PIONEER GROUP

Date : 5th August, 2019
Ref. : BSE/25/2019-2020.

To,
The Deputy Manager
Corporate Relations Department,
Bombay Stock Exchange Limited
P.J.Towers, Dalal Street,
Mumbai 400001

Fax No: 2272 2061/41/39/37

Dear Sir,

Ref. : COMPANY CODE : 514300
Sub. : SUBMISSION OF NOTICE AND ANNUAL REPORT OF 27TH ANNUAL GENERAL MEETING OF THE COMPANY.

Pursuant to Regulation 34(1) and Regulation 30(2) read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2018-19 along with the Notice of 27th Annual General Meeting which are being dispatched/ sent to the Members by the permitted mode(s). The Annual Report for the Financial Year 2018-19 is also available on the website of the Company i.e. www.pelhakoba.com.

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For PIONEER EMBROIDERIES LIMITED

PIONEER EMBROIDERIES LTD. MUMBAI

RAJ KUMAR SEKHANI
Chairman
DIN: 00102843
Encl: As Above

PIONEER EMBROIDERIES LIMITED

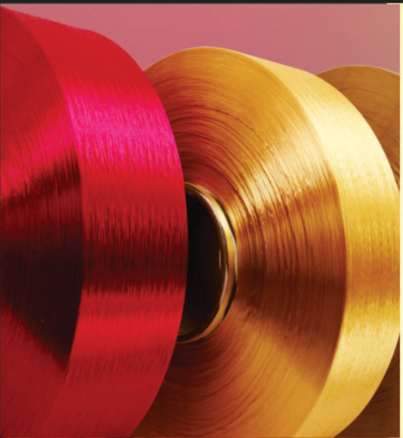
.... a stitch ahead of time

Corp. Off.: Unit No 21 to 25, 2nd Floor Orient House, 3-A Udyog Nagar, Off S. V. Road, Goregaon (West), Mumbai - 400062
Tel.: 022-4223 2323 • Fax : 022-4223 2313 • E-mail : mumbai@pelhakoba.com • Website : www.pelhakoba.com

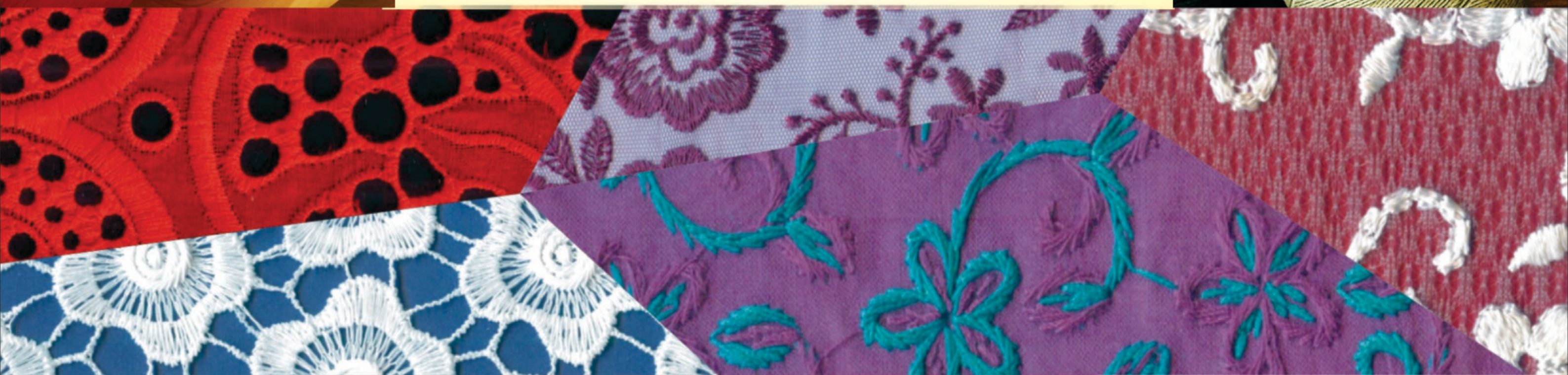
Regd. Off.: 101-B, Abhishek Premises, Plot No. C 5-6, Dalia Industrial Estate, Off New Link Road, Andheri (West), Mumbai - 400 058. CIN:- L17291MH1991PLC063752

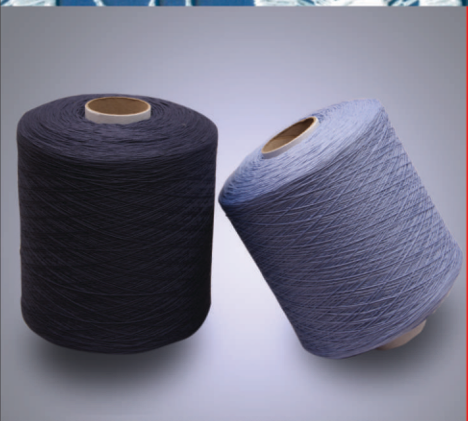
®hakoba

Embroidery beyond your imagination



PIONEER GROUP





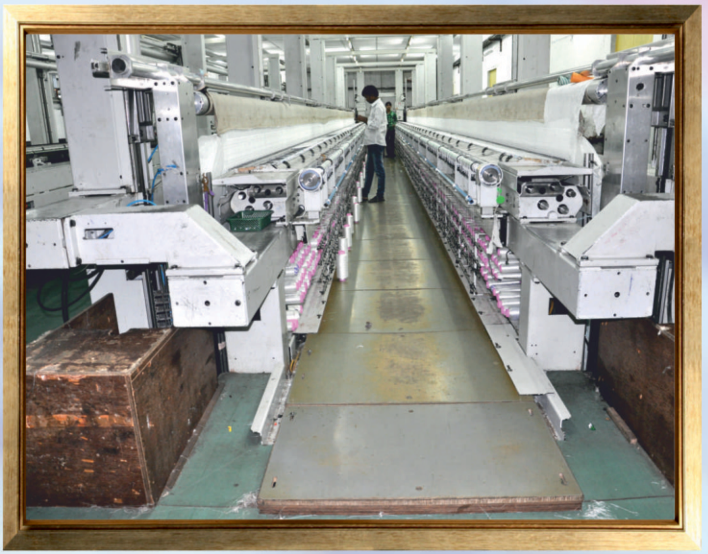
27th ANNUAL REPORT 2018-19

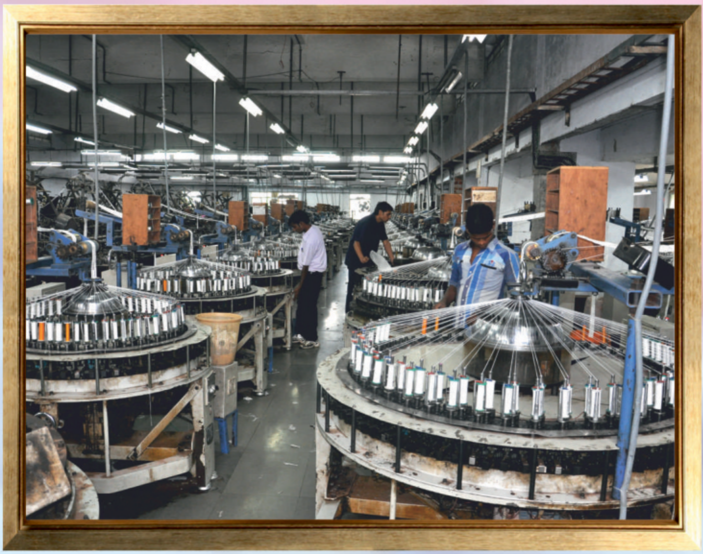
PIONEER EMBROIDERIES LIMITED

hakoba®
SINCE 1960
Embroidery beyond your imagination

SILKOLITE
Scale to Value...

Embroidery & Bobbin Lace Unit
Sarigam, Gujarat





Embroidery & Bobbin Lace Unit
Coimbatore, Tamilnadu

BOARD OF DIRECTORS AND OTHER INFORMATION

BOARD OF DIRECTORS

RAJ KUMAR SEKHANI (DIN:00102843)	Chairman
HARSH VARDHAN BASSI (DIN:00102941)	Managing Director
GANGADHARAN KANDAM RAMA PANICKER (DIN:07735379)	Executive Director
JOGINDER KUMAR BAWEJA (DIN:01660198)	Independent Director
GOPALKRISHNAN SIVARAMAN (DIN:00457873)	Independent Director
MRS. SUJATA CHAKRAVARTY (DIN:07584280)	Independent Director

CONTENTS

BANKERS	CFO	COMPANY SECRETARY & COMPLIANCE OFFICER	STATUTORY AUDITORS
UNION BANK OF INDIA KOTAK MAHINDRA BANK LTD.	DEEPAK SIPANI	AMI THAKKAR	S. K. Naredi & Co. *Chartered Accountants*

Works:

Embroidery & Bobbin Lace (ELD):

- SARIGAM	:	1637-1639, G.I.D.C. Sarigam, Dist. Valsad, Gujarat – 396 155
- NAROLI	:	Primer Industrial Estate, Survey No.678/1/2, Village Naroli, Silvassa, (U.T.)-396 203
- COIMBATORE	:	Mettupalaym Road, Chinnamaddampalayam, Billichi Post, Coimbatore – 641 019
Dope Dyed Polyester Yarn (DDPY)	:	Village-Kheri, Trilokpur Road, Kala-Amb, Dist Sirmour, Himachal Pradesh -173 030

Offices:

Registered Office	:	Unit No, 101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai - 400 058
Corporate Office	:	Unit No.21 to 25, 2nd Floor, Orient House, 3-A Udyog Nagar, Off S. V. Road, Goregaon (West), Mumbai – 400 062
Chennai Office	:	29 & 30, 3rd Floor, Kumbhat Complex, Rattan Bazar, Chennai – 600 003
Delhi Office	:	4986, 1st & 2nd Floor, Baratooti Chowk, Sadar Bazar, Delhi – 110 006
Delhi Yarn Office (DDPY)	:	807 & 808, ITL Twin Towers, Plot No. B-09, Netaji Subhash Place, Pitampura, New Delhi – 110 034
NCR Office	:	Plot No. 583, Udyog Vihar, Phase 5, Gurgaon, Haryana - 122 016
Kolkata Office	:	14/2, Room No. 135, 2nd Floor, Old China Bazar Street, Kolkata – 700 001
Surat Office	:	Kiran Compound, Near A P Market, Udhna, Surat – 394 210

Telephone No.	:	91-22- 42232323
Fax No.	:	91-22- 42232313
Website	:	www.pelhakoba.com; www.silkolite.com
E-mail Address	:	mumbai@pelhakoba.com
CIN	:	L17291MH1991PLC063752
Listing	:	BSE Limited and National Stock Exchange of India Limited
ISIN for Dematerialisation	:	INE156C01018
Share Transfer Agent	:	Link Intime India Pvt. Ltd., C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083
Telephone No.	:	91-22- 49186000 / 49186270
Fax No.	:	91-22- 49186060

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Shareholders of **PIONEER EMBROIDERIES LIMITED** will be held on Monday, 26th August, 2019 at 10.00 a.m. at The Goregaon Sports Club, Ground Floor, East Banquet Hall, Link Road, Malad (West), Mumbai- 400064 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the year ended 31st March, 2019 and the Report of the Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Gangadharan Kandam Rama Panicker (DIN: 07735379) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. To approve re-appointment of Mr. Joginder Kumar Baweja (DIN: 01660198), as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members be and is hereby accorded for re-appointment of Mr. Joginder Kumar Baweja (DIN:01660198) as an Independent Director of the Company to hold office for second consecutive term of 5 (five) years for a term up to 31st March, 2024 and he shall not be liable to retire by rotation."

"**RESOLVED FURTHER THAT** Mr. Harsh Vardhan Bassi, Managing Director of the Company be and is hereby authorized to do all the act, deeds and things which are necessary for the aforesaid re-appointment."

4. To approve re-appointment of Mr. Gopalkrishnan Sivaraman (DIN: 00457873), as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for re-appointment of Mr. Gopalkrishnan Sivaraman (DIN:00457873), who was appointed as an Independent Director of the Company to hold office for second consecutive term of 5 (five) years for a term up to 16th April, 2024 and he shall not be liable to retire by rotation."

"**RESOLVED FURTHER THA**T Mr. Harsh Vardhan Bassi, Managing Director of the Company be and is hereby authorized to do all the act, deeds and things which are necessary for the aforesaid re-appointment."

5. To approve the re-appointment and payment of remuneration of the Cost Auditor for the financial year ending 31st March, 2020 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded for re-appointment of M/s. Vipul Bhardwaj & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2020 at a remuneration, amounting to ₹50,000 plus GST as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit."

6. To approve reclassification of authorised share capital of the Company and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** consent of the members be and is hereby accorded and pursuant to the provisions of Section 64 and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company, the Authorized Share Capital of the Company be re-classified from the existing ₹50,00,00,000/- (Rupees Fifty Crores Only) divided into 3,30,00,000 (Three Crores Thirty Lakhs) Equity Shares of ₹10/- (Rupees Ten Only) each and 1,70,00,000 (One Crore Seventy Lakhs) Preference Shares of ₹10/-(Rupees Ten only) each to ₹50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹10/- (Rupees Ten Only) each."

"**RESOLVED FURTHER THAT** pursuant to the provisions of Section 13 of the Companies Act, 2013 and clause V of the Memorandum of Association of the Company be substituted with the following new clause V:

V. The Authorized Share Capital of the Company is ₹50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹10/- (Rupees Ten Only) each with rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013, or provided by the Articles of Association of the Company for the time being."

"**RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorized to do such necessary acts, deeds, things, and take all such actions as may be required in relation to the same."

7. To approve "Pioneer Embroideries Limited Employee Stock Option Plan 2018" and in this regard, to consider and if thought fit, to pass the following resolution as an Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof including the Nomination and Remuneration Committee ("NRC") duly authorised by the Board), approval and consent of the Members of the Company be and are hereby accorded to the 'Pioneer Embroideries Limited Employee Stock Option Plan 2018 (hereinafter referred to as the "PEL ESOP 2018"/ "Plan") and to authorize the Board to create, offer and grant from time to time upto 12,05,864 (Twelve Lakhs Five Thousand Eight Hundred and Sixty Four) Employee Stock Options ("ESOPs") being not exceeding 5% (Five percent) of the paid-up equity share capital of the Company as on the date of passing the resolution to the permanent employees (excluding promoters) and/or Directors (including whole-time directors but excluding non-executive independent directors) of the Company, whether working in India or outside India, as may be decided by the Board under the Plan (hereinafter referred to as an "employees" or "eligible employees"), convertible into equivalent number of equity shares of ₹10/- (Rupees Ten) each, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the Act and provisions of PEL ESOP 2018; through Nomination and Remuneration Committee (hereinafter referred to as "NRC") and on such terms and conditions, as may be determined by the Board under PEL ESOP 2018."

"**RESOLVED FURTHER THAT** the Board be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Plan and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company."

"**RESOLVED FURTHER THAT** as is required, the Company shall confirm to the accounting policies as applicable to the Company, from time to time."

"**RESOLVED FURTHER THAT** the number of ESOPs that may be granted to any eligible employee including any Director of the Company (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), in any financial year and in aggregate under the Plan shall be less than 1% (One percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company."

"**RESOLVED FURTHER THAT** the aforesaid ceiling of 12,05,864 (Twelve Lakhs Five Thousand Eight Hundred and Sixty Four) ESOPs convertible into equivalent number of equity shares of ₹10/- (Rupees Ten) each shall be appropriately adjusted, in case of any corporate action(s) such as rights issues, bonus issues, sub-division, split or consolidation of shares, any change in capital structure, merger and/or sale of division/undertaking or any other re-organisation /restructuring of the Company, without affecting any other rights or obligations of the option grantees."

"**RESOLVED FURTHER THAT** the Board be and is hereby empowered:

i) to administer, implement and supervise the PEL ESOP 2018 either directly by itself or through NRC;

ii) to formulate, approve, evolve, modify, change, vary, alter, amend, suspend or terminate the PEL ESOP 2018 and determine and bring into effect such terms and conditions and procedures for grantor vesting of Share(s)/Option(s) under PEL ESOP 2018 either directly by itself or through NRC;

iii) to grant, issue, re-issue, recall, surrender, cancel and withdraw stock options from time to time and to determine the terms and conditions therefore;

iv) to re-price the options as it deems fit but not below the face value of equity shares of the Company, which are not exercised, whether or not they have been vested, if the exercise price of the options is rendered unattractive due to fall in price of the share in the market and such re-pricing is not detrimental to the interest of the employees who have been granted stock options under PEL ESOP 2018;

v) to take necessary steps for listing of the equity shares allotted under the PEL ESOP 2018 as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, where the equity shares of the Company are listed;

vi) to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors, Director, Officer or Authorised Representative of the Company;

to do all such acts, deeds, things and matters as may be considered necessary or expedient and settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle all questions, difficulties or doubts and to do all such acts, deeds, matters and things as may be required, to give full effect to the aforesaid Resolution(s)."

8. To approve "Pioneer Embroideries Limited Employee Stock Option Plan 2018" – Holding Company and/or Subsidiary Company(ies) and in this regard, to consider and if thought fit, to pass the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof including the Nomination and Remuneration Committee ("NRC") duly authorised by the Board), approval and consent of the Members of the Company be and are hereby accorded to the 'Pioneer Embroideries Limited Employee Stock Option Plan 2018 (hereinafter referred to as the "PEL ESOP 2018"/ "Plan") and to authorize the Board to create, offer and grant from time to time upto 12,05,864 (Twelve Lakhs Five Thousand Eight Hundred and Sixty Four) Employee Stock Options ("ESOPs") being not exceeding 5% (Five percent) of the paid-up equity share capital of the Company as on the date of passing the resolution to the permanent employees (excluding promoters) and/or Directors (including whole-time directors but excluding non-executive independent directors) of the Subsidiary Company, whether working in India or outside India, and/or to the permanent employees (excluding promoters) and/or Directors (including whole-time directors but excluding non-executive independent directors) of the Holding Company, whether working in India or outside India, as may be decided by the Board under the Plan (hereinafter referred to as an "employees" or "eligible employees"), convertible into equivalent number of equity shares of ₹10/- (Rupees Ten) each, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the Act and provisions of PEL ESOP 2018; through Nomination and Remuneration Committee (hereinafter referred to as "NRC") and on such terms and conditions, as may be determined by the Board under PEL ESOP 2018".

"RESOLVED FURTHER THAT the Board be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Plan and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company."

"RESOLVED FURTHER THAT as is required, the Company shall confirm to the accounting policies as applicable to the Company, from time to time."

"RESOLVED FURTHER THAT the number of ESOPs that may be granted to any eligible employee including any Director of the Company (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), in any financial year and in aggregate under the Plan shall be less than 1% (One percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company."

"RESOLVED FURTHER THAT the aforesaid ceiling of 12,05,864 (Twelve Lakhs Five Thousand Eight Hundred and Sixty Four) ESOPs convertible into equivalent number of equity shares of ₹10/- (Rupees Ten) each shall be appropriately adjusted, in case of any corporate action(s) such as rights issues, bonus issues, sub-division, split or consolidation of shares, any change in capital structure, merger and/or sale of division/undertaking or any other re-organisation /restructuring of the Company, without affecting any other rights or obligations of the option grantees."

"RESOLVED FURTHER THAT the Board be and is hereby empowered:

i) to administer, implement and supervise the PEL ESOP 2018 either directly by itself or through NRC;

ii) to formulate, approve, evolve, modify, change, vary, alter, amend, suspend or terminate the PEL ESOP 2018 and determine and bring into effect such terms and conditions and procedures for grantor vesting of Share(s)/Option(s) under PEL ESOP 2018 either directly by itself or through NRC;

iii) to grant, issue, re-issue, recall, surrender, cancel and withdraw stock options from time to time and to determine the terms and conditions therefore;

iv) to re-price the options as it deems fit but not below the face value of equity shares of the Company, which are not exercised, whether or not they have been vested, if the exercise price of the options is rendered unattractive due to fall in price of the share in the market and such re-pricing is not detrimental to the interest of the employees who have been granted stock options under PEL ESOP 2018;

v) to take necessary steps for listing of the equity shares allotted under the PEL ESOP 2018 as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, where the equity shares of the Company are listed;

vi) to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors, Director, Officer or Authorised Representative of the Company; to do all such acts, deeds, things and matters as may be considered necessary or expedient and settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

By order of the Board of Directors
For PIONEER EMBROIDERIES LIMITED

Harsh Vardhan Bassi
Managing Director
DIN:00102941

Place: Mumbai
Date : 27th May, 2019

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**

   The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

   A person can act as a proxy on behalf of members not exceeding fifty, and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 wherever applicable is attached and forms part of this Notice.

3. Members of the Company had approved the appointment of M/s. S. K. Naredi & Co. Chartered Accountants (Registration No. 003333C) as the Statutory Auditors at the 25th Annual General Meeting of the Company to hold office for a period of 5 (five) consecutive years i.e. from the conclusion of the 25th Annual General Meeting until the conclusion of the 30th Annual General Meeting of the Company. In accordance with the Companies (Amendment) Act, 2017, enforced w.e.f. 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

4. Mr. Gangadharan Kandam Rama Panicker (DIN: 07735379) Director retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment. As required under the Secretarial Standard - 2 and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the details of the Directors seeking, re-appointment inter alia, age, experience, relationship with other directors of the Company, and other directorships, membership/chairmanship of the committees of other Boards, etc. are annexed to the Notice and form part of the Explanatory Statement. The Director has furnished the relevant consents, declarations, etc. for his re-appointment.

5. Members are requested to affix their signature at the place provided on the Attendance Slip and hand over the slip at the entrance to the place of meeting for attending the Meeting.

6. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their Representative to attend and vote at the Meeting on their behalf.

7. In case of joint holders, the vote of only such joint holder who is higher in the order of names, whether in person or proxy, shall be accepted to the exclusion of the votes of other joint holders.

8. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members/Proxies/Authorized Representatives should bring their copy of the Annual Report and Attendance Slip sent herein for attending the Meeting. Proxy/Authorized Representatives of Members should state on the Attendance Slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, those who hold shares in demat form are requested to write their Client Id and DP Id and those who hold shares in physical forms are requested to write their folio number on the attendance slip for easy identification at the meeting.

9. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, 23rd August, 2019 to Monday 26th August, 2019 (both days inclusive).

10. In terms of the Notification issued by Securities and Exchange Board of India (SEBI), the Equity Shares of the Company are compulsorily traded in Electronic mode. Shareholders are requested to avail this facility and get their shareholding converted into Dematerialised form by sending the Dematerialisation Request Form (DRF) alongwith the Share Certificates through their Depository Participant (DP) to the Company's Registrar & Transfer Agent.

11. Since, financial year ending on 31st March, 2008, the Company has not declared any Dividend and there is/are no unclaimed Dividend outstanding with the Company as on date.

12. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.

13. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.

14. Statutory registers and all other documents relevant to the business as stated in the Notice convening the AGM are open for inspection by the Members at the Registered Office of the Company upto and including the date of the ensuing Annual General Meeting of the Company during business hours on any working day of the Company without payment of fee and will also be available at the AGM.

15. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market and Members holding shares in electronic form are requested to submit their PAN to their Depositories Participant(s). Members holding shares in physical form shall submit their PAN details to R & TA, if not already submitted.

16. The Ministry of Corporate Affairs ("MCA), Government of India, through its Circular No.17/2011 dated 21st April, 2011 and Circular No.18/2011 dated 29th April, 2011 has allowed companies to send Annual Report comprising of Balance sheet, Statement of Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and circulars issued by MCA, we propose to send future communication in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communications through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.

Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to provide their details (name, folio no, e-mail id) on the Company's e-mail address viz. mumbai@pelhakoba.com. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.

17. The members are requested to:

a) Intimate changes, if any, in their Registered address to the Registrar and Transfer Agents of the Company M/s. Link Intime India Pvt. Ltd. at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400083.

b) Quote Ledger Folio/Client Id/DP ID numbers in all their correspondence.

18. The instructions for shareholders voting electronically are as under:

EVENT NUMBER:- 190132

(i) The voting period begins on **Friday, 23rd August, 2019 (9.00 a.m. IST) to Sunday, 25th August, 2019 (5.00 p.m. IST)** During this period shareholder's of the Company, holding shares whether in physical form or in dematerialized form, as on the cut-off date Monday, 19th August, 2019, may cast their vote electronically. The e-voting module shall be disabled by LINKINTIME for voting after 25th August, 2019 at 5.00 p.m.

(ii) Visit the e-voting system of LIIPL. Open web browser by typing the following URL:https://instavote.linkintime.co.in.

(iii) Click on "Login" tab, available under 'Shareholders' section.

(iv) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

(v) Your User ID details are given below:

a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID

b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID

c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No. + Folio Number registered with the Company

(vi) Your Password details are given below:

If you are using e-Voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB /DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details (last 4 Digit) as recorded in your demat account or in the Company records for the said demat account or folio number. • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (v).

(vii) If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier voting of any company then you can use your existing password to login.

(viii) If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".
- In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIIPL.

- For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) Cast your vote electronically

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of Pioneer Embroideries Limited. you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- Cast your vote by selecting appropriate option i.e. Favour/Against as desired.
- Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'.
- They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

(x) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Monday, 19th August, 2019.

(xi) Any person who acquires shares of the Company and become Members of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, 19th August, 2019, may obtain the login id and password by sending a request at enotices@linkintime.co.in or to the Company at mumbai@pelhakoba.com.

(xii) However, if you are already registered with LIIPL for remote e-voting then you can use your existing user ID and Password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" option available on http://instavote.linkintime.co.in, or contact LIIPL at the toll free no i.e. 1800-222-990.

(xiii) Mr. Sanjay R. Dholakia, Practising Company Secretary (Membership No. F 2655 and C P No. 1798) has been appointed as Scrutinizer to scrutinize the voting and e-Voting process in a fair and transparent manner.

(xiv) The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the e-Voting facility.

(xv) The Scrutinizer shall after conclusion of voting at the Annual General Meeting, will count the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and shall make a consolidated scrutinizer's report, not later than three days of the conclusion of the AGM, of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, who shall countersign the same and declare the result of the voting forthwith.

(xvi) The Results of the voting with the report of the Scrutinizer shall be placed on the website of the Company www.pelhakoba.com immediately after declaration of the results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

(xvii) Your default PAN / Sequence Number has been printed on the address sticker on right side in bold, which is to be used for E-voting purpose as you have not updated your PAN details.

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

That following explanatory statement sets out the material facts referring to Item No. 3 to 8 of the Notice.

ITEM NO. 3 & 4

Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) were appointed as an Independent Director of the Company for a period of five years up to 31st March 2019 and 16th April 2019 respectively. Considering the expertise and experience of Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) and their valuable contributions to the Company, the Nomination and Remuneration Committee and the Board at their meetings held on 04th February, 2019 have recommended the re-appointment of Mr. Joginder Kumar Baweja (DIN: 01660198), as Independent Director of the Company for a second consecutive term from 1st April, 2019 till 31st March, 2024 and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) as Independent Director of the Company for a second consecutive term from 17th April, 2019 till 16th April, 2024.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background, experiences and contributions made by them during their tenure, the continued association of Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873), would be beneficial to the Company and it is desirable to continue to avail their services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Joginder Kumar Baweja (DIN:01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873), as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term.

Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) are not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given their consent to act as a Director. The Company has also received declaration from Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) stating that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) fulfils the conditions as specified under the Act and the Listing Regulations and they are independent of the promoter/promoter group/management for appointment as an Independent Director.

Details of Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873), are provided in the **"Annexure"** to the Notice. They shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act. Copy of draft letter of appointment to Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873), setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) are interested in this resolution with regard to his re-appointment. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board of Directors recommends Special Resolution set out at Item No. 3 and 4 of the Notice for approval by the Members.

ITEM NO. 5

The Board of Directors of the Company on the recommendation of the Audit Committee approved the re-appointment of M/s. Vipul Bhardwaj & Co., Cost Accountants, to conduct the audit of the Cost records of the Company for the financial year ending on 31st March, 2020.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending on 31st March, 2020, as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board of Directors recommends Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

ITEM NO: 6

The Company proposes to reclassify its authorised share capital of the Company, as all the preference shares of the Company has been converted into Equity Shares, so there is no use in keeping preference shares as part of its authorised capital and the Company can now utilise these preference shares and re-classify the entire preference share capital in to equity shares.

Pursuant to the provisions of Section 64 and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company, the Authorized Share Capital of the Company be re-classified from the existing ₹50,00,00,000/- (Rupees Fifty Crores Only) divided into 3,30,00,000 (Three Crores Thirty Lakhs) Equity Shares of ₹10/- (Rupees Ten Only) each and 1,70,00,000 (One Crore Seventy Lakhs) Preference Shares of ₹10/-(Rupees Ten only) each to ₹ 50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹10/- (Rupees Ten Only) each, subject to the consent of members.

Further, pursuant to the provisions of Section 13 of the Companies Act, 2013 and the rules made there under the Company also need to amend clause V of the Memorandum of Association of the Company by the following new clause V:

V. The Authorized Share Capital of the Company is ₹50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹10/- (Rupees Ten Only) each with rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 2013, or provided by the Articles of Association of the Company for the time being.

None of the Directors or Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board of Directors recommends Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

ITEM NO: 7 & 8

Human resource is the key for the continuous growth and development of a Company. In order to attract and retain key employees working with the Company by way of rewarding their performance and motivate them to contribute and participate in the overall corporate growth, profitability and financial success of the organisation, your Company intends to implement employee stock option plan.

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation plan. The Company intends to implement the Pioneer Embroideries Limited Employees Stock Option Plan 2018 (PEL ESOP 2018), with a view to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

Pursuant to provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, (SEBI (SBEB) Regulations), the Company seeks members, approval in respect of PEL ESOP 2018 and grant of options to the eligible employees/ Directors of the Company as decided by the Nomination and Remuneration Committee from time to time in due compliance of the SEBI (SBEB) Regulations.

Members are further requested to note that the Board of Directors considers it appropriate to extend the proposed PEL ESOP 2018 to the employees / directors of the holding / subsidiary company(ies), as may be decided by the Board of Directors or Nomination and Remuneration Committee thereof, to motivate and retain the best talent

The main features of the PEL ESOP 2018 are as under:

1. **Brief Description of the Plan:**

   This proposed Plan namely, the Pioneer Embroideries Limited Employees Stock Option Plan 2018 (PEL ESOP 2018) is intended to reward the Eligible Employees of the Company and /or subsidiary Company(ies), for their performance and to motivate them to contribute to the growth and profitability of the Company. Your Company also intends to use this Plan to retain talent in the organization as it views options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.

   The Company in terms of the said SEBI (SBEB) Regulations contemplates to enable the implementation of PEL ESOP 2018 by dealing in/acquiring Equity Shares directly from the Company (“Primary Shares”).

2. **Total number of options to be granted:**

   Such number of options would be available for grant to the eligible employees of the Company and /or subsidiary Company(ies) under PEL ESOP 2018, in one or more tranches exercisable into not exceeding more than 12,05,864 (Twelve Lakhs Five Thousand Eight Hundred and Sixty-Four) Equity Shares in the Company of face value of ₹10/- each fully paid-up.

   Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of PEL ESOP 2018, within overall ceiling.

3. **Identification of classes of employees entitled to participate in PEL ESOP 2018:**

   Following classes of employees are entitled to participate in PEL ESOP 2018:

   a) Permanent employees of the Company, holding and /or subsidiary Company(ies);

   b) Directors of the Company, holding and /or subsidiary Company(ies), whether a whole time or not;

   Following persons are not eligible:

   a) an employee who is a Promoter or belongs to the Promoter Group;

   b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and

   c) an Independent Director within the meaning of the Companies Act, 2013.

4. **Requirements of vesting and period of vesting:**

The options granted shall vest so long as an employee continues to be in the employment of the Company and /or subsidiary Company(ies). The Nomination and Remuneration Committee may, at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest subject to the minimum vesting period of 1 (one) year.

The vesting dates in respect of the options granted under the Scheme may vary from employee to employee or any class thereof and/or in respect of the number or percentage of options granted to an employee. Options shall vest essentially based on continuation of employment and apart from that the Board or Committee may prescribe achievement of any performance condition(s) for vesting. Vesting/lock-in period and the vesting may occur in tranches or otherwise.

5. **Maximum period within which the options shall be vested:**

Options granted under PEL ESOP 2018 would vest in accordance with the terms of each grant but not later than 4 years from the grant of such options, in accordance with the Plan.

6. **Exercise price or pricing formula:**

As determined by the Nomination & Remuneration Committee in accordance with the PEL ESOP 2018 subject to maximum discount of 50% of the closing market price on the Stock Exchange. In any event, the Exercise Price shall not be less than face value of equity share of the Company.

7. **Exercise period and the process of Exercise:**

The Employee Stock Options granted may be exercised by the Option grantee at any time within a maximum period of three (3) years from the date of Vesting of the respective Stock Options or such other period as may be decided by the NRC from time to time. Vesting happens for the respective options.

The Vested options shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period.

8. **Appraisal process for determining the eligibility of employees under PEL ESOP 2018:**

The appraisal process for determining the eligibility of the employees will be decided by the Nomination and Remuneration Committee from time to time.

9. **Maximum number of options to be issued per employee and in aggregate:**

The number of options that may be granted to any specific employee of the Company and /or subsidiary Company(ies) under PEL ESOP 2018 and will be determined by the Nomination and Remuneration Committee on a case to case basis, in any financial year and in aggregate under the PEL ESOP 2018 shall be less than 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company.

10. **Maximum Quantum of benefits to be provided per employee under the PEL ESOP 2018:**

Same as 9 above.

11. **Route of Plan implementation:**

The Plan shall be implemented and administered directly by the Company.

12. **Whether the Plan involves new issue of shares by the Company or secondary acquisition by the trust or both:**

The Plan contemplates new Issue of Shares by the Company.

13. **The amount of loan provided for implementation of the Plan by the Company to the Trust, its tenure, utilisation, repayment terms etc.:**

The Company has not provided any loan for implementing PEL ESOP 2018 and the Company is directly implementing the Plan through primary issue of equity shares.

14. **Maximum percentage of Secondary Acquisition (subject to limits specified under the Regulations) that can be made by the Trust for the purchase under the scheme:**

This is not relevant under the present scheme.

15. **Accounting and Disclosure Policies:**

The Company shall follow the 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

16. **Method of Valuation:**

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the options granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on profits and on Earnings per Share (EPS) of the company shall also be disclosed in the Board's Report.

A draft copy of the PEL ESOP 2018 is available for inspection at the Company's Corporate Office on all working days (excluding Saturday, Sunday and Holidays) till the date of the Annual General Meeting.

The Directors and Key Managerial Personnel of the Company may be deemed to be concerned or interested in these Act and Resolutions only to the extent of any Stock Options that may be granted to them and the resultant equity shares issued, as applicable.

In terms of provisions of section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI (SBEB) Regulations approvals of the Members are being sought by way of Special Resolutions set out at Item. 7 & 8 to this Notice.

The resolutions at Item no. 7 & 8 had already being approved by the members in last AGM held on 20th August, 2018 but as required by the Stock Exchange, more clarification was required under explanatory statement as per PEL ESOP Plan 2018 hence, the Board of Directors again recommended Special Resolution set out at Item No. 7 & 8 of the Notice for ratification by the Members after including the requirements of the Stock Exchanges.

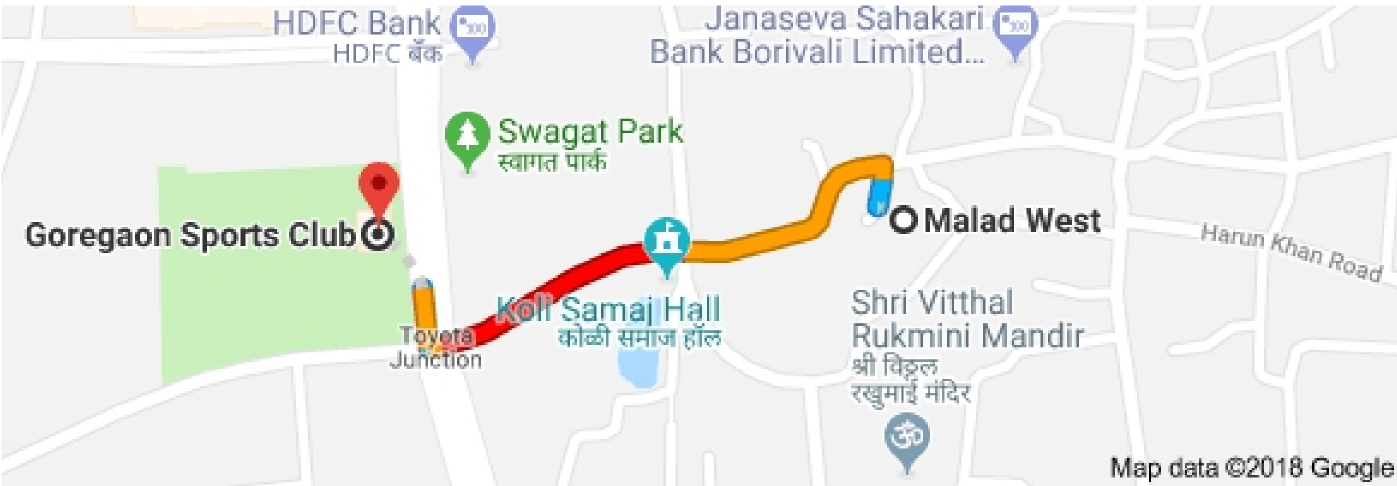
By order of the Board of Directors
For PIONEER EMBROIDERIES LIMITED

Harsh Vardhan Bassi
Managing Director
DIN:00102941

Place: Mumbai
Date : 27th May, 2019

Map showing location of the venue of 27th Annual General Meeting of Pioneer Embroideries Limited :

Venue:
The Goregaon Sports Club,
Ground Floor, East Banquet Hall,
Link Road, Malad (West),
Mumbai- 400064



Landmark : Near Toyota Showroom
Distance from Malad Station (W) : 2.5 kms (10-15 minutes)

Annexure to Item No. 2 ,3 & 4 of the Notice:

(Details as required to be furnished under the Secretarial Standard – 2 and Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director & Designation	Gangadharan Kandam Rama Panicker	Joginder Kumar Baweja	Gopalkrishnan Sivaraman
Date of Birth	15/10/1954	04/04/1953	10/06/1953
Age	65	66	66
Nature of Expertise	Diploma in Textile Technology from SKSJTI, Bangalore and undergone specialized training in Sulzer Ruti projective weaving machine from Switzerland. He has over 42 years of experience in the field of Textiles manufacturing sector out of which 27 years in Nigeria taking care of composite textile unit. He is looking after Coimbatore unit and Company's southern zone operations, since 13 years.	He is a Textile Engineer (Punjab University) and a Management graduate from Nagpur. He retired as the managing director of National Handloom Development Corporation Ltd. (NHDC) in May 2013. In a career spanning 39 years, Mr. Baweja has served National Textiles Corporation Ltd. (NTC) and NHDC, among others. Joining NTC as Production Manager in 1988, He rose to rank of Chief General Manager and left the Company in 2007 to join as Managing Director of NHDC.	He is an Associate of the Institute of Cost and Works Accountants of India. A seasoned finance professional, Mr. Gopalkrishnan has over 25 years of experience in finance and account covering the entire gamut of activities including, inter alia, working capital management, institutional finance, budgetary control, accounting, costing and audit. After an eight year stint as Director Finance in Indian Rare Earths Ltd. (IREL), Mr. Gopalkrishnan retired in June 2013. Ha was Director Finance in National Textiles Corporation Ltd., for 4 years, from 2001 to 2005 prior to his assignment in IREL.
Date of First Appointment	29/05/2017	06/02/2014	17/04/2014
Qualification	Diploma in Textile Technology from SKSJTI	B. Tech. (Punjab University), T.I.T. Bhiwani (Haryana) , DBM (Nagpur University)	B.Sc. and Associate Members of ICWA
Experience	42 years	45 years	35 years
Relationships between directors inter se	Not Applicable	Not Applicable	Not Applicable
Name of listed Companies in which holds Directorship	NIL	NIL	NIL
Name of other Companies in Committees of which holds Membership/ Chairmanship	NIL	NIL	NIL
Shareholding in Pioneer Embroideries Limited	Nil	NIL	NIL

DIRECTORS' REPORT

To
The Members,
PIONEER EMBROIDERIES LIMITED

Your Directors present the Twenty Seventh Annual Report of your Company on the business and operations for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Turnover - Domestic	**21,236.24**	21,513.69
- Export including Incentive	**6,147.68**	4,742.89
Other Income	**203.77**	232.66
Total	**27,587.69**	26,489.24
Profit before Financial Charges, Depreciation, Exceptional Items & Tax	**2,161.98**	1,209.34
Financial Charges	**764.66**	941.84
Profit before Depreciation, Exceptional Items and Tax	**1,397.32**	267.50
Depreciation	**874.16**	852.80
Profit/(Loss) before Exceptional Items & Tax	**523.16**	(585.30)
Exceptional Items (net)	**110.02**	-
Tax Expenses	**-**	-
Net Profit / (Loss)	**413.14**	(585.30)
Per share data		
Basic Earnings per Share (₹)	**1.69**	(2.57)
Book Value per Share (₹)	**32.97**	31.08

YEAR IN RETROSPECT

Profit before Finance Costs, Depreciation, Tax and Exceptional Items for the year stood at ₹2,162 lakhs (₹1,209 lakhs). The Net Profit after Exceptional Items for the year is ₹413 lakhs as against a net loss of ₹585 lakhs in the previous year. The Company has generated an operational cash profit of ₹1,287 lakhs during the year under report (previous year ₹267 lakhs).

Turnover of the Company for the year under review stood at ₹27,383 lakhs as against ₹26,257 lakhs in the previous year. After accounting for Excise Duty in the previous year, Company's sales were actually up by 6%, largely on account of a 30% jump in Exports to ₹6,148 lakhs.

The Embroidery and Lace Division (ELD) recorded a turnover of ₹4,410 lakhs, an increase of about 7.9% over previous year, with the growth coming entirely from domestic market. ELD division reported an operating profit of ₹136 lakh as against operating loss of ₹404 lakhs during the previous year.

The Company's Dope Dyed Polyester Yarn (DDPY) business continued to operate in a tough environment, even though it reported an overall improved performance. For the year FY2018-19, the DDPY business recorded a turnover of ₹22,974 lakhs, an increase of 6.1% over previous year if considered net of excise duty in the previous year. The operating profit for the DDPY business for the year stood at ₹2,380 lakhs as against ₹2,029 lakhs, a growth of about 17%. Export revenues for DDPY grew notably by around 38% over previous year, clocking ₹5,708 lakhs, which was the highest level ever achieved by your Company.

A detailed review of the performance during the year is given under the section - Management Discussion and Analysis Report as stipulated under Regulation 34 read with part B of Schedule V of Listing Regulations entered into with the Stock Exchanges is set out in a separate section and forms part of the Directors Report.

TRANSFER TO RESERVES

The Board does not propose to carry any amounts to reserves.

CHANGE IN NATURE OF BUSINESS

There is no change in nature of Business of the Company.

INDUSTRY OVERVIEW

The Textile and Clothing (T&C) Sector's exports are pegged at around USD 35-36 bn for the year 2017, of which Readymade Garments clocked exports of over USD 16 bn. Although the share of T&C Sector in the country's overall exports has been continuously on a decline, from about 15% in FY2015-16 to 12.3% in FY2018-19, the Textile Industry still accounts for about 4-5% of India's GDP and 14% of overall Index of Industrial Production (IIP). It employs over 45 million people directly and 60 million indirectly, rendering it as the second largest job creator itself, and a crucial link to the agriculture sector also due to reliance on natural fibres like cotton and jute, as against Man Made fibres globally. The overall Indian textiles and apparel industry, currently estimated to be around USd150 bn, is expected to reach US $220-230 bn by 2021-2025.

Domestically, the expected growth in the sector is being driven by increased apparel consumption, spread of online and organized retail, rising per capital income levels and affordability, preference towards branded products, and other factors. Such healthy demand, along with certain other factors such as streamlining of GST and tax refunds, rationalization of debt levels for several domestic textile players, increased investments in capacities, weaker rupee, etc should gradually aid higher competitiveness, growth and profitability for the sector in the coming years.

Government policies have been aimed at creating a conducive policy environment for attracting FDI, enhancing investments, generating employment, building exports competitiveness, etc, to support the T&C sector in India. Most of the government schemes have now become result-oriented, rather than being input-based as earlier, since subsidies get disbursed to eligible units only after employment generation actually takes place. Recent policy initiatives include Special Package for garments and made-ups sectors, enhancement in duty drawback coverage, labour law reforms, additional incentives under ATUFS, increasing rates under Merchandise Exports from India Scheme (MEIS) and interest equalization rates for pre and post shipment credit, etc.

Such enabling policies and incentives are required to retain Indian exporters' competitiveness and relevance on a global level. Presently, India is the third top exporter of textiles in 2017 (USD 17 bn, 5.7%) and fifth largest apparel exporter (USD 18 bn, 4%). In the major T&C consuming markets of EU and US, India continues to fight to maintain its competitive presence, as other developing countries such as Vietnam, Cambodia, Bangladesh, Indonesia, Turkey, Sri Lanka, etc., have been improving their share on the back of duty free, preferential access to these markets. In the near future, worldwide market dynamics for T&C would depend on factors such as sluggish demand in major export destinations like EU and USA, growing protectionism in the likes of US-China standoff, various Free Trade Agreements, Crude Oil movement, etc., and Indian companies would have to gear up to face such challenges.

BANK BORROWINGS

Even in a constrained business environment, your Company has managed to lower its secured borrowings by approximately ₹1,165 lakhs, having met all its repayment commitments. The total secured borrowings as on year-end FY19 stand at about ₹5,273 lakhs, including working capital of ₹1,508 lakhs.

LISTING

The Equity Shares of the Company are listed with the BSE & NSE and the Company has paid listing fee for the year to BSE & NSE.

The shares of the Company were earlier listed with Kolkata Stock Exchange and Delhi Stock Exchange also. However, the Company had submitted application for delisting of its shares from these Stock Exchanges in the year 2007 as approved by the shareholders in the Annual General Meeting held on 29th December, 2006.

DIVIDEND

Your Directors have not recommend any dividend on equity shares in respect of the financial year 2018-19, in view of conserving the funds for envisaged business requirements.

SHARE CAPITAL

The paid up equity share Capital of the Company stood at ₹2,494.79 lakhs comprising 2,49,47,942 equity shares of ₹10 each as at 31st March, 2019.

The Company has allotted 8,30,657 Equity Shares of face value of ₹10 each, at an average price of ₹35.95 per share, to the holders of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS), who exercised their conversion option. There are no further OCCRPS currently outstanding for conversion, and as such no further dilution in equity is to happen on account of similar conversion in future.

Further, at the forth coming Annual General Meeting the Company proposes to reclassify its authorised share capital of the Company, as all the preference shares of the Company has been converted into Equity Shares, so there is no use in keeping preference shares as part of its authorised capital and the Company can now utilise these preference shares and re-classify the entire preference share capital in to equity shares.

As on 31st March, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

SUBSIDIARY COMPANIES

There is no revenue in the Hakoba Lifestyle Limited in current year. The Company has incurred a net loss of ₹1.64 lakhs as compared to net profit of ₹2.90 in previous year.

The revenue of Crystal Lace (I) Limited in current year stood at ₹17.12 lakhs (₹26.58 lakhs). The Company has incurred a net loss of ₹20.64 lakhs as compared to net loss of ₹22.79 lakh in previous year.

Pioneer Realty Limited had no activity during the year.

The statement of subsidiaries in Form AOC-1 (pursuant to first proviso to sub section (3) of section 129 of the Companies Act, 2013) is provided as **Annexure - A** to the Consolidated Financial Statement and hence not repeated here for the sake of brevity.

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of the Company are prepared in compliance with applicable provisions of the Companies Act, 2013, and "Ind AS" issued by the Institute of Chartered Accountants of India as well as Listing Regulations as prescribed by the Securities and Exchange Board of India (SEBI) and form a part of the Annual Report.

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance with Auditors Certificate confirming compliance, is attached and forms an integral part of this Report. Further, a declaration affirming compliance with the code of conduct by all the Board members and senior management personnel along with certificate under Regulation 17(8) of the SEBI Listing Regulations is also given in this Annual Report.

EXTRACT OF ANNUAL RETURN

The detail forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this report as Annexure - A and forms an integral part of this Report.

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Gangadharan Kandam Rama Panicker (DIN:07735379), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Accordingly, his re-appointment forms part of the notice of the ensuing Annual General Meeting.

Further Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873), were appointed as an Independent Director of the Company for a period of five years up to 31st March, 2019 and 16th April, 2019 respectively. The Nomination and Remuneration Committee and the Board at their meetings held on 4th February, 2019 have recommended the re-appointment of Mr. Joginder Kumar Baweja (DIN:01660198), as Independent Director of the Company for a second consecutive term from 1st April, 2019 till 31st March, 2024 and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) as Independent Director of the Company for a second consecutive term from 17th April, 2019 till 16th April, 2024 at the forth coming Annual General Meeting of the Company.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013:

Sr. No.	Name	Designation
1.	Shri Harsh Vardhan Bassi	Managing Director
2.	Shri Nawal Sharma*	Chief Financial Officer (CFO)
3.	Mr. Deepak Sipani**	Chief Financial Officer (CFO)
4.	Mrs. Ami Thakkar	Company Secretary

* Resigned as a CFO with effect from 30th September, 2018. ** Appointed as a CFO with effect from 14th November, 2018.

BOARD PERFORMANCE/ EVALUATION

The performance evaluation of the non-executive directors is done by the Board annually. This evaluation is based taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as the attendance and contribution of the member at the board/ committee meetings. The process also considers core competency, expertise, personnel characteristic, and specific responsibility of the concerned director.

The performance evaluation of the Chairman and the Managing Director was carried out by the Independent Directors in a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the view of the Executive Directors and Non-Executive Directors. A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as level of engagement, contribution and independence of judgment. The Board of Directors expressed their satisfaction with the evaluation process.

DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

All the Independent Directors have provided the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) and SEBI LODR Regulations.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All new Independent Directors (IDs) inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of the Company's operations, to familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on our products, group structure and subsidiary company, Board constitution and procedures, matters reserved for the Board, and the Company's major risks and risk management strategy. The Policy on the Company's Familiarisation Programme for IDs can be accessed

BOARD MEETINGS

The details of number of meetings of the Board, held during the year forms part of the Corporate Governance Report and hence not repeated here for the sake of brevity.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 ("the Act") read with Rules framed thereunder, do not apply to the Company as it has not declared dividend from the FY 2007-08.

VIGIL MECHANISM

The Company has established a Vigil Mechanism/Whistle Blower Policy that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases.

Details of the Vigil Mechanism/Whistle Blower policy are made available on the Company's website (www.pelhakoba.com).

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

Details of the Loans, Guarantees and Investment covered under the section 186 of the Companies Act, 2013 are given in the Financial Statements.

NOMINATION AND REMUNERATION POLICY

The Committee has framed a policy to determine the qualification and attributes for appointment and basis of determination of remuneration of all the Directors, Key Managerial Personnel and Senior Management. A copy of the policy is annexed as **Annexure -B**.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and Company has not entered into any contract/arrangement/transaction with related parties which could be considered material in nature thus provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013, is included as **Annexure - C** and forms an integral part of this Report.

All related party transactions are placed before the Audit Committee as also to the Board for approval.

The Company has developed a Related Party Transactions Policy which has been uploaded on the website of the Company and web-link thereto has been provided in the Corporate Governance report.

DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT

The Company has never accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, or under Chapter V of the Act. Hence, the requirement for furnishing details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There is no material change affecting the financial position of the Company which have occurred between the end of the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

(i) that in the preparation of the Annual Accounts for the year ended 31st March, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

(ii) that the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2019 and of the net profit of the Company for the year ended on that date;

(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the annual accounts have been prepared on a going concern basis;

(v) that the Directors had laid down adequate internal financial controls to be followed by the Company and these are operating effectively;

(vi) that adequate and proper systems to ensure compliance with all applicable laws have been devised and such systems are operating effectively in the Company.

STATUTORY AUDIT

M/s. S. K. Naredi & Co. Chartered Accountants (Registration No. 003333C), statutory auditors of the Company were appointed for a period of 5 years at 25th Annual General Meeting as statutory auditors till the conclusion of 30th Annual General Meeting and as per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors was required to be ratified by Members at every subsequent Annual General Meeting.

As per the Companies (Amendment) Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified by the Members at every Annual General Meeting.

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors i.e. M/s. S. K. Naredi & Co, Chartered Accountants in its report and therefore, there are no further explanations to be provided for in this report and is prepared as per "Ind AS".

COST AUDIT

The Board of Directors, on the recommendation of Audit Committee, has re-appointed M/s. Vipul Bhardwaj & Co., Cost accountants, as Cost Auditor to audit the cost accounts of the Company for the year 2019-20 at a remuneration of ₹50,000 plus service tax as applicable and reimbursement of out of pocket expenses. A resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

SECRETARIAL AUDIT

As required under Section 204 of the Companies Act 2013, and rules made thereunder, the Company has re-appointed M/s. Sanjay Dholakia & Associates, a firm of Company Secretaries in Practice (Membership No. 2655; C.P. No. 1798) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure – D and forms an integral part of this Report.

There is no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditors in its report and therefore, there are no further explanations to be provided for in this report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk mitigation system, commensurate with its size, scale and complexity of its operations. The scope and authority of the Internal Audit function is also defined. The Audit Committee of the Board actively reviews the adequacy and effectiveness of the systems.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, corrective actions are undertaken in the respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting, and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively as at 31st March, 2019.

During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

RISK MANAGEMENT

There is a continuous process for identifying, evaluating and managing significant risks faced through a risk management process designed to identify the key risks facing business. Risks would include significant weakening in demand from core-end markets, inflation uncertainties and any adverse regulatory developments, etc. During the year a risk analysis and assessment was conducted and no major risks were noticed.

SAFETY, HEALTH & ENVIRONMENT

As hitherto, all efforts were taken to ensure safety in the operation of the Plants, promote health and protect the environment. The health of the Employees is being continuously monitored and environment improvement measures in and around the Plant area are being given due care and attention.

HUMAN RESOURCE

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Employees are considered to be team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Polices and Systems. The Company takes various HR initiatives to align the HR policy to the growing requirements of business.

Your Company regularly conducts technical and safety training programmes.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14, the internal committee constituted under the said act has confirmed that no complaint/case has been filed/pending with the Company during the year.

MANAGERIAL REMUNERATION

a. Details of the remuneration of each director to the median remuneration of the employees of the Company and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure - E.**

b. The Company doesn't have any employee falling within the preview of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 hence, no such details to be provided.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, are attached as **Annexure-F** to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company seeks to build constructive relationship with all the stakeholders and wants to benefit from your Company's presence. The provisions of CSR activities under Companies Act 2013 were applicable to your Company. The Company had formed the CSR Committee and has framed a CSR policy which has been uploaded on the website of the Company. Your company has spent ₹ 7.21 lakh for CSR activities towards women financial literacy. A detail pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure -G**.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by Institute of Company Secretaries of India on Meeting of Board of Directors and General Meetings.

ACKNOWLEDGMENT

The Management of your Company is grateful to the Government Authorities, Shareholders, Valued Customers, Company's Bankers, Raw Material Suppliers, and other Business Associates for their continued support and co-operation.

The Directors also wish to place on record their appreciation of the co-operation, active involvement and dedication of the employees, which enabled the Management to contribute to the revival of your Company.

For and on behalf of the Board of Directors

Raj Kumar Sekhani
Chairman
DIN: 00102843

Place : Mumbai
Date : 27th May, 2019

Annexure - A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on Financial Year ended on 31st March, 2019
(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS

1.	CIN	L17291MH1991PLC063752
2.	Registration Date	25th October,1991
3.	Name of the Company	Pioneer Embroideries Limited
4.	Category/Sub-category of the Company	Public Company Limited by Shares
5.	Address of the Registered office & contact details	Unit 101B, 1st Floor, Abhishek Premises, Plot No.C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (W), Mumbai-400 058. Tel :(022) 42232323 Fax : (022) 42232313
6.	Whether listed Company	Yes Listed at:- a) BSE Limited b) National Stock Exchange of India Limited
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083. Tel No.: (022) 49186000, (022) 49186270 Fax No.: (022) 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are given below:

Sr.No.	Name & Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
1	Dope Dyed Polyester Yarn	13114	83.90%
2	Embroidered Fabric, Laces, Braided Laces	13991	16.10%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held
	Subsidiary Companies [Section 2(87)(ii)]			
1	**Hakoba Lifestyle Limited** Unit 101B, 1st Floor, Abhishek Premises, Plot No.C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (W), Mumbai-400 058.	U67190MH1993PLC072786	Subsidiary Company	100%
2	**Pioneer Realty Limited** Unit 101B, 1st Floor, Abhishek Premises, Plot No.C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (W), Mumbai-400 058.	U70101MH2007PLC169361	Subsidiary Company	100%
3	**Crystal Lace (India) Limited** Unit 101B, 1st Floor, Abhishek Premises, Plot No.C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (W), Mumbai-400 058.	U17291MH1994PLC076439	Subsidiary Company	44.58%

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	2,082,791	--	2,082,791	8.63	2,100,833	--	2,100,833	8.42	(0.21)
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.	--	--	--	--	--	--	--	--	--
d) Bodies Corporates	4,501,726	--	4,501,726	18.67	4,501,726	--	4,501,726	18.04	(0.62)
e) Bank/FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
SUB TOTAL:(A) (1)	**6,584,517**	**--**	**6,584,517**	**27.30**	**6,602,559**		**6,602,559**	**26.47**	**(0.83)**
2) Foreign									
a) NRI Individuals	--	--	--	--	--	--	--	--	--
b) Other Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks/FI	--	--	--	--	--	--	--	--	--
e) Any other	--	--	--	--	--	--	--	--	--
SUB TOTAL (A) (2)	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**6,584,517**	**--**	**6,584,517**	**27.30**	**6,602,559**		**6,602,559**	**26.47**	**(0.83)**
B. PUBLIC SHAREHOLDING									
1) Institutions									
a) Mutual Funds 300	600	900	--	300	600	900	--	--	
b) Banks/FI	2,568,191	--	2,568,191	10.65	3,284,248	-	3,284,248	13.16	2.51
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt. --	--	--	--	--	--	--	--	--	
e) Venture Capital Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies	999,594	--	999,594	4.15	999,594	--	999,594	4.01	(0.14)
g) FIIs --	--	--	--	--	--	--	--	--	
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
SUB TOTAL (B)(1):	**3,568,085**	**600**	**3,568,685**	**14.80**	**4,284,142**	**600**	**4,283,842**	**17.17**	**2.37**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Non Institutions									
a) Bodies Corporates									
i) Indian	626,225	7,632	633,857	2.63	575,702	7,572	575,702	2.31	(0.32)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakhss	5,416,364	267,030	5,683,394	23.57	4,932,637	261,912	4,932,637	19.77	(3.80)
ii) Individuals shareholders holding nominal share capital in excess of ₹2 lakhss	5,140,537	--	5,140,537	21.31	5,646,094	180	5,646,094	22.63	1.32
c) NBFCs registered	--	--	--	--	122	--	122	0.00	0.00
d) Others (specify)									
i) Non-Resident Indian	396,894	83,123	480,017	1.99	447,477	83,015-	447,477	1.79	(0.20)
Clearing Members	241,227	--	241,227	1.00	652,999	--	652,999	2.62	1.62
ii) Hindu Undivided Family	935,051	--	935,051	3.88	955,610	--	955,610	3.83	(0.05)
iii) Trust	850,000	--	850,000	3.52	850,000	--	850,000	3.40	(0.12)
SUB TOTAL (B)(2):	**13,606,298**	**357,785**	**13,964,083**	**57.90**	**14,060,641**	**--**	**14,060,641**	**56.36**	**(1.54)**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**17,174,383**	**358,385**	**17,532,768**	**72.70**	**18,345,383**	**--**	**18,345,383**	**73.53**	**0.83**
C. Shares held by Custodian for GDRs & ADRs	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Grand Total (A+B+C)	**23,758,900**	**358,385**	**24,117,285**	**100.00**	**24,594,663**	**353,279**	**24,947,942**	**100.00**	**--**

NOTE- The decrease in % of shareholding is due to allotment of 8,30,657 equity shares on preferential basis to various banks and lenders on accounts of conversion of OCCRPS.

ii. Shareholding of Promoters:

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	No of Shares	% of total Shares of the company	% of Shares pledged/ encumbered to total shares	
Raj Kumar Sekhani	2,045,718	8.48	65.78	2,063,760	8.27	60.38	(0.21)
Bimla Devi Sekhani	23,073	0.10	--	23,073	0.09	--	(0.01)
Manak Chand Baid							
Jt. Raj Kumar Sekhani	14,000	0.05	--	14,000	0.05	--	--
Pioneer E-Com Fashions LLP	4,501,726	18.67	99.91	4,501,726	18.04	99.91	(0.63)
Total	**6,584,517**	**27.30**	**88.74**	**6,602,559**	**26.47**	**85.42**	**(0.83)**

Note:- The decrease in % of promoters shareholding is due to allotment of 8,30,657 equity shares on preferential basis to various banks and lenders on accounts of conversion of OCCRPS.

iii. **Change in Promoters' Shareholding:**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year				
	No. of Shares	% of total shares of the Company	Date	Increase/ (Decrease) in share holding	Reason	No. of Shares	% of total shares of the Company
At the beginning of the year	20,45,718	8.48				20,45,718	8.48
Raj Kumar Sekhani			Various Dates	18,042	Bought during the year	2,063,760	8.27
At the end of the year	2,063,760	8.27				2,063,760	8.27

Note:- The decrease in % of shareholding from 8.48% to 8.27% is due to purchase of 18,042 equity shares during the year by promoter and allotment of 8,30,657 equity shares on preferential basis to various banks and lenders on accounts of conversion of OCCRPS.

iv. **Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs & ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**ANAND SEKHANI**				
	At the beginning of the year	1,500,500	6.96	1,500,500	6.96
	Bought during the year	--	--	--	--
	Sold during the year	--	--	--	--
	At the end of the year	1,500,500	6.01	1,500,500	6.01
2	**AMIT SEKHANI**				
	At the beginning of the year	1,500,000	6.96	1,500,000	6.96
	Bought during the year	--	--	--	--
	Sold during the year	--	--	--	--
	At the end of the year	1,500,000	6.01	1,500,000	6.01
3	**UNION BANK OF INDIA**				
	At the beginning of the year	928,640	3.85	928,640	3.85
	Bought during the year	362,543	1.45	1,291,183	5.17
	Sold during the year	--	--	--	--
	At the end of the year	1,291,183	5.17	1,291,183	5.17
4	**EXPORT-IMPORT BANK OF INDIA**				
	At the beginning of the year	905,514	3.75	905,514	3.75
	Bought during the year	353,514	1.42	1,259,028	5.05
	Sold during the year	--	--	--	--
	At the end of the year	1,259,028	5.05	1,259,028	5.05
5	**EDELWEISS ASSET RECONSTRUCTION COMPANY LTD**				
	At the beginning of the year	850,000	3.52	850,000	3.52
	Bought during the year	--	--	--	--
	Sold during the year	--	--	--	--
	At the end of the year	850,000	3.41	850,000	3.41
6	**KOTAK MAHINDRA BANK LTD**				
	At the beginning of the year	734,037	3.04	734,037	3.04
	Bought during the year	--	--	--	--
	Sold during the year	--	--	--	--
	At the end of the year	734,037	2.94	734,037	2.94

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7	ARCADIA SHARE & STOCK BROKERS PVT. LTD				
	At the beginning of the year	3,573	0.01	3,573	0.01
	Bought during the year	682,617	2.73	686,190	2.75
	Sold during the year	84,399	0.34	601791	2.41
	At the end of the year	601791	2.41	601791	2.41
8	GENERAL INSURANCE CORPORATION OF INDIA				
	At the beginning of the year	500,000	2.07	500,000	2.07
	Bought during the year	--	--	--	--
	Sold during the year	--	--	--	--
	At the end of the year	500,000	2.00	500,000	2.00
9	UNITED INDIA INSURANCE COMPANY LIMITED				
	At the beginning of the year	499,594	2.07	499,594	2.07
	Bought during the year	--	--	--	--
	Sold during the year	--	--	--	--
	At the end of the year	499,594	2.00	499,594	2.00
10	NIKHIL SEKHANI				
	At the beginning of the year	440,000	1.82	440,000	1.82
	Bought during the year	--	--	--	--
	Sold during the year	--	--	--	--
	At the end of the year	440,000	1.76	440,000	1.76

NOTE - The Company has allotted 8,30,657 equity shares on preferential basis to various banks and lenders on accounts of conversion of OCCRPS.

v. **Shareholding of Directors and Key Managerial Personnel :**

Sr. No.	For Each of the Directors & Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Raj Kumar Sekhani				
	At the beginning of the year	2,059,718	8.54	2,059,718	8.54
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc)	18,042	0.07	2,077,760	8.33
	At the end of the year	2,077,760	8.33	2,077,760	8.33

Note: The decrease in % of shareholding from 8.54 % to 8.33% is due to allotment of 8,30,657 equity shares on preferential basis to various banks and lenders on accounts of conversion of OCCRPS and purchase of 18,042 equity shares from market.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	6,427.70	77.95	--	6,505.65
ii) Interest due but not paid	10.22	--	--	10.22
iii) Interest accrued but not due	20.13	--	--	20.13
Total (i+ii+iii)	**6,458.05**	**77.95**	**--**	**6,536.00**
Change in Indebtedness during the financial year				
Addition	332.46	260.40	--	592.85
Reduction	(1,505.80)	--	--	(1,505.79)
Net Change	**(1,173.34)**	**260.40**	**--**	**(912.94)**
Indebtedness at the end of the financial year				
i) Principal Amount	5,264.83	338.95	--	5,603.18
ii) Interest due but not paid	8.22	--	--	8.22
iii) Interest accrued but not due	11.66	--	--	11.66
Total (i+ii+iii)	**5,284.71**	**338.95**	**--**	**5,623.06**

VI. RE MUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Director and/or Manager:

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Chairman	Managing Director	Executive Director	
		Shri Raj Kumar Sekhani	Shri Harsh Vardhan Bassi	Shri Gangadharan Kandam Rama Panicker	
1	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	60.00	36.00	20.03	116.03
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	4.96	-	5.36
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	--	--	--	--
2	Stock option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- Others, (specify)	--	--	--	--
5	Others, please specify	--	--	--	--
	Total (A)	60.40	**40.96**	**20.03**	**121.39**

B. Remuneration to other Directors:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
1	**Independent Directors**	**Shri Joginder Kumar Baweja**	**Shri Gopalkrishnan Sivaraman**	**Mrs. Sujata Chakravarty**	
	(a) Fee for attending board committee meetings	0.78	0.78	0.37	1.93
	(b) Commission	--	--	--	--
	(c) Others, please specify	--	--	--	--
	Total (1)	0.78	0.78	0.37	1.93
2	**Other Non Executive Directors**	--	--	--	--
	(a) Fee for attending board committee meetings	--	--	--	--
	(b) Commission	--	--	--	--
	(c) Others, please specify.	--	--	--	--
	Total (2)	--	--	--	--
	Total Managerial Remuneration				
	Total (B)=(1+2)	**0.78**	**0.78**	**0.37**	**1.93**

C. Remuneration to key Managerial Personnel other than MD/Manager/WTD:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Company Secretary	CFO		
		(Mrs. Ami Thakkar)	(Shri Nawal Sharma) upto 31/9/2018	(Shri Deepak Sipani) 14/11/2018 to 31/03/2019	
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6.00	10.52	6.87	23.39
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	- as % of profit	--	--	--	--
	- Others, (specify)	--	--	--	--
5	Others, please specify	--	--	--	--
	Total (C)	**6.00**	**10.52**	**6.87**	**23.39**

VII. PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made if any (give details)
A.	**COMPANY**					
	Penalty					
	Punishment					
	Compounding					
B.	**DIRECTORS**					
	Penalty					
	Punishment			N I L		
	Compounding					
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty					
	Punishment					
	Compounding					

NOMINATION AND REMUNERATION POLICY

Annexure - B

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (LODR) Regulations, 2011, as amended from time to time.

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

DEFINITIONS

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Key Managerial Personnel" means:
i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
ii) CFO;
iii) Company Secretary; and
iv) such other officer as may be prescribed.

"Senior Managerial Personnel" mean the personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

OBJECTIVES OF THE POLICY

The objective of the policy is to ensure that
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, key managerial personnel and senior management involves a balance short and long-term performance objectives appropriate to the working of the Company and its goals.

COMPOSITION OF THE COMMITTEE

- The Committee shall consist of a minimum 3 non-executive Directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRPERSON

- Chairperson of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

ROLE OF THE COMMITTEE

The role of the NRC will be the following:
- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.

- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director, KMP and Senior Management Personnel at any time including the suspension or termination of service subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) **Remuneration to Managing Director / Whole-time Directors:**

   - The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

   - The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) **Remuneration to Non- Executive / Independent Directors:**

   - The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

   - All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

   - An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

   - Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

     - The Services are rendered by such Director in his capacity as the professional; and

     - In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

   - The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) **Remuneration to Key Managerial Personnel and Senior Management:**

   - The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

   - The Company may issue Employee Stock Option / Purchase Schemes to Key Managerial Personnel and Senior Management in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

- The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

TERM / TENURE

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

- The Committee may delegate any of its powers to one or more of its members.

FORM NO. AOC -2

Annexure - C

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis:

   Not Applicable as all transactions are on Arm's Length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis:

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**I) Sales** a) M/s J.J. Sons b) Kiran Industries Pvt. Ltd c) Kiran Texpro Pvt. Ltd. d) M/s J.J. Enterprises **II) Purchases** a) Kiran Industries Pvt. Ltd b) Kiran Texpro Pvt. Ltd. c) Crystal Lace (I) Ltd. d) M/s J.J. Enterprises **III) Rent** a) Kiran Industries Pvt. Ltd
b)	Nature of contracts/arrangements/ transaction	Invoice
c)	Duration of the contracts/ arrangements/ transaction	As and when required
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	As per normal business norms
e)	Date of approval by the Board	28th May, 2018
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board of Directors

Raj Kumar Sekhani
Chairman
DIN: 00102843

Place : Mumbai
Date : 27th May, 2019

Annexure - D

Form No. MR-3
SECRETARIEAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
PIONEER EMBROIDERIES LIMITED
CIN No. L17291MH1991PLC063752
Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PIONEER EMBROIDERIES LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);

(i) As per Management representation letter following are laws applicable specifically to Company:

1. Factories Act, 1948;

2. Industries (Development & Regulation) Act, 1951;

3. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, bonus, provident fund, ESIC, compensation etc.;

4. Acts prescribed under prevention and control of pollution;

5. Acts prescribed under Environmental protection;
6. Acts as prescribed under Direct Tax and Indirect Tax;
7. Land Revenue laws of respective States;
8. Labour Welfare Act to respective States;
9. Trade Marks Act 1999 & Copy Right Act 1957;
10. The Legal Metrology Act, 2009;
11. Acts as prescribed under Shop and Establishment Act of various local authorities.
12. Local Laws as applicable to various offices and plants;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations 2015.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines, Standards as mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company had the following events having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- The Company has allotted 8,30,657 Equity Shares of face value of ₹10/- each pursuant to the conversion of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) to Bank/Financial institution.

This Report is to be read with my letter of even date which is annexed as Annexure 1 and forms an integral part of this Report.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. 2655 /CP No. 1798

Date: 27th May, 2019
Place: Mumbai

Annexure 1(forming part of Secretarial Audit Report)

To
The Members,
PIONEER EMBROIDERIES LIMITED
CIN No. L17291MH1991PLC063752
Mumbai

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. 2655 / CP No. 1798

Date: 27th May, 2019
Place: Mumbai

Annexure - E

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of Director	Designation	Ratio to median remuneration of the employees
Mr. Raj Kumar Sekhani	Chairman	43:1
Mr. Harsh Vardhan Bassi	Managing Director	26:1
Mr. Gangadharan Kandam Rama Panicker	Executive Director	14:1

a) The Median remuneration of employees of the Company was ₹1.41 lakhs.

b) For this purpose, Sitting fees paid to the Directors have not been considered as remuneration.

ii. The % increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year:

Designation	**Name of Employee**	**% increase/decrease in remuneration (₹ in lakh)**
Chairman	Mr. Raj Kumar Sekhani	(24.00)
Managing Director	Mr. Harsh Vardhan Bassi	(14.00)
Executive Director	Mr. Gangadharan Kandam Rama Panicker	--
CFO	Mr. Nawal Sharma*	Not Applicable
CFO	Mr. Deepak Sipani**	Not Applicable
Company Secretary	Ms. Ami Thakkar	5.26

* Resigned as a CFO with effect from 30th September, 2018. ** Appointed as a CFO with effect from 14th November, 2018

iii. The % increase in the median remuneration of employees in the financial Year: 0.33%.

iv. The number of permanent employees on the rolls of the Company: 1,012.

v. The explanation on the relationship between average increase in remuneration and company performance:

The Company's performance was not satisfactory during the year. Company has made profit of ₹413.13 lakhs against loss of ₹585.00 lakhs in previous year.

vi. Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company:

The remuneration paid to all Six KMPs during FY 2019 aggregate to approximately 0.52% of the Gross Revenue. The Gross revenue was ₹27,588 lakhs (previous year ₹26,489 lakhs).

vii. a) Variations in the market capitalization of the Company: The market capitalization of the Company as at the closing date of the current financial year and previous financial year has decreased by 17.14%.

b) Price Earnings Ratio of the Company: 13.96% on 31st March, 2019 and N/A as at 31st March, 2018.

c) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

The closing share price of the Company at BSE Limited on 31st March, 2019 being ₹23.60 per equity share of face value of ₹10 each has grown 2.36 times since the last public offer by the Company, which was made in the year 1993.

viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The median percentage increase made in the salaries of employees other than the managerial personnel was 0.33% while the increase in the remuneration of managerial personnel was 8.96%.

ix. Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	Designation	Remuneration for FY 2019 (₹ in lakhs)	% of Gross Revenue for FY 2019	% of Profit for FY 2019
Mr. Raj Kumar Sekhani	Chairman	60.40	0.22	14.62
Mr. Harsh Vardhan Bassi	Managing Director	40.96	0.15	9.91
Mr. Gangadharan Kandam Rama Panicker	Executive Director	20.03	0.07	4.84
Mr. Nawal Sharma*	CFO	10.52	0.04	2.54
Mr. Deepak Sipani**	CFO	6.87	0.02	1.66
Ms. Ami Thakkar	Company Secretary	6.00	0.02	1.45

*Resigned as a CFO w.e.f.:- 30th September, 2018, **Appointed as a CFO w.e.f.:- 14th November, 2018

x. The key parameters for any variable component of remuneration availed by the Directors:

No variable component was availed by the Directors during the year.

xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

This is not applicable to the Company.

xii. It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company.

On behalf of the Board of Directors

Date : 27th May, 2019
Place : Mumbai

RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Annexure - F

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2019 is given here below and forms part of Directors' Report.

A) CONSERVATION OF ENERGY:

The manufacturing processes of the Company are not energy intensive, therefore impact of energy saving devices is insignificant.

B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

The Company has not imported any technology at any time during the last five years.

RESEARCH AND DEVELOPMENT:

a)	Specific areas in which R & D has carried out by the Company	The Company has carried out R & D in the area of product development & cost reduction.
b)	Benefit derived as a result of R & D.	Sales and quality of the products of the Company has improved substantially.
c)	Future Plan of action	The Company plans to strengthen its R & D activity and intensify its cost reduction programme.
d)	Expenditure on R & D	Expenditure on R & D is not accounted for separately.

C) FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ in lakhs)

	2018-19	2017-18
Total Foreign Exchange Used (Payment Basis)	**354.63**	427.59
Total Foreign Exchange Earned	**6,044.96**	4,607.76

Annexure - G

CORPORATE SOCIAL RESPONSIBILITY (CSR)

{Pursuant to clause (o) of sub-section 134 of the Act and Rule 9 of the Corporate Social responsibility) Rules, 2014}

1. **A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   We believe in the trusteeship concept. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards making a meaningful difference to them.

   Our vision is - "to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker and marginalized sections of society and raise the Country's human development index".

   Identification of projects:

   All projects are identified in consultation with the community in a participatory manner, literally sitting with them and gauging their basic needs. We take recourse to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the village panchayats, and other stakeholders, projects are prioritized.

   Arising from this our focus areas that have emerged are Education which is in line with Schedule VII of the Companies Act, 2013.

   Your Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 which is accessible from our Company's website: http://pelhakoba.com/wp-content/uploads/2016/10/Corporate_Social_Responsibility_policy.pdf.)

2. **The Composition of the CSR Committee:**

   Mrs. Sujata Chakravarthy - Chairperson
   Mr. Raj Kumar Sekhani - Member
   Mr. Harsh Vardhan Bassi - Member
   Mr. Joginder Kumar Baweja - Member

3. **Average net profit of the Company for last three financial years: ₹3.61 Crores.**
4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹7.21 lakhs.**
5. **Details of CSR spent during the financial year:**

   (a) Total amount to be spent for the financial year: ₹7.21 lakhs.

   (b) Amount unspent, if any; NIL

   (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project/ activity undertaken	Sector in which the Project is covered	Projects/ Programs (1) Local area / other (2) (Specify the State or district where the Projects or programs was undertaken)	Amount outlay (budget) Project / program-wise	Amount spent on the Project/programs Sub-heads (1) Direct expenditure on the projects or programs (2) Overheads#	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency*
1	Shri Jethmal Jivraj Sekhani Charitable Trust	Financial Literacy of Women	Gujarat	₹7,21,000	₹7,21,000	-	All expenses are incurred directly by the Company

   # there is no overheads claimed by the Company.

   *Give details of implementing agency.

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: NOT APPLICABLE.**
7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

   The Board of Directors and its CSR Committee are whole-heartedly committed to fulfilling the Company's CSR vision of aspiring to be a trusted partner while striving to contribute to a safer and better quality of life.

Harsh Vardhan Bassi
Managing Director
DIN:00102941

Sujata Chakravarthy
Chairman-CSR Committee
DIN:07584280

Place: Mumbai

Date: 27th May, 2019

CORPORATE GOVERNANCE REPORT

1. **Company's Philosophy on Corporate Governance**

While the regulatory environment in the country has done well to have relevant structures, code and practices in place for ensuring better standards of corporate governance, we, at Pioneer, believe that compliance of the same should be both in letter and in spirit. Even before the framework was in place, your Company has always imbibed the spirit of good governance in its corporate philosophy and has created an enabling environment for nurturing good management practices. Apart from efficiency and competitiveness, other traits like transparency, accountability and ethical values form part of our corporate culture.

The Board of Directors at Pioneer is committed to ensure that the affairs of your Company are governed in the best interests of the shareholders, and that all endeavors are made to maintain transparency and fairness in all facets of its operations. Emphasis is on maintaining integrity of internal control systems and accountability and compliance with all statutory/ regulatory requirements. Your Company is also conscious of its responsibility as a good Corporate Citizen, and assures that its' operations would be guided by ethics and social values. Moreover, efforts are made to have such values well-defined and explicit, and have them filter down from the top brass to the lower levels of the organisation. We acknowledge the fact that quality of governance is a critical success factor for brand building, resource mobilisation, market penetration and overall business competitiveness.

In accordance with Regulation 27 and 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the domestic stock exchanges and best practices followed internationally on Corporate Governance, the details of compliance by the Company are as under:

2. **Board of Directors**

The Board of the Company comprises six Directors, out of which three are Executive Directors, and three are Independent Non-Executive Directors. The Non-Executive Directors of the Company are highly experienced professionals in their fields and in the corporate world. The Chairman of the Board is an Executive Director.

The Composition of Directors on the Board of the Company is as under:

Category	No. of Directors
Executive Directors	3
Non- Executive Independent Directors	3
Total	**6**

Category	Name of Directors	Expertise in specific functional area
Promoter and Executive Directors	Mr. Raj Kumar Sekhani, Chairman	Industrialist, Textile Industry Domain, Business Strategy and Corporate Management.
	Mr. Harsh Vardhan Bassi, Managing Director	Marketing, Textile Industry Domain, Administration, Business Strategy and Corporate Planning.
	Mr. Gangadharan Kandam Rama Panicker, Executive Director	Marketing and Textile Industry Domain and Business Strategy.
Non-Executive and Independent Directors	Mr. Joginder Kumar Baweja	Marketing, Textile Industry Domain, Business and Corporate Planning and Strategy.
	Mr. Gopalkrishnan Sivaraman	Accounts, Finance, Costing, Audit and Human Resources.
	Mrs. Sujata Chakravarthy	Business Process Management, Administration, Corporate Social Responsibility, Human Resources and Strategy.

The Category of Directors on the Board of the Company is as under:

Name of the Director	Category	No. of other Directorships@	No. of Board Committee in which Director is	
			Member	Chairman
Mr. Raj Kumar Sekhani	Chairman	3	2	--
Mr. Harsh Vardhan Bassi	Managing Director	3	3	--
Mr. Joginder Kumar Baweja	Independent Non-Executive Director	--	2	2
Mr. Gopalkrishnan Sivaraman	Independent Non-Executive Director	--	2	1
Mrs. Sujata Chakravarthy	Independent Non-Executive Director	--	1	1
Mr. Gangadharan Kandam Rama Panicker	Executive Director	--	--	--

@ Does not include Directorships in Private Companies.

None of the Directors of the Company holds membership of more than 10 Board Committees or Chairmanships of more than 5 Board Committees.

The Company has familiarization program for Independent Directors of the Company with regard to their role, rights, responsibilities in the Company, nature of industry in which the Company operates, the business model of the Company. None of the Non-Executive Directors during the year held any shares or convertible instruments. None of the Directors had any inter-se relationships. The details of familiarization programmes imparted to independent is available on website of the Company at http://pelhakoba.com/wp-content/uploads/2017/01/Familiarization Programmes imparted to independent directors 2016-17.pdf.

Terms of appointment of Independent Directors is available on website of the Company at http://pelhakoba.com/wp-content/uploads/2016/04/Terms-of-appointment-of-independent-directors1.pdf.

Attendance of Directors at Board Meetings and at the last Annual General Meeting

The Board of the Company met Four times during the year ended 31st March, 2019 on the following dates:

28-05-2018, 23-07-2018, 14-11-2018 and 04-02-2019.

The Board discussed the operating plans, performance of various units and various other information's from time to time.

Name of the Director	Board Meetings held during the tenure of the Director	Board Meeting Attended	Attendance at the last AGM held on 20th August, 2018
Mr. Raj Kumar Sekhani	4	4	Present
Mr. Harsh Vardhan Bassi	4	3	Present
Mr. Joginder Kumar Baweja	4	4	Present
Mr. Gopalkrishnan Sivaraman	4	4	Present
Mrs. Sujata Chakravarthy	4	4	Present
Mr. Gangadharan Kandam Rama Panicker	4	4	Present

Directors seeking reappointment:

A brief resume of Director seeking re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas, and the names of the companies in which he hold directorship and the Committees of the Board where-in they are member, are furnished hereunder:

Mr. Gangadharan Kandam Rama Panicker (DIN: 07735379) is a diploma in Textile Technology from SKSJTI, Bangalore and has undergone specialized training in Sulzer Ruti projective weaving machine from Switzerland. He has over 42 years of experience in the field of Textiles, manufacturing sector, out of which 27 years in Nigeria taking care of composite textile unit. He is looking after Coimbatore unit and Company's southern zone operations, since 11 years and thus Mr. Ganagadharan Kandam Rama Panicker (DIN:07735379), Executive Director of the Company being liable to retire by rotation and being eligible for re-appointment is placed before the members at the forthcoming Annual General Meeting for their approval.

Further, Mr. Joginder Kumar Baweja (DIN:01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873), were appointed as an Independent Director of the Company for a period of five years up to 31st March, 2019 and 16th April, 2019 respectively. The Nomination and Remuneration Committee and the Board at their meetings held on 04th February, 2019 have recommended the re-appointment of Mr. Joginder Kumar Baweja (DIN: 01660198), as an Independent Director of the Company for a second consecutive term from 1st April, 2019 till 31st March, 2024 and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) as an Independent Director of the Company for a second consecutive term from 17th April, 2019 till 16th April, 2024 at the forth coming Annual General Meeting of the Company.

3. Performance Evaluation

The criteria for performance evaluation cover the areas relevant to the functioning as Promoter Directors and Independent Directors such as participation, preparation, conduct and effectiveness. The performance evaluation of Promoter Directors and Independent Directors was done by the Board as a whole by Independent Directors and Promoters Directors every year. All the Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

4. Audit Committee

The following terms of reference stipulated by the Board of Directors to the Audit Committee cover all the matters specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) as well as the provisions of Section 177 of the Companies Act, 2013:

1. To oversee the financial reporting process.
2. To oversee the disclosures of financial information.
3. To recommend appointment / removal of statutory auditors and fixation of their fees.
4. To review the quarterly/half yearly financial results and annual financial statements with the management, internal auditor and the statutory auditor.
5. To consider the reports of the internal auditors and to discuss their findings with the management and to suggest corrective actions wherever necessary.
6. To Review with the management, statutory auditors and the internal auditors the nature and scope of audits and the adequacy of internal control systems.

7. To Review major accounting policies and compliance with accounting standards and listing agreement entered into with the stock exchange and other legal requirements concerning financial statements.
8. To Look into the reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.
9. To Review related party transactions of material nature, with promoters or the management and their relatives that may have potential conflict with the interests of the Company at large.
10. To investigate any matter covered under Section 177 of the Companies Act, 2013.
11. To Review the financial and risk management policies.

During the year ended 31st March, 2019, four Meetings of the Audit Committee were held on 28-05-2018, 23-07-2018, 14-11-2018 and 04-02-2019.

The Composition of Audit Committee and the details of attendance of its meetings are as under:

Name of the Director	Designation	Status	Committee Meetings held during the tenure of Directoron the Committee	Committee Meetings Attended
Mr. Joginder Kumar Baweja	Chairman	Non-Executive Independent Director	4	4
Mr. Harsh Vardhan Bassi	Member	Executive Director	4	3
Mr. Gopalkrishnan Sivaraman	Member	Non-Executive Independent Director	4	4

5. **Nomination and Remuneration Committee**

The powers, role and terms of Nomination and Remuneration committee covers the areas as contained in LODR and Section 178 of the Companies Act, 2013. The Committee comprises of three Independent Non-Executive Directors. The terms of reference of the Committee is to deal with the matters related to remuneration by way of salary, perquisites, benefits, etc. for the Executive and Whole-time Directors of the Company.

During the year ended 31st March, 2019, three meetings of the Committee was held on 28-05-2018, 14-11-2018 and 04-02-2019.

The Composition of Nomination and Remuneration committee and the details of attendance of its meetings are as under:

Name of the Director	Designation	Status	Committee Meetings held during the tenure of Directoron the Committee	Committee Meetings Attended
Mr. Joginder Kumar Baweja	Chairman	Non-Executive Independent Director	3	3
Mr. Gopalkrishnan Sivaraman	Director	Non-Executive Independent Director	3	3
Mrs. Sujata Chakravarthy	Director	Non-Executive Independent Director	3	3

The remuneration of the employees consists of fixed pay i.e. Basic pay, Allowances, perquisites etc., which is related to Industry pattern, qualification, experience and responsibilities handled by the employees, etc. The objectives of the remuneration policy are to motivate employees and recognize their contribution, reward merit and to attract and retain talent in the organization.

The Committee is authorised, inter alia to deal with the matters related to remuneration by way of salary, perquisites, benefits etc. for the Executive Directors of the Company and set guidelines for salary, performance pay and perquisites to other senior employees.

Terms of Reference of the Nomination & Remuneration Committee, inter alia, include the following:

- To recommend and review the remuneration packages of the Managing Director and Whole Time Directors including pension rights and compensation payment.
- To recommend and review on the sitting fees to be paid to the Non-Executive Directors and Independent Directors for attending the Board Meetings and Committee Meetings.
- To help in determining the appropriate size, diversity and composition of the Board.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To assist in developing a succession plan for the Board.
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Performance Evaluation of board

In compliance with the provisions of the Act and SEBI Listing Regulations, the Company has undertaken the performance evaluation process for the Board of Directors, its Committees and that of individual Directors. The performance evaluation was undertaken as per the Guidance Note on Board evaluation issued by Securities and Exchange Board of India and framework provided by Nomination and Remuneration/Compensation Committee, setting out parameters for conducting performance evaluation of the Board, its Committees and that of Individual Directors.

6. Remuneration of Directors

(a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity;

There is no pecuniary relationship or transactions of the non-executive directors with the Company.

(b) Criteria of making payments to non-executive directors;

Only sitting fees are paid to non-executive directors.

(c) Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, are as below:

(Amount in ₹)

Sr. No.	Name of the Director	Sitting Fees	Salary	Bonus	Performance Linked Incentives	Provident Fund	Pension	Stock option
1.	Mr. Raj Kumar Sekhani	--	60,39,600	--	--	--	--	--
2.	Mr. Harsh Vardhan Bassi	--	40,96,458	--	--	--	--	--
3.	Mr. Joginder Baweja	77,500	--	--	--	--	--	--
4.	Mr. Gopalkrishnan Sivaraman	77,500	--	--	--	--	--	--
5.	Mrs. Sujata Chakravarthy	37,500	--	--	--	--	--	--
6.	Mr. Gangadharan Kandam Rama Panicker	--	20,03,424	--	--	--	--	--
	Total	**1,92,500**	**12,139,482**	**--**	**--**	**--**	**--**	**--**

7. Stakeholders' Relationship Committee

The functions of Stakeholder's Relationship Committee include redressal of investor's complaints related to share transfers, non-receipt of Annual Reports, dividend payment, issue of duplicate share certificates, transfer and transmission of shares and other allied transactions. Its scope also includes delegating the powers to the executives of Company / Share Transfer Agents to process share transfer, etc.

During the year ended 31st March, 2019, four Meetings of the Stakeholder's Relationship Committee were held on 28-05-2018, 23-07-2018, 14-11-2018 and 04-02-2019.

The composition of Stakeholders' Relationship Committee is as under:

Name of the Director	Designation	Status
Mr. Gopalkrishnan Sivaraman	Chairman	Non-Executive Independent Director
Mr. Raj Kumar Sekhani	Member	Chairman
Mr. Harsh Vardhan Bassi	Member	Managing Director
Mr. Joginder Kumar Baweja	Member	Non-Executive Independent Director

Mrs. Ami Thakkar has been designated as Compliance Officer in terms of SEBI (LODR) Regulations, 2015.

The details of the complaints and other correspondence received and attended to during the year ended on 31st March, 2019 are given hereunder:

Nature of Complaints	Received	Attended to	Pending
Non Receipt of Share Certificate(s) Transfer	9	9	0
Non Receipt of Rejected DRF	10	10	0
Non Receipt of Exchange Certificate(s)	1	1	0
Non Receipt of Bonus Certificate(s)	2	2	0
Total	22	22	0

8. Corporate Social Responsibility Committee

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013. Your Company has developed a CSR Policy which is available on the website of the Company.

During the year under review, the Committee meeting was held on 28-05-2018 and 04-02-2019.

The composition of Stakeholders' Relationship Committees as under:

Name of the Director	Designation	Status	Committee Meetings held during the tenure of Director on the Committee	Committee Meetings Attended
Mrs. Sujata Chakravarty	Chairperson	Non-Executive Independent Director	2	2
Mr. Raj Kumar Sekhani	Member	Chairman	2	2
Mr. Harsh Vardhan Bassi	Member	Managing Director	2	2
Mr. Joginder Kumar Baweja	Member	Non-Executive Independent Director	2	2

Terms of Reference

The Terms of Reference of the CSR Committee are as under:

- Formulate and recommend to the Board, a CSR Policy.
- Recommend the amount of expenditure to be incurred on CSR activities.
- Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.
- Monitor CSR policy from time to time.

9. General Body Meetings

The venue and time of the Annual General Meetings held during the last three years are as follows:

Year	Date	Time	Venue	No. of Special Resolutions passed
2015-2016	26th July, 2016	9.30 A.M	The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai-400064.	02*
2016-2017	29th August, 2017	9.30 A.M	The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai-400064.	02**
2017-2018	20th August, 2018	9.30 A.M	The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai-400064.	02***

*For AGM held on 26th July, 2016 the following Special Resolutions were passed:

Sr. No.	Particulars
1.	Re-appoint and Increase in Remuneration of Mr. Raj Kumar Sekhani
2.	Increase in Remuneration of Mr. Harsh Vardhan Bassi

**For AGM held on 29th August, 2017 the following Special Resolutions were passed:

Sr. No.	Particulars
1.	Payment of remuneration of Mr. Gangadharan Kandam Rama Panicker (DIN 07735379).
2.	Issue of 196078 Equity Shares of the Company on preferential basis to Kotak Mahindra Bank Limited.

***For AGM held on 20th August, 2018 the following Special Resolutions were passed:All the Resolutions set out in the Notices were passed by the Shareholders.

Sr. No.	Particulars
1.	Pioneer Embroideries Limited Employee Stock Option Plan 2018
2.	Pioneer Embroideries Limited Employee Stock Option Plan 2018"- Holding Company and/or Subsidiary Company(ies).

10. Means of Communication

The Unaudited Quarterly, Half Yearly and Annual Financial Results are sent to the Stock Exchanges where the shares of the Company are listed. The Results are normally published in 'Business Standard' & 'Mumbai Lakshdeep'. The results are displayed on the Company's Website: - www.pelhakoba.com.

General Shareholder Information

i) AGM

Date and Time : Monday, 26th August, 2019 at 10.00 A.M.

Venue : The Goregaon Sports Club, Ground Floor, East Banquet Hall, Link Road, Malad (West), Mumbai- 400064.

ii) **Financial Calendar 2019-20 (tentative) Financial year ends on 31st March every year**

Quarter ending June 30, 2019	:	By Second Week of August, 2019
Half year ending September 30, 2019	:	By Second Week of November, 2019
Quarter ending December 31, 2019	:	By Second Week of February, 2020
Year ending March 31, 2020	:	By Last Week of May, 2020
Annual General Meeting (2019-20)	:	By end of September, 2020

iii) **Date of Book Closure** : Friday, 23rd August, 2019 to Monday, 26th August, 2019 (both days inclusive)

iv) **Dividend Payment Date** : No Dividend has been recommended by the Board of Directors of the Company for the year.

v) **Listing on Stock Exchanges & Stock Code** : National Stock Exchange of India Limited (Code: PIONEEREMB)
Address: Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai: 400051.

BSE Limited (Code: 514300)
Address: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai: 400001.

vi) **Listing Fees** : Annual Listing Fees for the Financial Year 2019-2020 have been paid to the above Stock Exchanges.

vii) **Demat ISIN No.** : INE156C01018

viii) **Stock Market Data**

The month-wise movement (High & Low) of the shares of the Company at the Bombay Stock Exchange during each month for the year ended 31st March, 2019 is as under:

Month	High Price (₹)	Low Price (₹)	Volume
April, 2018	34.60	28.50	88,706
May, 2018	35.55	25.15	1,56,766
June, 2018	30.65	24.00	2,14,484
July, 2018	29.65	24.20	1,08,517
August, 2018	39.55	26.10	3,84,824
September, 2018	41.10	29.90	2,71,486
October, 2018	33.00	26.80	1,04,264
November, 2018	33.35	28.20	1,13,103
December, 2018	32.05	26.25	48,572
January, 2019	29.50	25.00	73,022
February, 2019	30.00	17.75	82,874
March, 2019	31.70	22.00	80,297

ix) **Performance in comparison to Broad-based indices such at BSE Sensex** : As against a rise of 17.30% in BSE Sensex during the year, the price of equity shares of the Company has fallen by 17.48%.

x) **Registrar & Share Transfer Agent** : Link Intime India Pvt. Ltd.,
C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083.
Telephone number: 022-49186000 Fax: 022-49186060
Email: rnt.helpdesk@linkintime.co.in , sk@linkintime.co.in

xi) **Share Transfer System**

The share transfers, received in physical form, are processed and the share certificates returned within a period of 15 to 20 days from the date of receipt, subject to the documents being valid and complete in all respects.

xii) **Distribution of Shareholding as on 31st March, 2019**

Slab of No. of Shareholding (₹)			No. of Share holders	% to No. of Shareholders	Amount (₹)	% to paid-up capital
Upto		5000	20,453	90.09	14,156,770	5.67
5001	-	10000	1,036	4.56	8,534,000	3.42
10001	-	20000	597	2.63	9,252,010	3.71
20001	-	30000	186	0.82	4,828,690	1.94
30001	-	40000	92	0.41	3,321,080	1.33
40001	-	50000	94	0.41	4,421,110	1.77
50001	-	100000	120	0.53	8,895,150	3.57
> 100001			124	0.55	18,21,67,010	78.59
Total			**22,702***	**100.00**	**24,94,79,420**	**100.00**

xiii) **Categories of Shareholding Pattern as on 31st March, 2019**

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Promoters	5	0.02	6,602,559	26.47
Mutual Funds & UTI	2	0.01	900	0.00
Banks/Financial Institutions/Ins/ Govt.	5	0.02	4,283,842	17.17
Foreign Institutional Investors	--	--	--	--
Corporates	180	0.80	575,702	2.31
Individuals	21,363	95.28	10,578,731	42.40
NRIs/OCBs	505	2.25	447,477	1.79
Others	361	1.61	2,458,731	9.86
Total	**22,421***	**100.00**	**24,947,942**	**100.00**

* Due to clubbing of Folios of same person holding shares in more than one Folio, there is Difference in No. of shareholders in Distributions of Shareholding as on 31st March, 2019 and Categories of Shareholding Pattern as on 31st March, 2019.

xiv) **Dematerializations of Shares**

The Company's shares are traded compulsorily in dematerialized form. As on 31st March, 2019 the details of the shares of the Company held in physical and demat form are given below:

	No. of Shares	% to the Capital
Shares held in Physical Form	3,53,279	1.42
Shares held in Demat Form	2,45,94,663	98.58
TOTAL	**2,49,47,942**	**100.00**

xv) **Outstanding GDRs / Warrants and Convertible Instruments**

There is no Outstanding GDRs / Warrants and Convertible Instruments as at 31st March, 2019.

xvi) **Commodity price risk or Foreign exchange risk and hedging activities**

The Company is not involved in any hedging activates.

xvii) **Plant Locations**

i) Sarigam, Gujarat
ii) Naroli, Dadra & Nagar Haveli
iii) Coimbatore, Tamilnadu
iv) Kala-amb, Himachal Pradesh

xviii) **Address for Correspondence**

Shareholder correspondence should be addressed to the Company's Registrar and Transfer Agents:
Link Intime India Pvt. Ltd.,
C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083.
Tel No.: (022) 49186000, Fax No.: (022) 49186060
Email: rnt.helpdesk@linkintime.co.in

Investors may also write or contact Mrs. Ami Thakkar, Company Secretary and Compliance officer at the Corporate Office of the Company at:
Unit No 21 to 25, 2nd Floor Orient House,
3A Udyog Nagar, Off S V Road,
Goregaon (West),Mumbai – 400 062.
Tel.: (022)42232323 Fax: (022) 42232313
Email: mumbai@pelhakoba.com

11. Disclosures

There were no transactions of material nature with promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The Related Party Transactions policy as approved by the Board is uploaded on the Company's website at www.pelhakoba.com. Transactions with Related Parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.

There were no instances of non-compliance by the Company nor have any penalties, strictures been imposed by the Stock Exchanges or SEBI or any other Statutory Authority for the last three years on any matter related to capital markets.

12. Disclosures in relation to the sexual harassment of women at workplace (Prevention, Prohobition and Redressal) Act, 2013

Your Company has zero tolerance towards any kind of harassment, including sexual harassment, or discrimination. Your Company has constituted an Internal Complaints Committee (ICC) to investigate and resolve sexual harassment complaints. Employees are encouraged to speak up and report any such incidences to the ICC. Your Company has also implemented a Policy on Prevention of Sexual Harassment which is reviewed by the ICC at regular intervals. Any complaint made to the ICC is treated fairly and confidentially. The details as required in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided below:

a) Number of complaints filed during the financial year: NIL
b) Number of complaints disposed of during the financial year: NIL
c) Number of complaints pending as on the end of the financial year: NIL

13. Certificate from practising Company Secretary

The Company has obtained a certificate from M/s. Sanjay Dholakia & Associates, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

14. Management Discussion and Analysis Report

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Schedule V of SEBI Listing Regulations.

15. Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI, MCA or other statutory authorities relating to the above.

16. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s. S. K. Naredi & Co, Chartered Accountants, Statutory Auditors of the Company and all the entities in the network firm/network entity of which Statutory Auditor is a part is as under:

Company Name	Relationship	Name of Auditor	(₹ In lakhs)
Pioneer Embrodieries Limited	Parent's Company	M/s. S. K. Naredi & Co, (ICAI Reg. No. 121426W), Chartered Accountants	11.50
Hakoba Lifestyle Limited	Subsidiary Company	M/s. M B A H & Co. (ICAI Reg. No. 121426W), Chartered Accountants	0.26
Pioneer Realty Limited	Subsidiary Company	M/s. M B A H & Co. (ICAI Reg. No. 121426W), Chartered Accountants	0.12
Crystal Lace (India) Limited	Subsidiary Company	M/s. Parag G. Shah & Associates (ICAI Regn. No.122403W), Chartered Accountants	0.30

17. Discretionary Requirements under Regulation 27 of LODR

The status of compliance with discretionary recommendations of the Regulation 27 of the LODR with Stock Exchanges is provided below:

The Board: Chairman's office is occupied by Executive Chairman.

Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the news papers and are also posted on the Company's website, the same are not being sent to the shareholders.

Modified Opinion in Auditors Report: The Company's financial statement for the year 2018-2019 does not contain any modified audit opinion.

Separate posts of Chairman and CEO: The Chairman of the Board is an Executive Director and his position is separate from that of the Managing Director or CEO.

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

18. Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

19. Prevention of Insider Trading Code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code. The Company has appointed Mrs. Ami Thakkar as Compliance Officer, who is responsible to set procedures and implementation of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code.

20. Code of Conduct

The Board has laid down a code of conduct for Business and Ethics for all the Board Members and all the employees of the management grade of the Company. The code of conduct is also available on the Company's website. All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by Managing Director and CFO is attached as annexure to Corporate Governance Report as Annexure 1 and forms part of the Annual Report of the Company.

21. CEO/CFO Certification

The Managing Director and CFO of the Company have certified to the Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 for the year ended 31st March, 2019.

The "Management Discussion and Analysis Report" forms part of this Annual Report.

22. Subsidiary Companies

There is no material Indian Subsidiary Company requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary Company. The requirements of the Regulation 24 of LODR with regard to subsidiary companies have been complied with. The Policy for determining material subsidiaries is available on website of the Company at: www.pelhakoba.com.

Annexure 1 to Corporate Governance

DECLARATION REGARDING CODE OF CONDUCT

We hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company for the year ended 31st March, 2019.

For Pioneer Embroideries Limited

Harsh Vardhan Bassi
Managing Director
DIN:00102941
Place: Mumbai
Date: 27th May, 2019

For Pioneer Embroideries Limited

Deepak Sipani
Chief Financial Officer

MANAGING DIRECTORS/CHIEF FINANCIAL OFFICER CERTIFICATION

To
The Board of Directors
Pioneer Embroideries Limited
Mumbai.

We have reviewed the financial statements and the cash flow statement of Pioneer Embroideries Limited for the year ended 31st March, 2019 and that to the best of our knowledge and belief, we state that:

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) we have indicated to the Auditors and the Audit Committee:

(i) significant changes, if any, in the internal control over financial reporting during the year.

(ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Pioneer Embroideries Limited

Harsh Vardhan Bassi
Managing Director
DIN: 00102941

For Pioneer Embroideries Limited

Deepak Sipani
Chief Financial Officer

Place : Mumbai
Date : 27th May, 2019

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of Pioneer Embroideries Limited
Unit 101B, 1st Floor, Abhishek Premises,
Plot No.C5-6 Dalia Industrial Estate,
Off. New Link Road, Andheri (West),
Mumbai- 400058.

We have examined the compliance of conditions of corporate governance by **Pioneer Embroideries Limited**, ('the Company'), for the year ended on 31st March, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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For **S K Naredi & CO**
Chartered Accountants
(Firm's Registration Number: 003333C)

Rahul Naredi
Partner
Membership Number: 302632

Place : Mumbai
Date : 27th May, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of
PIONEER EMBROIDERIES LIMITED
Unit 101B, 1st Floor, Abhishek Premises,
Plot No.C5-6 Dalia Industrial Estate,
Off. New Link Road,
Andheri (West), Mumbai-400058.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **PIONEER EMBRODERIES LIMITED** having CIN L17291MH1991PLC063752 and having registered office at Unit 101B, 1st Floor, Abhishek Premises, Plot No.C5-6 Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai-400058 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Raj Kumar Sekhani	00102843	25/11/1991
2.	Harsh Vardhan Bassi	00102941	10/12/2003
3.	Gopalkrishnan Sivaraman	00457873	17/04/2014
4.	Joginder Kumar Baweja	01660198	06/02/2014
5.	Sujata Chakravarty	07584280	10/08/2016
6.	Gangadharan Kandam Rama Panicker	07735379	29/05/2017

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SANJAY DHOLAKIA & ASSOCIATES

(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor

Place: Mumbai
Date: 27th May, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

Disclaimer:

Statements made in the Management Discussion and Analysis and relating to Company's objectives, projections, outlook, expectations, estimates, etc., may constitute forward-looking statements within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions, which cannot be guaranteed by the Company. Several factors, over which the Company may not have any direct control, could make a significant difference to the Company's operations. As such, actual results may differ materially from such projections, whether expressed or implied, since it would be beyond Company's ability to successfully implement it's growth strategy. The Company undertakes no obligation or responsibility to update forward-looking statements and to publicly amend, modify or revise to reflect events or circumstances, after the date thereof, on the basis of any subsequent development, information or events.

The Management of Pioneer Embroideries Ltd. (Pioneer, or the Company) presents below an analysis of it's performance during the year under review, i.e. Accounting Year ended 31st March, 2019 (for the period April 1, 2018 up to March 31, 2019).

A: BUSINESS REVIEW

Industry structure and developments

Global Textile & Apparel Industry

The World Trade Organization has pegged the 2017 worldwide exports figure at USD 296 bn for textiles and USD 455 bn for apparels, an increase of 4.2% and 2.8% respectively over previous year.

China (USD 110 bn), European Union (EU28) (USD 69 bn), and India (USD 17 bn) remained the world's top three exporters of textiles in 2017, together accounting for almost two-thirds of world textile exports in 2017, followed by the United States at fourth place. While China grew at 5%, growth was even higher for EU (5.8%) and India (5.9%). The EU, at USD 74 bn and United States at USD 28 bn, continue to be major import destination for textile imports.

In case of apparels, however, India figures much lower at fifth spot, with exports of about USD 18 bn. China (USD 158 bn), the European Union (USD 130 bn), Bangladesh (USD 29 bn) and Vietnam (USD 27 bn) consolidated their position as the world's top four largest exporters in 2017, accounting for over three-fourths of world market share. As import destinations, in apparels also, EU at USD 187 bn and United States at USD 88 bn are the two largest markets.

On a country-specific note, China has been exporting more of textiles to other major apparel manufacturing countries, while its own share of apparel exports has reduced over 400 basis points to less than 35% in 2017. Countries which have duty-free preferential access to markets of US and EU under various Free Trade Agreements, Least Developed Country status, Generalised System of Preference (GSP), The African Growth and Opportunity Act, etc., have seen their apparel exports surge, such as Bangladesh, Vietnam, Turkey (USD 15.1 bn) and Cambodia, (USD 7.2 bn). With no major FTA benefits, and even with US withdrawing the (GSP) benefits, India's market share has remained limited to 5.7% for textiles and about 4% in apparel trade.

While the apparel market is still largely dominated by EU & USA, countries like China, India and Russia are emerging as future destinations for apparel consumption. Resilient long-term demand in the emerging economies due to rising middle class will unfold new dynamics in the textile trade.

Domestic Textile Industry

The Textile and Clothing (T&C) Sector, considered as one of the largest contributors to India's exports, continues to record a flattish growth over past several years, hovering between USD 35-36 bn only. For FY 2018-19, exports of T&C managed to increase only 2.7% to USD 36.63 bn. A major part of the growth was accounted for by Cotton yarn and fabrics (11%, to USD 12.43 bn) and Man made fabrics (3% to USD 5.56 bn). However, Readymade Garments showed a 3% de growth, clocking exports of USD 16.18 bn during the year.

The Textile Industry accounts for approximately 4-5% of India's GDP and 14% of overall Index of Industrial Production (IIP). However, the share of T&C Sector in the country's overall exports has been continuously on a decline, from about 15% in FY2015-16 to 12.3% in FY2018-19.

The Indian textile industry accounts for about 24% of the world's spindle capacity and 8% of global rotor capacity. India accounts for about 14% of world's textile fibres and yarns – being the largest producer of jute, second largest producer of silk and yarn, and third largest producer of cellulosic fibre. It employs over 45 million people directly and 60 million indirectly, rendering it the second largest job creator after agriculture in the country, and making it a key sector for all major government initiatives like Make in India, Skill Development, Women Empowerment, etc. The T&C sector has tremendous potential for growth in exports and employment, particularly, women's employment.

The Indian textiles and apparel industry, currently estimated to be around US $150 bn, is expected to reach US $220-230 bn by 2021-2025, according to various industry reports. The expected growth in the sector is being driven by increased apparel consumption, rising per capital income levels and affordability, preference towards branded products, and other factors.

Post introduction of GST, the Textile segment witnessed challenges in terms of higher taxation for Man Made Fibre, consequent increase in imports due to inverted duty structure/lower effective import duties, greater compliances, delay in tax-related refunds and working capital stress. However, these disruptions have now been largely addressed, and working capital adequacy of textile companies could soon be reinstated. Larger players, including your Company, operating as organized, compliant and regulated businesses, should be able to record better performance compared to the unorganized segment of the textile market.

Growth Outlook

Long-term prospects of the textile industry, especially domestic segment, continue to remain encouraging, despite challenges in the current environment. Increased consumerism, rapid urbanization, spread of online and organized retail, higher per capita income, affordability, fashion awareness and favorable demographics are factors which are expected to propel the consumption of apparels and other textile products. Growth in building and construction will continue to drive demand for non-clothing textiles. Moreover, India has some distinct competitive advantages like abundant availability of raw materials, skilled manpower and competitive cost of production.

The Government on its part seems committed to create a conducive policy environment for attracting FDI, enhanced capacity investments, exports competitiveness, etc, to support the Textile sector in India, given its dominance in terms of employment generation and GDP contribution, and its linkages with another important sector – agriculture – as cotton continues to dominate the Indian textile segment.

The earlier Budgets presented by the incumbent Government focused on enhancing exports, improving investments and employment generation through schemes such as Scheme for Integrated Textiles Parks (SITP), Amended Technology Up-gradation Fund Scheme (A-TUFS), Scheme for Capacity Building in Textile Sector (SCBTS), Rebate of State Levies (RoSL) Scheme and Special Advance Authorisation Scheme etc. Most of these government schemes have now become result-oriented, rather than being input-based as earlier, since subsidies get disbursed to eligible units only after employment generation actually takes place.

In December, 2018, in a bid to enhance exports of textile and apparel products, the Government announced the Special Package for garments and made-ups sectors. The package offered enhanced duty drawback coverage under RoSL Scheme, labour law reforms, additional incentives under ATUFS, and relaxation of Section 80JJAA of Income Tax Act. The rates under Merchandise Exports from India Scheme (MEIS) were also enhanced from 2% to 4% for apparel, 5% to 7% for made-ups, handloom and handicrafts. MEIS is a major export promotion scheme of GOI implemented by the Ministry of Commerce and Industry. Further, Government enhanced interest equalization rate for pre and post shipment credit for certain textile sectors from 3% to 5% from November.2018.

The Interim Budget for 2019-20 witnessed total allocation to the textile industry of ₹5,831 crore, including allocation to Amended Technology Upgradation Fund Scheme (ATUFS)(₹700 cr), Rebate on State Levies (ROSL) Scheme (₹1,000 crore) and Interest equalization scheme (₹3,000 cr). The allocation may be revised upwards in the regular Union Budget 2019-20.

Lower GST disruptions, rationalization of debt levels for several domestic textile players, increased investments in capacities, strong demand and weaker rupee should gradually aid higher competitiveness, growth and profitability for the sector in the coming years. Healthy demand would make it possible to pass on the impact of increased raw material prices, preserving profitability of the textile players. On the flip side, higher domestic taxes, stringent labor laws, logistic costs, cheaper imports, etc., could weigh on the Textile segment’s profitability.

Sources: Various industry reports and data from government sources

Opportunity and Threats

India’s share in the global textile market is currently pegged at less than 5% currently, while China continues to have a major share of +30%. While India’s textile products are exported to over 100 countries, EU and the US accounted for almost half of the total exports. For the US, India is the third largest supplier of textile and apparels after China and Vietnam, and accounts for close to 18-20% of India’s overall exports of textiles and apparels.

Most of the opportunities and threats for the Indian Textile players currently revolve around the price volatility of key inputs – Crude Oil and cotton – and the ongoing trade disruptions between US-China and US-India. Consequent movement of USD-INR, vis-à-vis currency movement of other competitors like China, Bangladesh, Vietnam, Ethopia, etc., would have a definite bearing on the fortunes of Indian Textile players.

China is expected to contribute lower to global textile market in the next few years due to appreciating currency, rising labor costs, high energy costs and more importantly, the restrictive imports to US. While India can theoretically enhance its market supply to US and others, several apparel-exporting nations which continue to enjoy duty-free access to the EU and USA may limit Indian exports’ share in the world textile trade. Even recently, following duty imposition on Chinese products, the growth in apparel shipments to US from countries like Vietnam, Cambodia, Bangladesh and Pakistan was way higher than that for India.

India itself has lately become a target of US ire on tariffs, with the US withdrawing the Generalised System of Preference (GSP) benefits on over 3,000 Indian products that were either under the low tariff or no tariff categories. While experts opine that such withdrawal is limited to less than 1% of overall apparel exports, that too largely involving silk garments, the event itself evokes caution and apprehension of such trend getting worsened.

Most other competing nations such as Bangladesh, Indonesia, Cambodia and Vietnam, would continue to get duty-free access to the US markets.

Crude Oil price movement is presently largely impacted by US-Iran standoff, and the decision by the oil producing nations to enhance or lower their output. With the global textile industry largely tilted towards Man-made Fibres, Crude Oil fluctuations would have a direct impact on pricing, growth and profitability of the domestic players in the synthetic textile segment, including home textiles. Most of the domestic input suppliers to synthetic textiles mark their product on import-parity pricing, and as such global pricing factors get mirrored here.

Meanwhile, in case of natural fibres, the prices of cotton would be impacted by Chinese demand-supply situation, imposition of duties by China on US cotton, lower cotton production in India due to lesser acerage and higher crop infestation.

The continuance of export incentives by the Government becomes crucial for textile exporters to maintain operating profits, particularly for those in the downstream segment of apparels and home textile. It is also crucial for the Government to negotiate its position in face of large FTAs such as Comprehensive and Progressive Trans Pacific Partnership (CP TPP) and EU-Vietnam FTA, which could materially alter the global textile trade dynamics.

Risks and Concern

Internally, faced with macro factors not very conducive, your Company continues to fight on several fronts to retain profitable growth.

Having expanded its DDPY unit capacity to over 18,000 MT, higher capacity utilization is yet not coming through due to low demand. The ELD facility at Sarigam has also been modernized to an extent, but even there increased profitability is elusive due to demand pressure. Input cost pricing pressures, cheaper imports, etc. add to the problems for both product lines. Most importantly, despite downward interest rate trajectory, the finance costs for players like your Company continues to be much higher, constraining growth and profitability. Operating profits get fully consumed in repayment and interest obligations, and capex, leaving little room for investment in working capital and market growth. Refinancing options also remain elusive due to overall liquidity and risk aversion prevalent in the financial market.

However, your Company is confident of improving its overall performance, and is also working at cost rationalization and non-core asset monetisation to shore up finances.

B: FINANCIAL OVERVIEW

The Company has achieved a turnover of ₹27,383 lakh as against ₹26,257 lakh in the previous year. Net of Excise Duty (applicable only in the previous year), Company's sales reported a growth of about 6%.

Both the businesses – ELD and DDPY – managed to achieve improved sales and profitability for the year under reporting, even though the overall business environment continued to face several headwinds. While the Company managed to arrest the fall in sales and margins in the ELD division compared to the previous year, the performance still remains sub-par as the domestic and export market demand is yet to become stronger.

Even for the DDPY business, the domestic market offered less support, as domestic sales of about ₹17,266 lakh were almost flat as compared to previous year on account of insipid demand. However, export revenues for DDPY grew notably by around 38% over previous year, clocking ₹5,708 lakhs for the year.

Overall, the exports of the Company rose 26% to ₹6,148 lakh during the year under review, from ₹4,743 lakh in the previous year.

Operating Expenses

Operating expenses, before unallocable expenses, for the year ended 31st March, 2019 stood at ₹24,868 lakh (Previous year ₹24,110 lakh, net of excise duty).

Interest Cost

The interest cost for the year under review continued its downward trajectory, with the Company paying ₹765 lakh as against ₹942 lakh in the previous year.

Even in the constrained business environment, your Company managed to lower its total secured borrowings by ₹1,165 lakh over previous year to ₹5,273 lakh. The total borrowings as on year-end FY19 stand at about ₹5,611 lakh (previous year ₹6,438 lakh), including working capital of ₹1,508 lakh (previous year ₹1,511 lakh).

Profits

Profit before Finance Costs, Depreciation, Tax and Exceptional Items for the year stood at ₹2,162 lakhs (₹1,209 lakhs), a jump of almost 80%. The operating profit margin witnessed an improvement from 4.6% to 7.9% for the current year.

The Net Profit after Exceptional Items for the year is ₹413 lakhs as against a net loss of ₹585 lakhs in the previous year. The Company has generated an operational cash profit of ₹1,287 lakhs during the year under report (previous year ₹267 lakhs).

C: PERFORMANCE REVIEW

The Company's product portfolio consists of DDPY, Embroidered Laces and Fabrics, Braided Laces, etc. The products of the Company and their manufacturing locations are as follows:

Product	Location
Dope Dyed Polyester Yarns	Kala-amb (Himachal Pradesh)
Embroidered Laces- Fabric & Guipure, Embroidered dress material (made on Schiffli machines)	Sarigam(Gujarat)
Braided Laces (made on Bobbin Lace machines)	Sarigam(Gujarat), Coimbatore(TN)
Embroidered Fabrics, Allover Fabrics and Laces (made on Schiffli Machines)	Naroli (Silvassa), Coimbatore(TN)

Dope Dyed Polyester Yarn

The Dope Dyed Polyester Yarn (DDPY) business remains the major focus for the Company, as it contributed 84% to the Company's overall turnover and 95% to the operating profit. Even in case of exports, DDPY contributed 93% to overall exports.

DDPY business reported an overall improved performance for the year FY2018-19, recording a turnover of ₹22,974 lakhs, an increase of 6.1% over previous year if considered net of excise duty in the previous year. Export revenues for DDPY grew notably by around 38% over previous year, clocking ₹5,708 lakhs for the year, such level being the highest ever for the Company.

Domestic demand remained uneven, with major disruptions in the third quarter due to large fluctuations in raw material and product pricing, the segment continues to face headwinds, and the growth in performance has been possible only on the strength of the major expansion undertaken by the Company a year back. The Company was able to contain drop in volumes by tweaking its product range, and supplying increasingly to the export markets. The earlier focus on the Turkish market was reduced, and your Company found newer customers in US and EU based on its product strength and improved services.

While volume-wise, DDPY recorded about 6% degrowth to 15,679 MT over previous year figure of 16,666 MT, the share of value-added products increased by over 70 bps in volume terms and 200 bps in value terms. Net of excise duty in previous year, the average realisation increased by about 16% in the current year, and consequently, the operating margins witnessed a 100 bps jump to about 10.4%. The operating profit for the DDPY business for the year stood at ₹2,380 lakhs as against ₹2,029 lakhs, a growth of about 17%.

Your Company has been increasingly participating in Trade Fairs and engaging itself with the end customers directly. Continuous efforts in improving efficiencies, process automation, product development and developing marketing network allows Pioneer to be nimble-footed and perform relatively better than even the larger players in this segment.

Embroidery Business

The Embroidery and Lace Division (ELD) recorded a turnover of ₹4,410 lakhs, an increase of about 7.9% over previous year, with the growth coming entirely from domestic market. ELD division reported an operating profit of ₹136 lakh as against operating loss of ₹404 lakhs during the previous year. The turnaround in the performance of the ELD division has been on the back of rationalization of costs and improving efficiencies, as the demand for the business has notably reduced due to lower consumption and higher imports of Chinese goods. The overall textile industry is still coming to terms with GST implementation, lower exports and high labor costs, and even larger players are struggling to maintain sales and profitability.

Your Company, sensitive to the competitive operating environment, took the decision to close down its process house at Sarigam, and switched to outsourcing its fabric processing requirements. This has helped in containing losses, as fixed overhead costs have been now curtailed, although the full impact of loss containment would get reflected only in the next financial year.

The Sarigam embroidery unit was restarted in April, 2019, after a complete refurbishment of its major equipment to restore efficiency, at an investment of over ₹300 lakhs. Against a -10% operating margin in the previous year, ELD division managed to report positive margins of about 3%, and is expected to further improve the performance going ahead.

INDEPENDENT AUDITOR'S REPORT

To
The Members of Pioneer Embroideries Limited,

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Pioneer Embroideries Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March, 2019, and its profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit Addressed the key audit matter
Revenue Recognition (As described in note 2.13 of the Standalone Financial Statements): The revenue recognition by the Company is on satisfaction of performance obligation upon transfer of control of products to customers at an amount that reflects the consideration to which the Company expects to be entitled as sales value for those products. Revenue from sale of goods is recognized net of discounts, volume rebates, sales return and taxes. Certain terms in sales arrangement relating to timing of transfer of risk and rewards, discounts, rebates, delivery specifications, involves significant judgement in determining whether the revenue is recognized in the correct period.	• Performed checks to understand the adequacy and the design of the revenue cycle for all significant components. Tested control in the revenue and trade account receivable cycle over the accuracy and timing of revenue accounted in the financial statements. • Considered the appropriateness of the Company's revenue recognition accounting policies. • Performed tests of details, on a sample basis, and verified the underlying sales orders, invoice copies, terms of delivery, motor receipts, bill of lading to assess whether revenue recorded is as per the contract. • Tested sales transactions around year-end date ensuring revenues were recognized in the correct accounting period. • Verified that the revenue for the year are appropriately presented and disclosed in the financial statements.

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act,. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

3. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The standalone financial statements dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact, if any, of pending litigations on its financial position in its financial statements;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. there is no amount that is required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **S.K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

RAHUL NAREDI
Partner
Membership Number: 302632

Place: Mumbai
Date: 27th May, 2019

Annexure "A" to the Independent Auditors' Report

Referred to in Paragraph 1 under Report on Other Legal and Regulatory Requirements, of the Independent Auditors' Report of even date to the members of Pioneer Embroideries Limited on the standalone financial statements for the year ended 31st March, 2019.

i. In respect of the Company's fixed assets,

a) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management in accordance with the phased verification program, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its fixed assets. No material discrepancies have been noticed on such verification.

c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company, except for leasehold land and building acquired pursuant to the scheme of merger, having a carrying value of ₹48.34 lakhs as at 31st March,2019.

ii. The physical verification of inventory excluding stocks with third parties and goods in transit has been conducted at reasonable intervals by the management. In respect of inventory lying with the third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of the Company.

iii. As per the information and explanation given to us and the records produced before us for verification, the Company has granted unsecured loans to two companies covered in the register maintained under Section 189 of the Act.

a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest except that these loans are interest free.

b) As explained to us, receipt of principal amount is on demand basis and there is no fixed repayment schedule.

c) There is no overdue amount as these loans are on demand basis.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of the loans, investments, guarantees, and securities except that such loans are given interest free.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits, in terms of directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

vi. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to Rules made by the Central Government of India, the maintenance of cost records has been prescribe under sub-section (1) of Section 148 of the Act, and are of opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.

vii. a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. There are no undisputed statutory dues which are in arrears, as at 31st March, 2019 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, details of dues of income-tax or sales-tax or service tax or duty of customs or duty of excise or value added tax, which have not been deposited as on 31st March, 2019 on account of any dispute are given below:

Particulars	Year to which the matter pertains	Forum where matter is pending	Amount (₹ in lakhs)
Duty of excise	F.Y. 2001-02	Commissioner Appeal	33.58
Income-tax	Block A.Y. 1999-00 to 2004-05	CIT (Appeals)	49.01
Income-tax	A.Y. 2002-03	CIT (Appeals)	13.33
Service-tax	F.Y. 2007-08 to 2010-11	Commissioner Appeal	123.85

viii. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of loans or borrowings to financial institutions and banks during the year. However, there is no overdues as on 31st March, 2019. The Company has not taken any loans or borrowings from government or through debentures.

ix. In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of further public offer (including debt instruments). The term loans have been applied for the purposes for which they were obtained.

x. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. In our opinion, the Company is not a Nidhi Company.

xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements, as required by the applicable Ind AS.

xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of equity shares or fully or partly convertible debentures during the year. Provisions of clause 3 (xiv) of the Order are not applicable.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them covered under Section 192 of the Act.

xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **S.K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

RAHUL NAREDI
Partner
Membership Number: 302632

Place: Mumbai
Date: 27th May, 2019

Annexure "B" to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of **Pioneer Embroideries Limited** ("the Company"), as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

RAHUL NAREDI
Partner
Membership Number: 302632

Place: Mumbai
Date: 27th May, 2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(₹ in lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
I ASSETS			
1 **Non-Current Assets**			
Property, Plant & Equipments	3A	9,295.86	9,543.68
Capital Work- in- Progress	3B	180.58	297.95
Other Intangible Assets	3C	39.18	48.50
Financial Assets			
(i) Investments	4	929.64	929.64
(ii) Other Non-Current Financial Assets	5	201.64	240.18
Other Non Current Assets	6	23.37	96.28
2 **Current Assets**			
Inventories	7	3,032.56	3,086.16
Financial Assets			
(i) Trade Receivables	8	2,744.59	2,500.80
(ii) Cash and Cash Equivalents	9	55.89	139.54
iii) Other Current Financial Assets	10	1,175.95	1,197.48
Current Tax Assets (Net)	11	118.29	118.71
Other Current Assets	12	587.44	533.59
		18,384.99	**18,732.51**
II EQUITY AND LIABILITIES			
1 **Equity**			
Equity Share Capital	13	2,494.79	2,411.73
Other Equity	14	5,729.47	5,383.06
2 **Non-Current Liabilities**			
Financial Liabilities			
(i) Borrowings	15	2,006.73	3,476.05
Provisions	16	404.20	354.09
3 **Current Liabilities**			
Financial Liabilities			
(i) Borrowings	17	1,846.48	1,589.27
(ii) Trade Payables	18		
a) Outstanding Dues of Micro Enterprise and Small Enterprise		273.69	-
b) Outstanding Dues other than Micro Enterprise and Small Enterprise		2,749.21	3,016.25
(iii) Other Current Financial Liabilities	19	2,582.34	2,067.44
Provisions	20	13.19	10.14
Other Current Liabilities	21	284.89	424.48
		18,384.99	**18,732.51**
Significant Accounting Policies and other Notes to Financial Statements.	1-42		

The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date
For **S. K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

For & on behalf of the Board

RAHUL NAREDI
Partner
Membership Number:302632

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 27th May, 2019

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from Operations	22	27,383.92	26,256.58
Other Income	23	203.77	232.66
Total Revenue		**27,587.69**	**26,489.24**
Expenses			
Cost of Materials Consumed	24	15,788.08	15,118.09
Purchases of Stock-in-Trade		350.82	346.93
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	25	40.29	188.10
Employee Benefits Expense	26	3,403.15	3,384.90
Finance Costs	27	764.66	941.84
Depreciation and Amortization Expenses	3	874.15	852.80
Other Expenses	28	5,843.39	6,241.88
Total Expenses		**27,064.54**	**27,074.54**
Profit before Exceptional and Extraordinary Items and Tax		**523.15**	**(585.30)**
Exceptional Items - Gain/(Loss)/(Net)	29	(110.02)	-
Profit/ (Loss) before Tax		**413.13**	**(585.30)**
Tax Expenses		-	-
Profit / (Loss) for the year (A)		**413.13**	**(585.30)**
Other Comprehensive Income			
Items that will not reclassified to Statement of Profit and Loss (Net of Tax)		16.34	26.44
Other Comprehensive Income for the year (B)		**16.34**	**26.44**
Total Comprehensive Income for the year (A+B)		**429.47**	**(558.86)**
Earning per Equity Share of ₹10 each:	41		
(1) Basic ₹		1.69	(2.57)
(2) Diluted ₹		1.66	(2.57)

Significant Accounting Policies and other Notes to Financial Statements. 1-42

The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date
For **S. K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

For & on behalf of the Board

RAHUL NAREDI
Partner
Membership Number:302632

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 27th May, 2019

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash Flow From Operating Activities :**		
	Net Profit / (Loss) before Extraordinary Items and Tax	413.13	(585.30)
	Adjustment for :		
	Depreciation and Amortisation	874.15	852.80
	Loss/(Profit) on sale/discard of Property, Plant and Equipment (net)	2.21	(69.82)
	Interest Income	(19.89)	(33.08)
	Finance Costs	764.66	941.84
	Provision for Credit Losses	15.11	(15.49)
	Operating Profit / (Loss) before Working Capital Changes	**2,049.37**	**1,090.95**
	Changes in Working Capital:		
	Adjustments for :		
	Decrease/(Increase) in Inventories	53.60	841.36
	Decrease/(Increase) in Trade and Other Receivables	(252.69)	(604.14)
	Increase/(Decrease) in Trade and Other Payables	99.71	262.43
	Cash generated from Operation	1,949.99	1,590.60
	Net Income Tax (paid) / refunds	0.42	(0.84)
	Net Cash from Operating Activities	**1,950.41**	**1,589.76**
B.	**Cash Flow From Investing Activities :**		
	Purchases of Property, Plant and Equipments and Intangible Assets (including capital advance)	(475.91)	(888.70)
	Proceeds from sales of Property, Plant & Equipments (net of Advance)	14.30	157.43
	Interest Received	19.89	33.08
	Net Cash from / (used) in Investing Activities	**(441.72)**	**(698.19)**
C.	**Cash Flow From Financing Activities :**		
	Proceeds from Issue of Equity Share Capital (including Share Premium)	-	100.00
	Proceeds from Long Term Borrowing	332.46	1,340.00
	Repayment of Long Term Borrowing	(1,406.88)	(1,209.73)
	Net increase / (decrease) in Working Capital Borrowings	257.21	(140.07)
	Finance Costs	(775.13)	(972.06)
	Net Cash used in Financing Activities	**(1,592.34)**	**(881.86)**
	Net increase / (decrease) in cash and Cash Equivalents (A+B+C)	(83.65)	9.71
	Add: Opening Cash and Cash Equivalent	139.54	129.83
	Closing Cash and Cash Equivalent	**55.89**	**139.54**

As per our Report of even date
For **S. K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

For & on behalf of the Board

RAHUL NAREDI
Partner
Membership Number:302632

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 27th May, 2019

STANDALONE STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

(a) Equity Share Capital :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	2,41,17,285	2,411.73	2,15,49,094	2,154.91
Changes in Equity Share Capital during the year	8,30,657	83.06	25,68,191	256.82
Balance at the end of the year	**2,49,47,942**	**2,494.79**	**2,41,17,285**	**2,411.73**

(b) Other Equity:

Particulars	Reserves and Surplus		9% Optionally Convertible Cumulative Redeemable Preference Shares	Other Comprehensive Income	Total
	Security Premium	Retained Earnings		Remeasurement of Defined Benefit Plans	
Balance at April 01, 2017	**2,736.14**	**1,851.33**	**1,484.31**	**26.97**	**6,098.75**
Profit for the year	-	(585.30)	-	-	(585.30)
Other Comprehensive Income for the year	-	-	-	26.44	26.44
Total Comprehensive Income for the year	**-**	**(585.30)**	**-**	**26.44**	**(558.86)**
Consequent to Settlement of Loans	-	213.15	-	-	213.15
On issuance of Equity Shares	815.71	-	-	-	815.71
Redeemed/Surrendered during the year	-	-	(1,185.68)	-	(1,185.68)
Balance at March 31, 2018	**3,551.85**	**1,479.18**	**298.63**	**53.41**	**5,383.06**
Profit / (Loss) for the year	-	413.13	-	-	413.13
Other Comprehensive Income for the year	-	-	-	16.34	16.34
Total comprehensive income for the year	**-**	**413.13**	**-**	**16.34**	**429.47**
On issuance of Equity Shares	215.56	-	-	-	215.56
Redeemed/Surrendered during the year	-	-	(298.63)	-	(298.63)
Balance at March 31, 2019	**3,767.41**	**1,892.31**	**-**	**69.75**	**5,729.47**

The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date
For **S. K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

For & on behalf of the Board

RAHUL NAREDI
Partner
Membership Number:302632

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 27th May, 2019

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 Reporting Entity

Pioneer Embroideries Limited referred to as "the Company" is domiciled in India. The Company's registered office is at Unit 101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai-400 058. The Company is a manufacturer of Dope Dyed Polyester Yarn (DDPY), Embroidery & Lace Products. It has four manufacturing units located at Kala-amb (Himachal Pradesh) for DDPY and Sarigam (Gujarat), Naroli (Daman & Nagar Haveli), Coimbatore (Tamilnadu) for Embroidery and Laces.

2 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of Preparation

The standalone financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.2 Basis of Measurement

The financial statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

2.3 Functional and Presentation Currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance and operating lease.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment;

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

2.5 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss , if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognised in Statement of Profit and loss.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below ₹5,000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.7 Intangible Assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 10 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.8 Non-current Assets held for Sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.9 Impairment of Non-financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.12 Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.13 Revenue Recognition

The Company recognises revenue from sale of goods when;

i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) the amount of revenue can be measured reliably;

iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and

v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.16 Measurement of Fair Value

a) Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.17 Financial Instruments

a. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial assets at fair value through profit and loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

2.18 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In view uncertainty to have taxable income in immediate future as prudent, no defer tax assets are recognised for the year.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.19 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company. The Business activity of the Company falls within one business segment viz "Textile".

2.21 Standard issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Amendment to Ind AS 116

Ind AS 116 – 'Leases' is applicable for the accounting period beginning from April 1, 2019. Ind AS 116 will replace the existing Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either at:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. "

The Company is in the process of evaluating the impact of transitioning from old standard i.e Ind AS 17 to new standard i.e Ind AS 116 and the transition approach.

(b) Amendment to Other Ind AS

Amendment to Ind AS 19 - plan amendment, curtailment or settlement:

Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the Company need to determine the probability of the relevant tax authority accepting each tax treatment, or the Company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company has decided to adjust the cumulative effect in equity on the date of initial application without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 - Income taxes:

Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. There is no impact of this amendment on the financial statements.

Ind AS 23 - Borrowing Costs -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any significant impact from this amendment.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3A. Property, Plant and Equipment

(₹ in lakhs)

	Tangible Assets										Leasehold Assets	
Particulars	**Freehold land**	**Buildings**	**Plant and Equipment**	**Vehicles**	**Furniture and Fixtures**	**Office Equipment**	**Computers**	**Electrical Installations**	**Borewell**	**Total**	**Leasehold land**	**Total**
Cost												
As at 1st April, 2017	**420.73**	**3,016.13**	**6,501.46**	**93.85**	**43.71**	**18.28**	**47.78**	**485.44**	**0.07**	**10,627.45**	**24.81**	**10,652.26**
Additions	-	68.58	542.57	-	6.35	2.94	5.94	3.77	-	630.15	-	630.15
Disposals	28.44	5.46	59.07	-	-	-	-	-	-	92.97	-	92.97
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	**392.29**	**3,079.25**	**6,984.96**	**93.85**	**50.06**	**21.22**	**53.72**	**489.21**	**0.07**	**11,164.63**	**24.81**	**11,189.44**
Additions	-	46.99	549.72	16.53	7.68	4.71	3.22	4.38	0.29	633.52	-	633.52
Disposals	-	-	86.08	9.94	-	0.81	5.61	-	-	102.44	-	102.44
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	**392.29**	**3,126.24**	**7,448.60**	**100.44**	**57.74**	**25.12**	**51.33**	**493.59**	**0.36**	**11,695.71**	**24.81**	**11,720.52**
Depreciation												
As at 1st April, 2017	**-**	**132.17**	**502.19**	**13.70**	**16.65**	**5.20**	**9.23**	**129.66**	**0.07**	**808.87**	**0.30**	**809.17**
Additions	-	140.03	592.88	13.02	14.18	4.44	12.44	64.66	-	841.65	0.30	841.95
Deletions	-	1.08	4.28	-	-	-	-	-	-	5.36	-	5.36
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	**-**	**271.12**	**1,090.79**	**26.72**	**30.83**	**9.64**	**21.67**	**194.32**	**0.07**	**1,645.16**	**0.60**	**1,645.76**
For the year	-	144.67	626.95	13.46	5.21	4.44	11.47	58.32	0.01	864.53	0.30	864.83
Deletions	-	-	69.86	9.65	-	0.81	5.61	-	-	85.93	-	85.93
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
as at 31 March 2019	**-**	**415.79**	**1,647.88**	**30.53**	**36.04**	**13.27**	**27.53**	**252.64**	**0.08**	**2,423.76**	**0.90**	**2,424.66**
Net block												
As at 31 March 2018	**392.29**	**2,808.13**	**5,894.17**	**67.13**	**19.23**	**11.58**	**32.05**	**294.89**	**-**	**9,519.47**	**24.21**	**9,543.68**
As at 31 March 2019	**392.29**	**2,710.45**	**5,800.72**	**69.91**	**21.70**	**11.85**	**23.80**	**240.95**	**0.28**	**9,271.95**	**23.91**	**9,295.86**

3B. Capital Work-in-Progress

As at 31 March 2018	297.95
As at 31 March 2019	**180.58**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3C. Intangible Assets

(₹ in lakhs)

Particulars	Computer Software	Total
Cost		
As at 1st April, 2017	**38.37**	**38.37**
Additions	29.63	29.63
Disposals	-	-
Adjustment	-	-
As at 31 March 2018	**68.00**	**68.00**
Additions	-	-
Disposals	-	-
Adjustment	-	-
As at 31 March 2019	**68.00**	**68.00**
Depreciation		
As at 1st April, 2017	**8.65**	**8.65**
Additions	10.85	10.85
Deletions	-	-
Adjustment	-	-
As at 31 March 2018	**19.50**	**19.50**
For the year	9.32	9.32
Deletions	-	-
Adjustment	-	-
as at 31 March 2019	**28.82**	**28.82**
Net block		
As at 31 March 2018	48.50	48.50
As at 31 March 2019	**39.18**	**39.18**

3.1 a) Depreciation is provided on fixed assets over the remaining useful life in accordance with the provisions of Schedule II of the Act.

b) Leasehold Land and building acquired, pursuant to scheme of merger in an earlier year, are pending registration in the name of the Company.

c) Property, Plant and Equipment given as security for borrowings (Refer note 15 & 17).

d) Capital Work in progress includes a sum of ₹180.58 spent for ongoing expansion at Kala-amb unit and Sarigam unit.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

4 **Non- Current Investment**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Quoted Investments				
In Other Entities (measured at fair value through profit and loss)				
RLF Limited	1,000	-	1,000	-
(Equity shares of Face Value of ₹10 each)				
(Cost ₹0.6/- less provision made ₹0.06)				
Padmini Technologies Limited (listing suspended)	68,939	-	68,939	-
(Equity shares of Face Value of ₹10 each)				
(Cost ₹17.56/- less provision made ₹17.56)				
Unquoted Investments				
a) Investment in Subsidiaries (measured at cost)				
Hakoba Lifestyle Limited	48,46,312	484.63	48,46,312	484.63
(Equity shares of Face Value of ₹10 each)				
Pioneer Realty Limited	50,000	5.00	50,000	5.00
(Equity shares of Face Value of ₹10 each)				
Crystal Lace (I) Limited	44,00,000	440.00	44,00,000	440.00
(Equity shares of Face Value of ₹10 each)				
b) In Other Entities				
The Greater Bombay Co-op. Bank Limited	40	0.01	40	0.01
(Equity shares of Face Value of ₹25 each)				
	93,66,291	929.64	93,66,291	929.64

a. None of the above investments are listed on any stock exchange in India or outside India.

b. Aggregate amount of investments are given below:

	As at March 31, 2019	As at March 31, 2018
Aggregate cost of unquoted investments	947.26	947.26
Aggregated amount of impairment in value of investment	17.62	17.62

	Particulars	As at March 31, 2019	As at March 31, 2018
5	**Other Non-Current Financial Assets**		
	Unsecured, considered good		
	Security Deposits	151.81	175.48
	Fixed Deposit in Banks with more than 12 months maturity	49.83	64.70
		201.64	240.18
6	**Other Non-Current Assets**		
	Unsecured, considered good		
	Capital Advances	23.37	96.28
		23.37	96.28

6.1 Capital advance of ₹23.37 (₹96.28) has been given to building contractors and to suppliers of plant & machineries at Dope Dyed Yarn unit at Kala-amb and Embroidery unit at Sarigam.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
7	**Inventories**		
	(Valued at lower of cost or net realisable value as certified by Management)		
	Raw Materials	515.11	553.67
	Work-in-Progress	527.81	583.84
	Finished Goods	1,859.43	1,843.69
	Store & Spares	88.77	75.92
	Packing Material	41.44	29.04
		3,032.56	**3,086.16**
7.1	Inventories are hypothecated to secure borrowings. (Refer Note 15 & 17)		
8	**Trade Receivables**		
	Unsecured		
	Considered Good	2,668.87	2,459.37
	Having significant increase in credit risks	238.66	189.26
	Considered Doubtful/Bad	786.71	786.71
		3,694.24	3,435.34
	Less: Allowance for Credit Losses	(949.65)	(934.54)
		2,744.59	**2,500.80**

8.1 Trade receivables include outstanding from related party enterprise of ₹65.78 (₹56.66), Subsidiary of ₹Nil (₹2.17) and Associate Concern ₹8.46 (₹8.46).

8.2 Trade Receivables are hypothecated to secure borrowings. (Refer Note 15 & 17)

	Particulars	As at March 31, 2019	As at March 31, 2018
9	**Cash & Cash Equivalents**		
	Balances with Banks - In Current Accounts	44.12	119.96
	Cash in hand	11.77	19.58
		55.89	**139.54**
10	**Other Current Financial Assets**		
	Unsecured, considered good		
	Other Loans and Advances		
	Subsidiaries		
	Hakoba Lifestyle Ltd.	254.43	252.88
	Pioneer Realty Ltd.	2.22	2.21
	Others		
	Loan & Advance to Staff	23.67	44.39
	Advances to Arcot Textile Mills Ltd. (Refer Note 10.1)	895.63	898.00
		1,175.95	**1,197.48**

10.1 Advances to Arcot Textile Mills Limited (ATML) (then a BIFR Company) was given for purchase of movable and immovable assets situated at Kallakurichi, Tamilnadu for a total consideration of ₹1,105.00 on lump sum sale basis pursuant to MOU dated 20th December, 2007. The transfer of assets in favour of the Company was subject to deregistration of ATML from BIFR. Due to inordinate delay in deregistration from BIFR, it had been agreed that ATML will return the above advance vide their confirmation letter dated 5th October, 2012. Accordingly, ₹209.37 has been returned by ATML till March 31, 2019.

	Particulars	As at March 31, 2019	As at March 31, 2018
11	**Current Tax Assets (Net)**		
	Income Tax Refund Receivable (net)	118.29	118.71
		118.29	**118.71**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
12	**Other Current Assets**		
	Unsecured, considered good		
	Advances recoverable in cash or in kind	134.66	100.62
	Prepaid Expenses	39.87	38.46
	Accrued Export and Other Incentives	53.01	103.85
	Other Advances and Balances	359.90	290.66
		587.44	533.59

13 Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity Shares of ₹10 each	3,30,00,000	3,300.00	3,30,00,000	3,300.00
Preference Shares of ₹10 each	1,70,00,000	1,700.00	1,70,00,000	1,700.00
	5,00,00,000	**5,000.00**	**5,00,00,000**	**5,000.00**
Issued, Subscribed & Paid up				
Equity Shares of ₹10 each	2,49,47,942	2,494.79	2,41,17,285	2,411.73
	2,49,47,942	**2,494.79**	**2,41,17,285**	**2,411.73**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:

As at the beginning of the financial year	2,41,17,285	2,411.73	2,15,49,094	2,154.91
Add: Issued during the year	8,30,657	83.06	25,68,191	256.82
As at the end of the financial year	2,49,47,942	2,494.79	2,41,17,285	2,411.73

Issue of Shares:

During the year, the Optionally Converted Cumulative Redeemable Preference Share (OCCRPS) holders have exercised their right and opted to convert OCCRPS of ₹298.62 and accordingly, 8,30,657 equity shares of ₹10 each are issued at an average price of ₹35.95 per share to them.

Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of Equity Shareholding more than 5% in the Company on reporting date: (₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of	Number of shares held	% holding in that class of
Pioneer E-Com Fashions LLP	45,01,726	18.04	45,01,726	18.67
Raj Kumar Sekhani	20,63,760	8.27	20,45,718	8.48
Anand Sekhani	15,00,500	6.01	15,00,500	6.22
Amit Sekhani	15,00,000	6.01	15,00,000	6.22
Union Bank of India	12,91,183	5.18	-	-
Export Import Bank of India	12,59,028	5.05	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
14	**Other Equity**		
	Security Premium		
	Opening Balance	3,551.85	2,736.14
	Add: During the year	215.56	815.71
	Balance as at the end of the year	**3,767.41**	**3,551.85**
	Retained Earnings		
	Opening Balance	1,479.18	1,851.33
	Add: Profit / (Loss) for the year	413.13	(585.30)
	Add: Consequent to Settlement of Loans	-	213.15
	Balance as at the end of the year	**1,892.31**	**1,479.18**
	Other Comprehensive Income		
	Opening Balance	53.41	26.97
	Add : On Gratuity for the year	16.34	26.44
	Balance as at the end of the year	**69.75**	**53.41**
	9% Optionally Convertible Cumulative Redeemable Preference Shares	**-**	**298.62**
		-	298.62
		5,729.47	**5,383.06**

Nature and purpose of other reserves/ other equity:

Security Premium

This Reserve represents premium received on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

Reconciliation of the number of preference shares and amount outstanding at the beginning and at the end of the financial year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the financial year	29,86,265	298.63	1,48,43,060	1,484.31
Add: Issued / (redeemed/surrendered) during the year	(29,86,265)	(298.63)	(1,18,56,795)	(1,185.68)
As at the end of the financial year	**-**	**-**	**29,86,265**	**298.63**

Details of Preference Shareholding more than 5% in the Company on reporting date:

(₹ in lakhs)

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of	Number of shares held	% holding in that class of
Union Bank of India	-	-	12,81,590	42.91
EXIM Bank	-	-	12,49,675	41.85
Sandeep Bajaj	-	-	4,55,000	15.24

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
15	**Non-Current Financial Liabilities -Borrowings**		
	Secured Loans		
	Term Loans from Banks/Institutions	1,878.07	3,380.49
	Loan from Others	128.66	95.56
		2,006.73	3,476.05

15.1 Above total is net of installments falling due within a year in respect of all the above Loans aggregating ₹1,705.54 (₹1,310.64) that have been grouped under "Current maturities of Long Term Debt" (Refer Note 19).

15.2 Term Loans from banks/institutions of ₹3,133.50 are secured by first pari passu charge over fixed assets of the Company both present & future with other term lenders, except certain machinery under exclusive charge to Landes Bank Baden Wurttemberg, and are further secured by second charge over current assets of the Company, by personal guarantee of Chairman of the Company and pledge of company's certain shares by promoter and promoter group firms.

Out of these loan, i) ₹675.00 is repayable quarterly instalments ending March 2020 and carries no interest; ii) ₹620.00 is repayable in monthly instalments ending February 2021 and carries interest @13% p.a.; iii) ₹1,747.38 is repayable in monthly instalments ending July 2022 and carries interest @13% p.a.; iv) ₹75.00 is repayable in quarterly instalments ending January 2024 and carries interest @18% p.a. presently.

15.3 Term Loans from bank of ₹328.96 are secured by first pari passu charge over all fixed assets and current assets of the Company both present & future with other term lenders, except certain machinery under exclusive charge to Landes Bank Baden Wurttemberg, and by personal guarantee of the Chairman of the Company. The loan is further secured by pledge of company's certain shares by promoter and promoter group firms. This loan is repayable in monthly instalments ending September 2019 and carries interest @13% p.a.

15.4 Term Loans from bank of ₹131.80 of Foreign Currency Term Loan is secured by exclusive charge on certain imported machineries. This loan is repayable in half yearly instalments ending September 2019 and presently carries interest @0.50% p.a.

15.5 Term Loan from Banks of ₹34.07 are secured by hypothecation of respective vehicles financed.

15.6 Term Loan from others of ₹128.66 is secured by assignment of Keyman Insurance Policy and carries interest @9.5% p.a.

16	**Long Term Provisions**		
	Provision for Employee Benefits	404.20	354.09
		404.20	**354.09**
17	**Current Financial Liabilities -Borrowings**		
	Secured		
	Loans Repayable on Demand		
	Cash Credit from Bank	1,508.13	1,511.32
		1,508.13	**1,511.32**
	Unsecured		
	Short Term Loans Repayable on Demand		
	Inter Corporate Deposits	206.08	-
	Loans From Related Party		
	From Directors	132.27	77.95
		338.35	77.95
		1,846.48	**1,589.27**

17.1 Cash Credit Loans are secured by first pari passu charge by hypothecation of stocks, book debts and second charge on all fixed assets, both present and future and further secured by corporate guarantee of Hakoba Lifestyle Limited, a subsidiary of the Company and Pioneer E-com Fashions LLP, a promoter group firm, and personal guarantee of the Chairman of the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
18	**Trade Payables**		
	For Goods and Services		
	Total outstanding dues of micro and small enterprises	273.69	-
	Total outstanding dues of creditors other than micro and small enterprises	2,749.21	3,016.25
		3,022.90	**3,016.25**

18.1 Trade Payables include outstanding to a related enterprise of ₹61.10 (₹7.39) and subsidiaries of ₹9.68 (₹Nil)

18.2 Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

	Particulars	As at March 31, 2019	As at March 31, 2018
	a. Principal amount and Interest due thereon remaining unpaid to any supplier at the end of year	95.34	-
	b. Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
	c. The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
	d. The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
	e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-
19	**Other Current Financial Liabilities**		
	Current maturities of Long Term Debt (Refer note 15)	1,705.54	1,310.64
	Interest accrued	19.88	30.35
	Capital Creditors	62.54	95.21
	Employees Emoluments	579.23	516.41
	Statutory Dues	59.42	41.58
	Others	155.73	73.25
		2,582.34	**2,067.44**
20	**Short Term Provisions**		
	Provision For Employee Benefits	13.19	10.14
		13.19	**10.14**
21	**Other Current Liabilities**		
	Customers' Credit Balances and Advances against orders	284.89	424.48
		284.89	**424.48**

21.1 Advance from customers includes advance received from related enterprise of ₹Nil (₹130.27).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	For the year ended March 31 2019	For the year ended March 31 2018
22	**Revenue From Operations**		
	Sale of Products - Yarn, Embroidery Fabric & Laces		
	Domestic Sales	21,236.24	21,513.69
	Export Sales	6,044.96	4,607.77
	Other Operating Revenue (Including Export Incentives)	102.72	135.12
		27,383.92	**26,256.58**

22.1 Sales include sales made to related enterprises ₹277.51 (₹791.34) and subsidiaries ₹Nil (₹45.75) .

	Particulars	For the year ended March 31 2019	For the year ended March 31 2018
23	**Other Income**		
	Interest Income	19.89	33.08
	Profit on disposal of Property, Plant and Equipment (Net)	-	69.82
	Reversal of Provision for Allowance of Credit Losses	-	15.49
	Gain on Foreign Currency Transactions and Translation (Net) (considered other than finance costs)	114.66	55.21
	Miscellaneous Income	69.22	59.06
		203.77	232.66
24	**Cost Of Material Consumed**		
	Cost of Raw Material Consumed		
	Opening Stock	553.67	1,038.60
	Purchases during the year	15,749.52	14,633.16
		16,303.19	15,671.76
	Less:- Closing Stock	515.11	553.67
		15,788.08	**15,118.09**

24.1 Purchases includes from related enterprises ₹65.00 (₹89.43) and subsidiaries ₹4.34 (₹9.58).

	Particulars	For the year ended March 31 2019	For the year ended March 31 2018
25	**Change In Inventories**		
	Opening Inventories		
	Work-in-Progress	583.84	566.77
	Finished Goods	1,843.69	2,048.86
		2,427.53	**2,615.63**
	Less: Closing Inventories		
	Work-in-Progress	527.81	583.84
	Finished Goods	1,859.43	1,843.69
		2,387.24	2,427.53
		40.29	**188.10**
26	**Employee Benefits Expense**		
	Salaries, Wages and Incentives	3,204.59	3,158.57
	Contribution to Funds	110.28	127.92
	Staff Welfare Expenses	88.28	98.41
		3,403.15	**3,384.90**
27	**Finance Cost**		
	Interest expense	661.03	682.38
	Other Borrowing Costs	19.83	43.81
	Fair value changes of interest free loans	85.26	176.68
	Net Gain/Loss on Foreign Currency Transactions and Translation (Considered as finance costs)	(1.46)	38.97
		764.66	941.84

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	For the year ended March 31 2019	For the year ended March 31 2018
28	**Other Expenses**		
	Stores & Spares Consumed	429.27	481.77
	Repair & Maintenance	151.82	130.93
	Power & Fuel	1,943.36	2,128.23
	Insurance	29.00	22.05
	Job Charges	480.71	209.83
	Legal & Professional Fees	99.36	130.74
	Packing Material Consumed	1,188.94	1,212.89
	Payment to Auditors*	11.50	13.57
	Rates & Taxes	37.50	28.23
	Rent	63.88	60.15
	Provision for Allowance of Credit Losses	15.11	-
	Loss on disposal of Property, Plant and Equipment (Net)	2.21	-
	Directors Sitting Fees	1.93	1.93
	Donations	0.10	0.16
	Excise Duty on Sales	-	522.61
	Expenditure incurred towards CSR activities	7.21	-
	Other Selling Expenses	951.82	859.99
	Miscellaneous Expenses	429.67	438.80
		5,843.39	**6,241.88**
	*** Details of payment to Auditors**		
	Statutory & Tax Audit	11.50	13.57
		11.50	**13.57**

29 **Exceptional Items**

Exceptional item of ₹110.02 lakh (₹ Nil) represents settlement of workers arrived with them towards sundry cases in Labour Court-Silvassa.

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
30	**Contingent liabilities, contingent assets and commitments**		
	A. Contingent liabilities (not provided for) in respect of:		
	1 Bank Guarantees Outstanding.	80.80	112.80
	2 Demand for Excise duty, being contested by the Company	33.58	33.58
	3 Demand for Income Tax, being contested by the Company	62.34	62.34
	4 Demand for Service Tax, being contested by the Company	123.85	123.85
	5 Sundry Cases in Labour Court and Industrial Court (Silvassa unit)	-	366.61
	6 Sundry Cases in Labour Court and Industrial Court (Sarigam unit, Gujrat)(quantum is not ascertainable)	N A*	N A*
	7 Unpaid Dividend on 9% Optionally Convertible Cumulative Redeemable Preference Shares	-	255.33
	8 Custom Duty on Capital Goods and Raw Materials imported under Advance License / EPCG Scheme, against which export obligation is to be fulfilled.	64.70	7.91

There is no contingent liability other than stated above and adequate provision have been made for all known liabilities, except interest and penalties as may arise. The management believes that the Company has a strong chance of favourable decision in above cases, hence no further provision has been considered necessary.

B. Commitments

	Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances]	-	86.47

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018

31 Leases
Operating lease

The Company's significant leasing arrangements are in respect of operating leases of premises for office and warehouse. These leasing arrangements, which are cancellable, are typically for a period of 11 months and are usually renewable on mutually agreeable terms. The Company has recognised expense amounting to ₹63.88 (₹60.15).

32 Foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Foreign Currency exposure not hedged by derivative instrument or otherwise :		
i. Receivable	735.40	713.50
ii. Payable	173.13	343.05
(b) Outstanding forward contracts to be hedge foreign currency exposure :	-	-

33 Employee benefits
The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:
The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund ₹73.03 (₹91.03).

(ii) Defined Benefit Plan:
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	March 31, 2019	March 31, 2018
Net defined benefit liability / (asset)	340.85	298.40
Liability for Gratuity		
Current	13.19	10.14
Non-Current	327.66	288.26

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

B. Movement in net defined benefit (asset) / liability (₹ in lakhs)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	March 31, 2019			March 31, 2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	298.40	-	298.40	285.08	-	285.08
Included in profit or loss						
Service costs	57.99	-	57.99	51.49	-	51.49
Interest cost / (income)	22.07	-	22.07	19.92	-	19.92
	80.06	-	80.06	71.41	-	71.41
Included in OCI						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	1.39		1.39	(11.94)		(11.94)
- experience adjustment	(17.74)		(17.74)	(14.49)		(14.49)
- on plan assets			-			-
	(16.35)	-	(16.35)	(26.43)	-	(26.43)
Other						
Contributions paid by the employer				-		
Benefits paid	(21.27)		(21.27)	(31.66)		(31.66)
	(21.27)	-	(21.27)	(31.66)	-	(31.66)
Balance as at 31 March	340.84	-	340.84	298.40	-	298.40

	March 31, 2019	March 31, 2018
C. Plan assets		
The Company has no plan assets.		
D. Actuarial assumptions		
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).		
Discount rate	7.64%	7.67%
Expected rate of future salary increase	7.50%	7.50%
Mortality	100% of IALM (2006 - 08)	
Assumptions regarding future mortality have been based on published statistics and mortality tables.		

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(298.59)	390.32	(259.46)	346.19
Expected rate of future salary increase (1% movement)	392.36	(299.28)	344.38	(260.12)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

F. **Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow:

a) Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
b) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
c) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumption in the valuation can impact the liabilities.

34 Related parties

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives	Mr. Raj Kumar Sekhani (Chairman) Mr. Harsh Vardhan Bassi (Managing Director) Mr. Gangadharan Kandam Rama Panicke (Executive Director) Mr. Joginder Kumar Baweja (Independent Director) Mr. Gopalkrishnan Sivaraman (Independent Director) Mrs. Sujata Chakravarthy (Independent Director) Mrs. Bimla Devi Sekhani Mr. Aarav Sekhani Mr. Vishal Sekhani Mr. Ratanlal Sekhani Mrs. Prachi Sekhani Mrs. Priyani Sekhani
ii. Enterprises having significant influence by KMP & their Relatives	M/s J J Sons M/s J J Enterprises Kiran Industries Pvt. Ltd. Thakurdas & Co. Pvt. Ltd. Kiran Texpro Pvt. Ltd.
iii. Subsidiaries	Hakoba Lifestyle Ltd. Pioneer Realty Ltd. Crystal Lace (I) Ltd.
iv. Associate Concerns	Pioneer E-Com Fashions LLP Reach Industries Pvt. Ltd.

B Transactions with the above in the ordinary course of business

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sales		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	18.30	18.73
M/s J J Enterprises	10.74	19.94
Kiran Industries Pvt. Ltd.	247.48	735.16
Thakurdas & Co. Pvt. Ltd.	-	3.88
Kiran Texpro Pvt. Ltd.	0.98	13.63
	277.51	**791.34**
Subsidiaries		
Crystal Lace (I) Ltd.	-	45.75
Purchases		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Enterprises	3.85	1.52
Kiran Industries Pvt. Ltd.	19.02	80.22
Kiran Texpro Pvt. Ltd.	42.13	7.69
	65.00	**89.43**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Subsidiaries		
	Crystal Lace (I) Ltd.	4.34	9.58
	Payment for Rent & Other Services		
	Enterprises having significant influence by KMP & their Relatives		
	Kiran Industries Pvt. Ltd.	7.08	9.34
	Summary of payment made to KMP		
	Short term employee benefits*	185.51	224.50
	Post employment benefits	-	-
	*excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole and includes commission to directors which is payable after approval of shareholders in annual general meeting.		
	Loans & Advances Given		
	Subsidiaries		
	Hakoba Lifestyle Ltd.	1.55	14.06
	Pioneer Realty Ltd.	0.01	0.02
		1.56	**14.08**
	Loans & Advances Taken		
	Key Managerial Personnel (KMP) and their Relatives		
	Mr. Raj Kumar Sekhani (Chairman)	47.30	1.00
	Mr. Harsh Vardhan Bassi (Managing Director)	7.02	61.95
		54.32	**62.95**
	Guarantee Taken		
	Key Managerial Personnel (KMP) and their Relatives		
	Mrs. Bimla deva Sekhani	200.00	1,500.00
	Associates Concerns		
	Pioneer E-Com Fashions LLP	**200.00**	1,500.00
C	**Outstanding balance at the year end**		
	Loans & Advances Given		
	Subsidiaries		
	Hakoba Lifestyle Ltd.	254.43	252.88
	Pioneer Realty Ltd.	2.22	2.21
		256.65	**255.09**
	Loans & Advances taken		
	Key Managerial Personnel (KMP) and their Relatives		
	Mr. Raj Kumar Sekhani (Chairman)	63.31	16.00
	Mr. Harsh Vardhan Bassi (Managing Director)	68.97	61.95
		132.27	**77.95**
	Trade Payables & Other Liabilities		
	Enterprises having significant influence by KMP & their Relatives		
	M/s J J Enterprises	47.59	0.51
	Kiran Industries Pvt. Ltd.	3.87	134.98
	Kiran Texpro Pvt. Ltd.	9.64	2.16
		61.10	**137.65**
	Subsidiaries		
	Crystal Lace (I) Ltd.	9.68	-

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Receivables		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	1.02	6.65
M/s J J Enterprises	33.03	43.85
Kiran Industries Pvt. Ltd.	25.57	-
Thakurdas & Co. Pvt. Ltd.	6.16	6.16
	65.78	**56.66**
Subsidiaries		
Crystal Lace (I) Ltd.	--	2.17
Associate Concerns		
Reach Industries Pvt. Ltd.	8.46	8.46

35 Financial instruments

I. Fair value measurements

A. Financial instruments by category

	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments	0.01	-	0.01	-
Trade receivables	-	2,744.59	-	2,500.80
Cash and cash equivalents	-	55.89	-	139.54
Others				
Non Current	-	201.64	-	240.18
Current	-	1,175.95	-	1,197.48
	0.01	**4,178.07**	**0.01**	**4,078.00**
Financial liabilities				
Long Term Borrowings	-	2,006.73	-	3,476.05
Short terms borrowings	-	1,846.48	-	1,589.27
Trade payables	-	3,022.90	-	3,016.25
Other current financial liabilities	-	2,582.34	-	2,067.44
	-	**9,458.45**	**-**	**10,149.01**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Financial assets and liabilities measured at fare value : recurring fair value measurements:

	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets	0.01	-	-	0.01
Financial liabilities	-	-	-	-
	0.01	-	-	0.01

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

C. Fair value of financial assets and liabilities measured at amortised cost:

	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Trade receivables	-	2,744.59	-	2,500.80
Cash and cash equivalents	-	55.89	-	139.54
Others				
Non Current	-	201.64	-	240.18
Current	-	1,175.95	-	1,197.48
	-	**4,178.07**	**-**	**4,078.00**
Financial liabilities				
Long Term Borrowings	-	2,006.73	-	3,476.05
Short terms borrowings	-	1,846.48	-	1,589.27
Trade payables	-	3,022.90	-	3,016.25
Other current financial liabilities	-	2,582.34	-	2,067.44
	-	**9,458.45**	**-**	**10,149.01**

The carrying amounts of the abovementioned financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

"The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the President of the Company.

More than 60 % of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The carrying amount net of credit loss allowances of trade receivables is ₹2,744.59 (March 31, 2018 – ₹2,500.80).

Ageing of trade receivables are as under:

Particulars	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2019	2,415.82	111.05	380.66	2,907.53
As at March 31, 2018	2,214.95	104.71	328.97	2,648.63

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

During the period, the Company has made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

A default on a financial asset is when counterparty fails to make payments within 60 days when they fall due.

Reconciliation of loss allowance provision - Trade receivables:

	As at March 31, 2019	As at March 31, 2018
Opening balance	(934.54)	(950.03)
Changes in loss allowance	(15.11)	15.49
Closing balance	(949.65)	(934.54)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in indian rupee and have an average maturity within a year.

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	**Carrying Amounts March 31, 2019**	**Contractual cash flows**				
		Total	**0- 1 Year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Borrowings	3,712.27	3,712.27	1,705.54	1,654.34	352.39	-
Short term borrowings	1,846.48	1,846.48	1,846.48	-	-	-
Trade payables	3,022.90	3,022.90	3,022.90	-	-	-
Other current financial liabilities	876.80	876.80	876.80	-	-	-
Total non-derivative liabilities	**9,458.45**	**9,458.45**	**7,451.72**	**1,656.86**	**352.39**	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Particulars	Carrying Amounts March 31, 2018	Contractual cash flows				
		Total	0- 1 Year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	4,786.69	4,786.69	1,310.64	2,691.40	784.65	-
Short term borrowings	1,589.27	1,589.27	1,589.27	-	-	-
Trade payables	3,016.25	3,016.25	3,016.25	-	-	-
Other current financial liabilities	756.80	756.80	756.80	-	-	-
Total non-derivative liabilities	**10,149.01**	**10,149.01**	**6,672.96**	**2,691.40**	**784.65**	**-**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for liquidity / credit management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of Directors.

v. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Company's foreign currency payables, have been partially hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at March 31, 2019		As at March 31, 2018	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	10.12	-	10.80	-
Other payables	0.60	1.70	1.06	3.40
Net statement of financial position exposure	10.72	1.70	11.86	3.40

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD 1	65.05	64.33	69.17	64.04
EUR 1	78.74	79.31	77.70	80.62

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2019 and March 31, 2018, the Company's borrowings at variable rate were denominated in Indian Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	Nominal Amount	
	March 31, 2019	March 31, 2018
Fixed-rate instruments		
Financial liabilities	3,963.26	4,656.14
	3,963.26	4,656.14
Variable-rate instruments		
Financial liabilities	1,639.93	1,849.51
	1,639.93	1,849.51

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2019				
Variable-rate instruments	8.20	(8.20)	8.20	(8.20)
Cash flow sensitivity	8.20	(8.20)	8.20	(8.20)
March 31, 2018				
Variable-rate instruments	9.25	(9.25)	9.25	(9.25)
Cash flow sensitivity	9.25	(9.25)	9.25	(9.25)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

36 a. Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

b. Realisable value of current assets, deposits, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.

c. Some of the fixed deposits and bank accounts are subject to confirmations though reconciled with available bank statements. Some of the secured loans are also subject to confirmations though reconciled with bank statements.

37 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed. The Company has incurred ₹7.21 on CSR during the year.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

38 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Company falls within one broad business segment viz. “Textile” and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of ‘Segment Reporting’ is not considered applicable.

39 Capital management

The Company’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company :

Particulars	March 31, 2019	March 31, 2018
Equity Share Capital	2,494.79	2,411.73
Other Equity	5,729.47	5,383.06
Total Equity	**8,224.26**	**7,794.79**
Non-Current Borrowings	2,006.73	3,476.05
Current maturities of Non-Current Borrowings	1,705.54	1,310.64
Current Borrowings	1,846.48	1,589.27
Total Debts	**5,558.75**	**6,375.96**
Less: Cash & Cash Equivalents	55.89	139.54
Net Debts	**5,502.86**	**6,236.42**
Capital & Net Debts	**13,727.12**	**14,031.21**
Debts Equity Ratio	**0.68**	**0.82**
Capital Gearing Ratio	40%	44%

40 Other Disclosures

a. Disclosure as specified in Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015:

Particulars	Balance as at March 31, 2019	Maximum outstanding of loan during the year
Hakoba Lifestyle Limited	254.43 (252.88)	254.43 (252.88)
Pioneer Realty Limited	2.22 (2.21)	2.22 (2.21)

Previous year figures have been given in bracket.

b. Disclosure relating to loans or security given by the Company as per requirements of section 186 (4) to the Companies Act, 2013:

Particulars	Amount	Purpose
Hakoba Lifestyle Limited	484.63	Investment in Equity Shares
Pioneer Realty Limited	5.00	
Crystal lace (I) Limited	440.00	
Hakoba Lifestyle Limited	254.43	ICD given for business
Pioneer Realty Limited	2.22	

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

41 Earning per Equity Share

Particulars	March 31, 2019	March 31, 2018
Net Profit / (Loss) for the year	413.13	(585.30)
Weighted Average Number of Equity Shares of ₹10 each (fully paid-up)	2,44,31,342	2,27,57,201
- Basic (₹)	1.69	(2.57)
- Diluted (₹)	1.66	(2.57)

42 Previous year figure have been regrouped / reclassified to conform to current years classifcations.

As per our Report of even date
For **S. K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

For & on behalf of the Board

RAHUL NAREDI
Partner
Membership Number:302632

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 27th May, 2019

INDEPENDENT AUDITOR'S REPORT

To
The Members of Pioneer Embroideries Limited,

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pioneer Embroideries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated Balance Sheet as at March 31st, 2019, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated Cash Flow Statement for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March, 2019, of consolidated profit, (consolidated changes in equity) and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit Addressed the key audit matter
Revenue Recognition (As described in note 2.13 of the Consolidated Financial Statements): The revenue recognition by the Company is on satisfaction of performance obligation upon transfer of control of products to customers at an amount that reflects the consideration to which the Company expects to be entitled as sales value for those products. Revenue from sale of goods is recognized net of discounts, volume rebates, sales return and taxes. Certain terms in sales arrangement relating to timing of transfer of risk and rewards, discounts, rebates, delivery specifications, involves significant judgement in determining whether the revenue is recognized in the correct period.	• Performed checks to understand the adequacy and the design of the revenue cycle for all significant components. Tested control in the revenue and trade account receivable cycle over the accuracy and timing of revenue accounted in the financial statements. • Considered the appropriateness of the Company's revenue recognition accounting policies. • Performed tests of details, on a sample basis, and verified the underlying sales orders, invoice copies, terms of delivery, motor receipts, bill of lading to assess whether revenue recorded is as per the contract. • Tested sales transactions around year-end date ensuring revenues were recognized in the correct accounting period. • Verified that the revenue for the year are appropriately presented and disclosed in the financial statements.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statement that give a true and fair view of the consolidated financial position, consolidated financial performance, total consolidated comprehensive income, changes in consolidated equity and consolidated cash flows of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the 3 entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/ financial information of the three subsidiaries whose financial statements/ financial information (before eliminating inter Company balances) reflect total assets of ₹ 2,400.01 lakhs and net assets of ₹649.92 lakhs as at 31st March,2019, total revenues (before eliminating inter Company transactions) of ₹20.00 lakh and net cash flow amounting to ₹(7.63) lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of this subsidiaries, and our report in terms of sub-sections (3) and (11) of Section143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the auditors and the financial statement/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 197(16) of the Act, we report that the Holding Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statement and other financial information of the subsidiaries and associates, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
   (c) The consolidated financial statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, associates incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
   (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure A".**
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates;
      ii. the Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. there is no amount that is required to be transferred to the Investor Education and Protection Fund by the Company by the Holding Company and its subsidiaries and associates incorporated in India.

For **S.K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

RAHUL NAREDI
Partner
Membership Number: 302632

Place: Mumbai
Date: 27th May, 2019

Annexure "A" to the Independent Auditors' Report of Even Date on the Consolidated Financial Statements of Pioneer Embroideries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31st March, 2019,we have audited the internal financial controls over financial reporting of Pioneer Embroideries Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries and its associates, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiaries and its associates covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting.

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiaries and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such entity incorporated in India.

Our opinion on the internal financial controls over financial reporting, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the information and explanations given by the management.

For **S.K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

RAHUL NAREDI
Partner
Membership Number: 302632

Place: Mumbai
Date: 27th May, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ in lakhs)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
I ASSETS			
1 Non-Current Assets			
Property, Plant & Equipments	3A	9,295.86	9,543.67
Capital Work- in- Progress	3B	180.58	297.95
Other Intangible Assets	3C	39.23	48.55
Financial Assets			
(i) Investments	4	0.01	0.01
(ii) Other Non-Current Financial Assets	5	222.56	260.65
Other Non Current Assets	6	23.37	96.28
2 Current Assets			
Inventories	7	3,499.65	3,578.31
Financial Assets			
(i) Trade Receivables	8	3,025.32	2,779.42
(ii) Cash and Cash Equivalents	9	57.19	148.48
iii) Other Current Financial Assets	10	1,484.15	1,508.85
Current Tax Assets (Net)	11	119.22	122.76
Other Current Assets	12	782.47	726.24
Assets held for sale	13	827.46	851.08
		19,557.07	**19,962.25**
II EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	14	2,494.79	2,411.73
Other Equity	15	5,298.90	4,985.20
Non Controlling Interest		150.86	154.21
2 Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	16	2,188.63	3,657.95
Provisions	17	404.20	354.09
3 Current Liabilities			
Financial Liabilities			
(i) Borrowings	18	1,846.48	1,591.48
(ii) Trade Payables	19		
a) Outstanding Dues of Micro Enterprise and Small Enterprise		273.69	-
b) Outstanding Dues other than Micro Enterprise and Small Enterprise		2,944.07	3,074.52
(iii) Other Current Financial Liabilities	20	2,583.61	2,216.94
Provisions	21	13.19	10.26
Other Current Liabilities	22	1,358.65	1,505.87
		19,557.07	**19,962.25**
Significant Accounting Policies and other Notes to Financial Statements.	1-43		

The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date
For **S. K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

For & on behalf of the Board

RAHUL NAREDI
Partner
Membership Number:302632

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 27th May, 2019

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from Operations	23	27,396.70	26,225.51
Other Income	24	206.65	241.83
Total Revenue		**27,603.35**	**26,467.34**
Expenses			
Cost of Materials Consumed	25	15,786.08	15,114.80
Purchases of Stock-in-Trade		348.48	336.60
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	26	65.35	167.56
Employee Benefits Expense	27	3,403.15	3,387.81
Finance Costs	28	764.66	941.87
Depreciation and Amortization Expenses	3	874.15	852.80
Other Expenses	29	5,850.79	6,244.66
Total Expenses		**27,092.66**	**27,046.10**
Profit before Exceptional and Extraordinary Items and Tax		**510.69**	**(578.76)**
Exceptional Items- Gain/(Loss) (Net)	30	(110.02)	-
Profit/ (Loss) before Tax		**400.67**	**(578.76)**
Tax Expenses			
Current Tax		-	3.12
Profit/(Loss) from Discontinuing Operations before Tax		**400.67**	**(581.88)**
Other Income from Discontinuing Operations			
Expenses on Discontinuing Operations		-	-
Depreciation and Amortisation Expense		23.61	23.61
Profit/(Loss) from Discontinuing Operations		**(23.61)**	**(23.61)**
Profit / (Loss) for the year (A)		**377.06**	**(605.49)**
Other Comprehensive Income			
Items that will not reclassified to Statement of Profit and Loss (Net of Tax)		16.34	26.44
Other Comprehensive Income for the year (B)		**16.34**	**26.44**
Total Comprehensive Income for the year (A+B)		**393.40**	**(579.05)**
Profit / (Loss) for the year attributable to:			
Owners of the Company		396.06	(592.86)
Non controlling interests		(19.00)	(12.63)
Other Comprehensive Income attributable to:			
Owners of the Company		16.34	26.44
Non controlling interests		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		412.40	(566.42)
Non controlling interests		(19.00)	(12.63)
Earning per Equity Share of ₹10 each:	42		
(1) Basic (₹)		1.54	(2.60)
(2) Diluted (₹)		1.51	(2.60)

Significant Accounting Policies and other Notes to Financial Statements. 1-43

The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date
For **S. K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

For & on behalf of the Board

RAHUL NAREDI
Partner
Membership Number:302632

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 27th May, 2019

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash Flow From Operating Activities :**		
	Net Profit / (Loss) before Extraordinary Items and Tax	400.67	(602.37)
	Adjustment for :		
	Depreciation and Amortisation	874.15	852.80
	Loss/(Profit) on sale/discard of Property, Plant and Equipment (net)	2.21	(69.82)
	Interest Income	(20.71)	(33.93)
	Finance Costs	764.66	941.87
	Provision for Credit Losses	15.11	(15.49)
	Liabilities/Provisions no longer required written back	-	(9.07)
	Operating Profit / (Loss) before Working Capital Changes	**2,036.09**	**1,063.99**
	Changes in Working Capital:		
	Adjustments for :		
	Decrease/(Increase) in Inventories	78.66	817.53
	Decrease/(Increase) in Trade and Other Receivables	(254.45)	(596.38)
	Increase/(Decrease) in Trade and Other Payables	80.33	361.31
	Cash generated from Operation	**1,940.64**	**1,646.45**
	Net Income Tax (paid) / refunds	3.54	20.35
	Net Cash from Operating Activities	**1,944.18**	**1,666.80**
B.	**Cash Flow From Investing Activities :**		
	Purchases of Property, Plant and Equipments and Intangible Assets (including capital advance)	(475.94)	(895.52)
	Proceeds from sales of Property, Plant & Equipments (net of Advance)	14.31	181.04
	Interest Received	20.71	33.93
	Net Cash from / (used) in Investing Activities	**(440.92)**	**(680.55)**
C.	**Cash Flow From Financing Activities :**		
	Proceeds from Issue of Equity Share Capital (including Share Premium)	-	100.00
	Proceeds from Long Term Borrowing	332.46	1,340.00
	Repayment of Long Term Borrowing	(1,406.88)	(1,307.16)
	Net increase / (decrease) in Working Capital Borrowings	255.00	(137.88)
	Finance Costs	(775.13)	(972.09)
	Net Cash used in Financing Activities	**(1,594.55)**	**(977.13)**
	Net increase / (decrease) in cash and Cash Equivalents (A+B+C)	**(91.29)**	**9.12**
	Add: Opening Cash and Cash Equivalent	148.48	139.36
	Closing Cash and Cash Equivalent	**57.19**	**148.48**

As per our Report of even date
For **S. K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

For & on behalf of the Board

RAHUL NAREDI
Partner
Membership Number:302632

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 27th May, 2019

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

(a) Equity Share Capital :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	2,41,17,285	2,411.73	2,15,49,094	2,154.91
Changes in Equity Share Capital during the year	8,30,657	83.06	25,68,191	256.82
Balance at the end of the year	**2,49,47,942**	**2,494.79**	**2,41,17,285**	**2,411.73**

(b) Other Equity :

Particulars	Reserves and Surplus			Non Controlling Interest	9% Optionally Convertible Cumulative Redeemable Preference Shares	Other Comprehensive Income Remeasurement of Defined Benefit Plans	Total
	Security Premium	Revaluation Reserve	Retained Earnings				
Balance at April 01, 2017	**2,736.14**	**370.43**	**653.17**	**172.54**	**1,484.31**	**26.97**	**5,443.56**
Profit for the year	-		(592.86)	(12.63)	-	-	(605.49)
Other Comprehensive Income for the year	-		-		-	26.44	26.44
Total Comprehensive Income for the year	**-**	**-**	**(592.86)**	**(12.63)**	**-**	**26.44**	**(579.05)**
Consequent to Settlement of Loans	-	-	213.15	-	-	-	213.15
Consequent to Provision for Investments / Loan & Advances	-	-	444.26	-	-	-	444.26
On issuance of Equity Shares	815.71	-	-	-	-	-	815.71
Redeemed/Surrendered during the year	-	-	-	-	(1,185.68)	-	(1,185.68)
Charged during the year		6.83	-	5.70			12.53
Balance at March 31, 2018	**3,551.85**	**363.60**	**717.72**	**154.21**	**298.62**	**53.41**	**5,139.41**
Profit / (Loss) for the year	-		396.06	(19.00)	-	-	377.06
Other Comprehensive Income for the year	-		-		-	16.34	16.34
Total comprehensive income for the year	**-**		**396.06**	**(19.00)**	**-**	**16.34**	**393.40**
On issuance of Equity Shares	215.56	-	-	-	-	-	215.56
Redeemed/Surrendered during the year	-	-	-	-	(298.62)	-	(298.62)
Charged during the year	-	-	15.65	(15.65)	-	-	-
Balance at March 31, 2019	**3,767.41**	**363.60**	**1,098.13**	**150.86**	**-**	**69.75**	**5,449.76**

The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date
For **S. K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

For & on behalf of the Board

RAHUL NAREDI
Partner
Membership Number:302632

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 27th May, 2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1 Reporting Entity

The Consolidated Financial Statements comprise financial statements of Pioneer Embroideries Limited ("the Company") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2018. The Company is a public company domiciled in India and having registered office at Unit 101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai-400 058. Equity shares of the Company are listed in India on the Bombay stock exchange and the National stock exchange.

The Group is a manufacturer of Dope Dyed Polyester Yarn (DDPY), Embroidery & Lace Products. It has four manufacturing units located at Kala-amb (Himachal Pradesh) for DDPY and Sarigam (Gujarat), Naroli (Daman & Nagar Haveli), Coimbatore (Tamilnadu) for Embroidery and Laces.

2 Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the Consolidated Financial Statements.

2.1 Basis of Preparation

The Consolidated Financial Statements of the Group comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated profit and loss, if any.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

2.2 Basis of Measurement

The financial statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- **Level 3** inputs are unobservable inputs for the asset or liability.

2.3 Functional and Presentation Currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance and operating lease.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

2.5 Classification of Assets and Liabilities as Current and Non-Current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss , if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognised in Statement of Profit and loss.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below ₹5,000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.7 Intangible Assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 10 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.8 Non-current Assets held for Sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.9 Impairment of Non-financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.12 Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

• service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

• net interest expense or income; and

• remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.13 Revenue Recognition

The Company recognises revenue from sale of goods when;

i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) the amount of revenue can be measured reliably;

iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and

v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.16 Measurement of Fair Value

a) Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.17 Financial Instruments

a. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit and Loss. The losses arising from impairment

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

are recognised in the Statement of Profit and Loss.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial assets at fair value through profit and loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

b. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

2.18 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

prises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In view uncertainty to have taxable income in immediate future as prudent, no defer tax assets are recognised for the year.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.19 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the percentage value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Lease in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.20 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company. The Business activity of the Company falls within one business segment viz "Textile".

2.21 Standard issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Amendment to Ind AS 116

Ind AS 116 – 'Leases' is applicable for the accounting period beginning from April 1, 2019. Ind AS 116 will replace the existing Ind AS 17 Leases and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability at the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either at:
- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. "

The Company is in the process of evaluating the impact of transitioning from old standard i.e Ind AS 17 to new standard i.e Ind AS 116 and the transition approach.

(b) Amendment to Other Ind AS

Amendment to Ind AS 19 - plan amendment, curtailment or settlement:

Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', On 30 March, 2019, in connection with accounting for plan amendments, curtailments and settlements. The Company does not have any impact on account of this amendment.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

Ministry of Corporate Affairs has notified Ind AS 12 Appendix 'C' Uncertainty over Income Tax Treatments on March 30, 2019. According to the appendix, the Company need to determine the probability of the relevant tax authority accepting each tax treatment, or the Company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company has decided to adjust the cumulative effect in equity on the date of initial application without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the financial statements.

Amendment to Ind AS 12 - Income taxes:

Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes accordingly an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. There is no impact of this amendment on the financial statements.

Ind AS 23 – Borrowing Costs -The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any significant impact from this amendment.

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3A. Property, Plant and Equipment

(₹ in lakhs)

	Tangible Assets										Leasehold Assets	
Particulars	Freehold land	Buildings	Plant and Equipment	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Electrical Installations	Borewell	Total	Leasehold land	Total
Cost												
As at 1st April, 2017	**420.73**	**3,016.13**	**6,501.46**	**93.85**	**43.71**	**18.28**	**47.78**	**485.44**	**0.07**	**10,627.45**	**24.81**	**10,652.26**
Additions	-	68.58	542.57	-	6.35	2.94	5.94	3.77	-	630.15	-	630.15
Disposals	28.44	5.46	59.07	-	-	-	-	-	-	92.97	-	92.97
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2018	**392.29**	**3,079.25**	**6,984.96**	**93.85**	**50.06**	**21.22**	**53.72**	**489.21**	**0.07**	**11,164.63**	**24.81**	**11,189.44**
Additions	-	46.99	549.72	16.53	7.68	4.71	3.22	4.38	0.29	633.52	-	633.52
Disposals	-	-	86.08	9.94	-	0.81	5.61	-	-	102.44	-	102.44
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2019	**392.29**	**3,126.24**	**7,448.60**	**100.44**	**57.74**	**25.12**	**51.33**	**493.59**	**0.36**	**11,695.71**	**24.81**	**11,720.52**
Depreciation												
As at 1st April, 2017	**-**	**132.17**	**502.19**	**13.70**	**16.65**	**5.20**	**9.23**	**129.66**	**0.07**	**808.87**	**0.30**	**809.17**
Additions	-	140.03	592.88	13.02	14.18	4.44	12.44	64.66	-	841.65	0.30	841.95
Deletions	-	1.08	4.28	-	-	-	-	-	-	5.36	-	5.36
Adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at 31 March 2018	**-**	**271.12**	**1,090.79**	**26.72**	**30.83**	**9.64**	**21.67**	**194.32**	**0.07**	**1,645.16**	**0.60**	**1,645.76**
For the year	-	144.67	626.95	13.46	5.21	4.44	11.47	58.32	0.01	864.53	0.30	864.83
Deletions	-	-	69.86	9.65	-	0.81	5.61	-	-	85.93	-	85.93
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
as at 31 March 2019	**-**	**415.79**	**1,647.88**	**30.53**	**36.04**	**13.27**	**27.53**	**252.64**	**0.08**	**2,423.76**	**0.90**	**2,424.66**
Net block												
As at 31 March 2018	392.29	2,808.13	5,894.17	67.13	19.23	11.58	32.05	294.89	-	9,519.47	24.21	9,543.68
As at 31 March 2019	**392.29**	**2,710.45**	**5,800.72**	**69.91**	**21.70**	**11.85**	**23.80**	**240.95**	**0.28**	**9,271.95**	**23.91**	**9,295.86**
3B. Capital Work-in-Progress												
As at 31 March 2018												297.95
As at 31 March 2019												**180.58**

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

3C. Intangible Assets

(₹ in lakhs)

Particulars	Computer Software	Hakoba Brand	Total
Cost			
As at 1st April, 2017	**38.37**	**0.06**	**38.43**
Additions	29.62	-	29.62
Disposals	-	-	-
Adjustment	-	-	-
As at 31 March 2018	**67.99**	**0.06**	**68.05**
Additions	-	-	-
Disposals	-	-	-
Adjustment	-	-	-
As at 31 March 2019	**67.99**	**0.06**	**68.05**
Depreciation			
As at 1st April, 2017	**8.65**	**-**	**8.65**
Additions	10.85	-	10.85
Deletions	-	-	-
Adjustment	-	-	-
As at 31 March 2018	**19.50**	**-**	**19.50**
For the year	9.32	-	9.32
Deletions	-	-	-
Adjustment	-	-	-
as at 31 March 2019	**28.82**	**-**	**28.82**
Net block			
As at 31 March 2018	48.49	0.06	48.55
As at 31 March 2019	**39.17**	**0.06**	**39.23**

3.1 a) Depreciation is provided on fixed assets over the remaining useful life in accordance with the provisions of Schedule II of the Act.
b) Leasehold Land and building acquired, pursuant to scheme of merger in an earlier year, are pending registration in the name of the Company.
c) Property, Plant and Equipment given as security for borrowings (Refer note 15 & 17).
d) Capital Work in progress includes a sum of ₹180.58 spent for ongoing expansion at Kala-amb unit and Sarigam unit.

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

4 **Non- Current Investment**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Quoted Investments				
In Other Entities (measured at fair value through profit and loss)				
RLF Limited	1,000	0.00	1,000	0.00
(Equity shares of Face Value of ₹10 each)				
(Cost ₹0.06 less provision made ₹0.06)				
Padmini Technologies Limited (listing suspended)	68,939	0.00	68,939	0.00
(Equity shares of Face Value of ₹10 each)				
(Cost ₹17.56 less provision made ₹17.56)				
Unquoted Investments				
In Other Entities				-
The Greater Bombay Co-op. Bank Limited	40	0.01	40	0.01
(Equity shares of Face Value of ₹25 each)				
	69,939	0.01	69,939	0.01

a. None of the above investments are listed on any stock exchange in India or outside India.

b. Aggregate amount of investments are given below:

	As at March 31, 2019	As at March 31, 2018
Aggregate cost of unquoted investments	17.63	17.63
Aggregated amount of impairment in value of investment	17.62	17.62

	Particulars	As at March 31, 2019	As at March 31, 2018
5	**Other Non-Current Financial Assets**		
	Unsecured, considered good		
	Security Deposits	153.86	177.79
	Fixed Deposit and NSC in Banks with more than 12 months maturity	68.70	82.86
		222.56	**260.65**
6	**Other Non-Current Assets**		
	Unsecured, considered good		
	Capital Advances	23.37	96.28
		23.37	**96.28**

6.1 Capital advance of ₹23.27 (₹96.28) has been given to building contractors and to suppliers of plant & machineries at Dope Dyed Yarn unit at Kala-amb and Embroidery unit at Sarigam.

	Particulars	As at March 31, 2019	As at March 31, 2018
7	**Inventories**		
	(Valued at lower of cost or net realisable value as certified by Management)		
	Raw Materials	583.28	621.85
	Work-in-Progress	527.81	583.84
	Finished Goods	2,255.39	2,264.72
	Store & Spares	91.36	78.50
	Packing Material	41.80	29.40
		3,499.65	**3,578.31**

7.1 Inventories are hypothecated to secure borrowings. (Refer Note 15 & 17)

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
8	**Trade Receivables**		
	Unsecured		
	Considered Good	2,949.60	2,738.00
	Having significant increase in credit risks	238.66	189.26
	Considered Doubtful/Bad	809.87	809.87
		3,998.13	3,737.13
	Less: Allowance for Credit Losses	(972.81)	(957.71)
		3,025.32	2,779.42

8.1 Trade receivables include outstanding from related party enterprise of ₹66.90 (₹58.94) and Associate Concern ₹8.46 (₹8.46).

8.2 Trade Receivables are hypothecated to secure borrowings. (Refer Note 15 & 17)

9	**Cash & Cash Equivalents**		
	Balances with Banks - In Current Accounts	44.86	126.45
	Cash in hand	12.33	22.03
		57.19	148.48
10	**Other Current Financial Assets**		
	Unsecured, considered good		
	Other Loans and Advances		
	Related Party		
	Pioneer E-com Fashions LLP	564.85	564.25
	Others		
	Loan & Advance to Staff	23.67	44.39
	Advances to Arcot Textile Mills Ltd. (Refer Note 10.1)	895.63	898.00
	Others	-	2.21
		1,484.15	**1,508.85**

10.1 Advances to Arcot Textile Mills Limited (ATML) (then a BIFR Company) was given for purchase of movable and immovable assets situated at Kallakurichi, Tamilnadu for a total consideration of ₹1,105.00 on lump sum sale basis pursuant to MOU dated 20th December, 2007. The transfer of assets in favour of the Company was subject to deregistration of ATML from BIFR. Due to inordinate delay in deregistration from BIFR, it had been agreed that ATML will return the above advance vide their confirmation letter dated 5th October, 2012. Accordingly, ₹209.37 has been returned by ATML till March 31, 2019.

11	**Current Tax Assets (Net)**		
	Income Tax Refund Receivable (net)	119.22	122.76
		119.22	**122.76**
11.1	**Amounts recognised in Profit or Loss**		
	Current Tax Expense	-	3.12
	Deferred Tax Charge / (Credit)	-	-
	Total Tax Expense	-	**3.12**
	Reconciliation of effective tax rate		
	Profit / (Loss) before tax	**400.67**	**(578.76)**
	Tax using the Company's domestic tax rate @ 30.90% (March 31, 2018: 30.90%)	-	-
	Tax effect of:		
	Tax Losses of earlier year adjusted	-	3.12
	Income tax expenses reported in the Statement of Profit and Loss	-	**3.12**
	Effective Tax Rate	**(0.000)%**	**(0.518)%**

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
12	**Other Current Assets**		
	Unsecured, considered good		
	Advances recoverable in cash or in kind	322.86	286.64
	Prepaid Expenses	39.87	38.46
	Accrued Export and Other Incentives	53.01	103.85
	Other Advances and Balances	366.73	297.29
		782.47	**726.24**
13	**Assets held for sale**		
	Leasehold Land	705.75	715.83
	Building	121.71	135.25
		827.46	**851.08**

14 Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity Shares of ₹10 each	3,30,00,000	3,300.00	3,30,00,000	3,300.00
Preference Shares of ₹10 each	1,70,00,000	1,700.00	1,70,00,000	1,700.00
	5,00,00,000	**5,000.00**	**5,00,00,000**	**5,000.00**
Issued, Subscribed & Paid up				
Equity Shares of ₹10 each	2,49,47,942	2,494.79	2,41,17,285	2,411.73
	2,49,47,942	**2,494.79**	**2,41,17,285**	**2,411.73**

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:

As at the beginning of the financial year	2,41,17,285	2,411.73	2,15,49,094	2,154.91
Add: Issued during the year	8,30,657	83.06	25,68,191	256.82
As at the end of the financial year	**2,49,47,942**	**2,494.79**	**2,41,17,285**	**2,411.73**

Issue of Shares:

During the year, the Optionally Converted Cumulative Redeemable Preference Share (OCCRPS) holders have exercised their right and opted to convert OCCRPS of ₹298.62 and accordingly, 8,30,657 equity shares of ₹10 each are issued at an average price of ₹35.95 per share to them.

Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of Equity Shareholding more than 5% in the Company on reporting date:

(₹ in lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of	Number of shares held	% holding in that class of
Pioneer E-Com Fashions LLP	45,01,726	18.04	45,01,726	18.67
Raj Kumar Sekhani	20,63,760	8.27	20,45,718	8.48
Anand Sekhani	15,00,500	6.01	15,00,500	6.22
Amit Sekhani	15,00,000	6.01	15,00,000	6.22
Union Bank of India	12,91,183	5.18	-	-
Export Import Bank of India	12,59,028	5.05	-	-

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
15	**Other Equity**		
	Security Premium		
	Opening Balance	3,551.85	2,736.14
	Add: During the year	215.56	815.71
	Balance as at the end of the year	**3,767.41**	**3,551.85**
	Revaluation Reserve		
	Opening Balance	363.60	370.43
	Add: During the year	-	(6.83)
	Balance as at the end of the year	**363.60**	**363.60**
	Retained Earnings		
	Opening Balance	717.72	653.17
	Add: Profit / (Loss) for the year	396.06	(592.86)
	Add: Consequent to Settlement of Loans	-	213.15
	Less: Consequent to Provision for Investments /Loan & Advances given	-	(444.26)
	Less: Tfr to NCI	15.65	-
	Balance as at the end of the year	**1,098.13**	**717.72**
	Other Comprehensive Income		
	Opening Balance	53.41	26.97
	Add : On Gratuity for the year	16.34	26.44
	Balance as at the end of the year	**69.75**	**53.41**
	9% Optionally Convertible Cumulative Redeemable Preference Shares	-	298.62
	Non-Controlling Interest	150.86	154.21
		150.86	452.82
		5,449.76	**5,139.41**

Nature and purpose of other reserves/ other equity:

Security Premium

This Reserve represents premium received on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

Reconciliation of the number of preference shares and amount outstanding at the beginning and at the end of the financial year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the financial year	29,86,265	298.63	1,48,43,060	1,484.31
Add: Issued /(redeemed/surrendered) during the year	(29,86,265)	(298.63)	(1,18,56,795)	(1,185.68)
As at the end of the financial year	**-**	**-**	**29,86,265**	**298.63**

Details of Preference Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in that class of	Number of shares held	% holding in that class of
Union Bank of India	-	-	12,81,590	42.92
EXIM Bank	-	-	12,49,675	41.85
Sandeep Bajaj	-	-	4,55,000	15.24

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
16	**Non-Current Financial Liabilities -Borrowings**		
	Secured Loans		
	Term Loans from Banks/Institutions	1,878.07	3,380.49
	Loan from Others	128.66	95.56
	Unsecured Loans		
	Related Party	1.90	1.90
	Others	180.00	180.00
		2,188.63	**3,657.95**

16.1 Above total is net of installments falling due within a year in respect of all the above Loans aggregating ₹ 1,705.54 (₹1,310.64) that have been grouped under "Current maturities of Long Term Debt" (Refer Note 20).

16.2 Term Loans from banks/institutions of ₹3,133.50 are secured by first pari passu charge over fixed assets of the Company both present & future with other term lenders, except certain machinery under exclusive charge to Landes Bank Baden Wurttemberg, and are further secured by second charge over current assets of the Company, by personal guarantee of Chairman of the Company and pledge of company's certain shares by promoter and promoter group firms.

Out of these loan, i) ₹675.00 is repayable quarterly instalments ending March 2020 and carries no interest; ii) ₹620.00 is repayable in monthly instalments ending February 2021 and carries interest @13% p.a.; iii) ₹1,747.38 is repayable in monthly instalments ending July 2022 and carries interest @13% p.a.; iv) ₹75.00 is repayable in quarterly instalments ending January 2024 and carries interest @18% p.a. presently.

16.3 Term Loans from bank of ₹328.96 are secured by first pari passu charge over all fixed assets and current assets of the Company both present & future with other term lenders, except certain machinery under exclusive charge to Landes Bank Baden Wurttemberg, and by personal guarantee of the Chairman of the Company. The loan is further secured by pledge of company's certain shares by promoter and promoter group firms. This loan is repayable in monthly instalments ending September 2019 and carries interest @13% p.a.

16.4 Term Loans from bank of ₹131.80 of Foreign Currency Term Loan is secured by exclusive charge on certain imported machineries. This loan is repayable in half yearly instalments ending September 2019 and presently carries interest @0.50% p.a.

16.5 Term Loan from Banks of ₹34.07 are secured by hypothecation of respective vehicles financed.

16.6 Term Loan from others of ₹128.66 is secured by assignment of Keyman Insurance Policy and carries interest @9.5% p.a.

16.7 All unsecured loans are interest free and carry no repayment schedule. These loans are subject to confirmation and reconciliation.

17	**Long Term Provisions**		
	Provision for Employee Benefits	404.20	354.09
		404.20	**354.09**
18	**Current Financial Liabilities -Borrowings**		
	Secured		
	Loans Repayable on Demand		
	Cash Credit from Bank	1,508.13	1,511.32
		1,508.13	**1,511.32**
	Unsecured		
	Short Term Loans Repayable on Demand		
	Inter Corporate Deposits	206.08	-
	Loans From Related Party		
	From Director	132.27	80.16
		338.35	80.16
		1,846.48	**1,591.48**

18.1 Cash Credit Loans are secured by first pari passu charge by hypothecation of stocks, book debts and second charge on all fixed assets, both present and future and further secured by corporate guarantee of Hakoba Lifestyle Limited, a subsidiary of the Company and Pioneer E-com Fashions LLP, a promoter group firm, and personal guarantee of the Chairman of the Company.

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	As at March 31, 2019	As at March 31, 2018
19	**Trade Payables**		
	For Goods and Services		
	Total outstanding dues of micro and small enterprises	273.69	-
	Total outstanding dues of creditors other than micro and small enterprises	2,944.07	3,074.52
		3,217.76	**3,074.52**

19.1 Trade Payables include outstanding to a related enterprise of ₹74.77 (₹22.95).

19.2 Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

		As at March 31, 2019	As at March 31, 2018
a.	Principal amount and Interest due thereon remaining unpaid to any supplier at the end of year	95.34	-
b.	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c.	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d.	the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-

	Particulars	As at March 31, 2019	As at March 31, 2018
20	**Other Current Financial Liabilities**		
	Current maturities of Long Term Debt (Refer Note 15)	1,705.54	1,310.64
	Interest accrued	19.88	30.35
	Capital Creditors	62.53	95.21
	Employees Emoluments	579.23	516.41
	Statutory Dues	59.45	41.58
	Others	156.98	222.75
		2,583.61	**2,216.94**
21	**Short Term Provisions**		
	Provision For Employee Benefits	13.19	10.26
		13.19	10.26
22	**Other Current Liabilities**		
	Customers' Credit Balances and Advances against orders	284.89	424.48
	Advance Against Property	1,050.00	1,050.00
	Others	23.76	31.39
		1,358.65	**1,505.87**

22.1 Advance from customers includes advance received from related enterprise of ₹Nil (₹130.27).

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	For the year ended March 31 2019	For the year ended March 31 2018
23	**Revenue From Operations**		
	Sale of Products - Yarn, Embroidery Fabric & Laces		
	Domestic Sales	21,249.02	21,482.61
	Export Sales	6,044.96	4,607.77
	Other Operating Revenue (Including Export Incentives)	102.72	135.13
		27,396.70	**26,225.51**
23.1	Sales include sales made to related enterprises ₹277.51 (₹791.34).		
24	**Other Income**		
	Interest Income	20.71	33.93
	Profit on disposal of Property, Plant and Equipment (Net)	-	69.82
	Liabilities/Provisions no longer required written back	-	9.07
	Reversal of Provision for Allowance of Credit Losses	-	15.49
	Gain on Foreign Currency Transactions and Translation (Net) (considered other than finance costs)	114.66	55.21
	Miscellaneous Income	71.28	58.31
		206.65	**241.83**
25	**Cost Of Material Consumed**		
	Cost of Raw Material Consumed		
	Opening Stock	621.85	1,103.48
	Purchases during the year	15,747.51	14,633.17
		16,369.36	**15,736.65**
	Less:- Closing Stock	583.28	621.85
		15,786.08	**15,114.80**
25.1	Purchases includes from related enterprises ₹65.00 (₹89.43).		
26	**Change In Inventories**		
	Opening Inventories		
	Work-in-Progress	583.84	566.77
	Finished Goods	2,264.72	2,449.35
		2,848.56	**3,016.12**
	Less: Closing Inventories		
	Work-in-Progress	527.81	583.84
	Finished Goods	2,255.40	2,264.72
		2,783.21	**2,848.56**
		65.35	**167.56**
27	**Employee Benefits Expense**		
	Salaries, Wages and Incentives	3,204.59	3,161.48
	Contribution to Funds	110.28	127.92
	Staff Welfare Expenses	88.28	98.41
		3,403.15	3,387.81
28	**Finance Cost**		
	Interest expense	661.03	682.41
	Other Borrowing Costs	19.83	43.81
	Fair value changes of interest free loans	85.26	176.68
	Net Gain/Loss on Foreign Currency Transactions and Translation (Considered as finance costs)	(1.46)	38.97
		764.66	**941.87**

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Particulars	For the year ended March 31 2019	For the year ended March 31 2018
29	**Other Expenses**		
	Stores & Spares Consumed	429.27	481.77
	Repair & Maintenance	151.82	130.93
	Power & Fuel	1,943.36	2,128.23
	Insurance	29.21	22.47
	Job Charges	480.71	209.83
	Legal & Professional Fees	102.19	145.40
	Packing Material Consumed	1,188.94	1,213.05
	Payment to Auditors*	12.17	14.18
	Rates & Taxes	37.53	28.97
	Rent	65.68	61.95
	Provision for Allowance of Credit Losses	15.11	-
	Loss on disposal of Property, Plant and Equipment (Net)	2.21	-
	Directors Sitting Fees	1.93	1.93
	Donations	0.10	0.16
	Excise Duty on Sales	-	522.61
	Expenditure incurred towards CSR activities	7.21	-
	Other Selling Expenses	951.82	859.99
	Miscellaneous Expenses	431.53	446.80
		5,850.79	**6,268.27**
	*Details of payment to Auditors		
	Statutory & Tax Audit	12.17	14.18
		12.17	**14.18**

30 Exceptional Items

Exceptional item of ₹110.02 lakh (₹ Nil) represents settlement of workers arrived with them towards sundry cases in Labour Court-Silvassa.

(₹ in lakhs)

	Particulars	As at 31 March , 2019	As at 31 March, 2018
31	**Contingent liabilities, contingent assets and commitments**		
	A. Contingent liabilities (not provided for) in respect of:		
	1 Bank Guarantees Outstanding.	80.80	112.80
	2 Demand for Excise duty, being contested by the Company	33.58	33.58
	3 Demand for Income Tax, being contested by the Company	62.34	62.34
	4 Demand for Service Tax, being contested by the Company	123.85	123.85
	5 Demand for VAT/Sales Tax, being contested by the Company	-	25.89
	6 Sundry Cases in Labour Court and Industrial Court (Silvassa unit)	-	366.61
	7 "Sundry Cases in Labour Court and Industrial Court (Sarigam unit, Gujrat)(quantum is not ascertainable)"	N A*	N A*
	8 Unpaid Dividend on 9% Optionally Convertible Cumulative Redeemable Preference Shares	-	255.33
	9 Custom Duty on Capital Goods and Raw Materials imported under Advance License / EPCG Scheme, against which export obligation is to be fulfilled.	64.70	7.91

There is no contingent liability other than stated above and adequate provision have been made for all known liabilities, except interest and penalties as may arise. The management believes that the Company has a strong chance of favourable decision in above cases, hence no further provision has been considered necessary.

B.	**Commitments**		
	Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances]	-	86.47

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Particulars	As at 31 March , 2019	As at 31 March, 2018

32 Leases

Operating lease

The Company's significant leasing arrangements are in respect of operating leases of premises for office and warehouse. These leasing arrangements, which are cancellable, are typically for a period of 11 months and are usually renewable on mutually agreeable terms. The Company has recognised expense amounting to ₹63.88 (₹60.15).

33 Foreign exchange derivatives and exposures outstanding at the year-end:

(a) Foreign Currency exposure not hedged by derivative instrument or otherwise :		
i.Receivable	735.40	713.50
ii.Payable	173.13	343.05
(b) Outstanding forward contracts to be hedge foreign currency exposure :	-	-

34 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund ₹73.03 (₹91.03).

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	March 31, 2019	March 31, 2018
Net defined benefit liability / (asset)	340.84	298.40
Liability for Gratuity		
Current	13.19	10.14
Non-Current	327.65	288.26

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

B. Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	March 31, 2019			March 31, 2018		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	**298.40**	**-**	**298.40**	**285.08**	**-**	**285.08**
Included in profit or loss						
Service costs	57.99	-	57.99	51.49	-	51.49
Interest cost / (income)	22.07	-	22.07	19.92	-	19.92
	80.06	**-**	**80.06**	**71.41**	**-**	**71.41**
Included in OCI						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	1.39	-	1.39	(11.94)	-	(11.94)
- experience adjustment	(17.74)	-	(17.74)	(14.49)	-	(14.49)
	(16.35)	**-**	**(16.35)**	**(26.43)**	**-**	**(26.43)**
Other						
Contributions paid by the employer						-
Benefits paid	(21.27)	-	(31.66)	(31.66)	-	(31.66)
	(21.27)	-	(31.66)	(31.66)	-	(31.66)
Balance as at 31 March	**340.84**	**-**	**330.45**	**298.40**	**-**	**298.40**

	March 31, 2019	March 31, 2018
C. Plan assets		
The Company has no plan assets.		
D. Actuarial assumptions		
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).		
Discount rate	7.64%	7.67%
Expected rate of future salary increase	7.50%	7.50%
Mortality	100% of IALM (2006 - 08)	
Assumptions regarding future mortality have been based on published statistics and mortality tables.		

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(298.59)	390.32	(259.46)	346.19
Expected rate of future salary increase (1% movement)	392.36	(299.28)	344.38	(260.12)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

F. Description of Risk Exposures: (₹ in lakhs)

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

a) Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
b) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
c) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumption in the valuation can impact the liabilities.

35 Related parties

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Mr. Raj Kumar Sekhani (Chairman)
Mr. Harsh Vardhan Bassi (Managing Director)
Mr. Gangadharan Kandam Rama Panicke (Executive Director)
Mr. Joginder Kumar Baweja (Independent Director)
Mr. Gopalkrishnan Sivaraman (Independent Director)
Mrs. Sujata Chakravarthy (Independent Director)
Mrs. Bimla Devi Sekhani
Mr. Aarav Sekhani
Mr. Vishal Sekhani
Mr. Ratanlal Sekhani
Mrs. Prachi Sekhani
Mrs. Priyani Sekhani

ii. Enterprises having significant influence by KMP & their Relatives

M/s J J Sons
M/s J J Enterprises
Kiran Industries Pvt. Ltd.
Thakurdas & Co. Pvt. Ltd.
Kiran Texpro Pvt. Ltd.

iii. Associate Concerns

Pioneer E-Com Fashions LLP
Reach Industries Pvt. Ltd.

B Transactions with the above in the ordinary course of business

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sales		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	18.30	18.73
M/s J J Enterprises	10.74	19.94
Kiran Industries Pvt. Ltd.	247.48	735.16
Thakurdas & Co. Pvt. Ltd.	-	3.88
Kiran Texpro Pvt. Ltd.	0.98	13.63
	277.51	**791.34**
Purchases		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	-	-
M/s J J Enterprises	3.85	1.52
Kiran Industries Pvt. Ltd.	19.02	80.22
Kiran Texpro Pvt. Ltd.	42.13	7.69
	65.00	**89.43**

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Payment for Rent & Other Services		
	Enterprises having significant influence by KMP & their Relatives		
	Kiran Industries Pvt. Ltd.	7.08	9.34
	Summary of payment made to KMP		
	Short term employee benefits*	185.52	224.50
	Post employment benefits	-	-
	*excludes provision in respect of gratuity, compensated absences etc. as the same is determined on an actuarial basis for company as whole and includes commission to directors which is payable after approval of shareholders in annual general meeting.		
	Loan and Advances Taken		
	Key Managerial Personnel (KMP) and their Relatives		
	Mr. Raj Kumar Sekhani (Chairman)	47.30	1.00
	Mr. Harsh Vardhan Bassi (Managing Director)	7.02	61.95
		54.32	**62.95**
	Guarantee Taken		
	Key Managerial Personnel (KMP) and their Relatives		
	Mrs. Bimla Devi Sekhani	200.00	1,500.00
	Associate Concerns		
	Pioneer E-Com Fashions LLP	200.00	1,500.00
C	**Outstanding balance at the year end**		
	Loans & Advances taken		
	Key Managerial Personnel (KMP) and their relatives		
	Mr. Raj Kumar Sekhani (Chairman)	63.31	16.00
	Mr. Harsh Vardhan Bassi (Managing Director)	68.97	61.95
		132.27	**77.95**
	Trade Payables & Other Liabilities		
	Enterprises having significant influence by KMP & their Relatives		
	M/s J J Sons	13.67	15.57
	M/s J J Enterprises	47.59	0.51
	Kiran Industries Pvt. Ltd.	3.87	134.98
	Kiran Texpro Pvt. Ltd.	9.64	2.16
		74.77	**153.22**
	Receivables		
	Enterprises having significant influence by KMP & their Relatives		
	M/s J J Sons	1.58	6.65
	M/s J J Enterprises	33.59	44.13
	Kiran Industries Pvt. Ltd.	25.57	-
	Thakurdas & Co. Pvt. Ltd.	6.16	8.16
		66.90	**58.94**
	Associate Concerns		
	Reach Industries Pvt. Ltd.	8.46	8.46
	Pioneer E-Com Fashions LLP	564.85	564.85
		573.31	**573.31**

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

36 Financial instruments

I. Fair value measurements

A. Financial instruments by category

	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments	0.01	-	0.01	-
Trade receivables	-	3,025.32	-	2,779.42
Cash and cash equivalents	-	57.19	-	148.48
Others				
Non Current	-	222.56	-	260.65
Current	-	1,484.15	-	1,508.85
	0.01	**4,789.22**	**0.01**	**4,697.41**
Financial liabilities				
Long Term Borrowings	-	2,188.63	-	3,657.95
Short terms borrowings	-	1,846.48	-	1,591.48
Trade payables	-	3,217.76	-	3,074.52
Other current financial liabilities	-	2,583.61	-	2,216.94
	-	**9,836.49**	**-**	**10,540.88**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements:

	As at March 31, 2019 / March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets	0.01	-	-	0.01
Financial liabilities	-	-	-	-
	0.01	-	-	0.01

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

C. Fair value of financial assets and liabilities measured at amortised cost:

	As at March 31, 2019		As at March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Trade receivables	-	3,025.32	-	2,779.42
Cash and cash equivalents	-	57.19	-	148.48
Others				
Non Current	-	222.56	-	260.65
Current	-	1,484.15	-	1,508.85
	-	4,789.22	-	4,697.41
Financial liabilities				
Long Term Borrowings	-	2,188.63	-	3,657.95
Short terms borrowings	-	1,846.48	-	1,591.48
Trade payables	-	3,217.76	-	3,074.52
Other current financial liabilities	-	2,583.61	-	2,216.94
	-	9,836.49	-	10,540.88

The carrying amounts of the abovementioned financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the President of the Company.

More than 60 % of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The carrying amount net of credit loss allowances of trade receivables is ₹3,025.32 (March 31, 2018 – ₹2,779.42).

Ageing of trade receivables are as under:

Particulars	Less than 6 months	6-12 months	More than 12 months	Total
As at March 31, 2019	2,366.99	110.76	637.17	3,188.26
As at March 31, 2018	2,217.03	109.39	600.84	2,927.26

During the period, the Company has made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

A default on a financial asset is when counterparty fails to make payments within 60 days when they fall due.

Reconciliation of loss allowance provision – Trade receivables:

	As at March 31, 2019	As at March 31, 2018
Opening balance	(957.71)	(973.20)
Changes in loss allowance	(15.11)	15.49
Closing balance	**(972.81)**	**(957.71)**

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The Company has bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in indian rupee and have an average maturity within a year.

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts March 31, 2019	Contractual cash flows				
		Total	0- 1 Year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	3,894.17	3,894.17	1,705.54	1,654.34	534.29	-
Short term borrowings	1,846.48	1,846.48	1,846.48	-	-	-
Trade payables	3,217.76	2,944.07	2,944.07	-	-	-
Other current financial liabilities	878.07	878.07	878.07	-	-	-
Total non-derivative liabilities	**9,836.48**	**9,562.79**	**7,374.16**	**1,654.34**	**534.29**	**-**

Particulars	Carrying Amounts March 31, 2018	Contractual cash flows				
		Total	0- 1 Year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	4,968.59	4,968.59	1,310.64	2,873.30	784.65	-
Short term borrowings	1,591.48	1,591.48	1,591.48	-	-	-
Trade payables	3,074.52	3,074.52	3,074.52	-	-	-
Other current financial liabilities	906.30	906.30	906.30	-	-	-
Total non-derivative liabilities	10,540.88	10,540.89	6,882.94	2,873.30	784.65	-

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for liquidity / credit management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of Directors.

v. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Company's foreign currency payables, have been partially hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at March 31, 2019		As at March 31, 2018	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	10.12	-	10.80	-
Other payables	0.60	1.70	1.06	3.40
Net statement of financial position exposure	**10.72**	**1.70**	**11.86**	**3.40**

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD 1	65.05	64.33	69.17	65.04
EUR 1	78.74	79.31	77.70	80.62

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2019 and March 31, 2018, the Company's borrowings at variable rate were denominated in Indian Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	Nominal Amount	
	March 31, 2019	March 31, 2018
Fixed-rate instruments		
Financial liabilities	4,145.16	4,840.25
	4,145.16	**4,840.25**
Variable-rate instruments		
Financial liabilities	1,639.93	1,849.51
	1,639.93	**1,849.51**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2019				
Variable-rate instruments	8.20	(8.20)	8.20	(8.20)
Cash flow sensitivity	**8.20**	**(8.20)**	**8.20**	**(8.20)**
March 31, 2018				
Variable-rate instruments	9.25	(9.25)	9.25	(9.25)
Cash flow sensitivity	9.25	(9.25)	9.25	(9.25)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

37 a. Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

b. Realisable value of current assets, deposits, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.

c. Some of the fixed deposits and bank accounts are subject to confirmations though reconciled with available bank statements. Some of the secured loans are also subject to confirmations though reconciled with bank statements.

38 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed. The Company has incurred ₹7.21 on CSR during the year.

39 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Company falls within one broad business segment viz. "Textile" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

40 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company :

Particulars	March 31, 2019	March 31, 2018
Equity Share Capital	2,494.79	2,411.73
Other Equity	5,298.90	4,985.20
Total Equity	7,793.69	7,396.93
Non-Current Borrowings	2,188.63	3,657.95
Current maturities of Non-Current Borrowings	1,705.54	1,310.64
Current Borrowings	1,846.48	1,591.48
Total Debts	5,740.65	6,560.06
Less: Cash & Cash Equivalents	57.19	148.48
Net Debts	5,683.46	6,411.58
Capital & Net Debts	13,477.15	13,808.51
Debts Equity Ratio	0.74	0.89
Capital Gearing Ratio	42%	46%

NOTES TO CONSOLIDTED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

(₹ in lakhs)

41 Other Disclosures

The Consolidated Financial Statements include the accounts of Pioneer Embroideries Limited (Parent Company) and its subsidiaries as detailed below:

Particulars	Country of Incorporation	Balance as at March 31, 2019	Maximum outstanding of loan during the year
Hakoba Lifestyle Ltd	India	100%	100%
Pioneer Realty Limited	India	100%	100%
Crystal Lace (I) Ltd	India	45%	45%

42 Earning per Equity Share

Particulars	March 31, 2019	March 31, 2018
Net Profit / (Loss) for the year	377.06	(605.49)
Weighted Average Number of Equity Shares of ₹10 each (fully paid-up)	2,44,31,342	2,27,57,201
- Basic (₹)	1.54	(2.60)
- Diluted (₹)	1.51	(2.60)

43 Previous year figure have been regrouped / reclassified to conform to current years classifcations.

As per our Report of even date
For **S. K. Naredi & Co.**
Chartered Accountants
(Firm's Registration No.: 003333C)

For & on behalf of the Board

RAHUL NAREDI
Partner
Membership Number:302632

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 27th May, 2019

Annexure A

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries :

Part "A": Subsidiaries **(₹ in lakhs)**

Sr. No.	Particulars	Name of Subsidiary		
		Hakoba Lifestyle Ltd.	Pioneer Reality Ltd.	Crystal Lace (I) Ltd.
(a)	Reporting Period	April to March	April to March	April to March
(b)	Reporting Currency	INR	INR	INR
(c)	Share Capital	484.63	5.00	987.04
(d)	Reserve & Surplus	(104.46)	(7.44)	(714.85)
(e)	Total Assets	916.04	0.30	1,483.76
(f)	Total Liabilities	535.87	2.74	1,211.57
(g)	Investment other than Investment in Subsidiary		-	- -
(h)	Turnover	2.88	-	17.12
(i)	Profit/(Loss) before Taxation	(1.64)	(0.14)	(20.64)
(j)	Provision for Taxation	-	-	-
(k)	Profit/(Loss) after Taxation	(1.64)	(0.14)	(20.64)
(l)	Proposed Dividend	-	-	-
(m)	% of shareholding	-	-	-

Notes

PIONEER GROUP

PIONEER EMBROIDERIES LIMITED

CIN: L17291MH1991PLC063752
Regd. Office: Unit 101B, 1st Floor, Abhishek Premises, Plot No.C5-6, Dalia Industrial Estate,
Off. New Link Road, Andheri (West), Mumbai- 400 058.
Tel.:91-22-42232323/ Tele-Fax: 91-22-42232313
Email: mumbai@pelhakoba.com website: www.pelhakoba.com

ATTENDANCE SLIP

Folio No./DP ID/Client ID No.	
Name And Address of Member(s) (in Block Letters)	
Joint Holders	
No. of Shares Held	
Name of proxyholder (if applicable)	

I/We record my/our presence at the Twenty Seventh Annual General Meeting to be held on Monday, the 26th August, 2019 at The Goregaon Sports Club, Ground Floor, East Banquet Hall, Link Road, Malad (West), Mumbai- 400064 at 10.00 a.m.

Signature of Shareholder (s):________________ Signature of Proxy(s):________________________

NOTE: You are requested to sign and handover this slip at the entrance of the meeting venue.

ELECTRONIC VOTING PARTICULARS

Electronic Voting Sequence Number (EVSN)	*Default PAN / Sequence No
190132	

Only member who have not updated their PAN with Company/Depository Participant shall use default PAN in the Pan filed.

Note: please read the instructions printed under the Note No.18 to the Notice of 27th Annual General Meeting. The Voting period starts from 9.00 a.m. on Friday, 23rd August, 2019 and ends at 5.00 p.m on Sunday, 25th August, 2019. The voting module shall be disabled by Link Intime India Pvt. Ltd. for voting thereafter.

PIONEER GROUP

PIONEER EMBROIDERIES LIMITED
CIN: L17291MH1991PLC063752
Regd. Office: Unit 101B, 1st Floor, Abhishek Premises, Plot No.C5-6, Dalia Industrial Estate,
Off. New Link Road, Andheri (West), Mumbai- 400 058.
Tel.:91-22-42232323/ Tele-Fax: 91-22-42232313
Email: mumbai@pelhakoba.com website: www.pelhakoba.com

PROXY FORM
Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s)	
Registered address	
E-mail Id	
Folio No/ DP ID/Client ID	

I/We, being the member (s) of Pioneer Embroideries Limited holding________________ shares of the Company, hereby appoint

1.	Name	
	Address	
	Email Id	
	Signature	

or failing him

2.	Name	
	Address	
	Email Id	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting to be held on Monday, the 26th August, 2019 at The Goregaon Sports Club, Ground Floor, East Banquet Hall, Link Road, Malad (West), Mumbai- 400064 at 10.00 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution. No.	Resolutions	For	Against
1.	Adoption of the Audited Financial Statements and Consolidated Financial Statements for the Financial year ended 31st March, 2019 and the Report of the Directors and the Auditors thereon.		
2.	Re-appointment of Gangadharan Kandam Rama Panicker (DIN:07735379), who retires by rotation.		
3.	To approve re-appointment of Mr. Joginder Kumar Baweja (DIN:01660198), as an Independent Director of the Company.		
4.	To approve re-appointment of Mr. Gopalkrishnan Sivaraman (DIN:00457873), as an Independent Director of the Company.		
5.	Re-appointment and Payment of Remuneration of the Cost Auditors M/s Vipul Bhardwaj & Co. for the Financial Year ending 31st March, 2020.		
6.	To approve reclassification of authorised share capital of the Company.		
7.	To approve “Pioneer Embroideries Limited Employee Stock Option Plan 2018”.		
8.	To approve “Pioneer Embroideries Limited Employee Stock Option Plan 2018” – Holding Company and/or Subsidiary Company(ies).		

Signed this……..........……. day of……………..…..…..2019.

Affix Revenue Stamp of ₹1/-

Signature of Shareholder(s): ______________ Signature of Proxy holder(s): _______________________

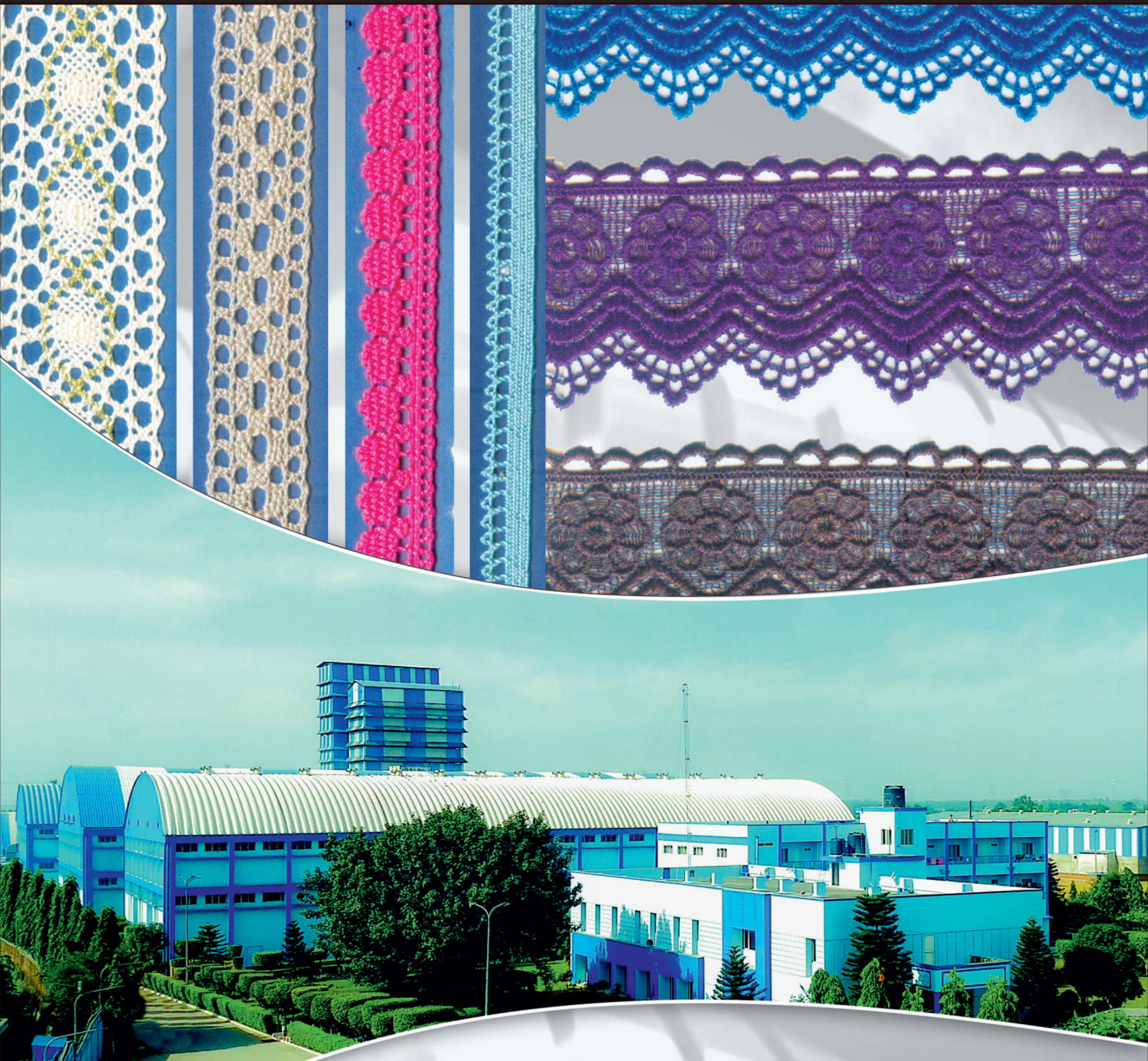
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

INTERNATIONAL MARKETING ACCESS

- TURKEY
- NEPAL
- BELGIUM
- JAPAN
- TUNISIA
- SPAIN
- BRAZIL
- THAILAND
- USA
- GREECE
- CANADA
- FRANCE
- BULGARIA
- UAE
- MEXICO
- SRILANKA
- INDONESIA
- CHILE

NATIONAL MARKETING ACCESS

- AMRITSAR
- LUDHIANA
- JALANDHAR
- PANIPAT
- KUNDLI
- DELHI
- VARANASI
- MAU
- KOLKATA
- GUWAHATI
- BHILWARA
- SURAT
- MUMBAI
- BENGALURU
- BELGAUM
- SALEM
- COIMBATORE
- ERODE
- TRIPURA
- MADURAI
- JAIPUR
- AHEMADABAD



If undelivered, please return to :

PIONEER EMBROIDERIES LIMITED

....a stitch ahead of time

Registered Office : Unit No.101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai - 400 058

Tel.: 91-22-4223 2323 • Fax : 91-22- 4223 2313

Website : www.pelhakoba.com • www.silkolite.com • www.hakoba.in

E-mail : mumbai@pelhakoba.com