

ANNEXURE-1

DISCLOSURE PURSUANT TO REGULATION 14 OF THE SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 FOR THE FINANCIAL YEAR 2020-21

General Disclosures

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time.

All relevant disclosures have been made in the Financial Statements.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. - Not Applicable

Scheme Specific Disclosures

Sr. No.	Details of ESOP	PDS Multinational Fashions Limited - Employee Stock Option Plan 2021 (PDS ESOP 2021)
1	A description of each ESOP that existed at any time during the year, including the general terms and conditions of each ESOP including:	The Company at present has only one ESOP Scheme namely, PDS ESOP 2021.
2	Date of Shareholders Approval	February 25, 2021
3	Total No. of Options approved under ESOP	5,31,565 Stock Options
4	Vesting Requirements	The Nomination and Remuneration Committee may specify certain vesting conditions pursuant to which the Options may vest with the relevant Eligible Employee. The specific vesting schedule and vesting conditions would be determined by the Nomination and Remuneration Committee and identified in the grant letter issued to the Option grantee.
5	Maximum Term of Options Granted	Options granted shall be capable of being exercised within a period of 3 (Three) Years from the date of vesting.
6	Exercise Price or Pricing Formula	The Exercise price in respect of the Option shall be determined by the Nomination and Remuneration Committee and shall be notified to the Option Grantees in the grant letter. The Exercise Price may be equal to or less than the market price of the Equity Shares of the Company, as determined by the Nomination and Remuneration Committee from time to time but shall not be less than the face value of the underlying Equity Share.
7	Source of Shares	Primary
8	Variation in Terms of Options	Subject to Applicable Laws, the Nomination and Remuneration Committee, may if it deems necessary, vary the terms of PDS ESOP 2021 which are not prejudicial to the interests of the Option Grantees, subject to compliance with the Applicable Laws and Regulations. During the year, no amendment/ modification/ variation has been introduced in terms of options granted by the Company.
9	Method of Option Valuation	Indian Accounting Standards (Ind AS) has been adopted by Company in previous financial year and accordingly, the Company has accounted the stock options at Fair Value Method.
10	Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options (if method is Intrinsic Value Method)	Not Applicable

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Independent Auditor's Certificate pursuant to the requirements of Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (as amended)

To,
The Board of Directors
PDS Multinational Fashions Limited
758 & 759, 2nd Floor, 19th Main, Sector – 2,
HSR Layout, Bengaluru- 560102,
Karnataka, India

1. This certificate is issued in accordance with the terms of our engagement letter dated 9 July 2021 with PDS Multinational Fashions Limited ('the Company').
2. The Company has passed a special resolution in its Extra-ordinary General Meeting (EGM) dated 25 February 2021 ('shareholders' resolution') under Section 62(1) of the Companies Act, 2013 ('Act') to approve the PDS Multinational Fashions Limited- Employee Stock Option Plan 2021('Scheme'). In accordance with the requirements of Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014 (as amended) ('Regulations'), the management of the Company is required to submit this certificate for the aforementioned Scheme at the forthcoming AGM.

Management's Responsibility

3. The management of the Company is responsible for preparation and maintenance of all accounting, secretarial and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant for such purpose.
4. The management is also responsible for the implementation of the Scheme in accordance with the provisions of the Regulations and the shareholders' resolution, ensuring that the Company complies with the requirements of the Equity Listing Agreement, and furnishing the requisite information to the Securities and Exchange Board of India.

Auditor's Responsibility

5. Pursuant to the requirement of Regulation 13 of the Regulations, it is our responsibility to provide reasonable assurance in the form of an opinion that the Scheme has been implemented in compliance with the Regulations, to the extent applicable, and the shareholders' resolution during the year ended 31 March 2021.

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6. We conducted our examination for the purpose of this certificate in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.
8. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the reporting criteria. We have performed the following procedures:
 - i. Obtained the details of eligible directors/employees. However, no stock options were granted to any eligible directors/employees during the year ended 31 March 2021.
 - ii. Obtained a copy of the Scheme duly approved by the Board of Directors of the Company.
 - iii. Obtained a copy of the shareholders' resolution and corresponding notice of the EGM held 25 February 2021.
 - iv. Reviewed the minutes of the EGM held on 25 February 2021 noting the approval accorded to management to issue the Scheme to the employees/directors of the Company.
 - v. Obtained the copy of the in-principle approvals from NSE Limited dated 18 March 2021 and BSE Limited dated 8 April 2021.
 - vi. Compared the provisions of the Scheme with the Regulations, to the extent applicable, and with the shareholders' resolution.
 - vii. Reviewed the minutes of meetings of relevant committees including the compensation committee, Board of Directors and General Meetings held in the Company during the year ended 31 March 2021.
 - viii. Reviewed the secretarial records maintained by the Company during the year ended 31 March 2021.
 - ix. Traced the aforesaid information to the audited financial statements and other relevant records and documents of the Company for the year ended 31 March 2021.
 - x. Obtained requisite written representations from the Company's authorised personnel.
9. The audited financial statements referred to in paragraph 8 above, have been audited by us, on which we expressed an unmodified audit opinion vide our report dated 27 May 2021. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the ICAI. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

Opinion

10. Based on our examination, as above, and the information and explanations given to us, along with representations provided by the Management, in our opinion, the Scheme has been implemented in accordance with the provisions of the Regulations, to the extent applicable, and the shareholders' resolution during the year ended 31 March 2021.

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Restriction on distribution or use

11. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirement of Regulation 13 of the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
12. The certificate is addressed to and provided to the Board of Directors of the Company solely to enable them to place it before the shareholders at the forthcoming AGM of the Company to comply with the requirements of Regulation 13 of the Regulations, and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

Aasheesh Arjun Singh

Partner

Membership No.: 210122

UDIN: 21210122AAAADQ9027

Place : Bengaluru

Date : 27 July 2021