forma Limited and PDS Asia Star Corporation Limited and Sub-subsidiaries Poeticgem Limited, Peotigem International Limited, FX Import Company Limited and FX Import Hong Kong Limited had the following lease arrangements:

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

(Amount in ₹)

Particulars	For the year ended on March 31,2016	For the year ended on March 31,2015
Minimum lease payments under operating lease recognized in the consolidated statement of profit & loss for the year	27,497,367	23,318,656

The subsidiaries Norwest industries and its subsidiaries, Simple Approach Limited, Zamira Fashion Limited, PG Group, Casa Forma Limited and PDS Asia Star Corporation Limited and Sub-subsidiaries Poeticgem Limited, Peoticgem International Limited, FX Import Company Limited and FX Import Hong Kong Limited had outstanding commitments for future minimum lease payments under its non-cancellable operating leases, which fall due as follows

(Amount in ₹)

Particulars	Land & Buildings	Others	Land & Buildings	Others
	As At March 31, 2016	As At March 31, 2016	As At March 31, 2015	As At March 31, 2015
Within one year	120,556,035	4,601,843	126,471,670	8,033,614
In the second to fifth years	82,689,830	87,489	173,296,000	4,363,274
More than 5 years	5,270,648	-	9,293,864	-
Total	208,516,514	4,689,332	309,061,534	12,396,888

Operating lease payments represent rent payable by the subsidiaries and sub—subsidiaries for its rented premises. Leases are negotiated for an average term of one to four years.

Norwest Industries limited

Norwest Industries Limited and its subsidiaries lease certain of its staff quarters and office properties under operating lease commitments. Leases for these properties are negotiated for terms ranging from “one to four” years.

Note 32:

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

Name of Enterprises	Net Assets i.e. total assets minus total liability and Minority Interest		Share in profit or loss	
	As % of consolidated net assets	Amount (₹) in lacs	As % of consolidated profit or loss	Amount (₹) in lacs
Parent				
PDS Multinational Fashions Limited	21.41	10,300	0.50	14
Foreign Subsidiary				
Multinational Textile Group Limited	78.59	37,809	99.50	2,777
Minority Interest	100	48,110	100	2,791

Note 33: The Company has not spent any amount towards Corporate Social Responsibility during the financial year 2015-16. As certified by the Management and as per sub-section (1) of Section 135 of the Companies Act, 2013 read with Rule 3 of Companies (Corporate Social Responsibility Policy) Rules, 2014; the Company is not required to spend any amount towards CSR activities during the financial year 2015-16.

Note 34: In view of the management, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated as on balance sheet date.

Note 35: The process of receiving confirmation from trade payables & receivables is an ongoing process and as at March 31, 2016, the Company is in process of receiving the confirmations from the parties.

Note 36: Figures are rounded off to the nearest rupee.

Note 37: The process of receiving confirmation from trade payables & receivables is an ongoing process and as at March 31, 2016 the Company is in process of receiving the confirmations from the parties.

Note 38: Previous Year figures have been regrouped and reclassified wherever necessary.

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

(Payel Seth)
 Managing Director
 DIN 00003035

(Deepak Seth)
 Director
 DIN 00003021

Place of Signature: Gurgaon
 Date: 27th May 2016

(Omprakash M. Setty)
 Chief Financial Officer

(Chandra Kishor Jha)
 Company Secretary

Independent Auditor's Report

To The Members of PDS Multinational Fashions Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **PDS Multinational Fashions Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A"
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. On the basis of written representations received from the management of the Company, the Company has disclosed the impact of pending litigations on its financial position in its financial statements—Refer *Note No. 9 to the financial statements*.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S.R. Dinodia & Co. LLP

Chartered Accountants,
Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner
Membership No. 083689
Place of Signature: Gurgaon
Date: 27th May, 2016

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

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

We have audited the internal financial controls over financial reporting of PDS Multinational Fashions Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Dinodia & Co. LLP

Chartered Accountants,
Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner
Membership No. 083689

Place of Signature: Gurgaon
Date: 27th May, 2016

Annexure 'B' To the Independent Auditors' Report

The Annexure referred to in independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2016; we report that:

- i) In respect of fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at periodic intervals. In accordance with this programme for the year, no material discrepancies were noticed on such verification. In our opinion, such periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) On the basis of written representation received from the management of the Company, the title deeds of immovable properties received pursuant to demerger have still not been executed in the name of the company.
- ii) The Company does not carry any inventory hence provisions of paragraph 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iii) (a) to (c) According to the information and explanation given to us, the Company had not granted loans, secured or unsecured, to any of the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph 3(iii) (a) to (c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv) According to the information and explanation given to us, the Company has no loans, guarantees, investments and security covered under the provisions of section 185 and 186 of the Companies Act, 2013. Therefore, the provisions of paragraph 3 (iv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- v) The Company has not accepted any deposits from the public. Accordingly, the provisions of paragraph 3(v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vi) On the basis of available information and explanation provided to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014 to the current operations carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vii) a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities. The provisions of Employees' State Insurance, duty of Customs and duty of Excise are not applicable to the Company. There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Value Added Tax, Cess and any other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except the following, which have not been deposited on account of dispute:

S.No	Name of the Statute	Nature of Dues	Amount (₹)	Period to which amount relates	Forum where dispute is pending
1.	Stamp Act	Stamp Duty on Demerger	14,820,000	A.Y 2014-15	Delhi High Court

- viii) On the basis of information and explanation provided to us, the Company has not defaulted in repayment of loans and borrowings to financial institution and bank. The Company has not taken any loan from Government or has not issued any debentures.
- ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. However, the term loans taken during the year are applied for the purpose for which the same has been raised.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has paid/provided managerial remuneration in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.
- xii) The Company is not a Nidhi Company and hence, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the financial statements etc, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non—cash transactions with directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45—IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For S.R. Dinodia & Co. LLP

Chartered Accountants,
Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner
Membership No. 083689
Place of Signature: Gurgaon
Date: 27th May, 2016

BALANCE SHEET AS AT MARCH 31, 2016

(Amount in ₹)

Particulars	Note No.	As at March 31, 2016	As at March 31, 2015
I. Equity and Liabilities			
Shareholders' funds			
Share Capital	3	260,467,240	260,467,240
Reserves and Surplus	4	769,552,365	768,153,311
		1,030,019,605	1,028,620,551
Non-current liabilities			
Long Term Borrowings	5	133,335,140	91,429,088
Deferred Tax Liabilities (Net)	6	-	2,132,449
Long-Term Provisions	7	3,733,860	2,153,527
		137,069,000	95,715,064
Current liabilities			
Short-Term Borrowings	8	80,000,000	32,819,340
Trade Payables	9		
Total outstanding dues of Micro and Small enterprises		-	-
Total outstanding dues of creditors other than Micro and Small enterprises		11,635,747	7,938,964
Other Current Liabilities	9	65,997,049	26,426,314
Short-Term Provisions	7	375,201	118,826
		158,007,997	67,303,444
Total		1,325,096,602	1,191,639,059
II. Assets			
Non-current assets			
Fixed Assets	10		
Tangible assets		37,584,766	31,566,509
Intangible assets		6,040,364	11,647,726
Capital work-in-progress		229,306,985	106,201,484
Deferred Tax Assets	6	3,247,299	-
Non-Current Investments	11	1,005,025,338	1,005,025,338
Long-Term Loans and Advances	12	18,295,085	13,367,113
Non Current Assets	13	105,316	-
		1,299,605,153	1,167,808,170
Current assets			
Trade Receivables	13	-	10,860,370
Cash and Other Bank Balances	14	14,535,463	7,360,441
Short-Term Loans and Advances	12	10,827,288	5,582,792
Other Current Assets	13	128,698	27,286
		25,491,449	23,830,889
		1,325,096,602	1,191,639,059
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financials statements

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005
For & on behalf of the Board of Directors of PDS Multinational Fashions Limited
(Sandeep Dinodia)

Partner

Membership No. 083689

Place of Signature: Gurgaon

Date: 27th May, 2016

(Payel Seth)

Managing Director

DIN 00003035

(Omprakash M. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN 00003021

(Chandra Kishor Jha)

Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	Note No.	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Income			
I Revenue from operations	15	248,979,624	69,330,571
II Other Income	16	1,101,061	1,012,010
III Total Income (I+II)		250,080,685	70,342,581
Expenses:			
(a) Purchase of Traded Goods	17	121,953,929	14,674,054
(b) Employee Benefits Expense	18	66,227,280	35,444,161
(c) Finance Cost	19	2,854,752	600,290
(d) Depreciation and Amortization Expense	10	11,864,849	9,845,515
(e) Other Expenses	20	49,297,131	29,836,103
IV Total expenses		252,197,941	90,400,123
V. Profit before exceptional and extraordinary items and tax (III-IV)		(2,117,255)	(20,057,542)
VI. Exceptional Items	21	1,863,440	-
VII. Profit before tax (V-VI)		(3,980,695)	(20,057,542)
VIII. Tax expense:			
(a) Current Tax		-	-
(b) Deferred Tax (charge)/Release		5,379,749	1,705,896
IX. Profit after tax (VI-VII)		1,399,054	(18,351,645)
VIII. Earnings per equity share:			
(1) Basic	22	0.05	(0.86)
(2) Diluted		0.05	(0.86)
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financials statements

As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

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

(Sandeep Dinodia)

Partner

Membership No. 083689

Place of Signature: Gurgaon

Date: 27th May 2016

(Payel Seth)

Managing Director

DIN 00003035

(Omprakash M. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN 00003021

(Chandra Kishor Jha)

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in ₹)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Net Profit/(Loss) Before Tax And Exceptional Items	(3,980,695)	(20,057,542)
Adjustments for:		
Depreciation	11,864,849	9,845,515
Interest Paid	2,854,752	600,289
Interest on Fixed Deposit	7,755	2,286
Sundry Balances Written Back	(818,989)	-
Loss on Sale of Fixed Assets	1,863,440	-
Operating Profit /(Loss) Before Working Capital Changes	11,775,602	(9,614,023)
Adjustments For Changes In Working Capital:		
Trade And Other Receivables	653,642	(10,862,657)
Loans & Advances	(5,702,407)	(4,657,931)
Trade Payables	19,831,463	18,243,222
Provisions	1,836,708	1,400,048
Cash Generated From Operations	28,395,007	(5,491,341)
Direct Taxes (Paid)/ Refunds	24,430	-
Net Cash Generated / (Used) In Operating Activities (A)	28,419,437	(5,491,341)
Cash Flow from Investing Operations		
Purchase of Fixed Assets	(138,411,287)	(84,974,526)
Sundry Creditors on account of capital expenditure	10,404,786	2,489,104
Capital Advances	(4,494,489)	6,037,021
Sale of Fixed Assets	1,166,603	-
Interest On Fixed Deposit	7,755	2,286
Cash From Investing Activities (B)	(131,326,632)	(76,446,115)
Cash Flow from Financing Activities		
Interest Paid	(2,854,752)	(600,289)
Proceeds from Borrowings (Net of Repayment)	102,936,971	87,007,897
Net Cash Generated /(Used) In Financing Activities (C)	100,082,219	86,407,607
Net Increase In Cash/Cash Equivalents (A+B+C)	(2,824,976)	4,470,152
Cash / Cash Equivalents At The Beginning Of The Year	7,360,441	2,890,289
Cash / Cash Equivalents At The Close Of The Year	4,535,465	7,360,441
Components of Cash and Cash equivalents		
i) Balances with Scheduled Banks		
- In Current Accounts	4,532,638	7,359,836
ii) Cash on Hand	2,825	605
Total Cash and Cash Equivalents	4,535,463	7,360,441

The accompanying notes are an integral part of the financials statements
 As per our Audit Report of even date attached

For S.R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number: 001478N/N500005

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

(Sandeep Dinodia)

Partner

Membership No. 083689

Place of Signature: Gurgaon

Date: 27th May, 2016

(Payel Seth)

Managing Director

DIN 00003035

(Omprakash M. Setty)

Chief Financial Officer

(Deepak Seth)

Director

DIN 00003021

(Chandra Kishor Jha)

Company Secretary

Notes to Financial Statements for the period ended March 31, 2016

Note 1: Corporate Information

PDS Multinational Fashions Limited is a public limited company (hereinafter referred as 'the company') domiciled in India and has its registered office at A- 3, Community Centre, Naraina Industrial Area, Phase- II, New Delhi. The Company is engaged in trading of ready to wear apparels, providing services to group companies engaged in the export of ready to wear apparels and sourcing & distribution of their products. The Company has its primary listings on Bombay Stock Exchange and National Stock Exchange in India.

Note 2: Significant Accounting Policies

a) Basis of Preparation

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

b) Uses of Estimates

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

c) Revenue Recognition

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

- (i) Revenue from sale of service is recognized on cost plus method; when services are rendered and same becomes chargeable (except on Gratuity and Leave encashment which in the view of management is chargeable on payment basis). Service Income comprises amounts billed for data processing, sourcing and distribution support services rendered to inter-company affiliate(s) in accordance with terms of agreements entered into with them.
- (ii) Revenue from sale of traded goods (including samples) is recognised on accrual basis and when all the significant risk and rewards of ownership have been passed to the buyer. The sales are accounted for net of trade discount, sales tax/value added tax as applicable and sales return.

d) Fixed Assets & Depreciation

- (i) Fixed assets are stated at cost of acquisition inclusive of freight, duties & taxes and incidental expenses related to acquisition and installation less accumulated depreciation up to the date of instal-

lation. Fixed assets under construction, and cost of assets not put to use before year end are shown as Capital Work in Progress. Gain or loss arising on the sale of fixed assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognised in the Statement of Profit & Loss in the year in which the asset is sold.

- (ii) Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit & Loss. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The management estimates the useful lives for the other fixed assets as follows:

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

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

e) Inventory

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

f) Foreign Currency Transactions

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

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

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

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

g) Employee's Benefits

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

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

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

h) Borrowing Cost

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

i) Impairment of Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount is determined. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

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

j) Leases

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

k) Taxes On Income

Tax expense comprises current and deferred tax

Current income-tax

Current Tax is measured and expected to be paid to the tax authorities in

accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred income taxes

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

l) Provision, Contingent Liabilities And Contingent Assets

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

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

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

m) Earning per Share (EPS)

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

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

n) Cash Flow Statement

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

o) Cash and cash equivalents

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

(Amount in ₹)

Note 3 : Share Capital

	As at March 31, 2016	As at March 31, 2015
Authorised		
27,000,000 (March 31, 2015: 27,000,000) Equity Shares of ₹ 10/- each	270,000,000	270,000,000
	<u>270,000,000</u>	<u>270,000,000</u>
Issued, Subscribed & Paid-up		
26,046,724 (March 31, 2015: 50,000) Equity Shares of ₹10/-each	260,467,240	260,467,240
	<u>260,467,240</u>	<u>260,467,240</u>

a) Reconciliation Statement of Equity Share Capital

	March 31, 2016		March 31, 2015	
	No. of shares	Amount (₹)	No. of Shares	Amount (₹)
Balance at the beginning of the year	26,046,724	260,467,240	50,000	500,000
Add:- Addition during the year	-	-	25,996,724	259,967,240
Less:- Buy back during the year	-	-	-	-
Balance at the end of the year	<u>26,046,724</u>	<u>260,467,240</u>	<u>26,046,724</u>	<u>260,467,240</u>

b) Terms/rights attached to Equity shares

The company has only one class of equity shares having a par value of ₹.10 per share. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	March 31, 2016		March 31, 2015	
	No. of Shares	% holding	No. of Shares	% holding
Mrs. Payel Seth	13,875,242	53.27	11,819,846	45.38
Mr. Deepak Seth	1,853,399	7.12	1,853,399	7.12
Mr. Pallak Seth	1,581,175	6.07	1,581,175	6.07
Mr. Pulkit Seth	-	-	1,813,661	6.96

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

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

(Amount in ₹)

Note 4: Reserve and Surplus

	As at March 31, 2016	As at March 31, 2015
Capital Reserve		
Balance at the beginning of the year	807,807,101	807,807,101
Add:- Addition during the year	-	-
Less:- Utilised during the year	-	-
Balance at the end of the year	(A) <u>807,807,101</u>	<u>807,807,101</u>
Surplus / Profit & Loss		
Balance at the beginning of the year	(39,653,790)	(20,869,612)
Add:- Profit/(Loss) for the year	1,399,054	(18,351,645)
Less:- Depreciation adjustment as per Schedule II to the Companies Act, 2013 Profit/(Loss) for the year (Net of Deferred Tax of ₹ Nil (March 31, 2015 : ₹ 193,419))	-	(432,532)
Balance at the end of the year	(B) <u>(38,254,736)</u>	<u>(39,653,790)</u>
	<u>769,552,365</u>	<u>768,153,311</u>

(Amount in ₹)

Note 5 : Long Term Borrowings	Non-Current Portion		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Loan From Financial Institution (Secured)				
- Vehicle Loan (Refer Note 'a')	835,140	1,429,088	593,947	493,688
Loan from Banks (Unsecured)				
- Term Loan (Refer Note 'b')	132,500,000	90,000,000	13,750,000	-
	133,335,140	91,429,088	14,343,947	493,688
Less: - Amount disclosed in Other Current Liabilities (Refer Note 9)	-	-	14,343,947	493,688
	133,335,140	91,429,088	-	-
The above amount includes -				
Secured borrowings	835,140	1,429,088	593,947	493,688
Unsecured borrowings	132,500,000	90,000,000	13,750,000	-

a) In case of Secured Loan the terms of Security are :-

(i) Vehicle Loan:

Vehicle loan taken from BMW Financial Services is secured against hypothecation of respective vehicle. The applicable rate of interest ranges between 10 to 11 % per annum.

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

No. of Outstanding EMI as on March 31, 2016	27
Amount repayable in	Amount (₹)
FY 2016-17	593,947
FY 2017-18	659,401
FY 2018-19	175,740

b) In case of unsecured term loan the terms of loan are :-

(i) Term Loan of ₹ 6 Crore (March 31, 2015 : ₹ 9 Crore) taken by the Company during the current financial year is guaranteed by Stand by Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 7 years with 1 year moratorium period and it is repayable in equal quarterly installments over the said tenor.

(ii) Term Loan carries rate of interest raTerm Loan carries interest ranging from 10.9% to 12%.

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

No. of Outstanding Quarterly Installments as at March 31, 2016	23	24
Amount repayable in	Term Loan of ₹ 9 crores	Term Loan of ₹ 6 crores
FY 2016-17	11,250,000	2,500,000
FY 2017-18	15,000,000	10,000,000
FY 2018-19	15,000,000	10,000,000
FY 2019-20	15,000,000	10,000,000
FY 2020-21	15,000,000	10,000,000
FY 2021-22	15,000,000	10,000,000
FY 2022-23	-	7,500,000

(Amount in ₹)

Note 6 : Deferred Tax Liabilities (Net)		As at March 31, 2016	As at March 31, 2015
Deferred Tax Liabilities			
Fixed assets : Impact of difference between depreciation as per Income Tax Act and depreciaiton/amortization charged for financial reporting		2,177,274	4,558,019
Gross Deferred Tax Liabilities	(A)	<u>2,177,274</u>	<u>4,558,019</u>
Deferred Tax Assets			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis.		1,881,315	782,485
Impact of expenditure charged to the statement of profit and loss on account of Provision for Doubtful Debts and advance.		1,669,225	-
Business Losses		1,874,033	1,643,085
Gross Deferred Tax Assets	(B)	<u>5,424,573</u>	<u>2,425,570</u>
Net Deferred Tax Liability/(asset)	(A - B)	<u><u>(3,247,299)</u></u>	<u><u>2,132,449</u></u>

(Amount in ₹)

Note 7 : Provisions	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provisions for employees benefits				
Provision for Gratuity (Refer Note 18)	2,103,301	977,683	13,816	5,034
Provision for Leave Encashment (Refer Note 18)	1,418,862	1,166,139	353,325	76,592
Other provisions				
Provision for Lease Equalisation	211,697	9,705	8,060	37,200
Total	<u>3,733,860</u>	<u>2,153,527</u>	<u>375,201</u>	<u>118,826</u>

(Amount in ₹)

Note 8 :Short Term Borrowings	As at March 31, 2016	As at March 31, 2015
Unsecured Loan from Banks		
- Bank Overdraft (Refer Note ' a ' below)	-	2,819,340
Unsecured Loan from Related Parties (Refer Note ' b ' below)	30,000,000	30,000,000
Unsecured Loan from others (Refer Note ' c ' below)	50,000,000	-
Total	<u>80,000,000</u>	<u>32,819,340</u>
The above amount includes		
- Secured borrowings	-	2,819,340
- Unsecured borrowings	80,000,000	30,000,000
	<u>80,000,000</u>	<u>32,819,340</u>

a) The working capital loan from HSBC Bank is guaranteed by Stand by Documentary Credit(SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong.

b) Unsecured loan from related party outstanding as at March 31, 2016 is repayable on demand and carries interest rate of 10% p.a

c) Unsecured loan from others outstanding as at March 31, 2016 is repayable on demand and carries interest rate of 10% p.a

(Amount in ₹)

Note 9 : Other Liabilities

	As at March 31, 2016	As at March 31, 2015
Trade Payables		
Amount due to Micro Small and Medium Enterprises (Refer Note 'a' below)	-	-
Amount due to Others	11,635,747	7,938,964
Total	11,635,747	7,938,964
Other Current Liabilities		
Current maturities of long-term borrowings (Refer Note 5)	14,343,947	493,688
Other Payables		
Statutory Liabilities	2,044,395	2,047,920
Advance from Customers	31,976,481	21,342,348
Interest Accrued but not due on borrowing from related parties	1,353,698	44,384
Interest Accrued but not due from banks and others	3,384,638	8,870
Creditors for Capital Goods	12,893,890	2,489,104
	65,997,049	26,426,314
	77,632,796	34,365,278

a) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
	-	-
i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payments made to the supplier beyond the appointed day during each accounting year.	-	-
ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
iii) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
iv) The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

b) Contingent liabilities

(Amount in ₹)

	As at March 31, 2016	As at March 31, 2015
Claims against company not acknowledged as debt *		
- On account of stamp duty on demerger	14,820,000	-
- On account of claim filed by supplier	10,266,301	-
	25,086,301	-

* The Company has been advised that these demands are likely to be either quashed or substantially reduced and accordingly no provision is considered necessary.

Note 10 : Fixed Assets
(Amount in ₹)

Particulars	Gross Block			Depreciation/Amortization			Net Block		
	As At April 1, 2015	Addition during the year	Deduction/Adjustment	As at March 31, 2016	For the year	Deduction/Adjustment	Unplanned Depreciation as per Schedule II	As at March 31, 2016	As At March 31, 2015
A. Tangible Assets									
Freehold Land	6,880,947	-	-	6,880,947	-	-	-	6,880,947	6,880,947
Buildings	21,342,556	-	-	21,342,556	257,102	-	-	14,567,945	14,825,047
Leasehold Improvements	-	4,387,814	-	4,387,814	196,612	-	-	4,191,202	-
Plant & Machinery	1,984,914	-	1,984,914	(0)	18,065	1,729,253	-	-	273,726
Office Equipments	5,336,808	233,769	3,872,113	1,698,464	1,500,186	3,252,029	-	880,881	2,767,382
Computers	3,507,229	508,188	-	4,015,417	799,956	-	-	1,026,931	1,318,699
Furniture and fixtures	3,226,064	2,595,065	2,895,664	2,925,465	346,443	741,366	-	2,708,066	2,613,742
Vehicle	3,575,000	-	-	3,575,000	433,315	-	-	2,453,652	2,886,967
Electrical Installations	-	5,102,477	-	5,102,477	227,335	-	-	4,875,142	-
Total	45,853,517	12,827,313	8,752,691	49,928,140	3,779,014	5,722,648	-	12,343,374	31,566,509
B. Intangible Assets									
Computer software	100,646,352	2,478,473	-	103,124,825	8,085,885	-	-	97,084,461	11,647,726
Total	100,646,352	2,478,473	-	103,124,825	8,085,885	-	-	97,084,461	11,647,726
C. Capital Work in Progress									
CWIP	106,201,484	123,105,501	-	229,306,985	-	-	-	229,306,985	106,201,484
Total	106,201,484	123,105,501	-	229,306,985	-	-	-	229,306,985	106,201,484
Grand Total (A+B+C)	252,701,353	138,411,287	8,752,691	382,359,950	11,864,849	5,722,648	-	272,932,115	149,415,719
Previous Year	167,726,827	84,974,526	-	252,701,353	9,845,515	-	625,951	149,415,718	74,912,658

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

Particulars	(Amount in ₹)	
	As At March 31, 2016	As At March 31, 2015
i) CWIP - Building		
- Construction Expenses	209,761,349	98,606,747
- Interest on Term loan as per AS-16	15,212,894	6,160,818
- Pre-operative expenses	4,242,742	1,343,919
ii) CWIP - Trade Mark	90,000	90,000
Total	229,306,985	106,201,484

(b) Capital Work in Progress includes interest on borrowing cost amounting to ₹ 15,212,894 (Net of Interest Income ₹ 244,320) related to borrowed funds (March 31, 2015: ₹ 6,160,818 (Net of Interest Income ₹ Nil)), in accordance with Accounting Standard-16 "Borrowing Cost".

(Amount in ₹)

Note 11 : Non-Current Investments

	As at March 31, 2016	As at March 31, 2015
Trade(Valued at cost unless otherwise stated)		
Unquoted equity instruments		
Investment in Wholly owned Subsidiary Company - Multinational Textiles Group Limited, Mauritius 21,948,270 (March 31, 2015: 21,948,270) Equity Shares of USD 1 each fully paid up Multinational Textiles Group Limited, Mauritius	1,005,025,338	1,005,025,338
Total	1,005,025,338	1,005,025,338

a) Aggregate Book Value of Investments ₹1,005,025,338 (March 31, 2015: ₹ 1,005,025,338)

b) Aggregate Market Value of Investments Nil (March 31, 2015:Nil)

(Amount in ₹)

Note 12 : Loans and Advances	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(Unsecured, considered good)				
Capital Advances	14,725,765	10,231,276	-	-
(Unsecured, considered good)				
(A)	14,725,765	10,231,276	-	-
Security Deposits	3,073,680	1,281,000	-	-
(Unsecured, considered good)				
(B)	3,073,680	1,281,000	-	-
Advances recoverable in cash or in Kind	-	-	3,337,469	48,820
(Unsecured, considered good)				
(C)	-	-	3,337,469	48,820
Other Loans and advances (Unsecured considered good)				
Advance Tax [Net of provisions of Nil (March 31,2015:Nil)]	24,430	1,054,837	-	-
Prepaid Expenses	171,210	-	4,777,576	4,355,076
Advance to Employees	300,000	800,000	170,158	278,896
Advance to Suppliers	-	-	-	900,000
Unsecured - Considered Good	-	-	2,542,086	-
Unsecured, considered doubtful	-	-	1,197,948	-
	495,640	1,854,837	8,687,767	5,533,972
Less : Provision for Doubtful Advances	-	-	1,197,948	-
(D)	495,640	1,854,837	7,489,819	5,533,972
Total (A+B+C+D)	18,295,085	13,367,113	10,827,288	5,582,792

As at March 31, 2016	As at March 31, 2015
---------------------------------	---------------------------------

a) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	27,998,110	61,676,792
	27,998,110	61,676,792

(Amount in ₹)

Note 13 : Trade Receivables & Other Assets	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(Unsecured, considered good unless stated otherwise)				
Outstanding for a period more than six months from the date they are due for payment				
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	4,204,076	-
			<u>4,204,076</u>	<u>-</u>
Less: Provision for Doubtful Debts	-	-	4,204,076	-
	-	-	-	-
Others				
Unsecured - Considered Good	-	-	-	10,860,370
Unsecured, considered doubtful	-	-	-	-
	-	-	-	<u>10,860,370</u>
Total (A)	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,860,370</u>
Other Assets				
Deposit Accounts with original maturity more than 12 months (Refer Note below)	100,000	-	25,000	25,000
Interest accrued but not due	5,316	-	103,698	2,286
(B)	<u>105,316</u>	<u>-</u>	<u>128,698</u>	<u>27,286</u>
	<u>105,316</u>	<u>-</u>	<u>128,698</u>	<u>10,887,656</u>

Note:

- (i) The deposit of ₹ 25,000 (March 31, 2015 : ₹ 25,000) is pledged with Commercial Tax department, Tirupur
(ii) The deposit of ₹ 100,000 (March 31, 2015 : ₹ Nil) is pledged with Haryana VAT Department

(Amount in ₹)

Note 14 : Cash and Bank Balances	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Cash & Cash Equivalents				
Balances with Scheduled banks :				
- On current accounts	-	-	4,532,638	7,359,836
Cash on hand	-	-	2,825	605
(A)	<u>-</u>	<u>-</u>	<u>4,535,463</u>	<u>7,360,441</u>
Other Bank Balances				
Deposits with original maturity for more than 3 months but less than 12 months	-	-	10,000,000	-
Deposits with original maturity for more than 12 months	100,000	-	-	-
Less : Disclosed under non-current Assets (Refer Note 13)	(100,000)	-	-	-
(B)	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>14,535,463</u>	<u>7,360,441</u>

(Amount in ₹)

Note 15 : Revenue from Operations	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Sale of Service (Refer Note ' a ' below)	118,835,668	53,194,486
Sales of Products (Refer Note ' b ' below)	130,143,956	16,136,085
Total	248,979,624	69,330,571
a) Detail of Service Rendered		
Business Services	118,835,668	53,194,486
b) Detail of Products Sold (Traded)		
Sale of Garments	130,143,956	16,136,085
Sample Designing Sale	-	-
	130,143,956	16,136,085
c) Earnings in Foreign Exchange		
Business Services	118,835,668	53,194,486
	118,835,668	53,194,486

(Amount in ₹)

Note 16 : Other Income	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Foreign Exchange Fluctuation (Net)	-	997,187
Interest Income (Refer Note ' a ' below)	87,528	14,823
Sundry Balances written back	818,989	-
Miscellaneous Income	194,544	-
	1,101,061	1,012,010
a) Interest Income		
Interest on Fixed Deposit with Bank	7,755	2,286
Interest on Income Tax Refund	79,773	12,537

(Amount in ₹)

Note 17 : Purchase of Traded Goods	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Purchase of Finished Goods (Refer Note ' a ' below)	121,953,929	14,674,054
	121,953,929	14,674,054
a) Detail of purchase of Traded Goods		
Purchase of Garments	121,953,929	14,674,054

(Amount in ₹)

Note 18 : Employee Benefit Expenses	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Salaries & Wages	63,417,266	32,042,835
Gratuity (Refer Note Below)	1,134,400	1,271,171
Leave Encashment (Refer Note Below)	638,724	1,422,356
Contribution to Provident and other fund	690,912	477,689
Staff Welfare Expenses	345,978	230,110
Total	66,227,280	35,444,161

(I) The Company has classified the various benefits provided to employees as under:-

(i) Defined Contribution Plan

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

During the year company recognized ₹ 690,912 (March 31, 2015: ₹ 428,376) for provident fund contribution and ₹ Nil (March 31, 2015: ₹ 49,313) for ESI contribution in the Statement of Profit and Loss. The contribution payable to these plans by the Company is at rates specified in the rules of the schemes.

(ii) Defined Benefit Plan : It includes :

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

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

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

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

(Amount in ₹)

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Defined benefit obligations at beginning of the year	982,717	499,782	1,242,731	298,722
Service Cost	1,031,524	485,292	548,058	560,286
Interest Cost	76,161	38,733	96,312	23,151
Actuarial (gain)/loss on Obligation	26,715	747,146	(5,646)	838,919
Benefits paid	-	(788,236)	(109,268)	(478,347)
Defined Benefit Obligations at the end of the year	2,117,117	982,717	1,772,187	1,242,731

b) Reconciliation of fair value of Assets and Obligations

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Fair value of plan assets at March 31, 2015		-	-	-
Present value of obligation as at March 31, 2015	2,117,117	982,717	1,772,187	1,242,731
Amount recognized in balance sheet	2,117,117	982,717	1,772,187	1,242,731

c) Expense recognized during the year

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Current Service Cost	1,031,524	485,292	548,058	42,094
Interest Cost	76,161	38,733	96,312	298,722
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss	26,715	747,146	(5,646)	560,286
Net Cost	1,134,400	1,271,171	638,724	901,102

d) Actuarial Assumptions

Particulars	Gratuity (Unfunded)		Leave Encashment (Unfunded)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Discount Rate (per annum)	7.75%	7.75%	7.75%	7.75%
Future increase in Compensation	5.25%	5.25%	5.25%	5.25%
In Service Mortality	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)

Retirement age	58 Years	58 Years	58 Years	58 Years
Withdrawal rates				
- Upto 30 years	3.00%	3.00%	3.00%	3.00%
- Upto 44 years	2.00%	2.00%	2.00%	2.00%
- Above 44 years	1.00%	1.00%	1.00%	1.00%

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

(Amount in ₹)

Note19 : Finance Cost	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Interest Expense		
- On Loan from Related Party	-	49,315
- On Vehicle Loan	178,351	232,588
- On bank overdraft	2,676,401	318,387
Total	2,854,752	600,290

(Amount in ₹)

Note 20 : Other Expenses	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Sampling and designing expense	1,874	2,310,326
Electricity Charges	401,518	416,666
Rent	3,935,400	2,466,259
Rates & Taxes	711,821	3,683,971
Repair & maintenance	950,867	1,804,393
Legal & Professional	8,975,516	4,354,902
Security Expenses	358,205	331,511
Commission & Brokerage	346,300	-
SAP Expenses	5,526,325	1,173,902
Travel & Conveyance (Refer Note ' b ' below)	11,046,674	6,179,780
Inurance expenses	1,005,226	560,534
Postage and courier	487,682	490,346
Communication	1,297,308	814,702
Printing & Stationery (Refer Note ' b ' below)	742,696	1,153,416
Advertisement & Sales promotion	483,162	798,797
Payment to Auditors (Refer Note ' a ' below)	1,832,000	1,703,251
Foreign Exchange Fluctuation (Net)	3,532,415	-
Provision for Doubtful Debts	4,204,076	-
Provision for Doubtful Advance	1,197,948	-
Miscellaneous expenses	2,260,118	1,593,347
Total	49,297,131	29,836,103

a) Payment to Auditors	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
As Auditor:		
- Statutory Audit Fee	750,000	750,000
- Tax Audit Fee	200,000	200,000
- Limited Review	375,000	300,000
In other capacity		
- Others matters	275,000	250,000
- Service tax	232,000	185,400
- Out of Pocket expense	-	17,851
	1,832,000	1,703,251
b) Prior Period Expenses		
Travel Overseas	-	25,626
Printing & Stationery	25,832	-
Legal & Professional	20,723	-
	46,555	25,626
Expenditure in Foreign Currency		
- Travelling Expenditure	189,506	-
	189,506	-

(Amount in ₹)

Note 21: Exceptional Items	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Loss on sale of fixed assets.	1,863,440	-
	1,863,440	-

Note 22 : Earning Per Share (EPS)

Particulars	Basis	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Profit/(Loss) attributable to the equity shareholders	(A)	1,399,054	(18,351,645)
Basic/weighted average no. of equity shares outstanding during the year	(B)	26,046,724	21,345,947
Nominal value of Equity shares (Rs.)		10.00	10.00
Basic Earning per share (Rs.)	(C) = (A/B)	0.05	(0.86)
Diluted Earning per share (Rs.)	(D) = (A/B)	0.05	(0.86)

Note 23: Disclosure of related parties/related parties transaction

A. Name of the Related Parties and description of relationship

Nature of Relationship	Name of the Concern	Country of Incorporation/ Designation
Wholly owned Subsidiary Company	Multinational Textile Group Limited	Mauritius
Enterprise over which KMP can exercise significant influence	Pearl Global Industries Limited	India

Key Managerial Personnel	Mrs. Payel Seth	Managing Director
	Mr. Deepak Seth	Director
	Mr. Pallak Seth	Director
	Mr. Chandra Kishore Jha	Company Secretary
	Mr. Omprakash Makam Suryanarayan Setty	Chief Financial Officer

B. Disclosure of Related Parties Transactions (includes all material transaction):
(i) Subsidiary Company
(Amount in ₹)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Service Income	118,835,668	53,194,486
Advance received for services to be rendered	125,938,381	74,536,834
Closing Balance [Recoverable/ (Payable)]	(31,976,481)	(21,342,348)

(ii) Enterprise over which KMP can exercise significant influence

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Loan Received	30,000,000	30,000,000
Loan Repaid	30,000,000	118,431,657
Expenditure incurred by them on our behalf	-	77,829,356
Interest Expense	2,165,752	5,966,922
Closing Balance	31,353,698	30,044,384

(iii) Key Managerial Personnel

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Director's Nomination fees paid under Section 160 of the Companies Act, 2013	-	300,000
Director's Nomination fees received back under Section 160 of the Companies Act, 2013	-	300,000
Salary paid to :-		
- Mrs. Payel Seth	3,600,000	-
- Mr. Mukesh Kumar	-	2,054,681
- Mr. Chandra Kishore Jha	756,604	622,366
- Mr. Omprakash Makam Suryanarayan Setty	8,207,208	7,176,000

(iv) During the current financial year Norwest Industries Limited-Company's step down subsidiary has given guarantee to HSBC Bank (Hong Kong branch) in form of Stand by Documentary Credit (SBDC) documents against the term loan of ₹ 15 crores (March 31, 2015 : ₹ 9 crores) taken by the Company.

Note 24: Leases
Asset Taken on Lease

(a) The Company has taken immoveable property located at Bangalore on lease. The lease agreement was valid till September, 2015 and lease rentals(including transfer to lease equilisation reserve) amounting to ₹ 984,645 (March 31,2015: ₹ 1,866,552) has been debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard-19 " Leases" notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2016 are as under:

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Not later than one Year	-	865,800
Later than one year and not later than five years	-	-
Total	-	865,800

Details of Leasing Agreement are enumerated below :-

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

- (b) The Company has during the year taken an immoveable property located at Bangalore on lease. The lease agreement is valid till October, 2020 and lease rentals(including transfer to lease equilisation reserve) amounting to ₹ 2,150,959 (March 31,2015: ₹ Nil) has been debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard-19 “ Leases” notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2016 are as under:

(Amount in ₹)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Not later than one Year	3,593,766	-
Later than one year and not later than five years	14,086,106	-
Total	17,679,872	-

Details of Leasing Agreement are enumerated below :-

Property taken at lease	Date of Termination of Lease	Esclation Clause	Terms of Renewal	Purchase Option
Corporate Office at Bangalore	05.10.2020	Yes	Yes	No

- (c) The Company has taken immoveable property located at New Delhi on lease. The Lease agreement is valid till July, 2017 and lease rentals(including transfer to lease equilisation reserve) amounting to ₹ 686,023 (March 31,2015 : ₹ 562,207) has debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard-19 “ Leases” notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2016 are as under:-

(Amount in ₹)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Not later than one Year	605,880	605,880
Later than one year and not later than five years	201,960	807,840
Total	807,840	1,413,720

Details of Leasing Agreement are enumerated below :-

Property taken at lease	Date of Termination of Lease	Esclation Clause	Terms of Re-nwal	Purchase Option
Office at Delhi	31.07.2017	Yes	Yes	No

- (d) The Company has during the year taken an immoveable property located at Tripur, Tamil Nadu on lease. The lease agreement is valid till July, 2017 and lease rentals(including transfer to lease equilisation reserve) amounting to ₹ 122,850 (March 31,2015: ₹ Nil) has been debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard-19 “ Leases” notified under Company (Accounts) Rules 2014. Future minimum lease rentals as on March 31, 2016 are as under:

(Amount in ₹)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Not later than one Year	167,700	-
Later than one year and not later than five years	42,900	-
Total	210,600	-

Details of Leasing Agreement are enumerated below :-

Property taken at lease	Date of Termination of Lease	Escalation Clause	Terms of Renewal	Purchase Option
Office at Tripur, Tamil Nadu	30.06.2017	Yes	Yes	No

(e) The Company has taken an immovable property located at Tripur, Tamil Nadu on lease. The lease agreement was valid till December, 2015 and lease rentals(including transfer to lease equalisation reserve) amounting to ₹ 28,125 (March 31,2015: ₹ 9,375) has been debited to the Statement of Profit and Loss during the year in pursuance of Accounting Standard-19 " Leases" notified under Company (Accounts) Rules 2014.

Note 25: The Company has not spent any amount towards Corporate Social Responsibility during the financial year 2015-16. As certified by the Management and as per sub-section (1) of Section 135 of the Companies Act, 2013 read with Rule 3 of Companies (Corporate Social Responsibility Policy) Rules, 2014; the Company is not required to spend any amount towards CSR activities during the financial year 2015-16.

Note 26: In view of the management, the Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount, at which they are stated in the Balance Sheet as at March 31, 2016.

Note 27: For the period ended March 31, 2016, the company has identified geographical segment as its primary segment and business segment as its secondary segment.

(Amount in ₹)

A. Geographical Segment				
Particulars	India	Mauritius	Others	Total
Segment Revenue	130,143,956	118,835,668	-	248,979,624
Segment Sales	130,143,956	118,835,668	-	248,979,624
Total Segment Revenue	130,143,956	118,835,668	-	248,979,624
Total Revenue of each segment as a percentage of total revenue of all segment	52	48	-	100
Total Segment Operative Profit before Depreciation, Interest & Taxes/Extraordinary activities	(10,402,414)	23,004,760	-	12,602,346
Less : Depreciation for the year	57,128	10,515,438	1,292,282	11,864,849
Total Segment Result before Interest & Taxes/Extraordinary items	(10,459,542)	12,489,322	(1,292,282)	737,498
Less: Loss on sale of Assets	66,279	1,797,161	-	1,863,440
Total Segment Result before Interest & Taxes	(10,525,821)	10,692,161	(1,292,282)	(1,125,942)
Total EBIT of each segment as a percentage of total EBIT of all segment	935	(950)	115	100
Net Financing Cost	-	-	2,854,752	2,854,752
Income Tax Expenses	-	-	(5,379,749)	(5,379,749)
Profit/(Loss) for the Year after taxes	(10,525,821)	10,692,161	1,232,715	1,399,055
Segment Assets	8,744,280	261,887,041	1,054,465,283	1,325,096,604
Segment Assets as a percentage of Total assets of all segments	-	20	80	100
Segment Liabilities	16,378,862	34,440,708	244,257,427	295,076,997
Segment Liabilities as a percentage of Total Liabilities of all segments	6	12	82	100
Segment Capital Employed	(7,634,583)	227,446,334	810,207,856	1,030,019,607
Segment Capital Employed as a percentage of Total capital employed of all segments	(1)	22	79	100
Capital Expenditure incurred during the year	-	15,305,786	123,105,501	138,411,287

B. Business Segment

Particulars	Trading of Garment Apparels	Service	Others	Total
Segment Revenue	130,143,956	118,835,668	-	248,979,624
External Sales	130,143,956	118,835,668	-	248,979,624
Total Segment Sales	130,143,956	118,835,668	-	248,979,624
Total Segment Revenue	130,143,956	118,835,668	-	248,979,624
Total Revenue of each segment as a percentage of total revenue of all segment	52	48	-	100
Total Segment Operative Profit before Depreciation, Interest & Taxes/Extraordinary activities	(10,402,414)	23,004,760	-	12,602,346
Less : Depreciation for the year	57,128	10,515,438	1,292,282	11,864,849
Total Segment Result before Interest & Taxes/Extraordinary items	(10,459,542)	12,489,322	(1,292,282)	737,498
Less: Loss on sale of Assets	66,279	1,797,161	-	1,863,440
Total Segment Result before Interest & Taxes	(10,525,821)	10,692,161	(1,292,282)	(1,125,942)
Total EBIT of each segment as a percentage of total EBIT of all segment	935	(950)	115	100
Net Financing Cost	-	-	2,854,752	2,854,752
Income Tax expenses	-	-	(5,379,749)	(5,379,749)
Profit/(Loss) for the year	(10,525,821)	10,692,161	1,232,715	1,399,055
Segment Assets	8,744,280	261,887,041	1,054,465,283	1,325,096,604
Segment Assets as a percentage of Total assets of all segments	-	20	80	100
Segment Liabilities	16,378,862	34,440,708	244,257,427	295,076,997
Segment Liabilities as a percentage of Total Liabilities of all segments	6	12	82	100
Segment Capital Employed	(7,634,583)	227,446,334	810,207,856	1,030,019,607
Segment Capital Employed as a percentage of Total capital employed of all segments	(1)	22	79	100
Capital Expenditure incurred during the year	-	15,305,786	123,105,501	138,411,287

Note 28: The balances of trade payables & trade receivables are subject to reconciliation and confirmation as on March 31, 2016.

Note 29: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company regularly updates the documentation for the International transactions entered into with the associated enterprises during the period as required under law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 30: The figures are rounded off to the nearest rupee.

Note 31: Previous year figures have been regrouped & reclassified wherever considered necessary.

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

(Payel Seth) Managing Director DIN 00003035	(Deepak Seth) Director DIN 00003021
(Omprakash M. Setty) Chief Financial Officer	(Chandra Kishor Jha) Company Secretary

Place of Signature: Gurgaon
Date: 27th May, 2016



PDS MULTINATIONAL FASHIONS LIMITED

Registered Office: No. 758 & 759, 2nd Floor, 19th Main, HSR Layout, Sector-II, Bangalore-56-102, Karnataka, India
Tel: 080-67653000, Website: www.pdsmultinational.com; E-mail: investors@pdsmultinational.com
CIN: L18101KA2011PLC094125

PROXY FORM

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

CIN : L18101KA2011PLC094125
Name of the Company : PDS MULTINATIONAL FASHIONS LIMITED
Registered Office : No. 758 & 759, 2nd Floor, 19th Main, HSR Layout, Sector-II, Bangalore-56-102
Name of the Member(s) :
Registered address :
E-mail ID :
Folio No/Client id :
DP ID :

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

(i) Name: Address:

E-Mail Signature or failing him/her

(ii) Name: Address:

E-Mail Signature or failing him/her

(iii) Name: Address:

E-Mail Signature or failing him/her

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 5th Annual General Meeting of the Company, to be held on Wednesday, 28th September, 2016 AT 12.15 P.M at Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru - 562110, Karnataka, INDIA and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution Number	Description	Optional*		
		No of Shares held by me	I assent to the resolution (For)	I dissent from the resolution (Against)
Ordinary Business				
1.	To receive, consider and Adopt Standalone and Consolidated Audited Financial Statements of their Company for the Financial Year ended 31st March, 2016, together with Reports of Directors and Auditors thereon			
2.	To Appointment a Director in place of of Mr. Deepak Seth, who retires by rotation and being eligible, offers himself for re-appointment			
3.	To Ratify the Appointment of M/s S.R. Dinodia & Co. LLP Chartered Accountants, (Regn. No.001478N/N500005), New Delhi, as Statutory Auditors of the Company and to fix their remuneration.			

Signed this.....day of2016

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

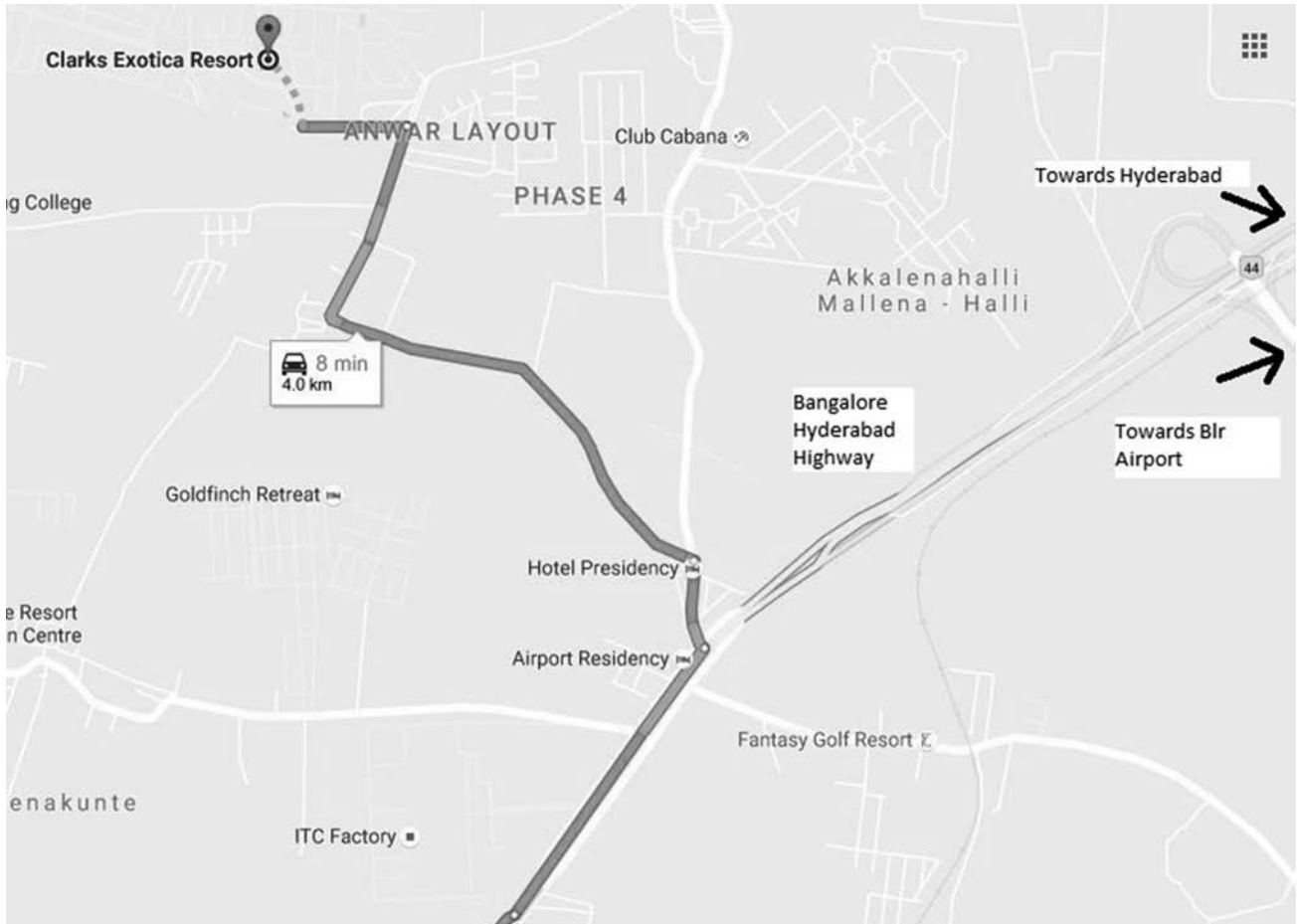
Signature of the Proxy holder(s).....

Note:

- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the Commencement of the Meeting.
- *It is optional to put "" in the appropriate column blank against any or all resolutions indicated in the Box. If you leave the 'For' or 'Against' any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- In case of Joint holders, the Signature of any one holder will be sufficient, but names of all the shareholders should be stated.



Route Map to the venue of the 5th Annual General Meeting of PDS Multinational Fashions Limited





PDS Multinational Fashions Limited

Registered Office

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HSR Layout, Sector-II, Bangalore - 560102, Karnataka
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