Proxy Advisory Report (Addendum)

PDS Ltd

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance Research and Advisory Firm. SES assists Investors to analyze Governance Practices including matters relating to sustainability, prevalent at Listed Entities and empower Investors to undertake meaningful engagement with Investee Entities.

SES SERVICES

E-BRSR Tool: Online web-based platform to create **BRSR Report** by the Company and generate **XBRL** in seamless, cost and time effective manner

Already subscribed by HUL, Maruti, TVS Motors, Kansai Nerolac, CDSL, Hero, L&T, Wipro, Bharat Forge, Reliance Group and many others. Read More

Contact for Demo – esgdata@sesgovernance.com

SES AIMS:

Designed primarily for Institutional Investors to carry out their stewardship activities in an efficient manner.
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Proxy Advisory:

Advises Investors on the matters that require shareholder approval at Listed Entities and identify Governance Issues.
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ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.
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Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the Governance Practices with respect To Global Benchmarks. Read More

E-Ballot:

A web-based, one-stop vote management system to cater to the requirements of Institutional Investors.
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COMPANY INFORMATION

BSE CODE: 538730

NSE SYMBOL: PDSL

ISIN: INE111Q01021

Industry: Trading - Textile Products

Email: investors@pdsltd.com

Phone: +91 22 4144 1100

Registered Office: Unit No.971, Solitaire Corporate Park, Andheri - Ghatkopar Link Road Andheri (East), Mumbai – 400 093, Maharashtra, India.

MEETING DETAILS

Meeting Type: PB

Voting Deadline: 14th March, 2026

Notice Date: 10th February, 2026

Notice: Click here

Corrigendum to Notice: Click here

Annual Report: FY 2024-25

SES PA Report (Last AGM): Report

E-VOTING DETAILS

e-Voting Platform: LINKINTIME

Cut-off Date: 6th February, 2026

Remote E-voting:

- **Start**: 13th February, 2026
- **Ends**: 14th March, 2026

ADDENDUM REPORT RELEASE DATE: 13th March, 2026

Research Analyst: Vansh Ganatra

Conflict Disclosure: SES - No Conflict | Analyst - No Conflict

PROXY ADVISORY REPORT | FOR LIMITED CIRCULATION

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ADDENDUM

There is a change in the SES recommendation on Resolution #2, #3, #4 & #5 from 'AGAINST' to 'FOR' based on the Company's clarification and additional disclosures. There are no other changes apart from the above.

EXISTING RECOMMENDATION					
S. No	**Resolution**	**Type**	**SES Observation#**	**Rec.**	**Rationale**
2	To approve an amendment in the terms of PDS Limited Employee Stock Option Plan 2021 - Plan B.	**S**	~~NC + GC~~	~~AGAINST~~	~~*Absolute Discretion to NRC to determine Exercise Price. Potential Significant Benefit arising to a single Employee.*~~
3	To approve an amendment in the terms of PDS Limited Employee Stock Option Plan 2021 - Plan B, for grant of employee stock options to eligible employees of the Company's Subsidiaries.	**S**	~~NC + GC~~	~~AGAINST~~	~~*Interlinked with resolution #2.*~~
4	To authorise PDS Multinational Fashions ESOP Trust to acquire equity shares of the Company by way of secondary market acquisition for administration of PDS Limited - Employees Stock Option Plan 2021 - Plan B.	**S**	~~NC + GC~~	~~AGAINST~~	~~*Interlinked with resolution #2.*~~
5	To authorize the Company to grant a loan to the PDS Multinational Fashions ESOP Trust to acquire equity shares of the Company for implementation of the PDS Limited - Employees Stock Option Plan 2021 - Plan B.	**S**	~~NC + GC~~	~~AGAINST~~	~~*Interlinked with resolution #2.*~~
REVISED RECOMMENDATIONS					
2	To approve an amendment in the terms of PDS Limited Employee Stock Option Plan 2021 - Plan B.	**S**	LC	FOR	*No governance concern identified.*
3	To approve an amendment in the terms of PDS Limited Employee Stock Option Plan 2021 - Plan B, for grant of employee stock options to eligible employees of the Company's Subsidiaries.	**S**	LC	FOR	*No governance concern identified.*
4	To authorise PDS Multinational Fashions ESOP Trust to acquire equity shares of the Company by way of secondary market acquisition for administration of PDS Limited - Employees Stock Option Plan 2021 - Plan B.	**S**	LC	FOR	*No governance concern identified.*
5	To authorize the Company to grant a loan to the PDS Multinational Fashions ESOP Trust to acquire equity shares of the Company for implementation of the PDS Limited - Employees Stock Option Plan 2021 - Plan B.	**S**	LC	FOR	*No governance concern identified.*

S - Special Resolution; Rec. - Recommendation

 # LC - Legally Compliant, NC -Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern

BACKGROUND

SES as per its policy, had emailed its PA Report (weblink) to the Company on 6th March, 2026 in respect of the ongoing PB of the Company.

Post release of PA Report, SES received an email from the Company on 11th March, 2026. The Company, through the email, provided its view point, which is reproduced at the last in *blue text*.

It may be noted that the email of the Company dated 11th March, 2026 (as per SES policy framed to comply with SEBI Circular dated 3rd August, 2020 SEBI/HO/IMD/DF1/CIR/P/2020/147) has already been forwarded to SES clients as it is, without any inputs from SES.

Further, the Company on 13th March, 2026, issued a clarification to stock exchanges w.r.t. to its ongoing Postal Ballot. (Link)

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This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS ON CLARIFICATION TO STOCK EXCHANGES

The Company on 13th March, 2026 issued clarification to stock exchanges w.r.t. it's ongoing Postal Ballot.

In the clarification the Company w.r.t. exercise price has stated the following:

> *The exercise price of the ESOPs is generally determined at an average discount of **~ 25% to 30%** to the prevailing market price at the time of grant, with the objective of ensuring meaningful incentive value for Employees.*

SES Comments:

SES, in its PA Report, has raised a **compliance concern** with respect to the exercise price and the maximum employee benefit, as the Company has not properly disclosed the exercise price and **governance concern** due to excessive economic benefit to a single employee w.r.t. **resolutions #2, #3, #4 & #5**.

But as per the above disclosure made by the Company to stock exchanges, the Company has stated that, "*The exercise price of the ESOPs is generally determined at an average discount of **~ 25% to 30%** to the prevailing market price at the time of grant, with the objective of ensuring meaningful incentive value for Employees*"

Further, considering the Company has provided a maximum discount of 25% - 30% as Exercise price, therefore, potential benefit to single employee on account of exercise of options in this case may not be excessive considering the discount is only between 25% - 30% to the prevailing market price.

Hence, considering the following information has been placed in the public domain, SES concern regarding the exercise price and maximum benefit to a single employee stands addressed. Accordingly, SES is modifying its recommendation from '**AGAINST'** to '**FOR'** w.r.t. **resolutions #2, #3, #4 & #5**.

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Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its website. The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

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All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: *The Company has not met statutory compliance requirements*

FC – Fairness Concern: *The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders*

GC – Governance Concern: *SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.*

TC - Disclosures & Transparency Concern: *The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.*

Company Information

Stakeholders Empowerment Services

SEBI Reg. No. INH000000016
CIN No. - U74120MH2012NPL232154

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