



Revenue in excess of USD 625 million

Presence in 18 Countries

31 Sales, Marketing, Design &
Sourcing Offices



PDS MULTINATIONAL FASHIONS LIMITED

ANNUAL REPORT
2014-2015

Corporate Information

Board of Directors

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

Group Chief Financial Officer

Mr. Omprakash Makam S. Setty

Company Secretary

Mr. Chandra Kishore Jha

Audit Committee

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

Nomination and Remuneration Committee:

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

Stakeholders Relationship Committee:

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

Auditors

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

Registered Office:

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

Bankers

Axis Bank
HSBC Bank

Corporate Office:

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

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Proxy Form

**PDS MULTINATIONAL FASHIONS LIMITED**

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

Corp. Office: No. 2339, II Floor, Krishna Complex, 17th Cross, HSR Layout, Sector-I,
Bangalore-560102 Tel: 080-67653030,

Website: www.pdsinternational.com; E-mail: investors@pdsinternational.com

CIN: L18101DL2011PLC217162

NOTICE

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

"RESOLVED THAT Pursuant to the provisions of Section 197, 200 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof), Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable rules and guidelines for managerial remuneration issued by the Central Government from time to time, including any statutory modifications or re-enactments thereof and subject to the approval of the Central Government, if necessary, and such other approvals, permissions, and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, the consent of the Members of the Company be and is hereby accorded to pay remuneration to Mrs. Payel Seth (DIN: 00003035), Managing Director commencing from April 1, 2015 on the terms and conditions set out below, with liberty to the Board of Directors to alter and vary the terms and conditions, not exceeding the limits specified under the Act or any statutory modification or re-enactment thereof:

Salary	: ₹ 3.00 Lacs per month.
Car	: A Company maintained car for official purpose.
Mobile/Telephone	: A mobile for official purpose.
Provident Fund & Gratuity	: As per Company's rules."

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

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

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

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

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

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

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

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

Place: Gurgaon

Date : August 14, 2015

(Chandra Kishore Jha)
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED MUST REACH THE COMPANY'S REGISTERED OFFICE ATLEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 16th September, 2015 to Tuesday, the 22nd September 2015 (both days inclusive).
3. The relevant Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 and Clause 49 of the Listing Agreement are mentioned in this notice.
4. Members/Proxies are requested to bring their attendance slip along with copy of Annual Report to the Meeting and are requested not to bring any article, briefcase, hand bag, carry bag etc., as the same will not be allowed to be taken inside the meeting hall for security reasons. Further, the Company or any of its officials shall not be responsible for their articles, bags etc., being misplaced, stolen or damaged at the Meeting place.
5. Members/Proxies should fill the attendance slip for attending the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those hold shares in Physical forms are requested to write their Folio Number in the attendance slip for attending the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Corporate members intending to send their authorised representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
9. Soft copy of the Annual Report for the financial year 2014-15 is being sent to all the members, whose email IDs are registered with the Company/RTA/Depository Participants(s) for communication purposes. For members who have not registered their email address, physical copies of the Annual Report for the financial year 2014-15 is being sent in the permitted mode.

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

11. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to its members facility to exercise their right to vote at the 4th Annual General Meeting (AGM) by electronic means and the business contained herein may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL):

The instructions for e-voting are as under:-

The instructions for shareholders voting electronically are as under:

- The voting period begins on 19th September, 2015 at 10.00 AM and ends on 21st September, 2015 at 5.00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 15th September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website www.evotingindia.com.
- Click on Shareholders.
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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.
- If you are a first time user follow the steps given below:

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

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant <Company Name> i.e. PDS Multinational Fashions Limited.
- 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.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- 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.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- 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.
- 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.
- 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, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

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

EXPLANATORY STATEMENT

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

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

Item No. 2

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

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

Directorship

Indian Companies:

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

Foreign Companies:

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



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

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

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

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

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

Item No. 4

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

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

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

I. GENERAL INFORMATION:

1. NATURE OF INDUSTRY

PDS Multinational Fashions Limited is engaged in exports of Readymade Garments. Textile Industries plays a major role in the economy of the country. Indian textile industry is the largest in the country in terms of employment generation. There are various international brands which source readymade garments from the Indian markets.

2. DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION

Not Applicable

IN CASE OF NEW COMPANIES, EXPECTED DATE OF COMMENCEMENT OF ACTIVITIES AS PER PROJECT APPROVED BY FINANCIAL INSTITUTIONS APPEARING IN THE PROSPECTUS

Not Applicable

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

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

4. FOREIGN INVESTMENTS OR COLLABORATORS, IF ANY

The Company has no foreign collaboration.

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

II. INFORMATION ABOUT THE APPOINTEE:

Information Background Details	Mrs. Payel Seth Mrs. Payel Seth, 55 years, graduated from the Pearl Academy of Fashion in July 1996. She is associate with the group as a Promoter Director since incorporation and having rich experience in designing and retailing in Indian and western Garments, Jewellery and Accessories. She is Entrepreneurial by nature and has utilized her skills in field of Designing, General Management, Sales and Marketing/Business Development and Change Management for development of the organization. Her retail initiative includes the establishment of a retail stores in India. She has also been actively involved in the education and Corporate Social Responsibility (CSR) initiatives of the Group.
Past Remuneration	Nil
Recognition or Awards	NIL
Job Profile and their Suitability	Mrs. Payel Seth, Managing Director plays a major role in providing thought leadership and strategic inputs to the Company and also perform such other duties and services as shall from time to time be entrusted to her by the Board of Directors of the Company. Considering the contribution, Board considered her suitable for this position.
Remuneration Proposed	Salary : ₹ 3.00 Lacs per month. Car : A Company maintained car for official purpose. Mobile/ Telephone : A mobile for official purpose. Provident Fund & Gratuity : As per Company's rules
Comparative Remuneration profile with respect to industry, size of the company profile of position and person	The remuneration payable to the Mrs. Payel Seth has been benchmarked with the remuneration being drawn by similar positions in Garment industry and has been considered by the Compensation/Remuneration Committee of the Company at their meeting held on May 28, 2015.
Pecuniary relationship directly or indirectly with the company or with the managerial personnel, if any	Mrs. Payel Seth has no pecuniary relationship directly or indirectly with the Company except to the extent of his remuneration and shareholdings in the Company.

III. OTHER INFORMATION:

1. REASONS OF LOSS OR INADEQUATE PROFITS

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

2. STEPS TAKEN OR PROPOSED TO BE UNDERTAKEN FOR IMPROVEMENTS

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

3. EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS

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

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

(Amount in ₹)

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

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

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

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

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

The Board recommends the resolution for your approval.

Item No. 5
Related Party Transactions

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

Name of the related party	Nature of relationship	Name of the Director or Key ManagerialPersonnel who is related, if any	Nature, material terms, monetary value and particulars of the contract or arrangement	Annual Amount in ₹
Pearl Global Industries Limited (PGIL)	Related party as per Section2(76)(v) of the Companies Act, 2013	Mr. Deepak Seth, Mr. Pallak Seth, Mrs. Payel Seth are Directors	Sale of Services, SAP Income/ Expense Reimbursement, Temporary advance by PGIL on our behalf for expenses	100000000

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

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

Place: Gurgaon

Date : August 14, 2015

(Chandra Kishore Jha)
Company Secretary

DIRECTORS' REPORT

To the Members,

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

Financial Summary

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

Financial Performance and State of the Company's Affairs

Consolidated

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

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

Standalone

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

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

Dividend & Reserves

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

Change in the Nature of the Business

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

Change in Share Capital

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

Deposits

Your Company has not accepted any deposits from the Public or Shareholders during the year, nor has any unclaimed or unpaid deposits at the end of the financial year 2014-15.

Number of Meetings of the Board

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

Directors' Responsibility Statement

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

- in the preparation of the annual accounts for the financial year ended 31st March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2015 and of the loss of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Declaration from Independent Directors

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

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

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

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

Board Evaluation

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

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

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Appointment:

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

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

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

Re-appointment:

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

Auditors

In terms of Section 139 of the Companies Act, 2013, M/s S. R. Dinodia & Co. LLP, Chartered Accountants, (Regn. No. 001478N/N500005), New Delhi, were appointed by the Members in its 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.

Secretarial Auditor

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

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

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

Internal Auditor

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

Internal Financial Controls

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

RISK MANAGEMENT

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

Corporate Governance

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

Management Discussion and Analysis

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

Audit Committee

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

Vigil Mechanism

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

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

Corporate Social Responsibility

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

Consolidated Financial Statement

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

Subsidiaries, Joint Ventures and Associate Companies

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

Companies which have become Subsidiaries during the financial year 2014-15

1. Techno Design GmbH
2. Poetic Brands Limited

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

1. Propur Investment Limited

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

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

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

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

Particulars of Loans, Guarantees and Investments

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

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

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

Extracts of Annual Return

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

Particulars of Contracts or Arrangements with Related Parties

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

Particulars of Employees and Related Disclosures

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

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

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

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

Details of Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and Company's Operations in Future

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

Listing

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

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

Report On Sexual Harassment

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

Green Initiatives

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

Electronic copies of the Annual Report 2014-15 along with Notice of the 4th Annual General Meeting are sent to all members whose email addresses are registered with the Company/ RTA/Depository Participant(s). For members who have not registered their email addresses, physical copies of Annual Report 2014-15 and Notice of 4th Annual General Meeting are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

Acknowledgement

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

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

(DEEPAK SETH)

Chairman
DIN No.00003021

(PAYEL SETH)

Managing Director
DIN No.00003035

Place: Gurgaon

Date : August 14, 2015