

PDS/SE/2024-25/85

October 30, 2024

Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai -400 051 Scrip Symbol: PDSL	Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 538730
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Re: ISIN - INE111Q01021

Sub: Monitoring Agency Report for the quarter ended September 30, 2024

Dear Sir/ Madam,

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 173A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, enclosed herewith is Monitoring Agency Report for the quarter ended September 30, 2024, issued by CRISIL Ratings Limited, Monitoring Agency, appointed to monitor the utilisation of proceeds of the funds raised through Qualified Institutional Placement.

The aforesaid Report has been considered by the Audit Committee and Board of Directors in their respective Meetings held on October 29, 2024. Further, please note that there has been no deviation in the utilisation of proceeds of the funds raised through Qualified Institutional Placement.

This disclosure is being uploaded on the Company's website at www.pdsltd.com.

We request you to kindly take the above information on record for the purpose of dissemination to the shareholders.

Thanking you,

Yours faithfully,
for **PDS Limited**

Abhishekh Kanoi
Head of Legal & Company Secretary
ICSI Membership No.: F-9530

Encl.: As above

Monitoring Agency Report
for
PDS Limited
for the quarter ended
September 30, 2024

CRI/SEP/PDSL/2024-25/1207

October 30, 2024

To

PDS Ltd

971, Solitaire Corporate Park,
Andheri Ghatkopar Link Road, Andheri East,
Mumbai - 400093, Maharashtra, India

Dear Sir,

Sub: Monitoring Agency Report for the quarter ended September 30, 2024 in relation to the Qualified Institutional Placement (QIP) of PDS Limited ("the Company")

Pursuant to Regulation 173A of Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated August 22nd, 2024 entered with the Company, we enclose the Monitoring Agency Report, issued by CRISIL Ratings Limited, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of Qualified Institutional Placement for the quarter ended September 30, 2024.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of CRISIL Ratings Limited



Sushant Sarode

Director, Ratings (LCG)

Report of the Monitoring Agency (MA)

Name of the issuer: PDS Limited

For quarter ended: September 30, 2024

Name of the Monitoring Agency: CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Sushant Sarode

Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

1) Issuer Details:

Name of the issuer: PDS Limited

Names of the promoter: a. Payel Seth
b. Deepak Kumar Seth
c. Pallak Seth

Industry/sector to which it belongs: Trading - Textile Products

2) Issue Details

Issue Period: Thursday, August 22, 2024, to Tuesday, August 27, 2024

Type of issue: Qualified Institutional Placement

Type of specified securities: Equity Shares

IPO Grading, if any: NA

Issue size: Rs. 43,000 lakhs. (Refer Note 1)

Note 1:

Particulars	Amount as per Placement Document (Rs. In lakhs)
Gross Proceeds	43,000.00
Less: Offer Expenses	1,944.04*
Net Proceeds	41,055.96

*As per the placement document, the approximate issue related expense is Rs. 1,944.04 lakhs. The issue expenses incurred during the quarter ended September 30, 2024 amount to Rs. 1,568.57 lakh with the remaining Rs. 375.47 lakhs unspent and held as balance in the QIP Monitoring Account as per the Management Undertaking & Certificate dated October 23rd, 2024 issued by MLR and Associates LLP, Chartered Accountants (Firm Registration Number: 138605W), Peer Reviewed Independent Chartered Accountant.

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Placement Document?	Yes	Bank Statements, Placement Document, Management Undertaking, Peer Reviewed Independent Chartered Accountant Certificate [^]	Proceeds are utilised as per the disclosures provided in the Placement Document dated 27 th August 2024	No Comment
Whether shareholder approval has been obtained in case of material deviations [#] from expenditures disclosed in the Placement Document?	NA	Management Undertaking, Peer Reviewed Independent Chartered Accountant Certificate [^]	There are no deviations from the expenditures disclosed in the Placement Document. Hence no approval is required.	No Comment
Whether the means of Finance for the disclosed objects of the issue has changed?	NA		There is no change in the means of finance for disclosed objects.	No Comment
Is there any major deviation observed over the earlier monitoring agency reports?	NA		Not applicable as this is the first report.	No Comment
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes		No Comment	No Comment
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		No Comment	No Comment
Are there any favourable events improving the viability of these object(s)?	NA		No Comment	No Comment
Are there any unfavourable events affecting the viability of these object(s)?	NA		No Comment	No Comment
Is there any other relevant information that may materially affect the decision making of the investors?	No		No Comment	No Comment
[#] Where material deviation may be defined to mean: - (a) Deviation in the objects or purposes for which the funds have been raised. (b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the Placement Documents.				

NA represents Not Applicable

[^]Certificate dated October 23rd, 2024 issued by MLR and Associates LLP, Chartered Accountants (Firm Registration Number: 138605W), Peer Reviewed Independent Chartered Accountant

Ratings

4) Details of object(s) to be monitored:

i. Cost of the object(s):

Sr. No.	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Placement Document) (Rs. in lakh)	Revised Cost (Rs. in lakh)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Repayment/pre-payment, in full or in part, of certain borrowings availed by the Company and certain of its Subsidiaries	Management undertaking, Peer Reviewed Independent Chartered Accountant Certificate^, Placement Document	27,950.00	No Revision	No Comment	No Comment		
2	Pursuing strategic unidentified acquisitions, and other inorganic growth opportunities and general corporate purposes*		13,105.96	No Revision	No Comment	No Comment		
Total		-	41,056.96	-	-	-		

* The amount to be utilized for pursuing strategic unidentified acquisitions and inorganic growth opportunities and general corporate purposes does not exceed 35% collectively of the Gross Proceeds and individually does not exceed 25% of Gross Proceeds.

^Certificate dated October 23rd, 2024 issued by MLR and Associates LLP, Chartered Accountants (Firm Registration Number: 138605W), Peer Reviewed Independent Chartered Accountant

ii. Progress in the object(s):

Sr. No.	Item Head#	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Placement Document (Rs. in lakh)	Amount utilized (Rs. in lakh)			Total unutilized amount (Rs. in lakh)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Repayment/prepayment, in full or in part, of certain borrowings availed by the Company and certain of its Subsidiaries	Management undertaking, Peer Reviewed Independent Chartered Accountant Certificate [^] ,	27,950.00	0.00	8,400.00	8,400.00	19,550.00	Refer Note 1	No Comment	
2	Pursuing strategic unidentified acquisitions, and other inorganic growth opportunities and general corporate purposes	Bank Statements Placement Document	13,105.96	0.00	0.00	0.00	13,105.96	No Comment	No Comment	
Total		-	41,055.96	0.00	8,400.00	8,400.00	32,655.96	-	-	

[^]Certificate dated October 23rd, 2024 issued by MLR and Associates LLP, Chartered Accountants (Firm Registration Number: 138605W), Peer Reviewed Independent Chartered Accountant

Note 1: As per the Placement Document, a part of the issue proceeds is to be utilized towards repayment of certain borrowings availed by PDS Limited "the Company" and its subsidiaries. Accordingly, Rs. 8,400.00 lakhs were utilized by the company for repayment of bank overdraft facilities availed by its step-down subsidiary - New Lobster Limited (registered in UK) during the quarter ended 30 September 2024. The said proceeds were infused by the Company into its wholly owned subsidiary, Multinational Textile Group Limited (MTGL) (registered in Mauritius) by way of equity which in turn funded step down subsidiaries viz., PDS Sourcing Ltd (registered in Mauritius, subsidiary of MTGL) and then to PDS Lifestyle Ltd (registered in UK, Subsidiary of PDS Sourcing Ltd) and in the end utilized in New Lobster Ltd (registered in UK, subsidiary of PDS Lifestyle Ltd) by way of loan. New Lobster Ltd has utilised the proceeds towards repayment of its outstanding bank overdraft facilities of GBP 75.60 lakhs.

All figures in the above table are rounded off to nearest two decimal places.

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
<p>Repayment/pre-payment, in full or in part, of certain borrowings availed by the Company and certain of its Subsidiaries</p>	<p>The Company proposes to utilise a portion of the Net Proceeds aggregating to Rs 27,950.00 lakhs for repayment or prepayment, in full or in part, of certain outstanding borrowings availed by our Company and/or some of our Subsidiaries, including, (i) PDS Brands Manufacturing Limited, (ii) Norwest Industries Limited, (iii) Techno Design HK Limited, (iv) Simple Approach Limited, (v) Zamira Fashion Limited, (vi) Spring Near East Manufacturing Company Limited, (vii) PDS Far East Limited, (viii) Poeticgem International Limited, (ix) PDS Asia Star Corp Limited, (x) Krayons Sourcing Limited, (xi) PDS Tailoring Limited, (xii) 360 Notch Limited, (xiii) Design Arc Asia Limited, (xiv) Twins Asia Limited, (xv) Jcraft Array Limited, (xvi) Styleberry Limited, (xvii) Sourcing Solutions Limited, (xviii) Grupo Sourcing Limited, (xix) PG Group Limited, (xx) PG Home Group Limited, (xxi) PDS Fashion USA Limited, (xxii) Design Arc FZCO and (xxiii) New Lobster Limited. The selection and extent of borrowings proposed to be repaid by the Company and/or the Identified Subsidiaries is based on various commercial considerations.</p>
<p>Pursuing strategic unidentified acquisitions, and other inorganic growth opportunities and general corporate purposes</p>	<p>The Company proposes to utilise up to Rs 13,105.96 lakhs towards funding general corporate purposes and pursuing strategic unidentified acquisitions, and other inorganic growth opportunities, subject to (i) such amount not exceeding 35% of the amount being raised in the Issue and (ii) the total amount utilized towards inorganic growth by way of acquisition of targets that have not been identified in this Placement Document or the general corporate purposes, individually, not exceeding 25% of the amount being raised in the Issue.</p> <p>The Company and its Subsidiaries will continue to selectively pursue opportunities for evaluating potential targets for strategic investments, merger, acquisitions and partnerships, that complement and enhance our product and service offerings, strengthen or establish our presence in our targeted markets and customer portfolio of the target entities, benefits the development of our existing products.</p> <p>The general corporate purposes for which the Company proposes to utilise the Net Proceeds include, but not limited to, meeting exigencies, brand building, meeting working capital requirements enhancing IT capabilities, meeting operating expenses and capital expenditure for and incurred by the Company and our Subsidiaries in the ordinary course of business, as applicable. The allocation or quantum of authorized funds towards each of the above purposes will be determined by the Board, based on the business requirements of the Company and other relevant considerations, from time to time. The Company's management shall have flexibility in authorize surplus amounts, if any.</p>

iii. Deployment of unutilised proceeds[^]:

Sr. No:	Type of instrument and name of the entity invested in	Amount invested (Rs. in lakh)	Maturity date	Earnings* (Rs. in lakh)	Return on investment (%)	Market Value as at end of quarter (Rs. in lakh)
1	FD No. 924040092418599 with AXIS Bank	2,500.00	11-11-24	12.47	6.50%	2,512.47
2	FD No. 924040092416977 with AXIS Bank	2,500.00	11-11-24	12.47	6.50%	2,512.47
3	FD No. 924040092424897 with AXIS Bank	2,500.00	11-11-24	12.47	6.50%	2,512.47
4	FD No. 924040092418489 with AXIS Bank	2,500.00	11-11-24	12.47	6.50%	2,512.47
5	FD No. 924040092418517 with AXIS Bank	2,500.00	11-11-24	12.47	6.50%	2,512.47
6	FD No. 073121170051 with HSBC Bank	1,250.00	12-11-24	5.92	6.40%	1,255.92
7	FD No. 073121170052 with HSBC Bank	1,250.00	12-11-24	5.92	6.40%	1,255.92
8	FD No 005710051612 with ICICI Bank	4,500.00	11-11-24	22.44	6.50%	4,522.44
9	FD No 005710051609 with ICICI Bank	2,500.00	11-11-24	12.47	6.50%	2,512.47
10	FD No 005710051610 with ICICI Bank	2,500.00	11-11-24	12.47	6.50%	2,512.47
11	FD No 005710051611 with ICICI Bank	2,500.00	11-11-24	12.47	6.50%	2,512.47
12	FD No 005710051599 with ICICI Bank	2,500.00	02-10-24	11.03	5.75%	2,511.03
13	FD No 005710051598 with ICICI Bank	3,100.00	02-10-24	13.67	5.75%	3,113.67
14	ICICI Bank QIP Monitoring Account No 005705029310 (Refer Note 1)	431.43	NA	NA	NA	431.43
	Total	33,031.43	-	158.74	-	33,190.17

[^]Certificate dated October 23rd, 2024 issued by MLR and Associates LLP, Chartered Accountants (Firm Registration Number: 138605W), Peer Reviewed Independent Chartered Accountant

Note 1: The balance in QIP Monitoring Account is inclusive of unspent issue expenses of Rs. 375.47 lakhs.

*Monitoring the deployment of Interest Income earned from unutilised proceeds does not form part of the scope of Monitoring Agency report.

NA represents Not Applicable

All figures in the above table are rounded off to nearest two decimal places

iv. Delay in implementation of the object(s)

On the basis of Management undertaking & Certificate dated October 23rd, 2024 issued by MLR and Associates LLP, Chartered Accountants (Firm Registration Number: 138605W), Peer Reviewed Independent Chartered Accountant

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Placement Document	Actual		Reason of delay	Proposed course of action
Not applicable					

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the Placement Document^:

Item Head	Amount (Rs. in lakhs)	Comments of Monitoring Agency
No utilisation during the quarter ended September 30, 2024 hence this section is not applicable		

^On the basis of Management undertaking & Certificate dated October 23rd, 2024 issued by MLR and Associates LLP, Chartered Accountants (Firm Registration Number: 138605W), Peer Reviewed Independent Chartered Accountant

Disclaimers:

- a) *This Report is prepared by CRISIL Ratings Limited (hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.*
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