

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

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

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

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

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

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

2. BOARD OF DIRECTORS

2.1 Your Company's Board of Directors comprises of an optimum combination of professionals with expertise, diversity and independence. The Board of Directors of your Company comprised as on 31st March, 2020 of 7 (Seven) Directors including 2 (Two) Women Non-Executive Directors out of which one is Independent Director, 2 (Two) Non-Executive Directors and 3 (Three) Independent Directors. The composition of the Board is in conformity with Regulation 17(1) of SEBI Listing Regulations as well as the Companies Act, 2013.

2.2 Your Board had cautiously considered and identified an optimised mix of the Skills, Expertise, Competencies essentially required by the Company in the context of its sector. This was so done to ensure functioning of the business effectively and it has been confirmed that the Board has the required skills defined in the matrix provided below.

These attributes primarily and broadly are:

- i. Trading
- ii. Manufacturing of all type of garments
- iii. Finance
- iv. Legal
- v. International Business
- vi. Human Resource

Director	Area of expertise / skills /competence					
	Trading	Manufacturing of all type of garments	Finance	Legal	International Business	Human Resource
Mr. Deepak Seth (DIN: 00003021)	✓	✓	✓	✓	✓	✓
Mr. Pallak Seth (DIN: 00003040)	✓	✓	✓	-	✓	✓
Mrs. Payel Seth (DIN: 00003035)	✓	✓	-	-	✓	-
Dr. A.P. Bhupatkar (DIN: 00479727)	✓	✓	-	-	-	✓
Mr. Ashok Kumar Sanghi (DIN: 00011207)	✓	✓	✓	-	-	-
Mr. Ashok Kumar Chhabra (DIN: 06869497)	-	-	✓	✓	-	-
Ms. Saraswathy Venkateswaran (DIN : 01778608) #	-	-	✓	-	-	✓

Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14th February, 2020.

2.3 None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2020 have been made by the Directors.

2.4 Independent Directors of the Company provided appropriate annual certifications to the Board confirming satisfaction of the conditions of their being independent as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations. In opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and they are independent of the management. In compliance with the requirements of

Companies Act, 2013, the Company has issued formal appointment letters to all the Independent Directors.

2.5 Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the Financial Year 2019-20 and also their other Directorships/ Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies including listed Companies as on 31st March, 2020 are as under:

A) During the Financial Year 2019-20, Six (6) Board Meetings were held on 12th April, 2019, 29th May, 2019, 13th August, 2019, 15th October, 2019, 13th November, 2019 and 14th February, 2020. Attendance of Directors in the Board Meeting and Annual General Meetings are given hereunder:

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S. No.	Name of Directors	Attendance		
		Total no. of Meetings held	No. of Meetings attended	Annual General Meeting
1	Mr. Deepak Seth (DIN: 00003021)	6	5	Yes
2	Mr. Pallak Seth (DIN: 00003040)	6	2	No
3	Mrs. Payel Seth (DIN: 00003035)	6	4	No
4	Dr. A.P.Bhupatkar (DIN: 00479727)	6	6	Yes
5	Mr. Ashok Kumar Sanghi (DIN: 00011207)	6	6	Yes
6	Mr. Ashok Kumar Chhabra (DIN: 06869497)	6	6	Yes
7	Ms. Saraswathy Venkateswaran (DIN : 01778608) #	0	0	No

Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14th February, 2020.

B) Particulars of Directors their other Directorships/Chairmanship held in Indian Public Companies and Membership/Chairmanship of various Board Committees of other Indian Public Companies as at March 31, 2020 including the listed companies are given as under:

Name of Directors	Category	No. of Directorships held in other Indian Companies*	Directorship in other Listed Company & Category of Directorship	No. of Committee Memberships/ Chairmanship held in other Indian Public companies **	
				Member	Chairperson
Mr. Deepak Seth (DIN: 00003021)	Promoter, Non-Executive Director	3	Pearl Global Industries Limited (Category Non-Executive - Non Independent Director)	-	-
Mr. Pallak Seth (DIN: 00003040)	Promoter, Non-Executive Director	-	-	-	-
Mrs. Payel Seth (DIN: 00003035)	Promoter, Non-Executive Director	1	-	-	-
Dr. A.P. Bhupatkar (DIN: 00479727)	Non-Executive Independent Director	-	-	-	-
Mr. Ashok Kumar Sanghi (DIN: 00011207)	Non-Executive Independent Director	-	-	-	-
Mr. Ashok Kumar Chhabra (DIN: 06869497)	Non-Executive Independent Director	-	-	-	-
Ms, Saraswathy Venkateswaran (DIN : 01778608)#	Non-Executive Independent Director	-	-	-	-

#Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14th February, 2020.

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

**Includes only Committee Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee

Mr. Deepak Seth, Chairman, Mr. Pallak Seth, Vice Chairman and Mrs. Payel Seth, Non-Executive 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.

Mr. Deepak Seth, Chairman holds 31,55,734 equity shares

(12.12%), Mr. Pallak Seth, Vice Chairman holds 2,78,838 equity shares (1.07%) and Mrs. Payel Seth, Director holds 1,38,75,242 equity shares (53.27%) of the Company. No other Director holds any equity share in the Company.

Board Meeting and Procedures

The Board meets at least once in a quarter to review the

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

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

Independent Directors Meeting & Board Evaluation Process:

In compliance with the requirements of Regulation 25 of the Listing Regulations and Section 149 read with Schedule IV of the Companies Act, 2013, as amended from time to time, the Independent Directors of the Company met on 14th February, 2020 without the presence of Non-Independent Directors and the management, to review performance of the Chairman and other Non-Independent Director, and discussed, inter-alia, on matters pertaining to evaluation of the performance of the Board as a whole. They also assessed the quality, quantity and timeliness of flow of information between the management and the Board of Directors, which is necessary for the Board to effectively and reasonably perform their duties etc.

The evaluation process was carried out based on an assessment sheet structures in line with ICSI guidance note and the guidance note issued by SEBI in this regard was also circulated to the Independent Directors, well in advance.

The Board of Directors also expressed satisfaction towards the evaluation process. The performance of the Independent Directors was also evaluated taking into account (i) the time devoted; (ii) attention given to professional obligations for independent decision making, (iii) acting in the best interests of the Company, (iv) strategic guidance to the Company. (v) help determine important policies, (vi) external expertise provided, (vii) independent judgment that contributes objectively in the Board's deliberations - particularly on issues of strategy, performance and conflict management etc.

Familiarisation Program for Independent Directors:

Independent Directors are familiarised with their roles, rights and responsibilities in the Company as well as with the nature of industry and business of the Company through induction programs at the time of their appointment as Directors and at regular intervals through deep-dive on various business segments of the Company. While review and approval of quarterly and annual financial statements of the Company

are taken up detailed presentation covering inter alia economy and industry overview, key regulatory developments, strategy and performance of individual channels / profit centers is made to the Board. Details of directors familiarisation program is available on Company's website www.pdsmultinational.com.

3. COMMITTEES OF THE BOARD

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

3.1 AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 177 of the Companies Act, 2013 and read with Regulation 18 of the Listing Regulations.

The terms of reference of the Audit Committee includes:-

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- Review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by Management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

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- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., Chief Financial Officer or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Committee.

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

All recommendations made by the Audit Committee during the year under review were accepted by the Board.

Composition, Meeting and Attendance

The composition of the Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. As on 31st March, 2020, the Audit Committee comprises of four members, of which three members, including the Chairperson, are Independent Directors and one Member is a Non-Executive Director. The Company Secretary acts as a secretary to the Committee. During the Financial Year 2019-20, Six (6) meetings of the Audit Committee were held on 12th April, 2019, 29th May, 2019, 13th August, 2019, 15th October, 2019, 13th November, 2019 and 14th February, 2020. The intervening gap between two Meetings did not exceed 120 days.

During the year 2019-20, the members of the Audit Committee and their attendance are as under:

Composition	Total no. of Meetings held	No. of Meetings attended
Dr. A. P. Bhupatkar - Chairman	6	6
Mr. Deepak Seth - Member Director	6	5
Mr. Ashok Kumar Sanghi - Member Director	6	6
Mr. Ashok Kumar Chhabra - Member Director	6	6

3.2 NOMINATION AND REMUNERATION COMMITTEE

The Company has formulated Remuneration Policy for Directors, Key Managerial Personnel and other employees and same is available on Company's website www.pdsmultinational.com. Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

Terms of Reference of the Nomination and Remuneration Committee includes:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall carry out evaluation of every directors performance;
- recommend to the Board, all remuneration, in whatever form, payable to senior management. ("senior management" shall comprise all members of management one level below the chief executive officer/ managing director/whole time director/manager and shall specifically include company secretary and chief financial officer.)
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

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

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

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

- Capacity to effectively examine financial and other information on operations of the Company and the ability to make positive contribution thereon.

Composition, Meeting and Attendance

The composition of the Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on 31st March, 2020, Committee comprises of three Non-Executive Directors, all of them including the Chairperson are Independent Directors. The Company Secretary acts as a secretary to the Committee.

Meetings of the Nomination and Remuneration Committee were held on 29th May, 2019, 13th November, 2019 and 14th February, 2020 during the Financial Year 2019-20. Details of meeting of the members of Nomination and Remuneration Committee and their attendance are as under:

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

REMUNERATION OF DIRECTORS

Details of remuneration paid to all the Directors for the Financial Year 2019-20 are as under:

Name of the Director(s)	Mr. Deepak Seth	Mrs. Payel Seth	Mr. Pallak Seth	Dr. A.P. Bhupatkar	Mr. Ashok Kumar Sanghi	Mr. Ashok Kumar Chhabra	Ms. Saraswathy Venkateswaran*
Designation	Chairman	Director	Director	Director	Director	Director	Director
Salary	-	-	-	-	-	-	-
Benefits	-	-	-	-	-	-	-
HRA	-	-	-	-	-	-	-
SPL. Allowance	-	-	-	-	-	-	-
Medical	-	-	-	-	-	-	-
Bonus	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-
Others (Provident Fund)	-	-	-	-	-	-	-
Break up of fixed components and Performance linked incentives with performance criteria	-	-	-	-	-	-	-
Performance Incentive	-	-	-	-	-	-	-
Service Contract	-	-	-	-	-	-	-
Notice Period, Severance fees	Nil	-	Nil	Nil	Nil	Nil	Nil
Stock Options details (if any): Whether issued at discount. Period over which it is accrued and is exercisable	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sitting Fees	-	-	-	6,00,000	6,00,000	6,00,000	-
Total	-	-	-	6,00,000	6,00,000	6,00,000	-

*Ms. Saraswathy Venkateswaran has been appointed as Independent Woman Director w.e.f., 14th February, 2020.

A sitting fee of ₹ 1,00,000/- 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.

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3.3 STAKEHOLDER RELATIONSHIP COMMITTEE

The composition of Stakeholders' Relationship Committee is in conformity with the provisions of Companies Act, 2013 and Regulation 20 of the Listing Regulations. As on 31st March, 2020, the Committee comprises the below three members:

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

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

Status of Shareholders Complaints during the year:

Complaints at the beginning of the year. 1 st April 2019	Complaints received during the year. 1 st April 2019 – 31 st March 2020	Complaints settled during the year. 1 st April 2019 – 31 st March 2020	Complaints pending at the ending of the year. 31 st March 2020
Nil	Nil	Nil	Nil

4. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location
2016-17	27.09.2017	12:15 P.M.	Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru, Karnataka.
2017-18	21.09.2018	11:30 A.M.	Sheraton Grand Bangalore Hotel at Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram, Rajajinagar, Bengaluru - 560055, Karnataka.
2018-19	13.11.2019	12:30 P.M.	Clarks Exotica, Swiss Town, Hollywood Junction, Sadahalli Post, Devanahalli Road, Bengaluru, Karnataka.

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

Financial Year	Particulars of Special Resolution	Date
2018-19	Nil	13 th November, 2019
2017-18	1. Re-appointment of Dr. Ashutosh Prabhudas Bhupatkar (DIN: 00479727) as an Independent Director for Second Term. 2. Re-appointment of Mr. Ashok Kumar Chhabra (DIN: 06869497) as an Independent Director for Second Term 3. Re-appointment of Mr. Ashok Kumar Sanghi (DIN: 00011207) as an Independent Director for Second Term 4. To increase ceiling limit of investment by NRI/OCI from 10% to 24% under FEMA.	21 st September, 2018
2016-17	Nil	27 th September, 2017

No Resolution was passed through Postal Ballot during the FY 2019-20.

No Extra Ordinary General Meetings of the members were held during FY 2019-20

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

5. MEANS OF COMMUNICATION

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

6. GENERAL SHAREHOLDERS' INFORMATION

- (i) **9th Annual General Meeting is scheduled as under :-**
Date: 28th October, 2020 Time: 11:00 A.M.
- (ii) **Financial year:**
The financial year covers the period 1st April, 2019 to 31st March, 2020.
- (iii) **Financial Calendar, 2020-21 (Tentative)**
First Quarter Results: Second week of September, 2020
Second Quarter & Half Yearly Results: Second week of November, 2020
Third Quarter Results: Second week of February, 2021
Fourth Quarter & Annual Results: Last week of May, 2021
- (iv) **Date of Book Closure:** , 17th October, 2020 to 28th October, 2020 (both days inclusive)
- (v) **Listing on Stock Exchanges and their Stock Code**
Name of the Stock Exchanges, wherein shares of the Company are listed and their Stock Code:

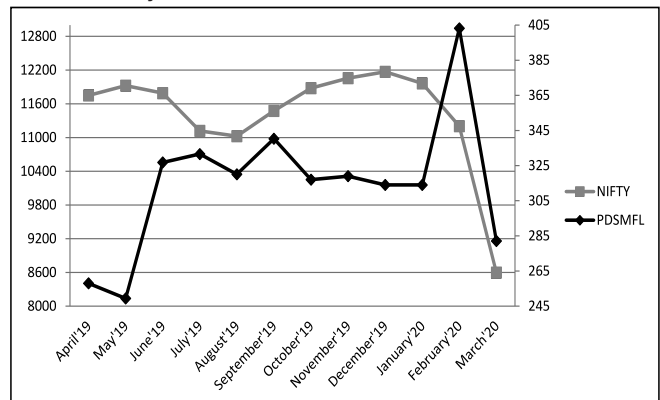
Stock Exchange	Stock Code
BSE LIMITED PHIROZE JEEJEEBHOY TOWERS, DALAL STREET, MUMBAI 400 001	538730
NATIONAL STOCK EXCHANGE OF INDIA LTD. "EXCHANGE PLAZA", PLOT NO. C- 1, G- BLOCK, SANDRA - KUALA COMPLEX, SANDRA (E), MUMBAI - 400 051	PDSMFL

The Annual Listing Fee for the financial year 2019-20 has been paid to the Stock Exchanges within stipulated time.

(vi) Market Price Data: High, Low during each month in financial year 2019-20

MONTH(S)	BOMBAY STOCK EXCHANGE Stock Code: 538730		NATIONAL STOCK EXCHANGE Stock Code: PDSMFL	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April'2019	280	248	288	245
May'2019	259	233	260	231
June'2019	329	248.5	348	247
July'2019	395	318	430	316.75
August'2019	345	319	359.9	318.2
September'2019	361.3	318	363.15	303.95
October'2019	342	314	344	310.05
November'2019	333	300	343.25	289.5
December'2019	333	314	340	292.95
January'2020	325	310	332.85	309
February'2020	409	314	416.8	314
March'2020	416	240	416	218.95

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



(vii) Share price performance in comparison to BSE Sensex and NSE Nifty at the end of last trading day of each month during the financial year 2019-20:

MONTH(S)	SHARE PRICE COMPARISON			
	PDSMFL (₹)	BSE (Sensex)	PDSMFL (₹)	NSE (Nifty)
April'2019	258	39031.55	258	11748.15
May'2019	250.45	39714.2	249.4	11922.8
June'2019	323.05	39394.64	326.8	11788.85
July'2019	333	37481.12	331.6	11118
August'2019	320.2	37332.79	320.05	11023.25
September'2019	339	38667.33	340.3	11474.45
October'2019	317	40129.05	317	11877.45
November'2019	320	40793.81	319	12056.05
December'2019	315	41253.74	314	12168.45
January'2020	315	40723.49	314	11962.1
February'2020	401.95	38297.29	403.15	11201.75
March'2020	282	29468.49	282.1	8597.75

(viii) Registrar and Share Transfer Agent

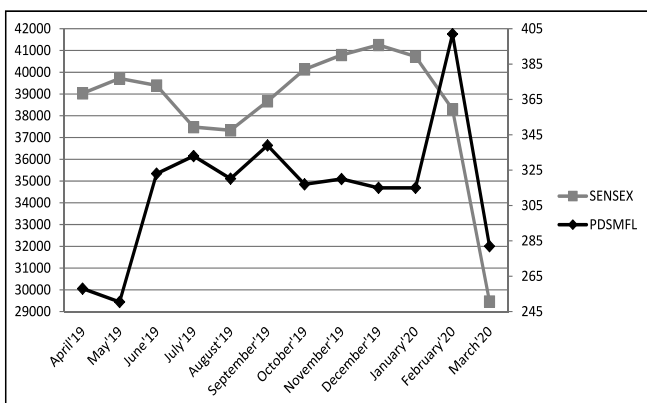
Link Intime India Pvt. Limited
Noble Heights, 1st Floor, Plot NH 2 C-1 Block Lsc,
Near Savitri Market Janakpuri, New Delhi-110058
Tel. No. : 011 - 41410592 - 94
Fax No. : 011 - 41410591
E-mail : delhi@linkintime.co.in

(ix) Share Transfer System

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

Effective 1st April 2019, SEBI has amended Regulation 40 of the Listing regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

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



(x) Distribution Schedule

(a) Distribution of Equity Shareholding of the Company as on 31st March 2020.

No. of Equity Shares* held	Shareholders		Equity shares held	
	Numbers	% to total	Numbers	% to total
1 - 500	13202	96.1474	951035	3.6513
501 - 1000	207	1.5075	148481	0.5701
1001 - 2000	140	1.0196	200855	0.7711
2001 - 3000	41	0.2986	102562	0.3938
3001 - 4000	19	0.1384	64856	0.2490
4001 - 5000	15	0.1092	69534	0.2670
5001 - 10000	34	0.2476	247324	0.9495
10001 and above	73	0.5316	24262077	93.1483
Total	13731	100	26046724	100

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(b) Categories of Shareholders as on 31st March 2020

	No. of Folio's	No. of Shares Held*	% to total Shares
PROMOTERS & PROMOTER GROUP			
Indian	4	13875279	53.27
Body Corporate	2	50035	0.19
Foreign	4	3434572	13.19
TOTAL (A)	10	17359886	66.65
PUBLIC			
Alternate Investment Funds	1	145000	0.56
Foreign Portfolio Investors	12	1065760	4.09
Financial Institutions/Banks	4	8967	0.03
NRI's	167	291305	1.12
Bodies Corporate	109	1341525	5.15
Individual	12522	5302249	20.36
Hindu Undivided Family	504	530167	2.04
Trusts	1	192	0.00
Clearing Members	16	1673	0.01
TOTAL (B)	13336	8686838	33.35
TOTAL (A)+(B)	13346	26046724	100

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

(xi) Dematerialization of Shares and liquidity

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

As on 31st March, 2020, 99.35% of our shares were held in dematerialized form and the rest in physical form.

Shares held in demat and physical modes as on 31st March, 2020 are as follows:

Category	Shareholders	Shares	% of total equity
Demat Mode			
NSDL	8153	2,29,23,237	88.00
CDSL	3952	29,55,294	11.35
Total	12,105	2,58,78,531	99.35
Physical Mode	1626	1,68,193	0.65
Grand total	13,731	2,60,46,724	100

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

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

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

(xiii) Plant locations:

The Company doesn't have plant till date.

(xiv) Registered Office of the Company:

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

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

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

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

7. UNCLAIMED SHARES AND SALE PROCEEDS OF FRACTIONAL SHARES.

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

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

Particulars	No. of cases	No. of Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year i.e. as on 1st April, 2019.	20	504
Number of shareholders who approached to the Issuer / Registrar for transfer of shares from suspense account during the Financial Year 2019-20.	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the Financial Year 2019-20	Nil	Nil
Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year i.e. as on 31 st March, 2020.	20	504

The voting rights on the shares in the suspense account as on 31st March, 2020 shall remain frozen till the rightful owners of such shares claim the shares. The Company

sends periodic reminders to the concerned shareholders advising them to lodge their claims with respect to unclaimed shares.

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

b) Unclaimed sale proceeds of fractional shares

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

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

8. OTHER DISCLOSURES

- a.** All transactions entered into by the Company with related parties during the financial year 2019-20 were in ordinary course of business and at arm's-length basis. The related party transactions undertaken by the Company during the year under review were in compliance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report. All ongoing related party transactions along with the estimated transaction value and terms thereof are approved by the Audit Committee before the commencement of financial year and thereafter reviewed on quarterly basis by the Audit Committee.

There are no materially significant related party transactions between the Company and its promoters, directors or key management personnel or their relatives, having any potential conflict with interests of the Company at large.

- b.** During the financial year 2019-20 there was one instance of delayed-compliance. As required under Regulation 13(3) of the Listing Regulations Company had filed the Investor Complaint Statement with the BSE Limited for the quarter ending 30th September, 2019 within due date. However, inadvertently missed to comply the same with National Stock Exchange of India Ltd (NSE). Subsequently, upon receipt of Notice for Non-Compliance from NSE Company regularized the above non-compliance by filing the above said statement. Also, as directed by NSE Company has remitted the penalty amount with NSE on the above matter. Apart from this there are no other non-compliance, penalties, strictures imposed on Company by stock exchange(s) or the board

or any statutory authority, on any matter related to capital markets, during the last three years.

- c.** The Company has a Whistle Blower Policy and Vigil Mechanism. No personnel of the Company have been denied access to the Audit Committee.
- d.** The Company has complied with all the mandatory requirements including Regulations 17 to 27 and 46 (2) (b) to (i) of the Listing Regulations.
- e.** The Company has also ensured the implementation of non-mandatory items such as:
- Separate post of Chairman and CEO.
 - Unmodified audit opinion/reporting
- f.** Policy for determining 'material' subsidiaries is disclosed at Company's website at www.pdsmultinational.com.
- g.** Policy on dealing with related party transactions is disclosed at Company's website at www.pdsmultinational.com.
- h.** Disclosure of Commodity Price Risk and Commodity Hedging Activities
Not applicable since no commodity hedging is done.
- i.** Details of Utilisation of Fund:
During the year your Company has not raised any fund through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) the Listing Regulations.
- j.** As required under the provisions of the Listing Regulations a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI/ Ministry of Corporate Affairs or any such statutory authority is obtained from Practicing Company Secretary and Annexed with this report as **Annexure A**.
- k.** Where the Board had not accepted any recommendations of any committee of the board which is mandatorily required, in the relevant financial year: None
- l.** During the Financial Year 2019-20, till the date of Annual General Meeting (AGM) i.e., 13th November, 2019, M/s S.R. Dinodia & Co. LLP, Chartered Accountants were the Statutory Auditors of the Company and Company had paid an aggregate remuneration of Rs. 7.00 Lakhs. In the AGM, M/s Walker Chandiook & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company and Company had paid an aggregate remuneration of Rs. 51.32 Lakhs (including Statutory Audit Fees of Rs. 39.00 Lakhs). Apart from the Company, the Statutory Auditor provided Audit and other services to Technocian Fashions Private Limited, a Subsidiary Company, and the aggregate remunerations paid was Rs. 1.00 Lakhs (including Statutory Audit fees of Rs. 0.75 Lakh).
- m.** The Company is committed to provide safe and conducive working environment to all its employees and has zero tolerance for sexual harassment at workplace. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder, the Company has adopted a Policy on prevention, prohibition and

PDS Multinational Fashions Limited

redressal of sexual harassment at workplace and has constituted Internal Complaint Committee supervising various locations to redress complaints received regarding sexual harassment.

During the Financial Year 2019-20, the Company has not received any complaints of alleged sexual harassment.

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. In support of this a separate certificate is annexed to this Report as **Annexure B**.

CEO/CFO CERTIFICATION

The Chief Executive Officer 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 the Listing Regulations the CEO and CFO certification is annexed to this Report as **Annexure C**.

NON-COMPLIANCE OF ANY REQUIREMENT OF THE CORPORATE GOVERNANCE REPORT OF SUB- PARAS (2) TO (10) OF PART C OF SCHEDULE V OF LISTING REGULATIONS, WITH REASONS SHALL BE DISCLOSED

The Company has complied with all the requirements of the Corporate Governance report of sub- paras (2) to (10) of part C of Schedule V of the Listing Regulations.

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