PDS Limited
Transcript of 15th Annual General Meeting
Friday, July 31, 2026 from 2:30 PM (IST) to 4:05 PM (IST)

Moderator – Ms. Kalpana
Good afternoon, Members of the Board, shareholders and other participants.

On behalf of PDS Limited, I extend a warm welcome to all of you to the 15th Annual General Meeting of the Company, being held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

To enable the smooth conduct of the meeting, Members and other participants are requested to keep their microphones muted throughout the proceedings. Members who have pre-registered themselves as speakers will be unmuted only when their respective turn comes to speak.

I now request Mr. Abhishekh Kanoi, Group General Counsel, Company Secretary & Compliance Officer, to commence the proceedings.
Over to you, Sir.

Mr. Abhishekh Kanoi
Group General Counsel, Company Secretary & Compliance Officer

Thank you.
Good morning, good afternoon and good evening to our respected Members, esteemed Board Members and the leadership team joining us from various parts of the world.

I am Abhishekh Kanoi, Group General Counsel, Company Secretary & Compliance Officer of PDS Limited, and it is my privilege to welcome you all to the 15th Annual General Meeting of the Company.

As we convene today, I would like to begin by expressing my sincere hope that you and your families are safe, healthy and in good spirits. These gatherings, though held virtually, continue to remind us of the strength of connection and the shared purpose that binds us, regardless of distance or time zones.

Today's meeting is being held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India ("SEBI").

For all purposes, the venue of this meeting shall be deemed to be the Registered Office of the Company. The requisite quorum is present, and I am pleased to confirm that the meeting is duly constituted.

This meeting marks not only a statutory obligation but also an opportunity to reflect on the year gone by- the milestones we have achieved, the challenges we have navigated and the vision we continue to pursue as a Group.

All statutory registers and documents required to be kept open for inspection have been made available electronically for the duration of this meeting through the link provided in the Notice convening the AGM. These include, inter alia, the Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, the certificate issued by the Secretarial Auditors under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, and other documents referred to in the Notice of the AGM.

Before we proceed further, allow me to briefly outline the protocol to ensure that the meeting is conducted smoothly and efficiently.

To avoid background noise and ensure seamless proceedings, all participants have been placed on mute by default. During the Question & Answer session, the Chairman will invite Members who have pre-registered themselves as speakers. The Moderator will unmute the respective Member and enable participation.

If, due to connectivity constraints, a speaker is unable to join through video, he or she may participate through audio mode. For an uninterrupted experience, we recommend the use of earphones or headsets, minimizing background noise, closing unnecessary applications and ensuring a well-lit environment.

In case of any technical difficulties, the next registered speaker will be invited, and we shall revert to the original speaker once the issue is resolved. To ensure that every Member gets an opportunity to participate, we request speakers to keep their remarks to approximately two to three minutes.

Any question that cannot be responded to during the meeting will be answered in writing at the Member's registered email address. The helpline number for technical support is provided in the Notice convening the AGM.

Before we begin, I would like to say that an Annual General Meeting is often regarded as a statutory formality. We, however, prefer to view it as the one day in the year when the owners of the Company set the agenda and the Board is accountable to them.

This is your Company. Your questions, observations and scrutiny are what keep our governance strong, and they are genuinely welcome.

With these opening remarks, I now request our respected Chairman, Dr. Deepak Kumar Seth, to kindly take the Chair and conduct the proceedings of the meeting.

Thank you once again for joining us.

Dr. Deepak Kumar Seth
Chairman

Thank you, Abhishekh.

A very warm welcome once again to all our esteemed Members and Board Members joining us from across India and around the world.

It is a pleasure to welcome you to the 15th Annual General Meeting of PDS Limited. I trust that you and your families are safe, healthy and doing well.

As the requisite quorum is present, I hereby declare the 15th Annual General Meeting of the Company duly convened and open.

I am pleased to inform you that all the Directors of the Company are present at today's meeting, including the Chairpersons of the Audit Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee and Nomination & Remuneration Committee.

Allow me to introduce the distinguished Members of our Board:

- Mr. Parth Gandhi – Non-Executive, Non-Independent Director
- Ms. Yael Gairola – Non-Executive, Non-Independent Director
- Mr. Robert Sinclair – Independent Director
- Mr. Nishant Parikh – Independent Director
- Mr. B.G. Srinivas – Independent Director
- Ms. Sandra Campos – Independent Director

We are also joined by members of our Executive Leadership Team, who have played a critical role in the Company's performance and strategic direction:

- Mr. Sanjay Jain – Group CEO
- Mr. Sadik Sunasara – Group CFO
- Mr. Abhishekh Kanoi – Group General Counsel, Company Secretary & Compliance Officer

In addition, several heads of departments across our business verticals are also present virtually, reflecting the collaborative strength and diversity of our leadership team.

Joining us today are also our Statutory Auditors, Walker Chandiok & Co. LLP, our Secretarial Auditors, SGGS & Associates, and the Scrutinizers, Mr. Gaurav Sainani and Mr. Sunny Gogiya, Partners of SGGS & Associates, who will oversee the voting process to ensure that it is conducted in a transparent, fair and orderly manner.

In compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Members were provided with the facility to cast their votes through remote e-voting administered by our Registrar and Share Transfer Agent, MUFG Intime India Private Limited (formerly Link Intime India Private Limited).

Members who have not cast their votes through remote e-voting may do so electronically during the course of this meeting. The instructions for e-voting are set out in the Notice of the AGM. Members who have already voted through remote e-voting are welcome to participate in the meeting but will not be entitled to vote again.

The Notice convening this AGM together with the Annual Report for the financial year ended March 31, 2026, has already been circulated electronically to all Members. With your permission, I take the Notice as read.

The Auditors' Reports on the Standalone and Consolidated Financial Statements and the Secretarial Audit Report for the financial year ended March 31, 2026, do not contain any qualification, observation or adverse remark requiring further explanation. Accordingly, with your consent, I take the same as read.
I shall now proceed with my address to the Members.

(Chairman's Speech continues.)

Good morning, ladies and Gentlemen, Fellow Shareholders, Members of the Board and my colleagues.

A very warm welcome you to the 15th Annual General Meeting of PDS Limited.

Thank you for joining us today and for your continued trust and confidence in our Company.

FY2026 was a defining year-not because it was the easiest, but because it demonstrated the resilience of our business model and the discipline with which we continue to build our Company.

The global retail and sourcing landscape remained volatile, shaped by geopolitical developments, shifting trade policies, inflationary pressures, evolving consumer demand and ongoing supply chain realignments. Yet, amidst this uncertainty, one trend became increasingly evident, global retailers are no longer looking for vendors; they are looking for trusted, resilient and diversified strategic partners.
This is precisely where PDS is differentiated.

Our Annual Report this year is titled **"Resilient by Design."** This is more than a theme, it reflects the philosophy that has guided PDS for over two decades. Our diversified sourcing network, entrepreneurial operating model, disciplined capital allocation and strong governance have been deliberately built to navigate change while creating sustainable long-term value. At PDS, resilience is not a response to uncertainty, it is embedded in our design.

The environment today plays to the strengths of the business we have built. Our asset-light platform, diversified sourcing footprint and entrepreneurial model provide the agility to adapt quickly while operating at global scale. More importantly, PDS today is fundamentally different from the organisation we were a decade ago. We have evolved from being primarily a sourcing partner into a comprehensive fashion solutions platform, supporting customers across the entire value chain-from design and product development to sourcing, manufacturing, supply chain management and execution. This evolution has deepened customer relationships, increased our strategic relevance and positioned us to capture a greater share of customer opportunities.

During the year, we continued to strengthen this platform. We expanded our presence in North America, deepening relationships with existing customers while onboarding new retail partners. We also completed the acquisition of Knit Gallery, strengthening our manufacturing capabilities in India and further integrating our sourcing and production ecosystem. These investments reinforce our ability to deliver flexible, end-to-end solutions in an increasingly dynamic sourcing environment.

Against this backdrop, your Company delivered another year of resilient performance. Gross Merchandise Value reached ₹19,666 crore (US$2.23 billion), while revenue grew to ₹13,110 crore. Gross margins expanded by 50 basis points to 20.6%, supported by improved sourcing efficiencies, a stronger business mix and disciplined execution. While external market conditions weighed on overall profitability, the underlying quality of our earnings improved meaningfully.

More importantly, we significantly strengthened our balance sheet. Operating cash flows improved to ₹781 crore, net working capital reduced from 17 days to just 4 days, and net debt declined by 72% to ₹105 crore despite continued investments in strategic growth initiatives. These outcomes reflect the disciplined execution and financial prudence that continue to underpin our business.

FY2026 was also a year of purposeful transformation. We took several difficult but necessary decisions to strengthen the structural quality of our business. We streamlined leadership structures, intensified cost discipline, rationalised underperforming operations, sharpened capital allocation and reinforced our focus on profitable growth. At the same time, we initiated the simplification of our legal entity structure by selectively consolidating non-strategic entities, reducing complexity and strengthening governance. These were not short-term cost measures-they were strategic actions designed to build a leaner, more agile and scalable organisation capable of delivering sustainable value over the long term.

Alongside these initiatives, we continued to invest selectively in capabilities that will strengthen our competitive advantage. Our investments in the North America gained momentum, supported by new customer acquisitions and a clearer pathway towards profitability. Within PDS Ventures, we successfully completed two exits, generating attractive returns while reinforcing our disciplined approach to capital deployment.

Technology remains central to the future of PDS. During the year, we accelerated **Project PULSE**, our enterprise-wide transformation programme focused on procurement excellence, contract governance, trusted enterprise data and AI-enabled decision-making. Through intelligent sourcing, pricing analytics and workflow automation, we are improving productivity, strengthening margins and enhancing decision quality across the organisation.

We also launched **Project Butterfly**, a multi-year SAP S/4HANA transformation that will progressively connect our global operations through standardised processes, integrated systems and real-time visibility. Together, these initiatives are building a more connected, data-driven and scalable enterprise that will deliver lasting operational leverage.

Beyond business performance, we remain committed to creating meaningful impact in the communities we serve. Through initiatives such as Soham in India and Soham for All in Bangladesh, we continue to invest in education, livelihoods and social inclusion. We firmly believe that long-term business success must be accompanied by positive social impact.

As we look ahead, I remain optimistic about the opportunities before us. Global supply chains continue to evolve, sourcing networks are becoming more diversified, and customers increasingly value trusted partners with global capabilities, disciplined execution and financial strength. PDS is well positioned to capitalise on these structural shifts.

Before I conclude, I would like to express my sincere appreciation to our employees for their dedication, our customers and partners for their enduring trust, our Board for its guidance, and most importantly, our shareholders for your continued confidence and support.

Together, we have built a resilient business with strong foundations, and I am confident that the best chapters of the PDS story are still ahead of us.

Thank you.

CS Abhishekh Kanoi: Thank you, Sir.

Dear Members, the following five resolutions, as set out in the Notice convening this Annual General Meeting, are placed before the Members for their consideration and approval. I will take up each item of business for approval, resolution-wise.

1. Adoption of the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with the Reports of the Board of Directors and the Auditors thereon, and the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with the Report of the Auditors thereon.
2. Declaration of a final dividend of ₹1.65 per equity share for the financial year ended March 31, 2026.
3. Appointment of **Ms. Yael Gairola**, who retires by rotation and, being eligible, offers herself for re-appointment as a Director of the Company.

4. Re-appointment of **Mr. Robert Sinclair** as an Independent Director of the Company.
5. Re-appointment of **Mr. Nishant Parikh** as an Independent Director of the Company.

We shall now commence the Question-and-Answer Session with the Members who have registered themselves as speakers.

Before we begin, I would like to share a few guidelines for the Q&A session.

The registered speakers will be invited one by one. Members are requested to unmute their microphones before speaking and may also enable their webcams if they wish to appear on video. Responses to the queries raised will be provided after all the registered speakers have concluded their remarks.

Any question that cannot be taken up during the Meeting or requires information that is not immediately available will be responded to in writing at the Member's registered e-mail address. Members may also write to the Company Secretary at the Investor Relations e-mail address provided in the Notice of the AGM.

Members may also note that this AGM is being recorded. Accordingly, we request you not to disclose any sensitive personal information or personally identifiable information relating to yourself or any other person that has no bearing on the business of this Meeting.

I now request the Moderator to invite the registered speakers one by one.

Moderator Kalpana: Yes, Sir.

CS Abhishekh Kanoi: May we now invite the speakers, please?

Moderator Kalpana: Certainly, Sir.

Moderator Kalpana: I now invite Speaker No. 1, Mr. Narendra. Mr. Narendra, you are on the panel. Kindly enable your audio and video and proceed with your queries.

Mr. Narendra (Shareholder): Good afternoon, Mr. Chairman and Members of the Board. I extend my compliments to the Management for the Company's performance. I support all the resolutions set out in the Notice convening the AGM. Thank you very much.

Moderator: Thank you, Mr. Narendra.
Speaker No. 2, Mr. Manjeet Singh, is not present. I now invite Speaker No. 3, Ms. Reena Jain. Ms. Reena Jain, you are on the panel. Kindly enable your audio and video and proceed with your queries.

Ms. Reena Jain (Shareholder): Good afternoon. I would like to understand the Company's outlook in light of the prevailing international business environment. I also seek certain clarifications in respect of Item Nos. 3, 4 and 5 of the Notice convening the AGM.

Chairman: Thank you.

Moderator: Speaker No. 4, Ms. Neelam, is not present. I now invite Speaker No. 5, Mr. Bimal Kumar Agarwal. Mr. Agarwal, you are on the panel. Kindly enable your audio and video and proceed with your query.

Mr. Bimal Kumar Agarwal (Shareholder): Hello, can you hear me?

Moderator: Yes, we can hear you. Please proceed.

Mr. Bimal Kumar Agarwal (Shareholder): Good afternoon to the Chairman, Members of the Board, fellow shareholders and everyone joining this Meeting from different parts of the world.

Moderator: Sir, your audio is not clear.

Mr. Bimal Kumar Agarwal (Shareholder): Is it clear now?

Moderator: Yes, it is clear now. Please proceed.

Mr. Bimal Kumar Agarwal (Shareholder): I have one query regarding the number of foreign employees in the Company. That is all from my side. Thank you very much.

CS Abhishekh Kanoi: Sir, your voice is breaking.

Mr. Bimal Kumar Agarwal (Shareholder): My query is only regarding the number of foreign employees in the Company. Thank you very much.

CS Abhishekh Kanoi: Thank you so much.

Chairman: Thank you, Sir.

Moderator: I now invite Speaker No. 6, Ms. Lekha Shah. Madam, you are on the panel. Kindly enable your audio and video and proceed with your queries.

Ms. Lekha Shah (Shareholder): Hello. Am I audible, Madam?

Moderator: Yes, Madam, you are audible. Please proceed.

Ms. Lekha Shah (Shareholder): Good afternoon to the Chairman, Members of the Board, fellow shareholders and everyone present. I am Lekha Shah, joining this Meeting from Mumbai. I sincerely thank the Company for providing excellent investor services and for sending the Annual Report well in advance.

I found the Annual Report to be comprehensive, informative and well-presented. I also thank the Company Secretary and his team for their efforts in preparing the report.

I thank the Chairman for his insightful address and congratulate the Board of Directors and all employees for their dedication during the year. I appreciate the Company's performance and wish the Management continued success.

I have a few queries. Firstly, how is the Company managing global demand uncertainty and tariff-related risks? Secondly, what percentage of the Company's revenue is derived from Europe, the United Kingdom, the United States and other markets? Lastly, I would like to know whether the Company intends to continue holding general meetings through video conferencing in the future.

I support all the resolutions set out in the Notice convening the AGM. Thank you, Chairman Sir.

Chairman: Thank you. Thank you very much.

Moderator: I now invite Speaker No. 7, Mr. Raju Verma. Mr. Verma, you are on the panel. Kindly enable your audio and video and proceed with your queries.

Mr. Raju Verma (Shareholder): Hello.

Chairman: Please proceed.

Mr. Raju Verma (Shareholder): I have two queries. First, how will the Company's decision to add new business verticals impact its profitability, and what strategies does the Management intend to adopt during this period?

Secondly, what are the reasons for the delay in utilization of the Qualified Institutional Placement (QIP) proceeds of approximately ₹108 Crores, and will this delay have any impact on the Company's future plans?

Thank you.

Moderator: Thank you, Mr. Raju.
I now invite Speaker No. 8, Mr. Satish Jayantilal Shah. Sir, you are on the panel. Kindly enable your audio and video and proceed with your queries.

Mr. Satish Jayantilal Shah (Shareholder): Hello.

Moderator: Yes, Sir, you are audible. Please proceed.

Mr. Satish Jayantilal Shah (Shareholder): Thank you. Thank you.

Moderator: Thank you, Mr. Satish.
I now invite Speaker No. 9, Mr. Rajendra Jamnadas Sheth. Sir, you are on the panel. Kindly enable your audio and video and proceed with your queries.

Mr. Rajendra Jamnadas Sheth (Shareholder): Hello, am I audible?

Moderator: Yes, Sir, you are audible. Please proceed.
(The shareholder addressed the Meeting and raised his queries.)

Moderator: Thank you, Mr. Rajendra.
I now invite Speaker No. 10, Mr. Dnyaneshwar K. Bhagwat. Sir, you are on the panel. Kindly enable your audio and video and proceed with your queries.

Mr. Dnyaneshwar K. Bhagwat (Shareholder): Hello, Madam. My name is Dnyaneshwar K. Bhagwat. You may also address me as "D.K. Bhagwat."

First of all, I thank the Chairman, Mr. Deepak Kumar Seth, the Members of the Board and the Company Secretary, Mr. Abhishekh Kanoi, for providing me the opportunity to speak. I also extend my appreciation to all the Directors joining the Meeting from different locations across the world.

I sincerely thank the Company Secretary and his team for sending both the soft copy and physical copy of the Annual Report well in advance. The Annual Report is comprehensive, informative and prepared in line with good corporate governance practices.

I support all the agenda items set out in the Notice. The Chairman has already addressed the financial performance of the Company in detail; therefore, I do not have any queries on the financial results.

However, I have a few questions:
1. What is the Company's market share in the domestic and international markets?
2. How many new brands does the Company plan to add during the current financial year?
3. What initiatives is the Company planning to undertake to expand its business in India as well as internationally, including emerging markets?

I wish the Company continued success and extend my best wishes for the upcoming festive season. Thank you for allowing me to speak.

Moderator: Thank you, Mr. Bhagwat.

Speaker Nos. 11 and 12 were not available. Speaker No. 13, Mr. Murli, had left the Meeting. Accordingly, I now invite Speaker No. 14, Mr. Vinod Agarwal. Sir, you are on the panel. Kindly enable your audio and video and proceed with your queries.

Mr. Vinod Agarwal (Shareholder): Can you hear me?

Moderator: Yes, Sir.

Mr. Vinod Agarwal (Shareholder): Good afternoon to the Chairman, Members of the Board and fellow shareholders.

I have gone through the Annual Report. The Company achieved a Gross Merchandise Value of over ₹19,000 Crores and revenue of ₹13,210 Crores as compared to ₹12,628 Crores in the previous year, which is commendable considering the challenging global environment, including tariff-related developments and market volatility.

However, I noticed that despite higher revenues, the Company's profit after tax has declined. I would like to understand whether this is primarily attributable to inflationary pressures or higher operating costs, and which specific cost heads have impacted profitability.

Further, the Company has stated that it exited two ventures at a profit during the year. I would like to understand why the gains from these exits are not reflected under exceptional items in the financial statements.

Thank you for providing me the opportunity to speak. I appreciate the Company's growth and its global presence across numerous subsidiaries and sourcing locations. I wish the Company continued success.

Moderator: Thank you, Mr. Vinod Agarwal.
I now invite Speaker No. 15, Mr. Chetan Chadha. Sir, you are on the panel. Kindly enable your audio and video and proceed with your queries.

Mr. Chetan Chadha (Shareholder): Hello. Please confirm whether I am audible.

Moderator: Yes, Sir, you are audible. Please proceed.

Mr. Chetan Chadha (Shareholder): Thank you, Madam. Thank you for giving me the opportunity to speak. I am joining this AGM from New Delhi. I appreciate the efforts of the Company Secretary, his team and the Moderator for facilitating shareholders' participation in the Meeting.

I have gone through the Annual Report and have a few queries and observations. I would appreciate if the Management could provide clarifications on the following:

- The geographical revenue mix disclosed in the Annual Report, particularly the contribution from the United Kingdom, the United States, Europe and India, and the Company's strategy for expanding its presence in the Indian market.
- The Company's CSR initiatives, including contributions towards education, scholarships and support for school children.
- The increase in "Other Expenses" as disclosed in the financial statements and its impact on the Company's operating margins and profitability.
- The reasons for the movement in Earnings Per Share (EPS) and the contribution of other income to the overall profitability of the Company.
- The details relating to the Company's subsidiaries and associate entities as disclosed in the Annual Report.
- I request the Management to kindly address the above queries. Thank you.

Moderator: Thank you, Mr. Chetan.

I now invite Speaker No. 16, Mr. Reddeppa Gundluru. Sir, you are on the panel. Kindly enable your audio and video and proceed with your queries.

Mr. Reddeppa Gundluru: Thank you.
Respected Chairman, Directors, Group CFO, Company Secretary, Compliance Officer and fellow shareholders, good afternoon.

I am attending this meeting as a shareholder and I am very happy with the Company's performance.

Firstly, I thank the Company Secretary and the Investor Relations team for promptly sending me the physical copy of the Annual Report upon my request. I sincerely appreciate the Company's shareholder-friendly approach.

The Annual Report is excellent. I particularly liked the theme, **"Resilient by Design,"** which perfectly reflects the Company's journey, vision and long-term commitment to sustainable growth.

It is wonderful to see the remarkable scale achieved by the Company over the years. With more than 25 years of experience, operations across 22 countries, presence in over 50 geographies, partnerships with leading global brands and a workforce of around 12,000 employees, the Company has built an impressive global business model.

I also appreciate the Company's customer-centric approach, including its focus on design agility, supply chain diversification, inventory optimisation, margin protection, cost efficiency and sustainability.

I have the following questions:

1. The Company has recently secured a major sourcing services contract with a leading French retailer. What margin opportunities do you expect from this contract, and when will it begin making a meaningful financial contribution?
2. Under the Company's long-term **3-3-3 strategy**, what concrete initiatives are being implemented to improve margins towards the targeted **3%** level?
3. Since the Company operates across 22 countries, how is the Management mitigating risks arising from currency fluctuations, geopolitical uncertainties and freight cost volatility?
4. Following recent challenges faced by certain international retail partners, what additional safeguards has the Company implemented to reduce risks within its branded business segment?
5. In light of the **India–UK Free Trade Agreement**, how does the Company plan to expand its manufacturing and sourcing operations in India to capitalise on the opportunities arising from the agreement?

Finally, I congratulate the Board, Management and employees on the Company's achievements and wish the Company continued growth, higher profitability and greater value creation for shareholders.

I would also like to compliment the Chairman, the KMPs, the CFO and the entire team for preparing such an excellent Annual Report. They deserve appreciation for their efforts.

Moderator Kalpana: Thank you, Mr. Reddeppa. I now invite speaker number seventeen, Mr. Bharat Raj. Mr. Bharat Raj, you are on the panel. Kindly enable your audio and video and proceed with your question.

Mr. Bharat Raj K: Very good afternoon, Mr. Chairman. I would like to compliment you on your excellent Chairman's speech and the Company's performance during the financial year. I support all the resolutions proposed at this AGM. I also thank the Secretarial Department for preparing such a beautifully designed Annual Report. Compared to last year, this year's report is even more impressive. I request the Company to kindly share the link to the Annual Report with me.

I have a few questions:
1. Given the current geopolitical situation, what impact does the Management foresee on the Company's revenues, brands and exports?
2. Does the Company have any plans to expand its manufacturing operations in Bangladesh or Sri Lanka?
3. Does the Company have any plans to raise capital through a rights issue, Qualified Institutional Placement (QIP), or any other route to support future expansion?

Once again, I convey my best wishes to the Board and the Management for continued success in the coming years.

Thank you.

Moderator Kalpana: Thank you, Mr. Bharat Raj.

I now invite speaker number eighteen, Mr. Rajesh K. Chainani. Sir, you are on the panel. Please enable your audio and video and proceed with your question.

Mr. Rajesh K. Chainani: Hello, am I audible, sir?

Moderator Kalpana: Yes, you are audible. Please proceed.

Mr. Rajesh K. Chainani: Respected Chairman, Mr. Deepak Kumar Seth, Group CEO Mr. Sanjay Jain, esteemed members of the Board and fellow shareholders, good afternoon.

I am Rajesh K. Chainani, joining this meeting from Mumbai.

Firstly, I would like to thank the Company Secretary, Mr. Abhishekh Kanoi, for promptly sending me the physical copy of the Annual Report. The 374-page report is exceptionally well crafted. It is beautifully designed and reads almost like a fashion magazine. My compliments to everyone involved in preparing it.

I also thank the Board for recommending a dividend of ₹1.65 per equity share of face value ₹2 each.

I have been a shareholder for many years and have seen the Company consistently perform well. Although business conditions remain challenging globally, I am confident that the coming year will be even better for the Company.

As meetings are now largely conducted through virtual mode, we no longer get the opportunity to meet in person. Nevertheless, I support all the resolutions placed before the meeting.

I extend my best wishes to the Board, the Management and all fellow shareholders for the upcoming festive season and wish the Company continued success.
Thank you very much for giving me the opportunity to speak.

Moderator Kalpana: Thank you, Mr. Rajesh. Speaker number nineteen, Mr. Abhishek J., and speaker number twenty, Mr. Kaustubh Shah, have not joined the meeting. Accordingly, the session with the registered speakers stands concluded.

I now request the Company Secretary to kindly proceed with the meeting.

CS Abhishekh Kanoi: We are just waiting for the Chairman. In the meantime, I now request our Group CEO, Mr. Sanjay Jain, along with our Group CFO, Mr. Sadik Sunasara, to respond to the queries raised by the shareholders.

Mr. Sanjay Jain (Group CEO) : Thank you, Abhishekh. Can I be heard, please?

Mr. Sanjay Jain (Group CEO) : Thank you. Fellow shareholders, thank you for joining the AGM. We sincerely appreciate the time you have taken to participate in today's meeting.

I will endeavour to address all the questions raised by the shareholders. In case any question remains unanswered, my colleagues are making a note of the same, and we will ensure that each query is responded to separately.

On a lighter note, we have also taken note of the feedback from some shareholders who wished to interact directly with Mr. Abhishek. He has always remained accessible, and if anyone felt otherwise, I assure you that not only Mr. Abhishek, but I, Mr. Sadik, and the entire management team are always happy to engage with our shareholders. We will continue to strengthen this dialogue going forward.

With respect to the questions raised on employee attrition, as of March 31, 2026, including the employees of Mid Gallery acquired during the year, the Company had approximately 4,900 employees. The overall attrition rate during the year was around 7%, which remains well under control.

We are also pleased to share that, with the support of our employees, HR team and business leaders, the Company has been recognised as a Great Place to Work across ten locations. The low attrition rate together with this certification reflects the Company's strong employee engagement practices.

Regarding the query on foreign employees, the Company operates through more than 90 offices across 22 countries and is committed to treating all employees fairly, irrespective of geography or nationality.

Out of the total workforce of approximately 4,900 employees, around 350 employees are based in India, representing nearly 6-7% of the total employee base. The remaining employees are spread across more than 20 countries where the Company operates.

Several shareholders also sought clarification regarding the Company's revenue mix and the impact of geopolitical developments.

The Company has always followed a strategy of maintaining a diversified customer and geographic portfolio. We ensure that no single customer contributes more than approximately 7-8% of the Company's overall revenue.
Our revenue distribution is broadly as follows:

- Approximately 45-50% from the United Kingdom;
- Around 25% from Europe, including Germany, Ireland, the Netherlands and other European countries;
- Approximately 18-19% from the United States; and
- The balance from India and other international markets.

This diversified revenue profile helps mitigate geopolitical and market-specific risks.

Some shareholders also enquired about the Company's India strategy.

India continues to remain an important market for the Company. As an Indian-origin company, we remain closely aligned with the country's growth story. The Indian apparel market today is estimated at nearly USD 100 billion and is among the fastest-growing markets globally, with an estimated annual growth rate of around 12%.

The Company has steadily strengthened relationships with leading Indian retailers such as Reliance and Trent, showcasing its design and sourcing capabilities.

More importantly, the Company remains committed to supporting the Government of India's initiatives to promote textile and apparel exports. With the signing of Free Trade Agreements with the UK and Europe, India has become an increasingly attractive sourcing destination.

In line with this vision, the Company acquired a manufacturing business in India to demonstrate its manufacturing capabilities to global customers. While the acquired business currently has an annual turnover of around ₹300 Crores, we believe there are several similar small and medium-sized manufacturing enterprises in India that can benefit from the Company's global customer network.

Accordingly, while domestic revenue opportunities remain important, the Company's broader strategic focus is to strengthen India's position as a global sourcing hub by enabling exports through its international customer relationships.

Several shareholders also sought guidance on the Company's future outlook.

Although FY 2025-26 remained a challenging year and revenue growth was approximately 4% in rupee terms, the Company closed the year with an order book nearly 11% higher than the previous year.

Over the past four to five years, the Company has consistently delivered an average revenue growth of around 11-12%, and management remains confident of sustaining this growth trajectory.

During the past few months, the Company has signed strategically important sourcing agreements, including:

- A sourcing-as-a-service agreement with a large European retailer having the potential to generate approximately USD 1 billion GMV over four years; and
- Earlier, a similar strategic arrangement with a leading US retailer.

These long-term customer engagements, together with the Company's strengths in design-led sourcing, sourcing-as-a-service, brand management, category management and manufacturing capabilities, provide confidence that the Company will continue to strengthen its growth momentum.

With sustained revenue growth, increasing focus on higher-margin businesses, operating leverage and stronger operating cash flows leading to lower borrowings, management believes that over the next four to five years, the Company's profitability should grow at a faster pace than revenue.

On the dividend policy, the Company continues to follow its stated intent of maintaining a dividend payout of approximately 25% of the profit attributable to public shareholders.

Each year, management places an appropriate recommendation before the Board after considering the Company's capital requirements, future growth opportunities and the prevailing global economic environment. While the Company remains committed to this payout philosophy, the Board will continue to adopt a balanced approach based on the Company's future needs.

Several shareholders also raised questions regarding investments in new business verticals.
Investments in new verticals are a core component of the Company's long-term strategy. These investments may involve entering new customer relationships, new product categories, new geographies or strengthening manufacturing capabilities, such as the acquisition made in India.

Typically, these investments require around two years before reaching PBT breakeven. During this initial period, the related expenditure is fully charged to the Profit & Loss Account.

Although the global environment over the past few years has impacted revenue growth, management consciously reduced investments in new verticals by approximately 25% during FY 2025-26. During the current year, such investments are expected to reduce to nearly half of the peak investment level recorded in FY 2024-25.

Management believes these investments remain essential for the Company's long-term growth.

With regard to the utilisation of QIP proceeds, the unutilised funds continue to be deployed strictly in accordance with applicable laws and all statutory disclosures are being made. As highlighted by the Chairman, the Company generated operating cash flows exceeding ₹700 Crores during the year, providing a strong liquidity position. Management remains cautious and will utilise the QIP proceeds only for strategically evaluated investments aligned with the Company's long-term growth plans.

Some shareholders also sought clarification regarding the decline in profitability. FY 2025-26 was a challenging year due to modest revenue growth, continued investments in new verticals and certain customer-specific developments. For example, one of the Company's UK customers significantly reduced sourcing volumes due to internal strategic decisions, while another customer in Germany also experienced business challenges.

Despite these temporary headwinds, the Company has maintained strong credit discipline and believes these issues are short-term in nature. Management remains confident that FY 2026-27 will witness a recovery in profitability.

With regard to the gain arising from the PDS Ventures transaction, the profit has been recognised through the Balance Sheet in accordance with applicable accounting standards and not through the Profit & Loss Account. Accordingly, it forms part of Non-Controlling Interest (NCI) and has been accounted for in compliance with applicable accounting requirements.

Some shareholders also commented on the manufacturing business. Manufacturing currently contributes approximately ₹1,000 Crores of revenue, while the Company's principal business continues to be design-led sourcing and sourcing-as-a-service.

The Company views manufacturing as an important strategic capability that enhances customer confidence and enables larger sourcing opportunities. The recent investment in manufacturing in India reflects this philosophy. However, the Company does not intend to undertake significant manufacturing investments going forward, but rather use these capabilities to strengthen its core sourcing business.

With regard to the Kids category, revenue contribution increased from approximately 20% in FY 2024-25 to around 24% in FY 2025-26, representing nearly 21% growth, significantly ahead of the Company's overall revenue growth.

The acquisition of Mid Gallery has further strengthened the Company's capabilities in this category and management expects this business segment to continue growing.

On Corporate Social Responsibility, the Company remains committed to contributing beyond statutory requirements. While the Companies Act prescribes CSR spending of approximately 2% of standalone profits, the Company continues to invest beyond the mandated level.
Operating across more than 90 offices in over 20 countries, the Company actively supports communities affected by natural disasters, including earthquakes, floods and other humanitarian crises. Through its subsidiaries and the parent company, support is extended wherever required.

The Company also continues to support the Soham School in Hyderabad, where over 200 children are currently receiving education. In addition, the Company remains engaged in plantation drives, educational support initiatives and employee welfare programmes across its global operations.
Several shareholders also referred to the decline in Earnings Per Share (EPS).

Management clarified that the reduction in EPS was a direct consequence of lower profitability during the year. However, with improving revenue growth, higher-margin initiatives and stronger operating performance, the Company expects EPS to improve in the coming years. The Company also appreciates the shareholders' recognition of its employee stock option initiatives implemented over the past several years through both primary issuances and secondary trust structures.

Finally, with respect to the Company's long-term 3-3-3 strategy, management reiterated its commitment to gradually improving PAT margins from the current level of approximately 1.2% towards 2%, and ultimately achieving a 3% PAT margin over the longer term.

Under the leadership of the Chairman and Executive Vice Chairman, a clear strategic roadmap has been established, and the management team remains fully committed to its execution.

Regarding foreign exchange exposure, although the Company operates across multiple countries, more than 90% of both its revenues and procurement are denominated in US Dollars, providing a natural hedge. Only a relatively small portion of operating expenses, such as employee costs in countries like the UK and Türkiye, are incurred in local currencies. The Company has an established foreign exchange risk management framework to manage such exposures prudently.

Dr. Deepak Kumar Seth (Chairman):
The overall size...

Mr. Sanjay Jain (Group CEO):
...but we do have policies in place to take care of that.

With regard to your question on risk mitigation, our diversified presence across countries and customers, along with the foreign currency management framework that I just explained, places the Company in a strong position.

Geopolitical disturbances are unfortunately becoming a recurring reality, although we all sincerely hope that the world moves towards complete peace. The Company's business model has been carefully built over the past fifteen years, and this diversified structure provides us with the resilience to withstand such geopolitical disruptions.

In fact, where certain customers have been impacted by geopolitical events, they have often been acquired or merged with larger retailers. Owing to the strong relationships we maintain with leading global customers across multiple geographies, we believe that our risk mitigation framework is robust. At the same time, we remain focused on converting such challenges into opportunities. As an example, during the COVID period, the Company performed well by adapting quickly to the changing environment.

A couple of shareholders also raised queries regarding the unutilised QIP proceeds. At present, we do not foresee any requirement for another Qualified Institutional Placement (QIP) or a Rights Issue in the near or medium term. The Company continues to generate healthy operating cash flows and still has sufficient unutilised QIP proceeds. We therefore intend to utilise our strong balance sheet and cash flows to support future growth.

As I mentioned earlier, the Company closed FY 2025-26 with an order book that was approximately 11% higher than the previous year. While FY 2025-26 witnessed a decline in profitability, we remain confident that FY 2026-27 will deliver improved performance.

Mr. Chairman, I have attempted to address all the questions.

There is one additional point regarding Artificial Intelligence.

We see Artificial Intelligence (AI) as an important capability that can significantly enhance the services we provide to our customers.

The Company currently has more than 270 designers. As we aspire to double the scale of our business over the next four to six years, we do not necessarily expect the number of designers to double as well. Instead, we aim to equip our designers with AI-enabled tools that enhance productivity and improve the quality and effectiveness of their designs.

Apart from supporting revenue growth, AI also contributes to our sustainability objectives. Better design capabilities lead to improved product development, reduced sampling, lower inventory wastage and fewer garments ending up in landfills.

Under the leadership of our Chief Information Officer, the Company has been actively implementing AI initiatives. In addition, we have launched Project Butterfly, under which our existing SAP platform is being migrated to SAP S/4HANA. Artificial Intelligence, SAP S/4HANA, cybersecurity and digital transformation together form integral pillars of the Company's long-term IT and digital strategy.

Over to you, Sir.

Dr. Deepak Kumar Seth (Chairman):

Thank you, Sanjay.

I believe you have covered the shareholders' questions very comprehensively. If any shareholder still has any pending queries, they are most welcome to write to the Secretarial Department, and we will be pleased to respond to them.

I would also like to apologise as I experienced a brief technical glitch during the meeting, due to which I was disconnected for a short while. Thankfully, I was able to rejoin.

One of the speakers was requested to conclude his remarks because he had exceeded the allotted speaking time. He was requested to send his remaining queries to the Secretarial Department, and I assure everyone that those queries will be duly responded to. This was done purely from a compliance perspective, and I would like to reiterate that PDS maintains a zero-tolerance approach towards non-compliance.

Before we conclude, I would like to share a broader perspective on PDS.

Our customers are among the leading retailers across Europe, North America, Canada and Australia, where consumer demand continues to remain resilient.

Our sourcing and manufacturing operations are spread across countries such as India, Bangladesh, Indonesia, Vietnam, China and Cambodia. These sourcing markets themselves are not directly affected by the ongoing geopolitical conflicts.

The primary impact of the geopolitical situation has therefore been on logistics costs, freight rates and transportation expenses, particularly due to developments in the Middle East, which have placed some pressure on margins and profitability.

However, PDS enjoys significant brand equity and long-standing strategic relationships with many of the world's leading retailers. These are long-term partnerships built on trust, and at times we consciously invest more in these relationships before the full benefits become visible.

We therefore believe that the Company is well positioned to navigate the current environment.

On behalf of the Board of Directors and the Management Team, I sincerely thank each of you for taking the time to participate in today's Annual General Meeting through video conferencing and other audio-visual means.

Your continued trust, engagement and confidence in the governance of PDS Limited are deeply appreciated.

I would also like to place on record my sincere appreciation for our Company Secretary and Compliance Team for ensuring the smooth conduct of today's AGM in a virtual format.

With this, I authorize Mr. Abhishekh Kanoi, Group General Counsel and Company Secretary, to oversee the conclusion of the voting process, formally close the meeting, and declare the voting results upon receipt of the Scrutinizer's Report.

The voting results, together with the Scrutinizer's Report, will be submitted to the Stock Exchanges within two working days of the conclusion of this meeting and will also be hosted on the Company's website and the website of MUFG Intime India Private Limited.

The e-voting facility will remain open for the next 15 minutes to enable those members who have not yet cast their votes to do so.

Thank you once again for joining us today.

I wish you all a very good year ahead, good health and continued success.

God bless you all.

CS Abhishekh Kanoi (Group General Counsel & Company Secretary):

Thank you, Sir.

I would also like to thank our Group CEO, Mr. Sanjay Jain, for taking the time to respond to the various questions raised by our shareholders.

In keeping with the Company's commitment to transparency and shareholder participation, eligible members were provided with the facility of remote e-voting from 9:00 AM on Tuesday, July 28, 2026 until 5:00 PM on Thursday, July 30, 2026.

The cut-off date for determining the eligibility of members for remote e-voting was Friday, July 24, 2026.

Members attending today's AGM who have not yet exercised their voting rights through remote e-voting have also been provided with a live e-voting facility, which is presently open.

We encourage all eligible members who have not yet voted to cast their votes during the available time so that their views are reflected in the decision-making process of the Company.

To ensure fairness and transparency, the Board has appointed Mr. Gaurav Sainani and Mr. Sunny Gogiya, Partners of SGGS & Associates, Practicing Company Secretaries, as the Scrutinizers for the voting process.

The Scrutinizers will submit a consolidated report on the remote e-voting and voting conducted during this meeting to the Chairman or any person authorized by him, within the prescribed timelines.

The voting results, together with the Scrutinizer's Report, will be submitted to the Stock Exchanges within two working days of the conclusion of this meeting and will also be hosted on the websites of the Company and MUFG Intime India Private Limited.

The resolutions passed with the requisite majority shall be deemed to have been passed on the date of this Annual General Meeting.

The live e-voting facility will remain open for the next 15 minutes. Members who have not yet cast their votes are requested to do so within the stipulated time.

As there is no other business to transact, and with the consent of the members present, I now declare the 15th Annual General Meeting of PDS Limited concluded.

On behalf of the Board of Directors and the Management Team, I thank you all once again for your participation, your continued trust and your valuable support.

I wish each one of you good health, safety and continued success.

Thank you.

Dr. Deepak Kumar Seth (Chairman): Thank you, everyone. God bless. Thank you.

Mr. Robert Sinclair: Thank you.

CS Abhishekh Kanoi: Thank you.

Ms. Sandra Campos: Thank you.

Moderator Kalpana: Thank you, everyone. The meeting is now concluded. I request all the panel members to kindly exit the meeting.

Thank you.