PIONEER GROUP

Date : 11th September, 2017
Ref. : NSE/37/2017-2018.

To,
Mr. Hari K.
Manager
National Stock Exchange of India Limited
"Exchange Plaza", Bandra-Kurla Complex,
Bandra (East), Mumbai - 400 051.

Dear Sir,

Ref. : COMPANY CODE : PIONEEREMB
Sub. : ANNUAL REPORT FOR THE FINANCIAL YEAR 2016-17

We Wish to inform you that the Company's 25th Annual General Meeting was held on 29th July 2017 at 9.30 A.M. at The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai- 400064.

At the said Meeting, amongst others, the shareholders have approved and adopted the Audited Statement of Profit and Loss, Cash Flow Statement of the Company for the Financial Year ended on 31st March 2017 and the Balance Sheet as at 31st march 2017 and the Report of Directors and the Auditors thereon.

Accordingly, pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are pleased to annex herewith PDF version of the Annual Report for the Financial Year 2016-17.

We request you to take the above on your records and acknowledge receipt.

Thanking you,

Yours faithfully,
For PIONEER EMBROIDERIES LIMITED

PIONEER EMBROIDERIES LTD. MUMBAI

(AMI THAKKAR)
Company Secretary & Compliance Officer
Membership No.: FCS 9196
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 - 400 062.
Tel. : 022-4223 2323 • Fax : 022-4223 2313 • Email : mumbai@pelhakoba.com • Website : www.pelhakoba.com
egd. Off.: 101-B, Abhishek Premises, Plot No. C 5-6, Dalia Industrial Estate, Off New Link Rd., Andheri (W), Mumbai - 400 058
CIN : L17291MH1991PLC063752

®hakoba
Embroidery beyond your imagination

PIONEER GROUP



PIONEER EMBROIDERIES LIMITED

25th Annual Report 2016-2017

Dope Dyed Polyester Yarn Unit, Kala-amb, Himachal Pradesh





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

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BANKERS	CFO	COMPANY SECRETARY & COMPLIANCE OFFICER	STATUTORY AUDITORS
UNION BANK OF INDIA	NAWAL SHARMA	AMI THAKKAR	M B A H & 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

Process House : 1638, G.I.D.C., Sarigam, Dist. Valsad, Gujarat -396 155

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

Bangaluru Office : 872, OTL Main Road, Nagrathpet, 1st Floor, Rajatha Hotel Building, Bangaluru -560 002

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 Ltd.

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

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Shareholders of **PIONEER EMBROIDERIES LIMITED** will be held on Tuesday, the 29th August, 2017 at The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai- 400064 at 9.30 A.M. 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, 2017 and the Report of the Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Harsh Vardhan Bassi (DIN: 0102941) who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint M/s. S K Naredi & Co. (ICAI Regn. No. 003333C), Chartered Accountants as Statutory Auditors and to fix their remuneration.

   "RESOLVED THAT pursuant to the provisions of Sections 139(1), 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendations of Audit Committee, consent of the members, be and are hereby accorded for appointment of M/s. S K Naredi & Co., Chartered Accountants, Mumbai having ICAI Firm Registration No. 003333C, as statutory auditors of the Company in place of retiring auditors M/s. M B A H & CO, Chartered Accountants, M/s. S K Naredi & Co., Chartered Accountants having confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 30th Annual General Meeting subject to ratification by Members at each subsequent Annual General Meeting, on such remuneration, as may be agreed upon by the Board of Directors and the Auditors, in addition to GST and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS

4. Regularization of Appointment of Mrs. Sujata Chakravarty (DIN 07584280) as an Independent director of the Company 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 Sections 149, 160 and 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the Listing Regulation, Mrs. Sujata Chakravarty (DIN: 07584280),who was appointed as an Additional Independent Director in the Board Meeting held on 10th August 2016, having tenure upto the ensuing Annual General Meeting and who is not disqualified to become a Director under the Companies Act, 2013 and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act, be and as is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 consecutive years w.e.f. 29th August, 2017."

5. Regularization of Appointment of Mr. Gangadharan Panicker (DIN 07735379) as an Executive Director of the Company 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 Sections 160 and 161 of the Companies Act 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Gangadharan Panicker (DIN 07735379),who was appointed as an Additional Director in the Board Meeting held on 29th May, 2017, having tenure upto the ensuing Annual General Meeting and who is not disqualified to become a Director under the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, be as is hereby appointed as an Director of the Company, liable to retire by rotation."

6. To approve payment of remuneration to Mr. Gangadharan Panicker (DIN 07735379) 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 Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) (hereinafter referred to as 'the Act') and in accordance with the Articles of Association of the Company, consent and approval of the Members be and is hereby accorded for payment of remuneration to Mr. Gangadharan Panicker (DIN 07735379) as Executive Director of the Company for a period of 5 years with effect from 29th May, 2017 at a remuneration not exceeding ₹4,000,000/- per annum including perquisites and on the terms and conditions set out in draft Letter of appointment a copy whereof initialed by Mr. Harsh Vardhan Bassi, Managing Director of the Company, for the purpose of identification has been placed before this Meeting, which draft Letter of appointment is hereby specifically approved.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration in the said draft Letter of appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Gangadharan Panicker shall be within the limits set out in the said Act including the said Schedule V to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and / or any rules or regulations framed thereunder and the terms of the aforesaid Letter between the Company and Mr. Gangadharan Panicker shall be suitably modified to give effect to such variation or increase as the case may be.

   RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites shall not exceed the aggregate of the remuneration as provided in Section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary, proper or expedient to give effect to such resolution."

7. To approve issue of 196,078 Equity Shares of the Company on preferential basis to Kotak Mahindra Bank Limited and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 62(1)(C) read with Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, Listing Regulations entered into by the Company with the stock exchanges where the shares of the Company are listed, and Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to all applicable rules, regulations and guidelines, such approvals, permissions, sanctions and consents as may be necessary and required under the applicable laws, rules and regulations and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated under such approvals, permissions, sanctions and consents as the case may be) which may be accepted by the Board of Directors of the Company (herein referred to as "Board" which term shall include any duly constituted and authorized committee thereof which the Board may constitute to exercise its powers) and subject to any alterations, modifications, corrections, changes and variations that may be decided by the Board in their discretion, consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot from time to time, in one or more tranches, on a preferential allotment basis, 1,96,078 (One Lakh Ninety Six Thousand Seventy Eight) Equity Shares of ₹10/- each for a price of ₹51/- each at premium of ₹41/- each or the minimum price determined as on the Relevant Date in accordance with Regulation 76(1) of the ICDR Regulations and applicable law, whichever is higher, as prescribed under Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 to Kotak Mahindra Bank Limited, whether they are Shareholders of the Company or not, by way of preferential allotment and in such manner and on such terms and conditions, as the Board may, in its absolute discretion, may deem fit.

RESOLVED FURTHER THAT in terms of the said Equity Shares:

i. The equity shares to be so allotted shall be in dematerialised form only and subject to the provisions of the Memorandum and Articles of Association of the Company.

ii. The Relevant Date for the determination of applicable price for the issue of the abovementioned Equity Shares, would be as per the Regulation 71(a) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended up to date.

iii. The issue of the equity shares shall be governed by the guidelines issued by SEBI or any other statutory authority, as the case may be or any modifications thereof.

iv. The number of Equity Shares and the price per Share shall be adjusted, subject to the Companies Act, 2013 and SEBI guidelines, for other corporate actions, such as stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.

v. The equity shares to be issued and allotted by the Company shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects with the existing equity shares of the Company.

vi. The equity shares allotted shall be subject to a lock-in-period for such period as specified under Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, relating to preferential issue.

RESOLVED FURTHER THAT in accordance with Regulation 71(a) of the ICDR Regulations, the "Relevant Date", for determining the minimum price of the equity shares being allotted to the Proposed Allottee, on a preferential basis, is 30th July, 2017 being the date which is 30 (Thirty) days prior to the date on which the meetings of shareholders shall be held.

RESOLVED FURTHER THAT the equity shares to be allotted in terms of this resolution shall be made fully paid up at the time of allotment and shall rank pari passu with the existing equity shares of the Company in all respects and the same shall be subject to lock-in for such period that may be prescribed under the ICDR Regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised on behalf of the Company to take all actions and to do all such acts, deeds, matters and things (including sub delegating its powers to authorised representatives) as it may, in its absolute discretion, deem necessary, proper or desirable for such purpose, including deciding / revising the dates of allotment, deciding and / or finalising other terms of issue and allotment in consonance with the ICDR Regulations, listing of the equity shares to be issued and allotted, and to modify, accept and give effect to any modifications to the terms and conditions of the issue as may be required by the statutory, regulatory and other appropriate authorities including but not limited to SEBI and such other approvals (including approvals of the existing lenders of the Company) and as may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, allotment and listing of the equity shares and to execute all such deeds, documents, writings, agreements, applications, forms in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable without being required to seek any further consent or approval of the Shareholders or otherwise with the intent that the Shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any other Committee of the Board to give effect to this resolution."

8. To approve the re-appointment and payment of remuneration of the Cost Auditors for the financial year ending 31st March, 2018 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,10 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, 2018 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."

By order of the Board of Directors
For **PIONEER EMBROIDERIES LIMITED**

Harsh Vardhan Bassi
Managing Director
DIN: 00102941

Place : Mumbai
Date : 10th July, 2017

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. Mr. Harsh Vardhan Bassi (DIN: 00102941) Director retires by rotation at the Annual General Meeting and being eligible, offers herself for re-appointment. Also Mrs. Sujata Chakravarty (DIN: 07584280) and Mr. Gangadharan Panicker (DIN 07735379), who were appointed as Additional Director, having tenure upto the ensuing Annual General Meeting. 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 appointment, 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 Directors have furnished the relevant consents, declarations, etc. for their appointment/ re-appointment.

4. 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.

5. 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.

6. 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.

7. 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.

8. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 23rd August, 2017 to Tuesday, 29th August, 2017 (both days inclusive).

9. 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.

10. 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.

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

12. 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.

13. 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.

14. 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.

15. 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.

16. 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 Private Limited 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.

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

    (i) The voting period begins on Saturday 26th August, 2017 (9.00 a.m. IST) and ends on Monday 28th August, 2017 (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 22nd August, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 28th August, 2017 at 5.00 p.m.

    (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

    (iii) Click on Shareholders.

    (iv) Now Enter your User ID
    a. For CDSL: 16 digits beneficiary ID,
    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

    (v) Next enter the Image Verification as displayed and Click on Login.

    (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

    (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and 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 the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details OR Date of Birth	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said Demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

    (viii) After entering these details appropriately, click on "SUBMIT" tab.

    (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Pioneer Embroideries Limited. This will take you to the Voting Page.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) The practice of distributing copies of the Annual Report at the Annual General Meeting has been discontinued. You are, therefore, requested to bring your copy of the Annual Report to the Meeting.

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

(xxiii) 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.

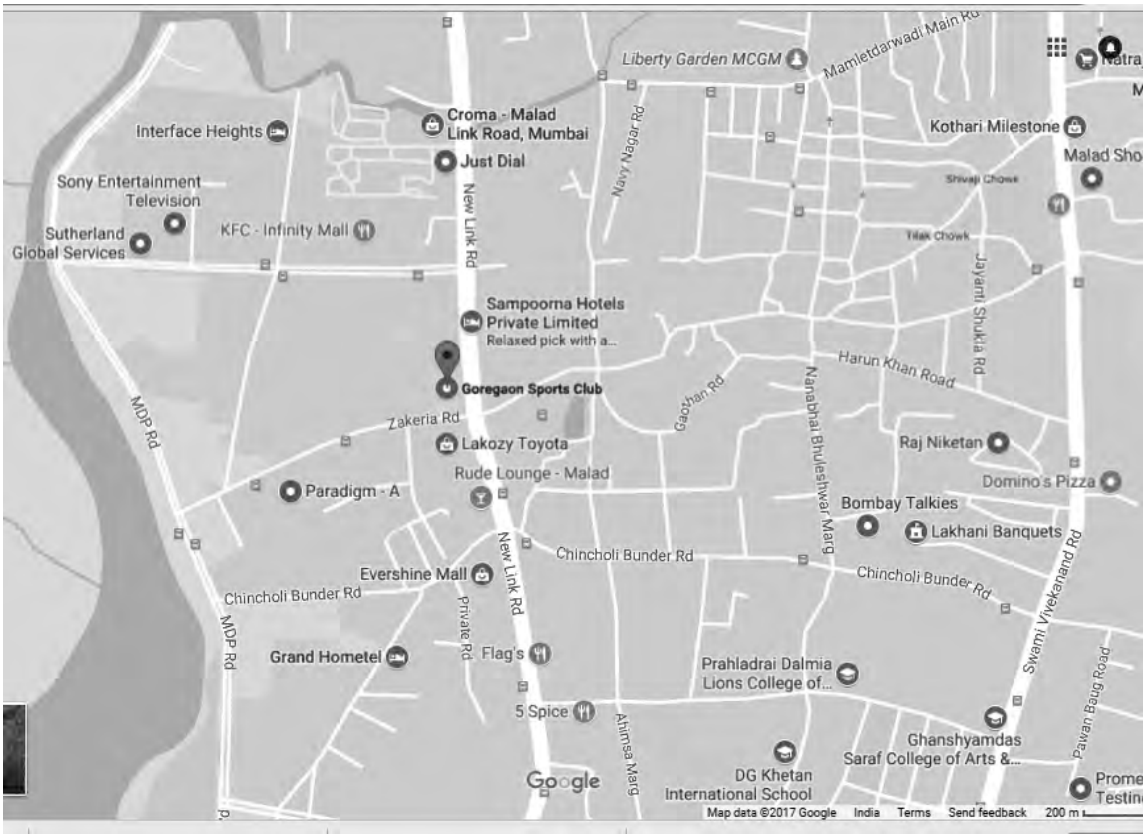
(xxiv) The Scrutinizer shall after conclusion of voting at the Annual General Meeting, will count the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and shall make a consolidated scrutinizer's report, not later than three days of the conclusion of 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.

(xxv) 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 NSE.

(xxvi) 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.

Map showing location of the venue of 25th Annual General Meeting of Pioneer Embroideries Limited

Venue:
The Goregaon Sports Club,
Ground Floor, West Hall 'A' Block,
Link Road, Malad (West),
Mumbai- 400064
Time : 9.30 A.M.



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

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

That following explanatory statement sets out the material facts referring to Item No. 4 to 8 of the Notice.

ITEM NO. 4

Mrs. Sujata Chakravarty (DIN: 07584280) was appointed as an Additional Independent Director in the Board Meeting held on 10th August 2016, under Section 161 of the Companies Act, 2013 having tenure upto the ensuing Annual General Meeting.

Pursuant to the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice along with requisite deposit proposing the candidature of Mrs. Sujata Chakravarty (DIN: 07584280) for the office of Independent Director of the Company. In terms of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mrs. Sujata Chakravarty, being eligible is proposed to be appointed as an Independent Director, not liable to retire by rotation, for a period of 5 years w.e.f. 29th August, 2017. The Company has received the following documents from the proposed appointee:

a. Letter of consent to act as a Director in Form DIR 2 under Section 152 of the Act and Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

b. Letters of Intimation in DIR 8 to the effect that she is not disqualified to become a Director under the Act.

c. Declaration that she meets the criteria of independence as provided under Section 149 of the Act.

Mrs. Sujata Chakravarty has done Master's Degree in Sociology from Lucknow University and Special Management programme from IIM Calcutta and Attended Business Process Management & Quality Improving, XLRI'S special course for World Class Marketing. She is currently in one of India's mega cops having interests in Infrastructure and Real Estate, Financial Services, Hospitality, Print and Electronic Mass Media and Tourism. The Board is of the view that it shall be beneficial to the Company to avail her services.

Except Mrs. Sujata Chakravarty, None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Accordingly, the Board recommends the Ordinary Resolution at Item no. 4 for member's approval.

ITEM NO. 5 & 6

Mr. Gangadharan Panicker (DIN: 07735379) was appointed as an Additional Independent Director in the Board Meeting held on 29th May 2017, under Section 161 of the Companies Act 2013 having tenure upto the ensuing Annual General Meeting, on recommendation of Nomination & Remuneration Committee.

Pursuant to the provisions of Section 160 of the Companies Act, 2013, the Company has received a notice in writing along with requisite deposit proposing the candidature of Mr. Gangadharan Panicker (DIN: 07735379) for the office of Director of the Company. In terms of Sections 160 and 161 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Gangadharan Panicker (DIN: 07735379), being eligible is proposed to be appointed as a Executive Director, liable to retire by rotation. The Company has received the following documents from the proposed appointee:

a. Letter of consent to act as a Director in Form DIR 2 under Section 152 of the Act and Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

b. Letters of Intimation in DIR 8 to the effect that he is not disqualified to become a Director under the Act.

Mr. Gangadharan Panicker (DIN: 07735379) is a diploma in Textile Technology from SKSJTI, Bangalore and undergone specialized training in Sulzer Ruti projective weaving machine from Switzerland. He has over 40 years of experience in the field of Textiles manufacturing sector out of which 25 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, Board is of the view that it shall be beneficial to the Company to elevate him as Executive Director of the Company.

On recommendation of Nomination & Remuneration committee and pursuant to the provisions of Section 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Board had appointed Mr. Gangadharan Panicker as an Executive Director of the Company for a period of 5 years with effect from 29th May, 2017 at a remuneration not exceeding ₹ 40,00,000/- per annum including perquisites.

The draft appointment letter to be entered into between the Company and Mr. Gangadharan Panicker is available for inspection at the Registered office of the Company on any working day excluding Saturday, Sunday and Public Holiday upto the date of ensuing Annual General Meeting between 11.00 a.m. to 3.00 p.m.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

Except Mr. Gangadharan Panicker None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Accordingly, the Board recommends the Ordinary Resolution at Item no. 5 & special resolution at item no. 6 for member's approval.

ITEM NO. 7

The Board, in order to improve profitability and enable further growth of the Company, is continuously evaluating and reviewing various options, including streamlining its business operations and reducing its finance cost, all of which would be beneficial to the Company and its shareholders. The Kotak Mahindra Bank Limited (hereinafter referred to as 'KMBL') has acceded to the Company's request to reduce the rate of interest on all its facilities. As per the terms of the overall sanction, the Company is to issue Equity Shares to KMBL. Accordingly, the Company intends to issue Equity Shares on preferential basis to KMBL, against unwritten off interest being carried in the books pursuant to the earlier assignment of HDFC Bank loan to KMBL.

Pursuant to Section 62(1)(c) of the Companies Act, 2013 further equity shares may be offered by the Company to Kotak Mahindra Bank Limited in accordance to relevant regulations and if a special resolution to that effect is passed by the Company in General Meeting.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 62(1)(C) and other applicable provisions of the Companies Act, Chapter VII of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended and in terms of the provisions of the Listing Regulations to issue and allot Equity Shares as stated in the Special Resolution and on the following terms as stated here in below:

1. **The object / purpose of the preferential issue:**

   The Company has approached KMBL for reduction in interest rates and KMBL has acceded to the Company's request to reduce the rate of interest on all its facilities These shares are being issued in accordance to one of the terms of KMBL's sanction.

2. **The intention / proposal of the Promoters, Directors and Key Managerial Personnel of the Company to subscribe to the proposed preferential offer:**

   None of the current Promoters, Directors or Key Managerial Personnel of the Company intends to subscribe to the proposed preferential offer.

3. **Identity of the Proposed Allottees, maximum number of equity shares proposed to be issued and the percentage of post issue capital that may be held by the Proposed Allottees:**

   Details of the Proposed Allottees:

Sr. No.	Name of Persons to whom Equity Shares to be allotted	Maximum no. of Equity Shares to be allotted	Equity Shareholding before Preferential Issue of Equity Shares	% Equity Shareholding before Preferential Issue of Equity Shares	Equity Shareholding after Preferential Issue of Equity Shares	% Equity Shareholding after Preferential Issue of Equity Shares
1	Kotak Mahindra Bank Limited	1,96,078	Nil	Nil	1,96,078	0.87%

4. **Shareholding pattern before and after the Preferential Issue:**

   The pre issue and post issue shareholding pattern of the Company after considering the preferential issue to be made to Proposed Allottee is provided hereunder:

Shareholding Pattern					
		Pre-Issue		Post-Issue	
Sr. No.	Category	No of Shares	% of Capital	No of Shares	% of Capital
A	**Promoter holding**				
1	Promoter	6,604,517	29.75	6,604,517	29.49
2	Persons Acting in Concert	--	--	--	--
	Sub- Total	**6,604,517**	**29.75**	**6,604,517**	**29.49**
B	**Non Promoter Holding**				
1	Institutional Investors				
	Mutual funds	900	0.00	900	0.00
	Banks, FIs, Insurance Companies	1,671,563	7.53	1,867,641	8.34
	NRIs/OCBs	512,735	2.31	512,735	2.29
	FIIs	--	--	--	--
	Sub-Total	**2,185,198**	**9.84**	**2,381,276**	**10.63**
2	**Others**				
	Private corporation Bodies	891,529	4.02	891,529	3.98
	Indian Public	11,462,045	51.63	11,462,045	51.18
	Clearing Members	205,976	0.93	205,976	0.92
	Trust	850,000	3.83	850,000	3.80
	Sub-Total	**13,409,550**	**60.41**	**13,409,550**	**59.88**
	Grand Total	**22,199,265**	**100.00**	**22,395,343**	**100.00**

Note: The Above shareholding pattern has been prepared on the basis of shareholding as on 30th June, 2017

5. The Change in control, if any, in the Company that would occur consequent to the preferential offer:

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential allotment.

6. Proposed time within which the allotment shall be completed:

The Company will issue and allot equity shares to Proposed Allottees within the time limit specified under the ICDR Regulations or any longer time limit as may be permitted under the ICDR Regulations.

7. The identity of the persons who are ultimate beneficial owners of the shares proposed to be allotted and /or who ultimately control the proposed Allottees:

Since, proposed allottee is Bank so, disclosure of ultimate beneficial owners of the issue is not applicable as per ICDR.

8. Undertaking to recomputed price:

The Company hereby undertakes to re-compute the price of the specified securities in terms of the provision of these regulations where it is required to do so.

9. Undertaking to put under lock-in till the recomputed price is paid:

The Company hereby undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in these regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the allottee.

10. Certificate from Statutory Auditor:

A copy of the certificate from Statutory Auditor certifying that the issue is being made in accordance with the requirements of ICDR Regulations which shall be made available for inspection at the registered office of the Company between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of Annual General meeting.

11. Lock-in Period:

The securities allotted to Proposed Allottees shall be locked in as per Regulation 78 and other applicable provisions of ICDR Regulations. The consent of the Shareholders is sought for the issue of equity shares in terms of Section 62(1)(C) and other applicable provisions, if any, of the Act and in terms of the provisions of the ICDR Regulations and the listing agreements entered into by the Company with the stock exchanges, where the Company's equity shares are listed. The documents referred in the Notice are available for inspection at the registered office of the Company between 2.00 p.m. to 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of Annual General Meeting.

12. The total number of shares or other securities to be issued:

The Board intends to offer, issue and allot up to 1,96,078 fully paid-up equity shares of the Company, having face value of ₹10/- (Rupees Ten Only) each, at a price of ₹51/- (Rupees Fifty One Only) per equity share or the minimum price determined as on Relevant Date in accordance with Regulation 76(1) of the ICDR Regulations and applicable law, whichever is higher.

13. The price or price band at / within which the allotment is proposed:

The issue price is ₹51/- (Rupees Fifty One Only) per equity share or the minimum price determined as on Relevant Date in accordance with Regulation 76(1) of the ICDR Regulations and applicable law, whichever is higher.

14. Basis on which the price has been arrived at along with report of the registered valuer:

As such this is not applicable in the present case, since, the Company is a listed Company and the pricing is in terms of the ICDR Regulations. However, it is agreed that the issue price shall be ₹51/- (Rupees Fifty One Only) per equity share or the minimum price determined as on Relevant Date in accordance with Regulation 76(1) of the ICDR Regulations and applicable law, whichever is higher.

15. Justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

The Company had availed financial facility from KMBL in the year 2015. After a current review, KMBL has agreed to reduce the interest rate from 22% to 13% p.a., and has also sanctioned fresh Term loan of ₹1500 lakh for its long term working capital and capex requirements, with a moratorium period of two years. Reduction in finance cost will reduce the cash outflow of the Company and will improve the net worth as well as cash position of the Company, which would be beneficial to the Company and its shareholders. As per the terms of the overall sanction, the Company is to issue Equity Shares to KMBL. Accordingly, the Company intends to issue Equity Shares on preferential basis to KMBL, against unwritten off interest being carried in the books pursuant to the earlier assignment of HDFC Bank loan to KMBL. The Board, accordingly, is of the opinion that the transaction is in the interest of the Company.

16. Relevant date with reference to which the price has been arrived at:

The "Relevant Date" in terms of Regulation 71(a) of the ICDR Regulations for determination of minimum price is 30th July, 2017, being a date which is 30 (Thirty) days prior to the date of Annual General Body Meeting.

17. The class or classes of persons to whom the allotment is proposed to be made:

The allotment is proposed to be made to the Proposed Allottees as mentioned at point no.3 above.

18. Number of persons to whom allotment on preferential basis has been made in terms of number of securities as well as price:

Post 31st March, 2017 and up to the date of this Notice, the Company has made allotments of 6,50,171 Equity shares to Union Bank of India pursuant to the Conversion of Optionally Convertible Cumulative Redeemable Preference Shares, on 29th May 2017.

19. Pricing:

The pricing of Equity shares allotted on preferential basis shall not be lower than the price determined in accordance with the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009.

Currently SEBI (ICDR) Regulations 2009 provides that the issue of shares on preferential basis can be made at a price not less than the higher of the following:

- The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on the recognized stock exchange during the twenty six weeks preceding the relevant date; or
- The average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognized stock exchange during the two weeks preceding the relevant date.

"Stock Exchange" for this purpose mean BSE Limited and National Stock Exchange of India Limited on which the trading volume in respect of the shares of the Company has been recorded during the preceding six months prior to the Relevant Date.

Assumptions:

All the shares, as are offered to the proposed allottee will be fully subscribed to and accordingly allotted to them.

None of the Directors and Key Managerial Personnel of the Company and their relatives has any concern or interest, financial or otherwise, in the proposed resolution.

Further the Promoters or Directors or Key Managerial Personnel of the Company do not have any shareholding interest in the Proposed Allottees.

In light of above, you are requested to accord your approval to the Special Resolution as set out at Agenda Item No.7 of the accompanying Notice.

ITEM NO. 8

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, 2018.

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, 2018, 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. 8 of the Notice.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the Members.

By order of the Board of Directors
For **PIONEER EMBROIDERIES LIMITED**

Harsh Vardhan Bassi
Managing Director
DIN: 00102941

Place : Mumbai
Date : 10th July, 2017

Annexure to Item Ns. 2, 4, 5 and 6 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	**Harsh Vardhan Bassi**	**Sujata Chakravarty**	**Gangadharan Panicker**
Date of Birth	09/01/1974	10/10/1960	15/10/1954
Nature of Expertise	Manufacturing, Business Development, Marketing and other Business verticals.	Corporate Relation, Commercial and Administration	Textiles manufacturing sector
Experience	19 years	36 years	40 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 Fifth Annual Report of your Company on the business and operations for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

(₹ in lakh)

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Turnover – Domestic	20,072.35	20,974.49
– Export	3,749.29	4,561.66
Total	**23,821.64**	25,536.15
Profit before Other Income, Financial Charges, Depreciation, Exceptional Items & Tax	1,744.60	2,151.72
Other Income	211.34	2,370.05
Profit before Financial Charges, Depreciation, Exceptional Items & Tax	1,955.94	4,521.77
Financial Charges	924.28	941.30
Profit before Depreciation, Exceptional Items and Tax	1,031.66	3,580.47
Depreciation	818.90	1,412.09
Profit before Exceptional Items & Tax	212.76	2,168.38
Exceptional Items	6.84	522.23
Tax Expenses	-	-
Net Profit/(Loss)	**205.92**	1,646.15
Balance of net loss brought forward from previous year	(2,904.54)	(4,550.69)
Balance of Profit/(Loss) carried forward	**(2,698.62)**	(2,904.54)
Per share data		
Basic Earnings per Share (₹)	1.03	8.93
Book Value per Share (₹)	30.75	49.34

YEAR IN RETROSPECT

Profit before Other Income, Finance Costs, Depreciation, Tax and Exceptional Items for the year stood at ₹1,745 lakh (₹2,152 lakh). The net profit for the year is ₹206 lakh as against a net profit of ₹1,646 lakh in the previous year. The Company has generated an operational cash profit of ₹820 lakh during the year under report (previous year ₹1,210 lakh).

Turnover of the Company for the year under review stood at ₹23,822 lakh as against ₹25,536 lakh in the previous year, primarily due to drop in revenues of the Embroidery & Lace Division (ELD).

The year proved a difficult one for the Company's Dope Dyed Polyester Yarn (DDPY) business, after several years of continuous growth in profitability and better product mix. However, the Company was able to limit the impact of unfavourable macro factors, given its strengths of efficient operations, marketing network and product development. Despite a dip in exports and demand for value-added items, the Company managed to report decent level of sales and profitability.

During the year, the DDPY business recorded a turnover of ₹18,789 lakh, a drop of 2.2% over previous year, essentially owing to a fall in prices of crude oil, its major input material and decrease in export sales. The operating profit for the DDPY business during the year stood at ₹1,949 lakh as against ₹2,341 lakh, as operating margins reduced from 12.1% to 10.3% on account of lower exports and reduction in component of high-value added products.

The year also marked completion of the expansion of its DDPY unit, resulting in over 50% increase in its existing filament yarn capacity and foray into a newer product line of Polyester Oriented Yarn (POY), which finds application in fabrics used for garments, upholstery, furnishings and carpets. The Company is now well positioned to capitalize on its strengths in this business in the years ahead.

The Embroidery and Lace Division (ELD) recorded a turnover of ₹5,032 lakh, a drop of 18.8% over previous year. This business, largely domestic in nature, was impacted in the second half of the year under review by the demonetization drive of the Central Government. Consumer demand for textile products in general fell substantially, and the industry also faced pricing pressure as a result. The operating profit of ELD division during the year stood at ₹423 lakh (₹393 lakh) and operating margins improved to 8.4% (6.3%), although the working capital intensity of the business increased.

In the ELD Business, despite historical constraints of older equipment and high cost of operations, the Company could deliver a good performance in the first half of the year under review. However, post-demonetisation, the performance of the embroidery business suffered, with sales in the second half dropping by almost 30%. Going ahead, the Company proposes to modernise its equipment and improve its outsourcing to protect its business margins.

There are no material changes or commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report.

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 Industry is one of the largest contributors to India's exports (15%), worth US $40 billion in FY16, growing from 13.6% over previous year, and was the second largest contributor to the country's overall exports during the year. During the period Apr-Sep 16, total textile and apparel exports were valued at US $18.7 billion, a 14% share of India's overall exports of US $132 billion during the same period.

The Textile Industry accounts for approximately 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 the second largest job creator after agriculture in the country.

The total Indian textile exports are estimated to touch US $60 billion over the next 5 years. Growth in exports of certain segments has already increased, such as handicrafts (17%), carpets (15%) and ready-made garments (12%).

The future of the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. Factors like consumerism, rapid urbanization, increase in penetration of organized retail, e-commerce boom, growth in per capita income and disposable income levels, increased awareness about the benefits of textiles and favorable demographics is expected to propel the consumption of apparels and other textile products.

Large investments and conducive policy environment continue to be made by the Government to support the Textile sector in India, given its dominance in terms of employment generation and GDP contribution.

BANK BORROWINGS

The Company's continued efforts in the previous years towards debt resolution have witnessed fruition, with all payment obligations during the year under review having been met. The total secured borrowings as on year-end FY17 stand at about ₹6,473 lakh, including working capital of ₹1,480 lakh, substantially lower than the outstanding amount 3-4 years ago.

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

In view of accumulated losses, the Directors do not recommend any dividend for the year.

SHARE CAPITAL

The paid up equity share Capital of the Company stood at ₹2,154.91 lakh comprising 2,15,49,094 equity shares of ₹10 each as at 31st March , 2017.

The Company has issued 30,00,000 Equity shares of ₹10 each at a premium of ₹39 as approved by shareholders through a resolution dated 10th August, 2016 passed by postal Ballot. The Company has allotted 6,50,171 Equity Shares on 29th May, 2017 pursuant to conversion of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS). The Board has approved preferential issue of 1,96,078 Equity Shares which are subject to approval of members, as detailed in the AGM Notice at Item no. 7.

As on 31st March , 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

SUBSIDIARY COMPANIES

None of the Subsidiaries of the Company had any activity during the year.

In view of the continuous losses in its wholly-owned subsidiary, S.R Investment Ltd, Mauritius (SRIL), the Company has liquidated SRIL effective from 30th November, 2016.

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 in 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 accordance with the applicable accounting standards 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.

EXTRACT OF ANNUAL RETURN

The details 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

Mr. Harsh Vardhan Bassi (DIN 00102941), who retires by rotation and being eligible, offers himself for reappointment.

Mrs. Jyoti Ledwani and Mr. Rameshchandra Pokhriyal resigned from the post of Director with effect from 2nd June, 2016 and 13th February, 2017 respectively. The Board places on record it's appreciation for the contribution made by both of them during their tenure.

Mrs. Sujata Chakravarthy and Mr. Gangadharan Panicker were appointed as an additional Director with effect from 10th August, 2016 and 29th May, 2017 respectively. The regularization of the said Director shall be at the ensuing Annual General Meeting.

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	Mr. Harsh Vardhan Bassi	Managing Director
2	Mr. Nawal Sharma	Chief Financial Officer (CFO)
3	Mrs. Ami Thakkar	Company Secretary (w.e.f. 2nd June, 2016)

Ms. Bharti Gandhi resigned from the post of Company Secretary with effect from 31st May, 2016.

BOARD PERFORMANCE

The performance evaluation of the Non-Executive Directors is done by the Board annually. This evaluation is based on 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. 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).

BOARD MEETINGS

The details of number of meetings of the Board, held during the year forms part of the Corporate Governance Report.

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.

WHISTLE BLOWER POLICY

The whistle blower policy adopted by the Company has been posted on its website (www.pelhakoba.com).

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 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 accordingly, not required.

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

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.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURTS

There are no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

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

The Company has allotted 6,50,171 Equity Shares on 29th May, 2017 pursuant to conversion of OCCRPS. The Board has approved preferential issue of 1,96,078 Equity Shares which are subject to approval of members, as detailed in the AGM Notice at Item no. 7.

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 , 2017 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 , 2017 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 M B A H & CO, Chartered Accountants (Registration No. 121426W), Statutory Auditor of the Company, term expires pursuant to section 139(2) of the Companies Act, 2013. Therefore, Company proposed to appoint M/s S K Naredi & Co., Chartered Accountants (Registration No. 003333C) as Statutory Auditor for a period of 5 years i.e. form the conclusion of the 25th Annual General Meeting till the conclusion of 30th Annual General Meeting, subject to approval of the members in the ensuing Annual General Meeting.

M/s S K Naredi & Co. have submitted written confirmation to the Company that their appointment if approved at the ensuing Annual General Meeting, will be in conformity with the limits specified under Section 139 of the Companies Act, 2013.

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors i.e. M/s M B A H & CO, Chartered Accountants in its report and therefore, there are no further explanations to be provided for in this report.

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 2017-18 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 - C** 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. The Audit Committee of the Board actively reviews the adequacy and effectiveness of the systems.

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. 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 -D.**

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-E** 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 applied to your Company during the FY 2016-17. The Company had formed the CSR Committee who had framed a policy and Company had spent on CSR activities as per Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. A detail pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure -F.**

ACKNOWLEDGEMENT

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 : 10th July, 2017

Annexure - A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2017

(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	78.87%
2	Embroidered Fabric, Laces, Braided Laces	13991	21.13%

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%
	Associate Company [(Section 2(6)]			
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	Associate 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	2,102,791	--	2,102,791	11.34	2,102,791	--	2,102,791	9.76	(1.58)
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.	--	--	--	--	--	--	--	--	--
d) Bodies Corporates	6,481,726	--	6,481,726	34.94	4,501,726	--	4,501,726	20.89	(14.05)
e) Bank/FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
SUB TOTAL:(A) (1)	**8,584,517**	**--**	**8,584,517**	**46.28**	**6,604,517**	**--**	**6,604,517**	**30.65**	**(15.63)**
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)	**8,584,517**	**--**	**8,584,517**	**46.28**	**6,604,517**	**--**	**6,604,517**	**30.65**	**(15.63)**
B. PUBLIC SHAREHOLDING									
1) Institutions									
a) Mutual Funds	300	600	900	0.00	300	600	900	0.00	--
b) Banks/FI	--	--	--	--	20,897	--	20,897	0.10	0.10
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt.	--	--	--	--	--	--	--	--	--
e) Venture Capital Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies	999,594	--	999,594	5.39	999,594	--	999,594	4.64	(0.75)
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
I) Others (specify)	--	--	--	--	--	--	--	--	--
SUB TOTAL (B)(1):	**999,894**	**600**	**1,000,494**	**5.39**	**1,020,791**	**600**	**1,021,391**	**4.74**	**(0.65)**

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	1,295,956	7,632	1,303,588	7.03	964,096	7,632	971,728	4.51	(2.52)
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	4,186,651	282,488	4,469,139	24.09	5,319,427	269,702	5,589,129	25.94	1.84
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakh	1,476,278	--	1,476,278	7.96	4,916,481	--	4,916,481	22.82	14.86
c) Others (specify)									
I) Non-Resident Indian	352,856	83,231	436,087	2.35	423,411	83,183	506,594	2.35	0.00
ii) Clearing Members	157,575	--	157,575	0.85	289,422	--	289,422	1.34	0.49
iii) Hindu Undivided Family	271,416	--	271,416	1.46	799,832	--	799,832	3.71	2.25
iv) Trust	850,000	--	850,000	4.58	850,000	--	850,000	3.94	(0.64)
SUB TOTAL (B)(2):	**8,590,732**	**373,351**	**8,964,083**	**48.33**	**13,562,669**	**360,517**	**13,923,186**	**64.61**	**16.29**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**9,590,626**	**373,951**	**9,964,577**	**53.72**	**14,583,460**	**361,117**	**14,944,577**	**69.35**	**15.63**
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	**18,175,143**	**373,951**	**18,549,094**	**100.00**	**21,187,977**	**361,117**	**21,549,094**	**100.00**	--

NOTE -
The Company has issued 30,00,000 equity shares during the year on preferential basis.

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	11.03	100.00	2,045,718	9.49	65.78	(1.54)
Bimla Devi Sekhani	23,073	0.12	--	23,073	0.11	--	(0.01)
Ashok Kumar Sekhani	20,000	0.11	--	20,000	0.09	--	(0.02)
Manak Chand Baid Jt. Raj Kumar Sekhani	14,000	0.08	--	14,000	0.07	--	(0.01)
Pioneer E-Com Fashions LLP	6,481,726	34.94	58.59	4,501,726	20.89	99.90	(14.05)
Total	**8,584,517**	**46.28**	**68.07**	**6,604,517**	**30.65**	**88.47**	**(15.63)**

The decrease in % of total shares of the Company from 46.28% to 30.65% is due to selling of 1,980,000 equity shares during the year by promoters and allotment of 30,00,000 equity shares on preferential basis to person other than promoter.

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	8,584,517	46.28					
Pioneer E-Com Fashions LLP			27/09/2016	(300,000)	Sold	8,284,517	38.44
			28/09/2016	(400,000)	Sold	7,884,517	36.59
			28/10/2016	(500,000)	Sold	7,384,517	34.27
			19/01/2017	(280,000)	Sold	7,104,517	32.97
			31/01/2017	(500,000)	Sold	6,604,517	30.65
At the end of the year						6,604,517	30.65

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	500	0.00		
	Bought during the year	1,500,000	6.96	1,500,500	6.96
	Sold during the year	--	--	1,500,500	6.96
	At the end of the year			1,500,500	6.96
2	**AMIT SEKHANI**				
	At the beginning of the year	--	--		
	Bought during the year	1,500,000	6.96	1,500,000	6.96
	Sold during the year	--	--	1,500,000	6.96
	At the end of the year			1,500,000	6.96
3	**EDELWEISS ASSET RECONSTRUCTION COMPANY LTD**				
	At the beginning of the year	850,000	4.58		
	Bought during the year	No Change	No Change	No Change	No Change
	Sold during the year	No Change	No Change	No Change	No Change
	At the end of the year			850,000	3.94
4	**GENERAL INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	500,000	2.70		
	Bought during the year	No Change	No Change	No Change	No Change
	Sold during the year	No Change	No Change	No Change	No Change
	At the end of the year			500,000	2.32
5	**UNITED INDIA INSURANCE COMPANY LIMITED**				
	At the beginning of the year	499,594	2.69		
	Bought during the year	No Change	No Change	No Change	No Change
	Sold during the year	No Change	No Change	No Change	No Change
	At the end of the year			499,594	2.32
6	**NIKHIL SEKHANI**				
	At the beginning of the year	--	--		
	Bought during the year	440,000	2.04	440,000	2.04
	Sold during the year	--	--	440,000	2.04
	At the end of the year			440,000	2.04

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	**RAMI KAUSHAL**				
	At the beginning of the year	--	--		
	Bought during the year	403,800	1.87	403,800	1.87
	Sold during the year	--	--	403,800	1.87
	At the end of the year			403,800	1.87
8	**JAYESH NAGJI NISSAR**				
	At the beginning of the year	268,235	1.45		
	Bought during the year	--	--	268,235	1.25
	Sold during the year	10,204	0.05	258,031	1.20
	At the end of the year			258,031	1.20
9	**SUNITA BHAGCHANDKA**				
	At the beginning of the year	227,312	1.23		
	Bought during the year	No Change	No Change	No Change	No Change
	Sold during the year	No Change	No Change	No Change	No Change
	At the end of the year			227,312	1.05
10	**S RAVINDRA KAMATH**				
	At the beginning of the year	100,000	0.54		
	Bought during the year	100,000	0.54	200,000	0.93
	Sold during the year	--	--	200,000	0.93
	At the end of the year			200,000	0.93

Note:
The Company has issued 30,00,000 equity shares during the year on preferential basis.

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	20,59,718	11.10		
	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)	No Change	No Change	No Change	No Change
	At the end of the year			20,59,718	9.56

V. INDEBTEDNESS

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

(₹ in lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	7,289.66	195.00	--	7,484.66
ii) Interest due but not paid	321.17	--	--	321.17
iii) Interest accrued but not due	--	1.14	--	1.14
Total (i+ii+iii)	**7,610.83**	**196.14**	**--**	**7,806.97**
Change in Indebtedness during the financial year				
Addition	1,050.00	140.00	--	1,190.00
Reduction	(2,187.38)	(87.39)	--	(2,274.77)
Net Change	**(1,137.38)**	**52.61**	**--**	**(1,084.77)**
Indebtedness at the end of the financial year				
i) Principal Amount	6,443.38	240.00	--	6,683.38
ii) Interest due but not paid	30.07	--	--	30.07
iii) Interest accrued but not due	--	8.75	--	8.75
Total (i+ii+iii)	**6,473.45**	**248.75**	**--**	**6,722.20**

VI. RE MUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Chairman	Managing Director	
		Shri Raj Kumar Sekhani	Shri Harsh Vardhan Bassi	
1	**Gross salary**			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	84.00	60.00	144.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	4.55	4.95
	(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)	84.40	**64.55**	**148.95**

B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of the Directors					Total Amount
1	**Independent Directors**	**Shri Joginder Kumar Baweja**	**Shri Gopalkrishnan Sivaraman**	**Shri Rameshchandra Pokhriyal**	**Ms. Jyoti Niranjan Ledwani**	**Mrs. Sujata Chakravarty**	
	(a) Fee for attending board committee meetings	1.00	1.00	0.28	--	0.30	2.58
	(b) Commission	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--
	Total (1)	1.00	1.00	0.28	--	0.30	2.58
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)	1.00	1.00	0.28	--	0.30	2.58

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

(₹ in lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	**Company Secretary**	**CFO**	**Total**
		(Ms. Bharti S Gandhi*)	**(Mrs. Ami Thakkar**)**	**(Shri Nawal Sharma)**	
1	**Gross Salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	0.40	3.49	26.85	30.74
	(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)	0.40	3.49	26.85	30.74

* Resigned w.e.f. 31st May, 2016
** Appointed w.e.f. 2nd June, 2016

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					
	Compounding					
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty					
	Punishment					
	Compounding					

Annexure - B

NOMINATION AND REMUNERATION POLICY

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 5years 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.

Annexure - C

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017
[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, 2017 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, 2017 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);

(vi) 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, 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) The Listing Agreements entered into by the Company and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations 2015 (effective from 1st December, 2015) with BSE Limited and NSE Limited.

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 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.

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: 10th July, 2017
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.

7. I have reported, in my audit report, only those non-compliance, especially in respect of filing of applicable forms/documents, which, in my opinion, are material and having major bearing on financials of the Company.

For SANJAY DHOLAKIA & ASSOCIATES

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

Date: 10th July, 2017
Place: Mumbai

Annexure - D

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	65:1
Mr. Harsh Vardhan Bassi	Managing Director	50:1

a) The Median remuneration of employees of the Company was ₹1.29 lakh.
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 in remuneration
Chairman	Mr. Raj Kumar Sekhani	75.00%
Managing Director	Mr. Harsh Vardhan Bassi	106.61%
CFO	Mr. Nawal Sharma	No Change
Company Secretary	Ms. Ami Thakkar*	Not Applicable
Company Secretary	Ms. Bharti Gandhi**	Not Applicable

* Appointed as Company Secretary with effect from 2nd June, 2016.
** Resigned from the post of Company Secretary with effect from 31st May, 2016.

iii. The % increase in the median remuneration of employees in the financial Year: 12.81%.

iv. The number of permanent employees on the rolls of the Company: 1,038.

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

The Company's performance was satisfactory during the year, however the profit before tax has reduced by 87% over the previous year.

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

The remuneration paid to all five KMPs during FY 2017 aggregate to approximately 0.75% of the Gross Revenue. The Gross revenue was ₹23,822 lakh (previous year ₹25,536 lakh).

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 increased by 8.85%.

b) Price Earnings Ratio of the Company: 46.16 on 31st March, 2017 and 5.68 as at 31st March, 2016.

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, 2017 being ₹47.55 per equity share of face value of ₹10 each has grown 4.76 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 12.81% while the increase in the remuneration of managerial personnel was 66.19%.

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

Particulars	Designation	Remuneration for FY 2017 (₹ in lakh)	% of Gross Revenue for FY 2017	% of Profit for FY 2017
Mr. Raj Kumar Sekhani	Chairman	84.40	0.35%	40.97%
Mr. Harsh Vardhan Bassi	Managing Director	64.55	0.27%	31.33%
Mr. Nawal Sharma	CFO	26.85	0.11%	13.03%
Ms. Ami Thakkar	Company Secretary*	3.49	0.01%	1.69%
Ms. Bharti Gandhi	Company Secretary**	0.40	0.00%	0.19%

* Appointed as Company Secretary with effect from 2nd June, 2016.

** Resigned from the post of Company Secretary with effect from 31st May, 2016.

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

Raj Kumar Sekhani
Chairman
DIN : 00102843
Date : 10th July, 2017
Place : Mumbai

Annexure - E

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 , 2017 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	₹ 15.04 lakh

C) FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ in lakh)

	2016-17	2015-16
Total Foreign Exchange Used (Payment Basis)	**1,845.33**	647.02
Total Foreign Exchange Earned	**3,525.43**	4,252.52

Annexure - F

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".

   Implementation process:

   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:** ₹3.67 Crores.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** ₹7.34 lakh.

5. **Details of CSR spent during the financial year:**

   (a) Total amount to be spent for the financial year: ₹7.35 lakh.

   (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	₹ 7,35,000	₹ 7,35,000	-	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:102941

Sujata Chakravarthy
Chairman-CSR Committee
DIN:7584280

Place: Mumbai

Date: 10th July, 2017

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 five Directors, out of which two 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	2
Non- Executive Independent Directors	3
Total	**5**

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

Name of the Director	Category of Directors	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
Mr. Rameshchandra Pokhriyal**	Independent Non-Executive Director	--	--	--
Ms. Jyoti Niranjan Ledwani*	Independent Non-Executive Director	--	--	-
Mrs. Sujata Chakravarty***	Independent Non-Executive Director	--	1	1

*Resigned w.e.f.:- 2nd June, 2016 **Resigned w.e.f.:- 13th February, 2017 ***Appointed w.e.f.:- 10th August, 2016

@ 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 six times during the year ended 31st March, 2017 on the following dates:

12-05-2016, 02-06-2016, 10-08-2016, 04-10-2016, 12-11-2016 and 13-02-2017.

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 26th July, 2016
Mr. Raj Kumar Sekhani	6	6	Present
Mr. Harsh Vardhan Bassi	6	5	Present
Mr. Joginder Kumar Baweja	6	6	Present
Mr. Gopalkrishnan Sivaraman	6	6	Present
Mr. Rameshchandra Pokhriyal**	5	1	Absent
Ms. Jyoti Niranjan Ledwani*	1	0	N.A.
Mrs. Sujata Chakravarty***	4	4	N.A.

*Resigned w.e.f.:- 2nd June, 2016 **Resigned w.e.f.:- 13th February, 2017 ***Appointed w.e.f.:- 10th August, 2016

Directors seeking reappointment:

A brief resume of Director 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. Harsh Vardhan Bassi:

Managing Director Mr. Harsh Vardhan Bassi, is a Graduate in Commerce Stream from Punjab University, and took to business at a very young age. He has nearly 19 years of experience into manufacturing, business development, marketing and other business verticals, he has gained tremendous experience in International marketing of textiles, had successfully interacted with renowned labels worldwide. He is also on board of Hakoba Lifestyle Limited owner of the famous brand "Hakoba" in addition to being a member of Audit, Shareholders Relationship and Corporate Social Responsibility Committee of Pioneer Embroideries Limited.

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, 2017, five Meetings of the Audit Committee were held on 02-05-2016, 12-05-2016, 10-08-2016, 12-11-2016 and 13-02-2017.

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	5	5
Mr. Harsh Vardhan Bassi	Member	Executive Director	5	5
Mr. Gopalkrishnan Sivaraman	Member	Non-Executive Independent Director	5	5
Mr. Rameshchandra Pokhriyal**	Member	Non-Executive Independent Director	4	2
Ms. Jyoti Niranjan Ledwani*	Member	Non-Executive Independent Director	2	0

*Resigned w.e.f.:- 2nd June, 2016 **Resigned w.e.f.:- 13th February, 2017

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, 2017, four Meetings of the Committee was held on 02-05-2016, 12-05-2016, 02-06-2016 and 10-08-2016.

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	4	4
Mr. Gopalkrishnan Sivaraman	Director	Executive Director	4	4
Mr. Rameshchandra Pokhriyal**	Director	Non-Executive Independent Director	4	2
Ms. Jyoti Niranjan Ledwani*	Director	Non-Executive Independent Director	2	0
Mrs. Sujata Chakravarty***	Director	Non-Executive Independent Director	0	0

*Resigned w.e.f.:- 2nd June, 2016 **Resigned w.e.f.:- 13th February, 2017 ***Appointed w.e.f.:- 10th August, 2016

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.

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	--	84,00,000	--	--	--	--	--
2.	Mr. Harsh Vardhan Bassi	--	64,15,872	--	--	--	--	--
3.	Mr. Joginder Baweja	1,00,000	--	--	--	--	--	--
4.	Mr. Gopalkrishnan Sivaraman	1,00,000	--	--	--	--	--	--
5.	Mr. Rameshchandra Pokhriyal**	27,500	--	--	--	--	--	--
6.	Ms. Jyoti Niranjan Ledwani*	--	--	--	--	--	--	-
7.	Mrs. Sujata Chakravarty***	30,000	--	--	--	--	--	--
	Total	2,57,500	148,15,872	--	--	--	--	--

*Resigned w.e.f.:- 2nd June, 2016 **Resigned w.e.f.:- 13th February, 2017 ***Appointed w.e.f.:- 10th August, 2016

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.

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
Mr. Rameshchandra Pokhriyal**	Member	Non-Executive independent Director
Ms. Jyoti Niranjan Ledwani*	Member	Non-Executive independent Director

*Resigned w.e.f.:- 2nd June, 2016 **Resigned w.e.f.:- 13th February, 2017

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, 2017 are given hereunder:

Nature of Complaints	Received	Attended to	Pending
Non Receipt of Bonus Certificate(s)	3	3	0
Total	**3**	**3**	**0**

8. 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
2013-2014	18th July, 2014	9.30 A.M	The Green Village, Malavani Church, Opp. Akashwani Kendra, Marve Road, Malad (West), Mumbai-400095	04*
2014-2015	21st July, 2015	9.30 A.M	The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai-400064	Nil
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**

*For AGM held on 18th July, 2014 the following Special Resolutions were passed:

Sr. No.	Particulars
1	Increase in Remuneration of Mr. Raj Kumar Sekhani
2	Increase in Remuneration of Mr. Harsh Vardhan Bassi
3	Increase in Borrowing Limits
4	Increase in amount of Mortgage limits

**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

All the Resolutions set out in the Notices were passed by the Shareholders.

During the year the Company has passed the Special Resolution for issue of 30,00,000 Equity Shares of ₹10/- each at share premium of ₹39/-on preferential basis and re-appointment of Mr. Harsh Vardhan Bassi as Managing Director of the Company by Postal Ballot on 23rd September, 2016 as per the provision of Companies Act, 2013.

The Company had appointed Mr. Sanjay Dholakia, Practising Company Secretary as the Scrutinizer for conducting and to scrutinize the postal Ballot and e-voting process in a fair and transparent manner. The Scrutinizer had submitted his report to the Chairman of the Company. The results of the Postal Ballot and e-voting are posted on the Company's website www.pelhakoba.com and communicated to the stock exchanges where the Company's shares are listed. The details of voting pattern are as under:

Particulars	Votes in favour of the resolutions		Votes in against of the resolutions	
	Vote count assent	% of assent votes	Vote count dissent	% of dissent votes
Issue of Equity Shares	96,25,208	99.98	2,303	0.02
Re-appointment of Mr. Harsh Vardhan Bassi as Managing Director of the Company	96,26,820	99.99	691	0.01

The Company has complied with the procedure and provisions of section 110 and other applicable provisions, if any of the Companies Act, 2013 (''the Act'') read with the Companies (Management and Administration) Rules, 2014.

9. 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	:	29st August, 2017 at. 9.30 A.M.
Venue	:	The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai-400064.

ii) Financial Calendar 2017-18 (tentative) Financial year ends on March 31 every year

Quarter ending June 30, 2017	:	By Second Week of September, 2017
Half year ending September 30, 2017	:	By Second Week of December, 2017
Quarter ending December 31, 2017	:	By Second Week of February, 2018
Year ending March 31, 2018	:	By Last Week of May, 2018
Annual General Meeting (2017-18)	:	By end of September, 2018

iii) Date of Book Closure : Wednesday 23rd August, 2017 to Tuesday 29th August, 2017 (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 2017-2018 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 BSE Limited during each month for the year ended 31st March, 2017 is as under:

Month	High Price (₹)	Low Price (₹)	Volume
April, 2016	67.00	51.00	1,95,359
May, 2016	54.40	38.70	2,43,702
June, 2016	47.00	39.55	1,45,318
July, 2016	54.80	43.00	3,32,038
August, 2016	52.80	40.80	3,06,893
September, 2016	75.00	51.90	9,13,513
October, 2016	84.95	61.75	13,39,988
November, 2016	71.60	44.00	6,56,046
December, 2016	56.00	47.00	2,32,494
January, 2017	67.90	50.05	11,02,521
February, 2017	54.75	46.00	4,59,325
March, 2017	54.75	45.10	3,55,097

ix) Performance in comparison to Broad-based indices such at BSE Sensex : As against a rise of 16.88% in BSE Sensex during the year, the price of equity shares of the Company has fallen by 6.30%.

x) Registrar & Share Transfer Agent : Link Intime India Pvt. Limited.,
C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083.
Telephone number: 022-49186270

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, 2017

Slab of No. of Shareholding (₹)	No. of Share holders	% to No. of Shareholders	Amount (₹)	% to paid-up capital
Upto 5000	22,010	89.92	1,64,29,500	7.62
5001 - 10000	1,141	4.66	94,41,310	4.38
10001 - 20000	649	2.65	99,35,640	4.61
20001 - 30000	217	0.89	56,59,600	2.63
30001 - 40000	108	0.44	38,27,940	1.78
40001 - 50000	99	0.40	47,07,950	2.18
50001 - 100000	131	0.54	96,30,980	4.47
> 100001	121	0.49	15,58,58,020	72.33
Total	**24,476**	**100.00**	**21,54,90,940**	**100.00**

xiii) Categories of Shareholding Pattern as on 31st March, 2017

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Promoters	7	0.03	66,04,517	30.65
Mutual Funds & UTI	2	0.01	900	0.00
Banks/Financial Institutions/Ins/ Govt.	4	0.02	10,20,491	4.74
Foreign Institutional Investors	--	--	--	-
Corporates	272	1.11	9,71,728	4.51
Individuals	23,174	94.68	1,05,05,610	48.75
NRIs/OCBs	542	2.21	5,06,594	2.35
Others	475	1.94	19,39,254	9.00
Total	**24,476**	**100.00**	**2,15,49,094**	**100.00**

xiv) Dematerializations of Shares

The Company's shares are traded compulsorily in dematerialized form. As on 31st March, 2017 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	3,61,117	1.68
Shares held in Demat Form	2,11,87,977	98.32
TOTAL	2,15,49,094	**100.00**

xv) Outstanding GDRs / Warrants and Convertible Instruments

There are no outstanding GDRs / Warrants and Convertible Instruments as at 31st March, 2017.

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, (022) 49186270 Fax No.: (022) 49186060

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

10. 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.

11. 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 2016-2017 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 & CEO.

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

12. 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.

13. 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.

14. 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.

15. 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, 2017.

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

16. 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

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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, 2017.

For Pioneer Embroideries Limited

Harsh Vardhan Bassi
Managing Director
DIN:00102941

For Pioneer Embroideries Limited

Nawal Sharma
Chief Financial Officer

Place: Mumbai
Date: 10th July, 2017

MANAGING DIRECTORS/CHIEF FINANCIAL OFFICER CERTIFICATION

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, 2017 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

Nawal Sharma
Chief Financial Officer

Place : Mumbai
Date : 10th July, 2017

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of Pioneer Embroideries Limited

We have examined the compliance of conditions of corporate governance by Pioneer Embroideries Limited, ('the Company'), for the year ended on 31st March, 2017, 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 **M B A H & CO**
Chartered Accountants
(Firm's Registration Number: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place : Mumbai
Date : 10th July, 2017

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, 2017 (for the period April 1, 2016 up to March 31, 2017).

A: BUSINESS REVIEW

INDUSTRY STRUCTURE AND DEVELOPMENTS

Global Textile & Apparel Industry

The global textile market is estimated to be around US $1.15 trillion, which is nearly 1.8% of the world's GDP. Almost 70-75% of this market is concentrated in Europe, USA, China and Japan. Presently, apparel constitutes more than half of the share of the global textile and apparel trade, followed by fabric and yarn. China is the single largest exporter with a 39% share while India stands at a distant second with a 5% share.

The year 2016 proved to be more challenging than expected for the Textile and Clothing sector, as the world economy failed to break the +3% GDP growth rate. Textile and Clothing sales decreased by about 150 basis points, the decline being largely attributable to the protracted lower-than-bearable demand that resulted in a deflationist spiral, which saw prices remaining lower or at best stable across markets.

The coming years are expected to see a reversal of the downward trend in demand and prices, especially in US and China. Various industry studies have estimated that the global apparel market will be around US $2 trillion by 2020. 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. The high growth in the market will be primarily driven by the increase in population as well as the increase in per capita apparel spending in these countries. Currently, comparing the major markets, India has the lowest per capita spend on garment (US $37) which is only 3% of Australia, the highest one (US $1,131).

Domestic Textile Industry

The high growth in apparel consumption in developing economies will drive the growth of textile manufacturing and trade in countries like India. 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.

The potential size of the Indian textiles and apparel industry is currently estimated to be around US $137 billion and is expected to reach US $220-230 billion by 2021-2025, according to various industry reports.

The Textile Industry is one of the largest contributors to India's exports (15%), worth US $40 billion in FY16, growing from 13.6% over previous year, and was the second largest contributor to the country's overall exports during the year. During the period Apr-Sep 16, total textile and apparel exports were valued at US $18.7 billion, a 14% share of India's overall exports of US $132 billion during the same period. While India's textile products are exported to over 100 countries, almost 50% of them are to EU and the US. 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.

The Textile Industry accounts for approximately 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 the second largest job creator after agriculture in the country.

India's share in the global textile market is also set to increase to 8% in 2020, as China is expected to contribute lower in the next 5-6 years due to appreciating currency, rising labor costs, high energy costs and sharpening focus on domestic market. Countries like India, Vietnam, Bangladesh and Sri Lanka are likely to be the key beneficiaries. The total Indian textile exports are estimated to touch US $60 billion over the next 5 years. Growth in exports of certain segments has already increased, such as handicrafts (17%), carpets (15%) and ready-made garments (12%).

However, the textile and garment exports, being price-sensitive in nature, could be affected by various trade agreements between countries across the world. Countries such as Bangladesh and Turkey have witnessed their textile sector develop substantially due to duty-free access to major consuming markets like EU and USA, a competitive benefit which India does not enjoy as yet. The Trans-Pacific-Partnership, a duty free agreement involving 12 nations (including US and Vietnam) which account for 40% of total world's textile trade, and which would have negatively affected India's export prospects, has all but been shelved with the new US President in office.

The implementation of GST will also have a profound impact on the textile segment, which largely has remained under-taxed and subsidized, though it consumes inputs of various goods and services from multiple segments. The Government has announced a 5% rate for natural fibers and yarns, all fabrics and readymade garments below ₹1000, while there is a 18% rate for man-made fibers and yarns, which could result in inverted duty structure and higher prices for garments.

However, there is a large unorganized segment in textiles, and textile products have large inter-state movement. With GST, fiscal barriers to inter-state movement of textile inputs and outputs like CST, VAT and entry tax will be eliminated and the organized segment would also benefit from lower compliance costs.

Growth Outlook

The future of the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. Factors like consumerism, rapid urbanization, increase in penetration of organized retail, e-commerce boom, growth in per capita income and disposable income levels, increased awareness about the benefits of textiles and favorable demographics is 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.

Large investments and conducive policy environment continue to be made by the Government to support the Textile sector in India, given its dominance in terms of employment generation and GDP contribution.

Under Union Budget 2017-18, Government has allocated close to a billion USD for the Textile Industry. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Scheme for Integrated Textiles Parks (SITP), Technology Up-gradation Fund Scheme (TUFS) and National Handloom Development Program. Make in India campaign was launched to attract manufacturers and FDI. Efforts to simplify labor laws, rationalize excise and customs duty structure, continue to be made by the Government. Over 5 lakh handloom weavers have been targeted as recipients of concessional credit under Mudra Loan Scheme over next three years.

The Government has notified the Amended TUFS, whereby segments which have got higher employment and export potential such as garments and technical textiles are eligible for a capital subsidy of 15% subject to a cap of ₹30 crs, while other sectors get a subsidy of 10% subject to a cap of ₹20 crs. Budget provision of ₹17,822 crs has been approved for seven years starting from 2015-16. This is expected to attract an investment of ₹1 lakh crs and generate employment for over 30 lakh in number. To further achieve these targets, an additional incentive of 10% has been proposed for garmenting units for the installation of benchmarked eligible machinery after a period of three years.

Pradhan Mantri Paridhan Protsahan Yojana (PMPRPY) for garmenting and made-up sectors was modified to provide additional PF contribution of 3.67% for new employees enrolling in EPFO. Enhanced duty drawback on exports was provided under Rebate of State Levies (ROSL) Scheme and Special Advance Authorisation Scheme in apparels and made up sectors.

A major initiative under **North Eastern Region Textiles Promotion Scheme (NERTPS)** for construction of Apparel and Garment manufacturing Centres in the NE States was launched in 2014, with the objective to promote employment in the NE States and encourage entrepreneurship especially amongst women, in the area of garmenting. Accordingly, centres in all eight states have been completed and are in the process of commencing operations.

The **Integrated Skill Development Scheme (ISDS)** has been scaled up during the 12th Plan with an allocation of ₹1,900 crs to train about 2.67 million persons over next five years to meet the needs of the industry for a skilled workforce and thereby support its competitiveness, while providing employment to many. So far, about 0.9 million people have been imparted training through 86 Implementing Agencies, and the scheme has now been aligned with the common norms of Ministry of Skill Development & Entrepreneurship.

Sources: Various industry reports and data from government sources

Opportunity and Threats

In the polyester yarn segment globally, polyester consumption is growing and gaining market share. Though the Indian textile industry is still cotton-focused, the consumption of polyester fibre in apparel and home textiles products is gaining momentum due to factors like fluctuation of cotton prices, increased presence & sourcing by global brands where polyester fibre dominates, growth of women's wear segment, growth of value retail etc.

India's embroidery market is also constantly growing and is one of the oldest and the most popular form of surface ornamentation of fabrics and garments and is getting more organized with large players entering the market. India is among the top suppliers of embroidered fabrics and garments worldwide. Demand for garments embellished with embroideries with sequins and crystals are quite strong in the international market, as also in India. However, while embroidery is used in a whole lot of products internationally, the market is still an unexplored one in India.

As detailed earlier, large investments and conducive policy environment continue to be made by the Government to support the Textile sector in India, given its dominance in terms of employment generation and GDP contribution.

However, with the entire Textile Sector now coming under the GST purview, it remains to be seen how the sector as a whole responds to the same, and whether the organized segment, of which your Company also is a part, becomes competitive and grows incrementally at the expense of the hitherto unorganized segment.

Risks and Concern

At a micro level, your Company continues to be weighed down by higher interest rates despite having resolved its debt-related problems. Access to working capital and growth funding at market-competitive rates is crucial to the performance of the Company.

Also, in the embroidery business, modernization of its manufacturing facilities and replacement of older equipment to remain competitive is a major concern area, and your Company is taking steps to address the same

B: FINANCIAL OVERVIEW

The Company has achieved a turnover of ₹23,822 lakh during the year under review, as against ₹25,536 lakh in the previous year, a drop of about 7%.

The turnover was lower mainly due to lower sales of the domestic embroidery business, which felt the impact of the demonetization move of the government. In case of DDPY, exports to key markets like Turkey got affected resulting in overall turnover getting reduced.

Overall, the exports of the Company fell by about 18% to ₹3,749 lakh during the year under review, from ₹4,562 lakh in the previous year.

Operating Expenses

Operating expenses, before unallocable expenses, for the year ended 31st March, 2017 were ₹21,479 lakh (Previous year ₹22,838 lakh).

Interest Cost

The interest cost for the year under review continued to be controlled, (₹924 lakh as against ₹941 lakh in the previous year), as the Company completed its debt resolution exercise.

The total secured borrowings as on year-end FY17 stand only at about ₹6,473 lakh (previous year ₹7,610 lakh), including working capital of ₹1,480 lakh (previous year ₹950 lakh).

Profits

The Company has earned a profit of ₹1,745 lakh from operations, during the year as against ₹2,152 lakh during the previous financial year, a drop of about 19%. The profit before tax and exceptional items is ₹2128 lakh during the year as against ₹2,168 lakh during the previous financial year. The Company has generated cash profit of ₹820 lakh from operations during the year as against ₹1,210 lakh during the previous financial year.

C: PERFORMANCE REVIEW

With manufacturing facilities at seven locations across the country, Pioneer has a varied and diverse product portfolio, with Dope Dyed Polyester Yarn contributing the lion's share towards the Company's revenues and profitability

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	Naroli (Silvassa), Coimbatore(TN)
Processing of Synthetic & Cotton Fabrics, Guipure and Fabric Laces, Allover embroidered fabrics	Sarigam (Gujarat),
Product development for embroideries	Gurgaon-Haryana

Dope Dyed Polyester Yarn

During the year under review, the Dope Dyed Polyester Yarn (DDPY) business witnessed a drop in revenues due to lower demand in the exports market, especially Turkey. A 20% drop in DDPY exports, from ₹4,014 lakh in previous year to ₹3,211 lakh in the year under review, resulted in the overall turnover being restricted to ₹18,789 lakh, as against the turnover of ₹19,340 lakh in the previous year.

As exports yield relatively better margins, lower exports resulted in Operating profit of the DDPY business dropping by 17% to ₹1,949 lakh, as against ₹2,341 lakh in the previous year. Operating margin for the DDPY segment decreased to 10.3% from 12.1% in the previous year. Margins were also lower as the component of high-margin products during FY2016-17 decreased, both in terms of volume (69% to 67%) and value (75% to 73%).

During the year, the Company completed its major expansion at its existing plant at Kala Amb, Himachal Pradesh, with its DDPY capacity rising over 50% from 35 tonnes per day (TPD) to 53 TPD, and also entering the product segment of Partially Oriented Yarn (POY). The fully-automated plant earlier produced Fully Drawn Yarn and its value-added variants, and the incremental capacity is entirely of POY and Draw Textured Yarn (DTY), which finds application in fabrics used for garments, upholstery, furnishings and carpets.

The expansion was completed at a cost of about ₹35 crs, primarily funded through equity and internal accruals, and the full financial impact of the same would be reflected from the current year onwards. The machines for POY have been procured from and customized by leading German manufacturer Oerlikon Barmag. The decision to opt for high-end manufacturing capabilities is in line with Pioneer's business aim to position itself as a comprehensive, global yarn supplier in the specialty segment serving niche customers.

Embroidery Business

The Embroidery Business, largely domestic in nature, was impacted in the second half of the year under review by the demonetization drive of the Central Government. Consumer demand for textile products in general fell substantially, and the industry also faced pricing pressure as a result.

Consequently, for the second year in continuation, the Embroidery Business continued its subpar performance during FY2016-17. While the overall turnover dropped by about 18.8% to ₹5,032 lakh, operating profit was maintained at ₹423 lakh as against ₹393 lakh in the previous year. The operating margin for the year under review stood at 8.4%, as against 6.3% in the previous year. However, the working capital intensity of the business witnessed a rise during the year under review.

In the domestic market, Pioneer continues to offer a varied range of embroidery products and maintains its special position by leveraging its strength in product development, superior quality control and manufacturing capability to differentiate in the market. However, the Company's market competitiveness is impacted by problems such as frequent break downs, high maintenance and labour costs and also working capital paucity. The Company plans to overcome these shortcomings by modernizing its facilities and enhancing its process house capabilities in the coming year.

Within the overall Embroidery Business, the Braided Lace segment witnessed a major uptrend in the year under review. While the segment recorded a turnover of ₹583 lakh as against a turnover ₹525 lakh during the previous year, EBIDTA for the year increased to ₹141 lakh as against ₹56 lakh during the previous year.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Pioneer Embroideries Limited,

Report on the Standalone Financial Statements
We have audited the accompanying standalone financial statements of Pioneer Embroideries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion
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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

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 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the management.

For M B A H & CO
Chartered Accountants
(Firm Registration Number: 121426W)

MAHESH BHAGERIA
Partner
Membership Number: 034499

Place: Mumbai
Date: 29th May, 2017

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, 2017.

i. 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 10 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 ₹60.24 lakh as at 31st March,2017.

ii. The physical verification of inventory excluding stocks with third parties 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, 2017 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, 2017 on account of any dispute are given below:

Particulars	Year to which the matter pertains	Forum where matter is pending	Amount (₹ in lakh)
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 not defaulted in repayment of loans or borrowings to financial institutions and banks.

ix. In our opinion and according to the information and explanations given to us, 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 accounting standards.

xiv. According to the information and explanations given to us, the company has made a preferential allotment of equity shares during the year under review and the requirement of section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.

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.

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 M B A H & CO
Chartered Accountants
(Firm Registration Number: 121426W)

MAHESH BHAGERIA
Partner
Membership Number: 034499

Place: Mumbai
Date: 29th May, 2017

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, 2017 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 authorisations 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, 2017, 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 M B A H & CO
Chartered Accountants
(Firm Registration Number: 121426W)

MAHESH BHAGERIA
Partner
Membership Number: 034499

Place: Mumbai
Date:29th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in lakh)

	Particulars	Note	As at 31.03.2017	As at 31.03.2016
I	**EQUITY AND LIABILITIES**			
1	**Shareholders' Funds**			
	(a) Share Capital	2	**3,639.22**	3,521.49
	(b) Reserves and Surplus	3	**4,471.40**	7,297.85
2	**Non-Current Liabilities**			
	(a) Long Term Borrowings	4	**3,304.28**	4,648.72
	(b) Other Non-Current Liabilities	5	**339.46**	296.98
3	**Current Liabilities**			
	(a) Short Term Borrowings	6	**1,729.34**	1,146.17
	(b) Trade Payables	7	**2,944.17**	2,343.10
	(c) Other Current Liabilities	8	**2,316.86**	2,605.29
	(d) Short Term Provisions	9	**484.38**	410.74
			19,229.11	22,270.34
II	**ASSETS**			
1	**Non-Current Assets**			
	(a) Fixed Assets	10		
	(i) Tangible Assets		**9,843.09**	7,770.93
	(ii) Intangible Assets		**29.72**	33.42
	iii) Capital Work- in- Progress		**35.88**	335.78
	(b) Non-Current Investments	11	**929.64**	5,251.79
	(c) Long Term Loans and Advances	12	**1,376.13**	1,906.69
	(d) Other Non-Current Assets	13	**51.87**	56.81
2	**Current Assets**			
	(a) Inventories	14	**3,927.52**	2,854.81
	(b) Trade Receivables	15	**2,321.52**	2,463.38
	(c) Cash & Cash Equivalents	16	**129.83**	153.23
	(d) Short Term Loans & Advances	17	**398.90**	1,317.71
	(e) Other Current Assets	18	**185.01**	125.79
			19,229.11	22,270.34

Significant Accounting Policies 1

These notes form an integral part of the Financial Statements

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm Regn Number: 121426W)

For & on behalf of the Board

MAHESH BHAGERIA
Partner
Membership Number: 034499

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

NAWAL SHARMA
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 29th May, 2017

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakh)

	Particulars	Note	Year Ended 31.03.2017	Year Ended 31.03.2016
I	Gross Revenue from Operations	19	**23,821.64**	25,536.15
	Less: Excise Duty		**-**	-
	Net Revenue from Operations		**23,821.64**	25,536.15
II	Other Income	20	**211.34**	2,370.05
III	**Total Revenue (I + II)**		**24,032.98**	27,906.20
IV	Expenses:			
	Cost of Raw Materials Consumed	21	**13,448.26**	13,379.76
	Purchases of Stock-in-Trade		**520.21**	650.93
	Changes in Inventories	22	**(665.11)**	529.02
	Employee Benefits Expense	23	**3,111.28**	2,999.59
	Finance Costs	24	**924.28**	941.30
	Depreciation and Amortization Expenses	10	**818.90**	1,412.09
	Other Expenses	25	**5,662.40**	5,825.13
	Total Expenses		**23,820.22**	25,737.82
V	**Profit before Exceptional and Extraordinary Items and Tax (III-IV)**		**212.76**	2,168.38
VI	Exceptional Items	26	**6.84**	522.23
VII	**Profit before Tax (V-VI)**		**205.92**	1,646.15
VIII	**Tax Expenses**		-	-
IX	**Profit for the year (VII-VIII)**		**205.92**	1,646.15
X	**Earning per Equity Share (₹)**			
	(1) Basic		**1.03**	8.93
	(2) Diluted		**0.83**	7.67

Significant Accounting Policies 1
These notes form an integral part of the Financial Statements

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm Regn Number: 121426W)

For & on behalf of the Board

MAHESH BHAGERIA
Partner
Membership Number: 034499

HARSH VARDHAN BASSI
Managing Director
DIN : 00102941

RAJ KUMAR SEKHANI
Chairman
DIN : 00102843

NAWAL SHARMA
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 29th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakh)

		Year Ended 31.03.2017		Year Ended 31.03.2016	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) before extraordinary items and tax		**205.92**		1,646.15
	Adjustment for :				
	Depreciation and Amortisation	**818.90**		1,412.09	
	(Profit) on Sale of Assets (net)	**(112.46)**		(3.28)	
	Interest Income	**(24.94)**		(35.20)	
	Finance Costs	**924.28**		941.30	
	Provision for Doubtful Trade Receivable	**-**		85.66	
	Doubtful Advances written off	-		1,881.52	
	Bank Liability written back on settlement	**-**		(1,585.38)	
	Custom Duty on Capital Goods	**-**		140.43	
	Liabilities/Provisions no longer required written back	**(28.34)**		(1,742.98)	
	Net unrealised exchange gain	**-**	**1,577.44**	(286.84)	807.32
	Operating Profit / (Loss) before Working Capital Changes		**1,783.36**		2,453.47
	Changes in Working Capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	**(1,072.71)**		469.63	
	Trade Receivables	**141.86**		956.43	
	Short Term Loans and Advances	**841.24**		2,029.03	
	Long Term Loans and Advances	**483.68**		(244.35)	
	Other Currents Assets	**(59.22)**		92.47	
	Other Non-Current Assets	**4.94**		(22.14)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade Payables	**601.07**		491.05	
	Other Current Liabilities	**0.45**		(581.85)	
	Other Non-Current Liabilities	**42.48**		296.98	
	Short Term Provisions	**73.64**	**1,057.43**	(260.02)	3,227.23
	Cash generated from operation		**2,840.79**		5,680.70
	Net income tax (paid) / refunds	**56.88**	**56.88**	(49.23)	(49.23)
	Net Cash from Operating Activities		**2,897.67**		5,631.47
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Capital Expenditure on Fixed Assets, including Capital Advances		**(2,789.25)**		(797.74)
	Proceeds from Sale of Fixed Assets (net of advance)		**314.25**		36.45
	Purchase of Long Term Investments - Subsidiary		-		(3,621.90)
	Proceeds from sale of Long Term Investments - Others		**5,07**		0.09
	Custom Duty on Capital Goods		**-**		(140.43)
	Interest received - Others		**24.94**		35.20
	Net cash from / (used) in Investing Activities		**(2,444.99)**		(4,488.33)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from Issue of Equity Share Capital (including Share Premium)		**1,470.00**		297.50
	Share application money received		**-**		(297.50)
	Proceeds from /(Repayment) of Long Term Borrowing (Net)		**(1,344.44)**		1,108.21
	Net increase / (decrease) in Working Capital Borrowings		**530.56**		(1,571.76)
	Repayment of Other Short Term Borrowings		**52.61**		196.14
	Finance Costs		**(1,184.81)**		(1,120.11)
	Net cash used in Financing Activities		**(476.08)**		(1,387.52)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(23.40)**		(244.38)
	Cash and Cash Equivalent (Opening balances) as on 31-03-2016		**153.23**		397.61
	Cash and Cash Equivalent(Closing balances) as on 31-03-2017		**129.83**		153.23

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm Regn Number : 121426W)

MAHESH BHAGERIA
Partner
Membership Number : 034499

Place: Mumbai
Date: 29th May, 2017

For & on behalf of the Board

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

NAWAL SHARMA
Chief Financial Officer

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

AMI THAKKAR
Company Secretary

NOTES ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

Note -1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Financial Statements

These financial statements have been prepared to comply with the generally accepted accounting principles in India, including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

The financial statements are prepared on accrual basis under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.2 Revenue Recognition

Sales Revenue is recognized on transfer of significant risk and rewards of the ownership of the goods to the buyer. Sales is exclusive of Inter Division Sales and Sales Tax, but inclusive of Excise Duty and Export Incentives.

All revenues, costs, assets and liabilities are accounted for on accrual basis, except where there is no reasonable certainty.

Insurance claims are accounted for on reasonable certainty of the admission of the claim and shortfall / excess, if any, is accounted for in the year of final settlement.

1.3 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are known / materialized. This is in conformity with generally accepted accounting principles.

1.4 Fixed assets and Capital work-in-progress

Fixed Assets are stated at cost of acquisition or construction after reducing accumulated depreciation. Cost is inclusive of freight, duties, levies, interest, installation charges and other incidental expenses incurred for bringing the assets to their working conditions for intended use or till the commencement of commercial production as the case may be. Incidental expenses include establishment expenses, administration expenses, labour charges and salaries.

In the case of new projects and in case of substantial modernization / expansion at existing units of the Company, all pre-operating expenditures specifically for the project, incurred upto the date of production, is capitalized and added pro-rata to the cost of fixed assets.

Capital work-in-progress includes incidental expenses pending allocation / apportionment in respect of the uninstalled / incomplete fixed assets.

CENVAT credit availed, if any, on capital goods are deducted from the cost of the fixed assets.

1.5 Impairment of assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

1.6 Depreciation and Amortization

Depreciation is provided on fixed assets over the remaining useful life in accordance with the provisions of Schedule II of the Act.

Depreciation on intangible assets is accounted on straight line basis over its 10 years useful life on prorata basis as per Accounting Standard - 6.

The lease premium on leasehold land is amortized over the period of lease agreement as per Accounting Standard - 6.

1.7 Exceptional Items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is of such nature that disclosure of which improves the understanding of performance of the company. Such income or expense is classified as an exceptional item and accordingly disclosed in the financial statements.

1.8 Investments

The Investments are carried at cost and necessary provision for erosion is made if called for. The provision for diminution in the value of long term investment is made only if such a decline is other than temporary in nature. The investments in subsidiaries are treated as long term with no diminution in values, except where the decline is considered permanent.

1.9 Inventories

The inventories are valued at cost or net realizable value, whichever is lower and the cost is arrived as follows:

Raw materials and bought out items cost is at landing cost inclusive of all attributable expenses and is computed on First In First Out basis. CENVAT credit availed, if any, is reduced from the cost of raw material and the unutilized CENVAT credit is carried forward though Excise is currently not applicable to Embroidery and Yarn.

NOTES ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

Work-in-progress cost includes material cost, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Finished goods cost include material cost, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and excise duty, wherever applicable.

Excise duty though applicable on the manufacturing of yarn manufactured at Kala-amb, Himachal Pradesh, but is exempted till the year 2017 as per the notification no. 49/50/2003-CE dated 10.06.2003.

1.10 Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

1.11 Borrowing Cost

Interest and other cost in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use and other borrowing cost are charged to Statement of Profit & Loss.

1.12 Foreign Currency Transactions

Import and export sales transactions are accounted for at the rates of exchange prevalent on the date of transaction.

Gains and losses arising out of subsequent fluctuation in exchange rate are accounted for on the basis of actual payments and realizations and exchange difference arising there from is transferred to Statement of Profit and Loss.

Current Assets and Liabilities balances denominated in foreign currency at the year-end are translated at the year-end exchange rates, except in cases where borrowings are covered by forward exchange contracts, and the resulting exchange difference is recognized in the Statement of Profit and Loss.

1.13 Joint Venture

The interest in Joint Venture / jointly controlled operations are disclosed as per Accounting Standard-27, with no effect of the profits or losses and assets and liabilities thereof in the financial statements.

1.14 Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For calculating the diluted earning per shares, the net profit or loss for the year attributable to equity shareholders is divided by the average weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.15 Taxation

Income-tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the basis of the assessable income at tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax asset arising mainly on account of unabsorbed depreciation and carry forward losses under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. In view of the uncertainty to have taxable income in immediate future as a prudent, no deferred tax assets are recognized for the year.

1.16 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

All known liabilities are provided for and liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty are treated as Contingent and disclosed by way Notes on Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

1.17 Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard-3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

NOTE -2 SHARE CAPITAL

a) Details of authorised, issued and subscribed share capital:

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number of shares	₹ in lakh	Number of shares	₹ in lakh
Authorised				
Equity Shares of ₹10 each	**33,000,000**	**3,300.00**	20,000,000	2,000.00
Preference Shares of ₹10 each	**17,000,000**	**1,700.00**	30,000,000	3,000.00
	50,000,000	**5,000.00**	50,000,000	5,000.00
Issued				
Equity Shares of ₹10 each	**21,549,094**	**2,154.91**	18,549,094	1,854.91
9% Optionally Convertible Cumulative Redeemable Preference Shares of ₹10 each	**14,843,060**	**1,484.31**	16,665,830	1,666.58
	36,392,154	**3,639.22**	35,214,924	3,521.49
Subscribed & Paid up				
Equity Shares of ₹10 each	**21,549,094**	**2,154.91**	18,549,094	1,854.91
9% Optionally Convertible Cumulative Redeemable Preference Shares of ₹10 each	**14,843,060**	**1,484.31**	16,665,830	1,666.58
	36,392,154	**3,639.22**	35,214,924	3,521.49

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number of shares	₹ in lakh	Number of shares	₹ in lakh
Equity Shares				
As at the beginning of the financial year	**18,549,094**	**1,854.91**	17,699,094	1,769.91
Add:Issued during the year	**3,000,000**	**300.00**	850,000	85.00
As at the end of the financial year	**21,549,094**	**2,154.91**	18,549,094	1,854.91
Preference Shares				
As at the beginning of the financial year	**16,665,830**	**1,666.58**	22,990,830	2,299.08
Add/(Less):Issued/(Surrendered) during the year (Refer Note 31(a))	**(1,822,770)**	**(182.27)**	(6,325,000)	(632.50)
As at the end of the financial year	**14,843,060**	**1,484.31**	16,665,830	1,666.58

Reclassification of Authorised Share Capital:
The Company has re-classified its Authorised Share Capital from the existing ₹5,000 lakh divided into 20,000,000 Equity Shares of ₹10 each and 30,000,000 Preference Shares of ₹10 each to ₹5,000 lakh divided into 33,000,000 Equity Shares of ₹10 each and 17,000,000 Preference Shares of ₹10 each during the year.

Issue of Shares:
The Company has issued 30,00,000 equity shares of ₹10 each at a premium of ₹39/- each during the year on preferential basis as approved by shareholders through a resolution dated 23rd September, 2016 passed by postal ballot.

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.

Rights, preferences and restrictions attached to Preference Shares:
The Company has one class of Optionally Convertible Cumulative Redeemable Preference Shares having a par value of ₹10 fully paid up per share. The preference shares do not carry voting rights, but carry right to a preference dividend at 9% p.a. effective October 2008. The preference shares are redeemable in 4 annual instalments from 30th September, 2015. Preference shares are convertible, as per the terms of issue, at a price to be computed as per SEBI guidelines. However, first two instalment due on 30th September, 2015 and 30th September, 2016 could not be redeemed in absence of distributable profit.

NOTE -2 SHARE CAPITAL

c) Details of Equity Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at 31.03.2017		As at 31.03.2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Promoters				
Raj Kumar Sekhani	**2,045,718**	**9.49**	2,045,718	11.03
Promoters Group				
Pioneer E-Com Fashions LLP	**4,501,726**	**20.89**	6,481,726	34.94
Others				
Anand Sekhani	**1,500,000**	**6.96**	-	-
Amit Sekhani	**1,500,000**	**6.96**	-	-

d) Details of Preference Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at 31.03.2017		As at 31.03.2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Others				
Union Bank of India	**5,126,360**	**34.54**	5,126,360	30.76
EXIM Bank	**4,998,700**	**33.68**	4,998,700	29.99
Kotak Mahindra Bank Ltd.	**4,263,000**	**28.72**	4,263,000	25.58
Corporation Bank	**-**	**-**	1,822,770	10.94

NOTE -3 RESERVE & SURPLUS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Capital Reserve		
Opening Balance	**8,636.25**	12,829.41
Add: Consequent to Settlement of Loans (Refer Note 31(a))	**182.28**	632.50
Less: Consequent to Provision for Investments /Loan & Advances given (Refer Note 11.1 & 11.2)	**(4,384.65)**	(4,825.66)
Balance as at the end of the year	**4,433.88**	8,636.25
Share Premium		
Opening Balance	**1,566.14**	1,353.64
Add: During the year	**1,170.00**	212.50
Balance as at the end of the year	**2,736.14**	1,566.14
Statement of Profit and Loss		
Opening Balance	**(2,904.54)**	(4,550.69)
Add: Profit for the year	**205.92**	1,646.15
Balance as at the end of the year	**(2,698.62)**	(2,904.54)
	4,471.40	7,297.85

NOTE -4 LONG TERM BORROWINGS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Secured Loans		
(i) Term Loans from Banks/Institutions	**3,253.72**	4,598.16
(ii) Loan from Others	**50.56**	50.56
	3,304.28	4,648.72

NOTE -4.1

Term Loans from banks/institutions of ₹2,974.97 lakh 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 is further secured by second charge over current assets of the Company, by personal guarantee of Chairman of the Company, pledge of company's share holding in all subsidiaries and pledge of company's certain shares by promoter and promoter group firms.

Out of these loan, i) ₹1,275.00 lakh is repayable in quarterly instalments ending March 2020 and carries no interest; ii) ₹128.55 lakh is repayable in quarterly instalments ending September 2018 and carries interest @15.05% p.a. presently; iii) ₹1,071.42 lakh is repayable in monthly instalments ending February 2019 and carries interest @22% p.a.; iv) ₹500.00 lakh is repayable in monthly instalments ending October 2021 and carries interest @19% p.a.

Term Loans from bank of ₹1,655.93 lakh 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 @22% p.a.

Term Loans from bank of ₹234.91 lakh of Foreign Currency Term Loan is secured by exclusive charge on certain imported machineries. This loan is repayable in half yearly instalments ending September 2018 and presently carries interest @0.50% p.a.

Term Loan from Banks of ₹46.41 lakh are secured by hypothecation of respective vehicles.

Term Loan from others of ₹80.62 lakh is secured by assignment of Keyman Insurance Policy and carries interest @9% p.a.

NOTE -5 OTHER NON CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Employee Benefits	**339.46**	296.98
	339.46	296.98

NOTE -6 SHORT TERM BORROWINGS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Secured		
Loans Repayable on Demand		
Cash Credit from Bank	**1,480.59**	950.03
	1,480.59	950.03
Unsecured		
a) Short Term Loans Repayable on Demand		
Inter Corporate Deposits	**233.75**	196.14
b) Loans From Related Party		
From Director	**15.00**	-
	248.75	196.14
	1,729.34	1,146.17

NOTE -6.1

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.

NOTE -7 TRADE PAYABLES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Trade Payables		
For Goods	**1,971.75**	1,496.04
For Services / Others	**972.42**	847.06
	2,944.17	2,343.10

NOTE -7.1

Trade Payables include outstanding to a related enterprise of ₹20.71 lakh (₹16.26 lakh).

NOTE -8 OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
a) Current maturities of Long Term Debt - Secured (refer Note 4)	**1,658.51**	1,690.94
b) Interest provided	**30.07**	321.17
c) Provision for Interest accrued but not due	**30.50**	28.28
d) Advance from Customers	**342.99**	422.39
e) Liability for Capital Expenditure	**165.58**	77.68
f) Statutory Dues	**35.67**	27.96
g) Others	**53.54**	36.87
	2,316.86	2,605.29

NOTE - 8.1

Advance from customers includes advance received from related enterprise of ₹15.58 lakh (₹65.69 lakh) and associate concern of ₹13.53 lakh.

NOTE -9 SHORT TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision For Employee Benefits		
a) Salary/Wages Payable	**451.01**	376.38
b) Contribution to Funds	**18.18**	14.05
c) Provision for Gratuity	**15.19**	20.31
	484.38	410.74

NOTE -10 FIXED ASSETS

(₹ in lakh)

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2016	ADDITION	DEDUCTION/ ADJUSTMENTS	**As at 31.03.2017**	As at 01.04.2016	ADDITION	DEDUCTION/ ADJUSTMENTS	**As at 31.03.2017**	**As at 31.03.2017**	As at 31.03.2016
	Tangible Assets:										
1	Land - Owned	468.46	13.52	61.25	**420.73**	-	-	-	**-**	**420.73**	468.46
	- Leasehold	29.82	-	-	**29.82**	5.01	0.30	-	**5.31**	**24.51**	24.81
2	Buildings	3,849.28	449.45	135.25	**4,163.48**	1,178.75	127.21	2.25	**1,303.71**	**2,859.77**	2,670.53
	- Lift	38.31	11.51	-	**49.82**	19.58	6.05	-	**25.63**	**24.19**	18.73
3	Plant & Machineries	13,785.21	2,426.77	35.81	**16,176.17**	9,703.72	502.18	29.00	**10,176.90**	**5,999.27**	4,081.49
4	Furniture & Fixtures	289.83	2.26	105.67	**186.42**	248.38	16.65	105.67	**159.36**	**27.06**	41.45
5	Vehicles	240.86	32.76	55.33	**218.29**	179.04	13.70	54.60	**138.14**	**80.15**	61.82
6	Office Equipments	128.23	3.62	4.38	**127.47**	113.57	5.20	4.38	**114.39**	**13.08**	14.66
7	Computers	220.18	19.26	105.74	**133.70**	191.67	9.23	105.74	**95.16**	**38.54**	28.51
8	Electrical Installations	904.44	125.05	0.24	**1,029.25**	544.04	129.66	0.24	**673.46**	**355.79**	360.40
9	Borewell	10.82	-	-	**10.82**	10.75	0.07	-	**10.82**	**-**	0.07
	Sub Total	**19,965.44**	**3,084.20**	**503.67**	**22,545.97**	**12,194.51**	**810.25**	**301.88**	**12,702.88**	**9,843.09**	**7,770.93**
	Intangible Assets:										
10	Computer Softwares	84.56	4.95	-	**89.51**	51.14	8.65	-	**59.79**	**29.72**	33.42
	Sub Total	**84.56**	**4.95**	**-**	**89.51**	**51.14**	**8.65**	**-**	**59.79**	**29.72**	**33.42**
	Total	**20,050.00**	**3,089.15**	**503.67**	**22,635.48**	**12,245.65**	**818.90**	**301.88**	**12,762.67**	**9,872.81**	**7,804.35**
	Previous Year	**19,985.27**	**956.08**	**891.36**	**20,049.99**	**11,691.75**	**1,412.09**	**858.20**	**12,245.64**	**7,804.35**	
	Capital Work-in-progress									**35.88**	**335.78**
										9,908.69	**8,140.13**

NOTE 10.1

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) Capital Work in progress includes a sum of ₹35.88 lakh spent for ongoing expansion at Kala-amb unit.

NOTE -11 NON-CURRENT INVESTMENTS

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number of shares	**₹ in lakh**	Number of shares	₹ in lakh
Quoted Investments				
In Other Entities				
RLF Limited (listing suspended)	**1,000**	**-**	1,000	-
(Equity shares of Face Value of ₹10/- each)				
(Cost ₹5,566/- less provision made ₹5,565/-)				
Padmini Technologies Limited (listing suspended)	**68,939**	**-**	68,939	-
(Equity shares of Face Value of ₹10/- each)				
(Cost ₹1,756,253/- less provision made ₹1,756,252/-)				
Unquoted Investments				
a) Investment in Subsidiaries				
Hakoba Lifestyle Limited	**4,846,312**	**484.63**	48,463,117	4,768.90
(Equity shares of Face Value of ₹10/- each)				
Mas Embroideries Private Limited	**-**	**-**	2,225,200	37.88
(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)				
b) Investment in LLP				
Mas Embroideries LLP	**-**	**-**	-	-
(formerly known as Mas Embroideries Private Limited)				
(Cost ₹11,544,507 less provision made ₹11,544,507)				
c) In Other Entities				
The Greater Bombay Co-op. Bank Limited	**40**	**0.01**	40	0.01
(Equity shares of Face Value of ₹25/- each)				
Crystal Lace (I) Limited (Associate Concern)	**4,400,000**	**440.00**	4,400,000	440.00
(Equity shares of Face Value of ₹10/- each)				
	9,366,291	**929.64**	55,208,296	5,251.79

NOTE - 11.1

The wholly owned subsidiary Hakoba Lifestyle Limited (HLL), which has no operation and negative networth, has reduced its share capital under strategic planning as per High court Order dated 2nd December, 2016. Accordingly, the Company has reduced its investment by ₹4,284.26 lakh and treated the same as non-monetary item and debited the same to capital reserve. The Company is exploring options to unlock long-term strategic value of the investment in HLL and accordingly no provision has been made.

NOTE - 11.2

The Company has converted its wholly owned subsidiary Mas Embroideries Private Limited (MAPL), into Mas Embroideries LLP during the year under strategic planning. Current outstanding contribution to LLP is ₹115.44 lakh. The accumulated losses of MAPL as at 31st March, 2017 amounting to ₹300.17 lakh have exceeded the net worth of the said company. The Company has made provision for diminution in value of investment of ₹115.44 lakh during the year and treated the same as non-monetary item & debited the same to Capital Reserve.

NOTE -12 LONG TERM LOANS & ADVANCES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
a) Capital Advances (unsecured, considered good)	**199.80**	515.18
b) Security Deposits (unsecured, considered good)	**160.46**	159.76
c) Income Tax Refund Receivable (net)	**117.87**	174.75
d) Other Loans and Advances (unsecured, considered good)		
Advances to Arcot Textile Mills Ltd.	**898.00**	962.00
Other	**-**	95.00
	1,376.13	1,906.69

NOTE - 12.1

a) Capital advance of ₹199.80 lakh has been given to building contractors and to suppliers of plant & machineries at Dope Dyed Yarn unit at Kala-amb and Embroidery unit at Coimbatore.

b) 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 lakh 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, ₹207.00 lakh has been returned by ATML.

NOTE -13 OTHER NON CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Fixed Deposit in Banks with more than 12 months maturity	**51.87**	56.81
	51.87	56.81

NOTE -14 INVENTORIES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
(As certified by Management)		
a) Raw Materials	**1,083.81**	726.05
b) Work-in-progress	**593.80**	570.46
c) Finished Goods	**2,133.96**	1,492.19
d) Store & Spares	**71.24**	38.79
e) Packing Material	**44.71**	27.32
	3,927.52	2,854.81

NOTE -15 TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured		
Outstanding for a period more than six months from the date they are due for payment		
Considered Good	**337.78**	241.94
Considered Doubtful/Bad	**786.71**	786.71
Less: Provision for Doubtful Trade Receivables	**(786.71)**	(786.71)
	337.78	241.94
Others		
Considered Good	**1,983.74**	2,221.44
	2,321.52	2,463.38

NOTE -15.1
Trade receivables include outstanding from related party enterprise of ₹76.51 lakh (₹36.30 lakh)

NOTE -16 CASH & CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
a) Balances with Banks		
In Current Accounts	**102.37**	94.59
b) Cash in hand	**27.46**	58.64
	129.83	153.23

NOTE -17 SHORT TERM LOANS & ADVANCES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Short Term Loan & Advances (unsecured, considered good)		
a) **Subsidiaries**		
Hakoba Lifestyle Ltd.	**238.82**	0.17
Mas Embroideries LLP (formerly known as Mas Embroideries Pvt. Ltd.)	**-**	77.90
Pioneer Realty Ltd.	**2.19**	2.08
b) **Related Party**		
Pioneer E-com Fashions LLP	**-**	1,032.75
c) **Others**		
Advances recoverable in cash or in kind	**75.02**	109.67
Loan & Advance to Staff	**41.11**	47.13
Prepaid Expenses	**18.70**	19.42
Other Advances and Balances	**23.06**	28.59
	398.90	1,317.71

NOTE -18 OTHER CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
(Unsecured, considered good)		
Other Loans and Advances		
Accrued Export and Other Incentives	**168.01**	124.65
Insurance Claim Receivables	**17.00**	0.35
Interest Receivables (TUF)	**-**	0.79
	185.01	125.79

NOTE -19 REVENUE FROM OPERATIONS

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Sale of Products - Yarn, Embroidery Fabric & Laces*		
Domestic Sales	**20,072.35**	20,857.83
Export Sales	**3,525.43**	4,252.52
Other Operating Revenue (Including Export Incentives)	**223.86**	425.80
Gross Revenue from Operations	**23,821.64**	25,536.15
Less: Excise duty -	-	
	23,821.64	25,536.15

***Detail of Sale of Products**

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Manufactured Goods		
Dope Dyed Polyester Yarn	**18,589.45**	18,941.40
Embroidered Fabric & Laces	**4,334.55**	5,403.48
Spun Yarn -	2.88	
	22,924.00	24,347.76
Traded Goods		
Embroidered Fabric & Laces	**673.78**	762.59
	673.78	762.59
	23,597.78	25,110.35

NOTE -19.1

Sales include sales made to related enterprises ₹576.13 lakh (₹715.11 lakh) and associate concern ₹Nil (₹456.29 lakh).

NOTE -20 OTHER INCOME

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest from Others	**24.94**	35.20
Adjustments to Carrying Amount of Loan given to Subsidiary/JV(Net)	**-**	286.84
Profit on Fixed Assets sold (Net)	**112.46**	3.28
Liabilities/Provisions no longer required written back	**28.34**	1,742.98
Misc. Non Operating Income	**54.97**	256.13
Gain on Exchange Rate Difference (Net)	**(9.37)**	45.62
	211.34	2,370.05

NOTE -21 COST OF MATERIAL CONSUMED

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Cost of Raw Material Consumed		
Opening Stock	**726.06**	650.07
Purchases during the year	**13,806.02**	13,455.75
	14,532.08	14,105.82
Less:- Closing Stock	**1,083.82**	726.06
	13,448.26	13,379.76

NOTE -21.1

Purchases include trade purchases from related enterprises ₹65.53 lakh (₹62.34 lakh) and associate concern ₹0.89 lakh (₹1.28 lakh).

NOTE -22 CHANGE IN INVENTORIES

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Opening Inventories		
Work-in-Progress	**570.46**	466.19
Finished Goods	**1,492.19**	2,125.48
	2,062.65	2,591.67
Less: Closing Inventories		
Work-in-Progress	**593.80**	570.46
Finished Goods	**2,133.96**	1,492.19
	2,727.76	2,062.65
	(665.11)	529.02

NOTE -23 EMPLOYEE BENEFITS EXPENSE

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Salaries, Wages and Incentives	**2,900.56**	2,780.50
Contribution to Funds	**100.64**	95.64
Staff Welfare Expenses	**110.08**	123.45
	3,111.28	2,999.59

NOTE -24 FINANCE COSTS

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest expense		
a) Interest on Borrowings	**841.39**	808.28
b) Interest - Others	**62.90**	28.41
Other Borrowing Costs	**46.08**	58.80
Net Gain/Loss on Foreign Currency Transactions and Translation	**(26.09)**	45.81
	924.28	941.30

NOTE -25 OTHER EXPENSES

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Directors Remuneration	**148.16**	80.99
Directors Sitting Fees	**2.58**	1.28
Donations	**0.06**	0.13
Expenditure towards CSR activities	**7.35**	-
Insurance	**23.94**	18.08
Job Charges	**167.95**	239.48
Legal & Professional Fees	**144.95**	141.03
Miscellaneous Expenses	**525.58**	551.60
Packing Material Consumed	**947.77**	893.55
Payment to Auditors*	**13.23**	13.17
Power & Fuel	**1,965.50**	2,019.15
Rates & Taxes	**38.27**	38.88
Rent	**63.41**	77.05
Repair & Maintenance Buildings	**26.49**	16.90
Repair & Maintenance Plant & Machinery	**74.92**	98.48
Repair & Maintenance Others	**91.71**	78.79
Selling Expenses	**1,057.05**	1,202.18
Stores & Spares Consumed	**363.48**	354.39
	5,662.40	5,825.13

*** Details of payment to Auditors**

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
a) for Statutory & Tax Audit	**13.23**	13.17
b) for Taxation Matter	**-**	-
c) for Other Services	**-**	-
	13.23	13.17

NOTE -26 EXCEPTIONAL ITEMS

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Custom Duty related to earlier year including provision for interest	**6.84**	140.43
Doubtful Advances written off	**-**	1,881.52
Provision for Doubtful Trade Receivable	**-**	85.66
Bank Liability written back on settlement	**-**	(1,585.38)
	6.84	522.23

NOTE - 27 CONTINGENT LIABILITIES

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
a) Bank Guarantees Outstanding.	**77.24**	77.24
b) Corporate Guarantee on behalf of Subsidiary to Banks.	**-**	750.00
c) Estimated amount of contracts remaining to be executed on Capital Accounts (Net of advances).	**167.34**	834.55
d) Demand raised by Excise Department in respect of which appeal has been filed.	**33.58**	46.14
e) Demand raised by Income-tax Department in Block Assessment order U/s 158A for the period. from FY 1998-99 to FY 2003-04 in respect of which appeal has been filed with CIT (Appeal).	**49.01**	49.01
f) Other Income Tax matters pending in appeal.	**13.33**	13.33
g) Unpaid Dividend on 9% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS).	**1,135.49**	1,124.94
h) Custom Duty on Capital Goods and Raw Materials imported under Advance License / EPCG Scheme, against which export obligation is to be fulfilled.	**563.47**	72.72
i) Service Tax demand raised by the Service Tax Department.	**123.85**	128.08
j) Sundry Cases in Labour Court and Industrial Court regarding overtime and backwages being contested by the Company.	**N A***	N A*

*Quantum is not ascertainable.

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.

NOTE 28 Loans and Advances includes amount due from Subsidiaries:

(₹ in lakh)

	Particulars	Current Year 31.03.2017		Previous Year 31.03.2016	
		Closing Balance	**Maximum due**	Closing Balance	Maximum due
a)	Hakoba Lifestyle Limited	238.82	238.82	0.17	1,942.30
b)	Mas Embroideries Private Limited	-	77.90	77.90	114.06
c)	Pioneer Realty Limited	2.19	2.19	2.07	51.89

NOTE-29 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.

NOTE -30 In the opinion of the management, there is no impairment of assets as on Balance Sheet date.

NOTE-31 a) The Company has fully paid off dues of Corporation Bank in terms of OTS arrived at with the bank. Accordingly, the Company has reversed the interest liability of ₹ 28.33 lakh. The OCCRPS of ₹182.28 lakh held by the Bank were surrendered by them in terms of OTS and same were cancelled and credited to Capital Reserve.

b) Loans of HDFC Bank Ltd was assigned by the banks to Kotak Mahindra Bank Ltd (KMBL) during FY 2015-16. The Company has arrived at a settlement with KMBL. The necessary adjustments in the books will be done after the due compliance of terms and conditions of the settlement.

NOTE-32 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed. The Company has incurred expenses amounting to ₹ 7.35 lakh in alignment with the CSR Policy which is in conformity with the activities specified in Schedule VII of the Companies Act, 2013.

NOTE-33 As per management, 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.

NOTE-34 The sundry debit and credit balances including receivables, payables and advances to suppliers, advances from customers and deposits are subject to confirmation and reconciliations, the effect of which is not known.

NOTE-35 Dues to Small Scale Industries undertakings and dues to Micro Enterprises and Small Enterprises:

The Company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since, the relevant information is not readily available; no disclosures have been made in the Accounts. However, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

NOTE-36 The Company operates in a single segment of Textiles.

NOTE 37 Disclosure in respect of Specified Bank Notes held and transacted during the period from 08.11.2016 to 30.12.2016 :

(₹in lakh)

	SBN (Specified Bank Notes)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	46.04	20.35	66.39
(+) Permitted receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount Deposit in Banks	46.04	-	-
Closing cash in hand as on 30.12.2016	-	-	

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

The disclosures with respects to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing Cash in Hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

NOTE 38 Disclosures pursuant to Accounting Standard-15 "Employee Benefits"

a) The Company has recognized ₹76.24 lakh (₹55.24 lakh) in the statement of Profit and Loss for the year ended 31st March, 2017 under Defined Contribution Plan.

b) Details of Defined Benefit Plan:

(₹in lakh)

	Particulars	31st March, 2017		31st March, 2016	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	**Changes in Present Value of Obligations**				
a)	Present Value of Obligation as at the beginning of the year	254.79	64.73	208.84	68.41
b)	Interest Cost	19.82	4.73	16.13	5.26
c)	Current Service Cost	45.14	52.06	45.45	45.25
d)	Benefits Paid	(14.02)	(11.23)	(9.31)	(3.66)
e)	Actuarial (Gain)/Loss on Obligation	(20.65)	(24.87)	(6.32)	(50.53)
f)	Present Value of Obligation as at the end of the year	285.08	85.42	254.79	64.73
II	**Changes in Fair Value of Plan Assets**				
a)	Fair Value of Plan Assets at beginning of the year	-	-	-	-
b)	Adjustment to Opening Fair Value of Plan Assets	-	-	-	-
c)	Expected Return on Plan Assets	-	-	-	-
d)	Contributions	14.02	11.23	9.31	3.66
e)	Benefit Paid	(14.02)	(11.23)	(9.31)	(3.66)
f)	Actuarial Gain/(Loss) on Plan Assets	-	-	-	-
g)	Fair Value of Plan Assets as at the end of the year	-	-	-	-
III	**Amounts to be recognized in the Balance Sheet**				
a)	Present Value of Obligation at end of the year	285.08	85.42	254.79	64.73
b)	Fair Value of Plan Assets at end of the year	-	-	-	-
c)	Funded Status	(285.08)	(85.42)	(254.79)	(64.73)
d)	Unrecognized Actuarial Gain/(Loss)	-	-	-	-
e)	Net Asset/(Liability) recognized in the Balance Sheet	285.08	85.42	254.79	64.73
IV	**Expense recognized in the Statement of P & L**				
a)	Current Service Cost	45.14	52.06	45.45	45.25
b)	Interest Cost	19.82	4.73	16.13	5.26
c)	Expected Return on Plan Assets	-	-	-	-
d)	Net Actuarial (Gain)/Loss recognized for the year	(20.65)	(24.87)	(6.32)	(50.53)
e)	Expense recognized in the Statement of P & L	44.31	31.92	55.26	(0.02)
V	**Actuarial Assumptions**				
a)	Discount Rate (%)	7.40	7.40	8.00	8.00
b)	Rate of Increase in Compensation (%)	7.50	7.50	7.50	7.50
c)	Expected Rate of Return on Plan Assets (%)	7.50	7.50	7.50	7.50

NOTE-39 Earning per Equity Share

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Net Profit/(Loss) for the year attributable to Equity Shareholders (₹ in lakh)	205.92	1,646.15
Weighted Average Number of Equity Shares of ₹10 each (fully paid-up)	20,012,108	18,430,651
Earning per Share - Basic (₹)	1.03	8.93
Diluted (₹)	0.83	7.67

NOTE-40 Related Party Disclosures

a) Names of Related Parties and Nature of Relationships

i	Subsidiaries	Hakoba Lifestyle Ltd. Mas Embroideries LLP (formerly Known as Mas Embroideries Pvt. Ltd.) Pioneer Realty Ltd. S.R Investments Ltd, Mauritius
ii	Associate Concerns	Pioneer E-Com Fashions LLP Reach Industries Pvt. Ltd. Crystal Lace (I) Ltd.
iii	Key Management Personnel	Shri Raj Kumar Sekhani Shri Harsh Vardhan Bassi
iv	Relative of Key Management Personnel & their Enterprises	Smt. Bimla Devi Sekhani Shri Aarav Sekhani Shri Vishal Sekhani Shri Ratanlal Sekhani M/s J J Sons M/s J J Enterprises Kiran Industries Pvt. Ltd. Thakurdas & Co. Pvt Ltd. Kiran Texpro Pvt. Ltd.

b) Transactions during the year

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Nature of Transaction		
I) Sales		
Relative of Key Management Personnel & their enterprises	**576.13**	715.11
Associate Concerns	**-**	456.29
ii) Purchases		
Relative of Key Management Personnel & their enterprises	**65.53**	62.34
Associate Concerns	**0.89**	1.28
iii) Payment for Other Services		
Key Management Personnel (Remuneration to Whole Time Directors)	**148.16**	80.99
Relative of Key Management Personnel & their Enterprises	**54.78**	20.76
iv) Guarantee Taken		
Associate Concerns	**500.00**	3,500.00
Relative of Key Management Personnel & their enterprises	**500.00**	2,200.00
v) Loan & Advances Given/(taken)/(recovered)		
Subsidiaries	**238.43**	(1,990.27)
Associate Concerns	**(1,032.75)**	(12.72)
Key Management Personnel	**(15.00)**	-
vi) Balance outstanding as at the year end		
Subsidiaries	**241.01 Dr**	80.15 Dr
Associate Concerns	**2.33 Dr**	1071.00 Dr
Key Management Personnel	**20.79 Cr**	3.47 Cr
Relative of Key Management Personnel & their enterprises	**3.53 Cr**	46.94 Cr

NOTE - 41. Additional Information:

a) Value of imported and indigenous Raw Material and Spare Parts consumed:

Particulars	31-03-2017		31-03-2016	
	%	₹ in lakh	%	₹ in lakh
Raw Material/Purchases:				
Imported	**0.70**	**97.70**	0.57	79.83
Indigenous	**99.30**	**13,870.77**	99.43	13,950.86
Store & Spares:				
Imported	**2.05**	**7.45**	1.70	6.02
Indigenous	**97.95**	**356.03**	98.30	348.37

Particulars	Year Ended 31.03.2017 ₹ in lakh	Year Ended 31.03.2016 ₹ in lakh
b) Value of Imports on CIF Basis:		
Raw Materials	116.71	79.52
Capital Goods	1,528.55	20.33
Stores & Spares	7.02	8.29
c) Expenditure in Foreign Currency (On Payment basis) :		
Travelling	10.75	14.03
Professional & Technical Services	5.50	18.20
Interest Paid	7.15	3.55
Bank Charges	0.15	0.09
Selling Expenses	16.56	43.68
d) Earnings in Foreign Currency :		
Export Turnover (Net)	3,525.43	4,252.52

NOTE - 42 The previous year's figure have been regrouped and reclassified to confirm to current year's classification.

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm Regn Number: 121426W)

MAHESH BHAGERIA
Partner
Membership Number: 034499

Place: Mumbai
Date: 29th May, 2017

For & on behalf of the Board

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

NAWAL SHARMA
Chief Financial Officer

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

AMI THAKKAR
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members of Pioneer Embroideries Limited,

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Pioneer Embroideries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated 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 consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate 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; the 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements / financial information of Mas Embroideries LLP whose financial statements / financial information reflect net worth of ₹(0.44) lakh as at 31st March, 2017, total revenues of ₹ nil and net cash flows amounting to ₹ nil 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 included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of one subsidiary, namely S.R. Investments Ltd., whose financial statements / financial information reflect net worth of ₹ nil as at 31st March, 2017, total revenues of ₹ nil and net cash flows amounting to ₹ nil for the year ended on that date, as considered in the consolidated financial statements.

(c) The consolidated financial statements also include the Group's share of net loss of ₹ 1.01 lakh for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of one associate, namely, Crystal Lace (I) Ltd., whose financial statements / financial information have not been audited by us.

These financial statements / financial information are unaudited and 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 included in respect of these subsidiary and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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 other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section143(3) of the Act, 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 Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow 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 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, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and associate company incorporated in India, none of the directors of the Group companies and its associate incorporated in India is disqualified as on 31st March, 2017 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 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 associate.

ii. The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and the associate company incorporated in India.

iv. In the consolidated financial statements, holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 by the Holding Company and its subsidiary companies, associate companies and joint venture incorporated in India has been requisitely disclosed, on the basis of information available with the Company. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiary companies, associate companies and joint venture incorporated in India and as produced to us by the Management and the reports of the other auditors.

For M B A H & CO
Chartered Accountants
(Firm's Registration Number: 121426W)

MAHESH BHAGERIA
Partner
Membership Number: 034499

Place: Mumbai
Date: 29th May, 2017

Annexure "A" to the Independent Auditor's 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 Company as of and for the year ended 31st March , 2017, we have audited the internal financial controls over financial reporting of Pioneer Embroideries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate Companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are 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 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 Companies Act, 2013.

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, 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 and the audit evidence obtained by the other auditors in terms of their reports 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 May, 2017 , 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 report 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 one subsidiary, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

Our aforesaid report 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 one subsidiary, which is a company incorporated in Mauritius, and one associate company, which is a company incorporated in India, is solely based on the information and explanations given to us by the management. In our opinion and according to the information and explanations given to us by the management, these are not material to the Group.

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 M B A H & CO
Chartered Accountants
(Firm's Registration Number: 121426W)

MAHESH BHAGERIA
Partner
Membership Number: 034499

Place: Mumbai
Date: 29th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ in lakh)

	Particulars	Note	As at 31.03.2017	As at 31.03.2016
I	**EQUITY AND LIABILITIES**			
1	**Shareholders' Funds**			
	(a) Share Capital	2	**3,639.22**	3,521.49
	(b) Reserves and Surplus	3	**4,643.62**	4,545.35
2	**Non-Current Liabilities**			
	(a) Long Term Borrowings	4	**3,486.18**	4,830.62
	(b) Other Non-Current Liabilities	5	**339.46**	296.98
3	**Current Liabilities**			
	(a) Short Term Borrowings	6	**1,729.34**	2,670.83
	(b) Trade Payables	7	**2,997.00**	2,397.33
	(c) Other Current Liabilities	8	**2,374.22**	2,667.50
	(d) Short Term Provisions	9	**484.38**	410.74
			19,693.42	21,340.84
II	**ASSETS**			
1	**Non-Current Assets**			
	(a) Fixed Assets	10		
	(i) Tangible Assets		**9,843.09**	7,796.00
	(ii) Intangible Assets		**29.77**	36.00
	iii) Capital Work- in- Progress		**35.88**	335.78
	(b) Goodwill (on consolidation)		**-**	1,965.79
	(c) Non-Current Investments	11	**725.02**	726.03
	(d) Long Term Loans and Advances	12	**1,379.92**	1,990.31
	(e) Other Non-Current Assets	13	**69.25**	73.25
2	**Foreign Currency Translation Reserve**		-	**294.31**
3	**Current Assets**			
	(a) Inventories	14	**3,991.99**	2,928.53
	(b) Trade Receivables	15	**2,579.95**	2,720.93
	(c) Cash & Cash Equivalents	16	**130.80**	173.47
	(d) Short Term Loans & Advances	17	**722.74**	2,174.65
	(e) Other Current Assets	18	**185.01**	125.79
			19,693.42	21,340.84

Significant Accounting Policies 1

These notes form an integral part of the Financial Statements

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm Regn Number: 121426W)

For & on behalf of the Board

MAHESH BHAGERIA
Partner
Membership Number: 034499

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

NAWAL SHARMA
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 29th May, 2017

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakh)

	Particulars	Note	Year Ended 31.03.2017	Year Ended 31.03.2016
I	Gross Revenue from Operations	19	**23,827.90**	25,536.65
	Less: Excise Duty		**-**	-
	Net Revenue from Operations		**23,827.90**	25,536.65
II	Other Income	20	**1,014.45**	2,399.12
III	**Total Revenue (I + II)**		24,842.35	27,935.77
IV	**Expenses:**			
	Cost of Raw Materials Consumed	21	**13,457.50**	13,383.14
	Purchases of Stock-in-Trade		**520.21**	650.93
	Changes in Inventories	22	**(665.11)**	529.02
	Employee Benefits Expense	23	**3,111.29**	2,999.59
	Finance Costs	24	**929.53**	941.60
	Depreciation and Amortization Expenses	10	**818.90**	1,459.95
	Other Expenses	25	**5,715.27**	5,862.90
	Total Expenses		**23,887.59**	25,827.13
V	**Profit before Exceptional and Extraordinary Items and Tax (III-IV)**		**954.76**	2,108.64
VI	Exceptional Items	26	**2,692.72**	369.97
VII	**Profit/(Loss) before Tax (V-VI)**		**(1,737.96)**	1,738.67
VIII	**Tax Expenses**			
	Current Tax		**0.04**	1.08
IX	**Net Profit before Minority Interest and Profit/(Loss) of Associates (VII-VIII)**		**(1,738.00)**	1,737.59
X	Share in Profit /(Loss) of Associate		**(1.01)**	(10.10)
XI	**Profit/(Loss) for the year (IX-X)**		**(1,739.01)**	1,727.49
XII	**Earning per Equity Share (₹)**			
	(1) Basic		**(8.69)**	9.37
	(2) Diluted		**(8.69)**	8.05

Significant Accounting Policies 1

These notes form an integral part of the Financial Statements

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm Regn Number: 121426W)

For & on behalf of the Board

MAHESH BHAGERIA
Partner
Membership Number: 034499

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

NAWAL SHARMA
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 29th May, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakh)

		Year Ended 31.03.2017		Year Ended 31.03.2016	
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) before extraordinary items and tax		**(1,737.96)**		1,738.67
	Adjustment for :				
	Depreciation and Amortisation	**818.90**		1,459.95	
	(Profit) on Sale of Assets (net)	**(85.29)**		(3.28)	
	Interest Income	**(26.05)**		(39.33)	
	Finance Costs	**929.53**		941.60	
	Provision for Doubtful Trade Receivable	**-**		85.66	
	Doubtful Advances written off	**430.85**		1,708.23	
	Custom Duty on Capital Goods	**-**		140.43	
	Bank Liability written back on settlement	**-**		(1,585.38)	
	Loss in Sale of Investments	**-**		21.03	
	Liabilities/Provisions no longer required written back	**(827.99)**		(1,742.98)	
	Goodwill and Foreign Currency Reserve written off	**2,255.03**		-	
	Net unrealised exchange gain	**-**	**3,494.98**	(277.07)	708.86
	Operating Profit / (Loss) before Working Capital Changes		**1,757.02**		2,447.53
	Changes in Working Capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	**(1,063.46)**		473.01	
	Trade Receivables	**140.98**		(587.90)	
	Short Term Loans and Advances	**1,021.06**		110.52	
	Long Term Loans and Advances	**563.69**		(194.35)	
	Other Currents Assets	**(59.22)**		92.47	
	Other Non-Current Assets	**4.00**		(25.87)	
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade Payables	**599.67**		465.87	
	Other Current Liabilities	**470.60**		(583.41)	
	Other Non-Current Liabilities	**42.48**		296.98	
	Short Term Provisions	**73.64**	**1,793.44**	(260.02)	(212.70)
	Cash generated from operation		**3,550.46**		2,234.83
	Net income tax (paid) / refunds	**56.66**	**56.66**	(50.71)	(50.71)
	Net Cash from Operating Activities		**3,607.12**		2,184.12
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Capital Expenditure on Fixed Assets, including Capital Advances		**(2,789.26)**		(797.74)
	Proceeds from Sale of Fixed Assets (net of advance)		**314.69**		36.45
	Proceeds from Sale of Long Term Investments - Associates		**-**		3.98
	Proceeds from Sale of Long Term Investments - Others		**-**		0.09
	Custom Duty on Capital Goods		**-**		(140.43)
	Interest received - Others		**26.05**		39.33
	Change in Goodwill and Minority Interest on Investment in Subsidiary		**5.07**		(125.00)
	Foreign Currency Translation Reserve		**-**		(1.91)
	Net cash from / (used) in Investing Activities		**(2,443.45)**		(985.23)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from Issue of Equity Share Capital (including Share Premium)		**1,470.00**		297.50
	Share Application Money received		**-**		(297.50)
	Proceeds from /(Repayment) of Long Term Borrowing (Net)		**(1,344.44)**		1,075.46
	Net increase / (decrease) in Working Capital Borrowings		**(194.44)**		(1,596.76)
	Proceeds from Other Short Term Borrowings		**52.61**		196.14
	Finance Costs		**(1,190.07)**		(1,120.40)
	Net cash used in Financing Activities		**(1,206.34)**		(1,445.56)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(42.67)**		(246.67)
	Cash and Cash Equivalent (Opening balances) as on 31-03-2016		**173.47**		420.14
	Cash and Cash Equivalent (Closing balances) as on 31-03-2017		**130.80**		173.47

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm Regn Number : 121426W)

MAHESH BHAGERIA
Partner
Membership Number : 034499

Place: Mumbai
Date: 29th May, 2017

For & on behalf of the Board

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

NAWAL SHARMA
Chief Financial Officer

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

AMI THAKKAR
Company Secretary

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

Note -1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

a) The financial statement of the subsidiaries used in the consolidation is drawn on the same reporting date as that of parent company, i.e. year ended 31st March, 2017. The financial statements of S.R Investments Limited, which is a foreign subsidiary, are un-audited, which is not in accordance with the Accounting Standard -21- Consolidated Financial Statements.

b) The financial statements are set out and prepared under significant accounting policies of Pioneer Embroideries Limited and its subsidiaries. Mostly the accounting policies of the holding company and subsidiaries (except where mentioned) are in similar lines, but where ever there is a difference than it is specifically mentioned in the below notes.

1.2 Principles of Consolidation

a) The Financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances, intra-group transactions in accordance with Accounting Standard -21 – Consolidated Financial Statements.

b) The Financial statements of the Parent Company and its Subsidiaries have been consolidated using uniform accounting policies for like transactions and other event in similar circumstances.

c) The excess of the share of equity of the Parent Company in its subsidiaries over its cost of investment, if any, on the date of acquisition date is recognized as Capital Reserve.

d) The shortfall of the share of equity of the Parent Company in its subsidiaries over its cost of Investments, if any, is recognized in the financial statements as Goodwill.

e) For the purpose of consolidation of the associate, the Company's share in its profit/(loss) has been taken into consideration in the Consolidated Statement of Profit and Loss.

f) The subsidiaries and associate company considered in consolidated financial statements are as under:

Name of Company	Country of Incorporation	Extent of Company's Interest	
		As at 31.03.17	As at 31.03.16
Subsidiaries			
Hakoba Lifestyle Limited	India	100%	85%
Mas Embroideries LLP (formerly known as Mas Embroideries Private Limited)	India	100%	100%
Pioneer Realty Limited	India	100%	100%
S.R Investments Limited	Mauritius		100%
Associate			
Crystal Lace (India) Limited	India	44.58%	49.68%

The Company has liquidated its wholly owned subsidiary S.R Investments during the year.

1.3 Consolidation of Foreign Subsidiary

Foreign Subsidiary accounts viz S.R Investments Limited has been audited as on 5th February, 2016. For the purpose of the consolidation, the accounts have been prepared by the management till date of liquidation, on the basis of audited accounts. Financial Statements figures are converted into rupees on the basis of closing rate of foreign currency as on 31st March, 2017.

1.4 SIGNIFICANT ACCOUNTING POLICIES

Most of the accounting policies of the holding company and that of the subsidiaries are similar.

NOTE -2 SHARE CAPITAL

a) Details of authorised, issued and subscribed share capital:

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number of shares	₹ in lakh	Number of shares	₹ in lakh
Authorised				
Equity Shares of ₹10 each	**33,000,000**	**3,300.00**	20,000,000	2,000.00
Preference Shares of ₹10 each	**17,000,000**	**1,700.00**	30,000,000	3,000.00
	50,000,000	**5,000.00**	50,000,000	5,000.00
Issued				
Equity Shares of ₹10 each	**21,549,094**	**2,154.91**	18,549,094	1,854.91
9% Optionally Convertible Cumulative Redeemable Preference Shares of ₹10 each	**14,843,060**	**1,484.31**	16,665,830	1,666.58
	36,392,154	**3,639.22**	35,214,924	3,521.49
Subscribed & Paid up				
Equity Shares of ₹10 each	**21,549,094**	**2,154.91**	18,549,094	1,854.91
9% Optionally Convertible Cumulative Redeemable Preference Shares of ₹10 each	**14,843,060**	**1,484.31**	16,665,830	1,666.58
	36,392,154	**3,639.22**	35,214,924	3,521.49

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number of shares	₹ in lakh	Number of shares	₹ in lakh
Equity Shares				
As at the beginning of the financial year	**18,549,094**	**1,854.91**	17,699,094	1,769.91
Add: Issued during the year	**3,000,000**	**300.00**	850,000	85.00
As at the end of the financial year	**21,549,094**	**2,154.91**	18,549,094	1,854.91
Preference Shares				
As at the beginning of the financial year	**16,665,830**	**1,666.58**	22,990,830	2,299.08
Add/(Less): Issued/(Surrendered) during the year (Refer Note 30(a))	**(1,822,770)**	**(182.27)**	(6,325,000)	(632.50)
As at the end of the financial year	**14,843,060**	**1,484.31**	16,665,830	1,666.58

Reclassification of Authorised Share Capital:

The Company has re-classified its Authorised Share Capital from the existing ₹5,000 lakh divided into 20,000,000 Equity Shares of ₹10 each and 30,000,000 Preference Shares of ₹10 each to ₹5,000 lakh divided into 33,000,000 Equity Shares of ₹10 each and 17,000,000 Preference Shares of ₹10 each during the year.

Issue of Shares:

The Company has issued 30,00,000 equity shares of ₹10 each at a premium of ₹39 each during the year on preferential basis as approved by shareholders through a resolution dated 23rd September, 2016 passed by postal ballot.

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.

Rights, preferences and restrictions attached to Preference Shares:

The Company has one class of Optionally Convertible Cumulative Redeemable Preference Shares having a par value of ₹10 fully paid up per share. The preference shares do not carry voting rights, but carry right to a preference dividend at 9% p.a. effective October 2008. The preference shares are redeemable in 4 annual instalments from 30th September, 2015. Preference shares are convertible, as per the terms of issue, at a price to be computed as per SEBI guidelines. However, first two instalment due on 30th September, 2015 and 30th September, 2016 could not be redeemed in absence of distributable profit.

NOTE -2 SHARE CAPITAL

c) Details of Equity Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at 31.03.2017		As at 31.03.2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Promoters				
Raj Kumar Sekhani	**2,045,718**	**9.49**	2,045,718	11.03
Promoters Group				
Pioneer E-Com Fashions LLP	**4,501,726**	**20.89**	6,481,726	34.94
Others				
Anand Sekhani	**1,500,000**	**6.96**	-	-
Amit Sekhani	**1,500,000**	**6.96**	-	-

d) Details of Preference Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at 31.03.2017		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Others				
Union Bank of India	**5,126,360**	**34.54**	5,126,360	30.76
EXIM Bank	**4,998,700**	**33.68**	4,998,700	29.99
Kotak Mahindra Bank Ltd.	**4,263,000**	**28.72**	4,263,000	25.58
Corporation Bank	**-**	**-**	1,822,770	10.94

NOTE -3 RESERVE & SURPLUS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Capital Reserve		
Opening Balance	**10,997.45**	14,160.93
Add: Consequent to Settlement of Loans (Refer Note 30(a) & 30(c))	**657.28**	632.50
Less: Consequent to Provision for Investments/Loan & Advances recovered	**10.00**	(3,795.98)
Balance as at the end of the year	**11,664.73**	10,997.45
Share Premium		
Opening Balance	**1,566.14**	1,353.64
Add: During the year	**1,170.00**	212.50
Balance as at the end of the year	**2,736.14**	1,566.14
Statement of Profit and Loss		
Opening Balance	**(8,018.24)**	(9,745.73)
Add: Profit/(Loss) for the year	**(1,739.01)**	1,727.49
Balance as at the end of the year	**(9,757.25)**	(8,018.24)
	4,643.62	4,545.35

NOTE -4 LONG TERM BORROWINGS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Secured Loans		
(i) Term Loans from Banks/Institutions	**3,253.72**	4,598.16
(ii) Loan from Others	**50.56**	50.56
Unsecured Loans		
From Others		
Related Party	**1.90**	1.90
Others	**180.00**	180.00
	3,486.18	4,830.62

NOTE -4.1

Term Loans from banks/institutions of ₹2,974.97 lakh 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 is further secured by second charge over current assets of the Company, by personal guarantee of Chairman of the Company, pledge of company's share holding in all subsidiaries and pledge of company's certain shares by promoter and promoter group firms.

Out of these loan, i) ₹1,275.00 lakh is repayable in quarterly instalments ending March 2020 and carries no interest; ii) ₹128.55 lakh is repayable in quarterly instalments ending September 2018 and carries interest @15.05% p.a. presently; iii) ₹1,071.42 lakh is repayable in monthly instalments ending February 2019 and carries interest @22% p.a.; iv) ₹500.00 lakh is repayable in monthly instalments ending October 2021 and carries interest @19% p.a.

Term Loans from bank of ₹1,655.93 lakh 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 @22% p.a.

Term Loans from bank of ₹234.91 lakh of Foreign Currency Term Loan is secured by exclusive charge on certain imported machineries. This loan is repayable in half yearly instalments ending September 2018 and presently carries interest @0.50% p.a.

Term Loan from Banks of ₹46.41 lakh are secured by hypothecation of respective vehicles.

Term Loan from others of ₹80.62 lakh is secured by assignment of Keyman Insurance Policy and carries interest @9% p.a.

NOTE -4.2

All unsecured loans are interest free and carry no repayment schedule. These loans are subject to confirmation and reconciliation.

NOTE -5 OTHER NON CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for Employee Benefits	**339.46**	296.98
	339.46	296.98

NOTE -6 SHORT TERM BORROWINGS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Secured		
Loans Repayable on Demand		
Cash Credit from Banks	**1,480.59**	2,474.69
	1,480.59	2,474.69
Unsecured		
a) Short Term Loans Repayable on Demand		
Inter Corporate Deposits	**233.75**	196.14
b) Loans From Related Party		
From Director	**15.00**	-
	248.75	196.14
	1,729.34	2,670.83

NOTE -6.1

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.

NOTE -7 TRADE PAYABLES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Trade Payables		
For Goods	**2,000.55**	1,524.85
For Services	**996.45**	872.48
	2,997.00	2,397.33

NOTE -7.1

Trade Payables include outstanding to a related enterprise of ₹20.71 lakh (₹16.26 lakh).

NOTE -8 OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
a) Current maturities of Long Term Debt - Secured (refer Note 4)	**1,658.51**	1,690.93
b) Interest provided	**30.07**	321.18
c) Provision for Interest accrued but not due	**30.50**	28.28
d) Advance from Customers	**342.99**	422.40
e) Liability for Capital Expenditure	**165.58**	77.68
f) Statutory Dues	**91.95**	89.07
g) Others	**54.62**	37.96
	2,374.22	2,667.50

NOTE - 8.1

Advance from customers includes advance received from related enterprise of ₹15.58 lakh (₹65.69 lakh) and associate concern of ₹13.53 lakh.

NOTE -9 SHORT TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision For Employee Benefits		
a) Salary/Wages Payable	**451.01**	376.38
b) Contribution to Funds	**18.18**	14.05
c) Provision for Gratuity	**15.19**	20.31
	484.38	410.74

NOTE -10 FIXED ASSETS

(₹ in lakh)

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2016	ADDITION	DEDUCTION/ ADJUSTMENTS	As at 31.03.2017	As at 01.04.2016	ADDITION	DEDUCTION/ ADJUSTMENTS	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
	Tangible Assets:										
1	Land - Owned	468.46	13.52	61.25	**420.73**	-	-	-	-	**420.73**	468.46
	- Leasehold	29.82	-	-	**29.82**	5.01	0.30	-	**5.31**	**24.51**	24.81
2	Buildings	3,849.28	449.45	135.25	**4,163.48**	1,178.75	127.21	2.24	**1,303.72**	**2,859.76**	2,670.53
	- Lift	38.31	11.51	-	**49.82**	19.58	6.05	-	**25.63**	**24.19**	18.73
3	Plant & Machineries	13,808.91	2,426.77	59.52	**16,176.16**	9,718.46	502.18	43.74	**10,176.90**	**5,999.26**	4,090.45
4	Furniture & Fixtures	590.14	2.26	405.99	**186.41**	533.42	16.65	390.72	**159.35**	**27.06**	56.72
5	Vehicles	252.87	32.76	55.33	**230.30**	191.05	13.70	54.60	**150.15**	**80.15**	61.82
6	Office Equipments	147.60	3.62	23.76	**127.46**	132.95	5.20	23.76	**114.39**	**13.07**	14.65
7	Computers	269.89	19.26	155.45	**133.70**	241.37	9.23	155.45	**95.15**	**38.55**	28.52
8	Electrical Installations	915.98	125.05	11.78	**1,029.25**	554.75	129.66	10.95	**673.46**	**355.79**	361.23
9	Borewell	10.83	-	-	**10.83**	10.75	0.07	-	**10.82**	**0.01**	0.08
	Sub Total	**20,382.09**	**3,084.20**	**908.33**	**22,557.96**	**12,586.09**	**810.25**	**681.46**	**12,714.88**	**9,843.08**	**7,796.00**
	Intangible Assets:										
10	Computer Softwares	94.66	4.95	10.10	**89.51**	58.71	8.65	7.57	**59.79**	**29.72**	35.95
11	Hakoba Brand	170.55	-	-	**170.55**	170.50	-	-	**170.50**	**0.05**	0.05
	Sub Total	**265.21**	**4.95**	**10.10**	**260.06**	**229.21**	**8.65**	**7.57**	**230.29**	**29.77**	**36.00**
	Total	**20,647.30**	**3,089.15**	**918.43**	**22,818.02**	**12,815.30**	**818.90**	**689.03**	**12,945.17**	**9,872.85**	**7,832.00**
	Previous Year	**20,582.59**	**956.08**	**891.36**	**20,647.31**	**12,213.55**	**1,459.95**	**858.20**	**12,815.30**	**7,832.01**	
	Capital Work-in-progress									**35.88**	**335.78**
										9,908.73	**8,167.78**

NOTE 10.1

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) Capital Work in progress includes a sum of ₹35.88 lakh spent for ongoing expansion at Kala-amb unit.

NOTE -11 NON-CURRENT INVESTMENTS

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number of shares	**₹ in lakh**	Number of shares	₹ in lakh
Quoted Investments				
In Other Entities				
RLF Limited (listing suspended)	1,000	-	1,000	-
(Equity shares of Face Value of ₹10/- each)				
(Cost ₹5,566/- less provision made ₹5,565/-)				
Padmini Technologies Limited (listing suspended)	**68,939**	**-**	68,939	-
(Equity shares of Face Value of ₹10/- each)				
(Cost ₹1,756,253/- less provision made ₹1,756,252/-)				
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)				
Crystal Lace (I) Limited (Associate Concern) (Refer Note 37)	**4,400,000**	**725.01**	4,400,000	726.02
(Equity shares of Face Value of ₹10/- each)				
	4,469,979	**725.02**	4,469,979	726.03

NOTE -12 LONG TERM LOANS & ADVANCES

(₹ in lakh)

Particulars		As at 31.03.2017	As at 31.03.2016
a)	Capital Advances (unsecured, considered good)	199.80	515.18
b)	Security Deposits (unsecured, considered good)	160.46	159.77
c)	Income Tax Refund Receivable (net)	121.66	178.36
d)	Other Loans and Advances (unsecured, considered good)		
	Advances to Arcot Textile Mills Ltd.	898.00	962.00
	Other	-	175.00
		1,379.92	1,990.31

NOTE - 12.1

a) Capital advance of ₹199.80 lakh has been given to building contractors and to suppliers of plant & machineries at Dope Dyed Yarn unit at Kala-amb and Embroidery unit at Coimbatore.

b) 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 lakh 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, ₹207.00 lakh has been returned by ATML.

NOTE -13 OTHER NON CURRENT ASSETS

(₹ in lakh)

Particulars		As at 31.03.2017	As at 31.03.2016
a)	Fixed Deposit in Banks with more than 12 months maturity	**68.00**	72.00
b)	NSC	**1.25**	1.25
		69.25	73.25

NOTE -14 INVENTORIES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
(As certified by Management)		
a) Raw Materials	**1,148.28**	799.77
b) Work-in-progress	**593.80**	570.46
c) Finished Goods	**2,133.96**	1,492.19
d) Store & Spares	**71.24**	38.79
e) Packing Material	**44.71**	27.32
	3,991.99	2,928.53

NOTE -15 TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Unsecured		
Outstanding for a period more than six months from the date they are due for payment		
Considered Good	**596.20**	499.49
Considered Doubtful	**1,124.70**	1,124.70
Less: Provision for Doubtful Trade Receivables	**(1,124.70)**	(1,124.70)
	596.20	499.49
Others		
Considered Good	**1,983.75**	2,221.44
	2,579.95	2,720.93

NOTE -15.1

Trade receivables include outstanding from related party enterprise of ₹76.51 lakh (₹36.30 lakh)

NOTE -16 CASH & CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
a) Balances with Banks		
In Current Accounts	**102.99**	96.77
b) Cash in hand	**27.81**	76.70
	130.80	173.47

NOTE -17 SHORT TERM LOANS & ADVANCES

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
Short Term Loan & Advances (unsecured, considered good)		
a) Related Party		
Pioneer E-com Fashions LLP	**-**	1,032.75
b) Others		
Advances recoverable in cash or in kind	**75.02**	479.50
Loan & Advance to Staff	**41.11**	47.14
Prepaid Expenses	**18.70**	19.42
Other Advances and Balances	**23.06**	28.59
Claim Receivable from related party	**564.85**	567.25
	722.74	2,174.65

NOTE -18 OTHER CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31.03.2017	As at 31.03.2016
(Unsecured, considered good)		
Other Loans and Advances		
Accrued Export and Other Incentives	**168.01**	124.65
Insurance Claim Receivables	**17.00**	0.35
Interest Receivables (TUF)	**-**	0.79
	185.01	125.79

NOTE -19 REVENUE FROM OPERATIONS

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Sale of Products - Yarn, Embroidery Fabric & Laces		
Domestic Sales	**20,078.60**	20,858.32
Export Sales	**3,525.43**	4,252.52
Other Operating Revenue (including Export Incentives)	**223.87**	425.81
Gross Revenue from Operations	**23,827.90**	25,536.65
Less: Excise duty	**-**	-
	23,827.90	25,536.65

NOTE -19.1

Sales include sales made to related enterprises ₹576.13 lakh (₹715.11 lakh) and associate concern ₹Nil (₹456.29 lakh).

NOTE -20 OTHER INCOME

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest from Others	**26.05**	39.33
Adjustments to Carrying Amount of Loan given to JV	**-**	277.07
Profit on Fixed Assets sold (Net)	**111.89**	3.28
Liabilities/Provisions no longer required written back (refer note No 30)	**827.99**	1,742.98
Misc. Non Operating Income	**57.89**	290.84
Gain on Exchange Rate Difference (Net)	**(9.37)**	45.62
	1,014.45	2,399.12

NOTE -21 COST OF MATERIAL CONSUMED

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Cost of Raw Material Consumed		
Opening Stock	**799.77**	727.16
Purchases during the year	**13,806.02**	13,455.75
	14,605.79	14,182.91
Less:- Closing Stock	**1,148.29**	799.77
	13,457.50	13,383.14

NOTE -21.1

Purchases include trade purchases from related enterprises ₹65.53 lakh (₹62.34 lakh) and associate concern ₹0.89 lakh (₹1.28 lakh).

NOTE -22 CHANGE IN INVENTORIES

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Opening Inventories		
Work-in-Progress	**570.46**	466.19
Finished Goods	**1,492.19**	2,125.48
	2,062.65	2,591.67
Less: Closing Inventories		
Work-in-Progress	**593.80**	570.46
Finished Goods	**2,133.96**	1,492.19
	2,727.76	2,062.65
	(665.11)	529.02

NOTE -23 EMPLOYEE BENEFITS EXPENSE

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Salaries, Wages and Incentives	**2,900.57**	2,780.50
Contribution to Funds	**100.64**	95.64
Staff Welfare Expenses	**110.08**	123.45
	3,111.29	2,999.59

NOTE -24 FINANCE COSTS

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Interest expense		
a) Interest on Borrowings	**846.50**	808.28
b) Interest - Others	**62.90**	28.41
Other Borrowing Costs	**46.22**	59.10
Net Gain/Loss on Foreign Currency Transactions and Translation	**(26.09)**	45.81
	929.53	941.60

NOTE -25 OTHER EXPENSES

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Directors Remuneration	**148.16**	80.99
Directors Sitting Fees	**2.58**	1.28
Donations	**0.06**	0.13
Expenditure towards CSR activities	**7.35**	-
Insurance	**24.14**	18.24
Job Charges	**167.95**	239.48
Legal & Professional Fees	**149.69**	142.09
Miscellaneous Expenses	**529.25**	587.49
Packing Material Consumed	**947.77**	893.55
Payment to Auditors*	**13.88**	13.82
Power & Fuel	**1,965.50**	2,019.15
Prior Period Items	**13.50**	-
Rates & Taxes	**41.78**	38.89
Rent	**63.41**	77.05
Repair & Maintenance Buildings	**26.49**	16.90
Repair & Maintenance Plant & Machinery	**74.92**	98.48
Repair & Maintenance Others	**91.71**	78.79
Selling Expenses	**1,057.05**	1,202.18
Stores & Spares Consumed	**363.48**	354.39
Fixed Assets being obsolete written off	**26.60**	-
	5,715.27	5,862.90

*** Details of payment to Auditors**

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
a) for Statutory & Tax Audit	13.88	13.82
b) for Taxation Matter	-	-
c) for Other Services	-	-
	13.88	13.82

NOTE -26 EXCEPTIONAL ITEMS

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Doubtful Advances written off	**430.85**	1,708.23
Custom Duty on Capital Assets including provision for interest	**6.84**	140.43
Goodwill written off	**1,960.72**	-
Foreign Currency Translation Reserve written off	**294.31**	-
Provision for Doubtful Trade Receivable	**-**	85.66
Bank Liability written back on settlement (refer note No 31(b))	**-**	(1,585.38)
Loss in Sale of Investments	**-**	21.03
	2,692.72	369.97

NOTE -26.1

a) Doubtful advance of ₹430.85 lakh has been written off during the year by subsidiary Hakoba Lifestyle Ltd.
b) Company has written off Goodwill and Foreign Currency reserve during the year created from consolidation of subsidiaries.

NOTE - 27 CONTINGENT LIABILITIES

(₹ in lakh)

	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
a)	Bank Guarantees Outstanding.	**77.24**	77.24
b)	Estimated amount of contracts remaining to be executed on Capital Accounts (Net of advances).	**167.34**	834.55
c)	Demand raised by Excise Department in respect of which appeal has been filed.	**33.58**	46.14
d)	Demand raised by Income-tax Department in Block Assessment order U/s 158A for the period from FY 1998-99 to FY 2003-04 in respect of which appeal has been filed with CIT (Appeal).	**49.01**	49.01
e)	Other Income Tax matters pending in appeal.	**13.33**	13.33
f)	Unpaid Dividend on 9% Optionally Convertible Cumulative Redeemable Preference Shares(OCCRPS)	**1,135.49**	1,124.94
g)	Custom Duty on Capital Goods and Raw Materials imported under Advance Licence / EPCG Scheme, against which export obligation is to be fulfilled.	**563.47**	72.72
h)	Service Tax demand raised by the Service Tax Department.	**123.85**	128.08
I)	VAT/Sales Tax demand raised by the Sales Tax Department	**25.89**	25.89
j)	Sundry Cases in Labour Court and Industrial Court regarding overtime and backwages being contested by the Company. Quantum is not ascertainable.	N A*	N A*

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.

NOTE-28 Some of the fixed deposits and bank accounts are subject to confirmations though reconciled with available bank statements. Some of the secured and unsecured loans are also subject to confirmations though reconciled with bank statements.

NOTE-29 In the opinion of the management, there is no impairment of assets as on Balance Sheet date.

NOTE-30 a) The Company has fully paid off dues of Corporation Bank in terms of OTS arrived at with the bank. Accordingly, the Company has reversed the interest liability of ₹28.33 lakh. The OCCRPS of ₹182.28 lakh held by the Bank were surrendered by them in terms of OTS and same were cancelled and credited to Capital Reserve.

b) Loans of HDFC Bank Ltd was assigned by the banks to Kotak Mahindra Bank Ltd (KMBL) during FY 2015-16. The Company has arrived at a settlement with KMBL. The necessary adjustments in the books will be done after the due compliance of terms and conditions of the settlement.

c) The Company has fully paid off its dues of Standard Chartered Bank (SCB) in terms of OTS arrived at with the bank. Accordingly the Company has reversed the interest liability of ₹799.65 lakh and the principal amount of ₹475.00 lakh. The Company has treated the interest reversal as monetary item and has credited to Statement of Profit and Loss and treated the principal amount as non- monetary item and credited the same to Capital Reserve.

NOTE-31 As per management, 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.

NOTE-32 The sundry debit and credit balances including receivables, payables and advances to suppliers, advances from customers and deposits are subject to confirmation and reconciliations, the effect of which is not known.

NOTE-33 Dues to Small Scale Industries undertakings and dues to Micro Enterprises and Small Enterprises:

The Company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since, the relevant information is not readily available; no disclosures have been made in the Accounts. However, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

NOTE-34 The Company operates in a single segment of Textiles.

NOTE-35 Disclosure in respect of Specified Bank Notes held and transacted during the period from 08.11.2016 to 30.12.2016 :

(₹ in lakh)

	SBN (Specified Bank Notes)	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	58.48	22.07	80.55
(+) Permitted receipts	-	-	-
(-) Permitted Payments	-	-	-
(-) Amount Deposit in Banks	58.48	-	-
Closing cash in hand as on 30.12.2016	-	-	-

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

The disclosures with respects to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Banks' and 'Closing Cash in Hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

NOTE-36 Earning per Equity Share

Particulars		Year Ended 31.03.2017	Year Ended 31.03.2016
Net Profit/(Loss) for the year attributable to Equity Shareholders (₹ in lakh)		**(1,739.01)**	1,727.50
Weighted Average Number of Equity Shares of ₹10 each (fully paid-up)		**20,012,108**	18,430,651
Earning per Share-	Basic (₹)	**(8.69)**	9.37
	Diluted (₹)	**(8.69)**	8.05

NOTE-37 Investment in Equity Shares of Associate

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Crystal Lace (I) Limited	**440.00**	440.00
Add: Share of Accumulated Profits/(Losses)*	**286.02**	296.12
Add: Share of current year Profits/(Losses)	**(1.01)**	(10.10)
	725.01	726.02

* Since Acquisition

NOTE -38 Related Party Disclosures

a) Names of Related Parties and Nature of Relationships

i	Associate Concerns	Pioneer E-Com Fashions LLP Reach Industries Pvt. Ltd. Crystal Lace (I) Ltd.
ii	Key Management Personnel	Shri Raj Kumar Sekhani Shri Harsh Vardhan Bassi
iii	Relative of Key Management Personnel & their Enterprises	Smt. Bimla Devi Sekhani Shri Aarav Sekhani Shri Vishal Sekhani Shri Ratanlal Sekhani Raj Kumar Sekhani (HUF) M/s J J Sons M/s J J Enterprises Kiran Industries Pvt. Ltd. Thakurdas & Co. Pvt. Ltd. Kiran Texpro Pvt. Ltd.

b) Transactions during the year

(₹ in lakh)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Nature of Transaction		
i) Sales		
Relative of Key Management Personnel & their enterprises	**576.13**	715.11
Associate Concerns	**-**	456.29
ii) Purchases		
Relative of Key Management Personnel & their enterprises	**65.53**	62.34
Associate Concerns	**0.89**	1.28
iii) Payment for Other Services		
Key Management Personnel (Remuneration to Whole Time Directors)	**148.16**	80.99
Relative of Key Management Personnel & their Enterprises	**54.78**	20.76
iv) Guarantee Taken		
Associate Concerns	**500.00**	3,500.00
Relative of Key Management Personnel & their enterprises	**500.00**	2,200.00
v) Loan & Advances Given/(taken)/(recovered)		
Associate Concerns	**(1,035.15)**	(41.72)
Key Management Personnel	**(15.00)**	-
vi) Balance outstanding as at the year end		
Associate Concerns	**567.18 Dr**	1,638.25 Dr
Key Management Personnel	**20.79 Cr**	3.47 Cr
Relative of Key Management Personnel & their enterprises	**5.43 Cr**	48.84 Cr

NOTE-39 The previous year's figure have been regrouped and reclassified to confirm to current year's classification.

NOTE-40 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates

Name of Enterprises	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit/(Loss)	
	As a % of Consolidated Net Assets	Amount (₹ in lakh)	As a % of Consolidated Profit	Amount (₹ in lakh)
Parent				
Pioneer Embroideries Ltd.	97.92	8,110.62	11.85	205.92
Subsidiaries				
Indian				
Hakoba Lifestyle Limited	4.57	378.91	18.18	315.92
Mas Embroideries LLP				
(formerly known as Mas Embroideries Pvt. Limited)	(0.01)	(0.44)	(0.12)	(2.08)
Pioneer Realty Limited	(0.02)	(2.00)	(0.01)	(0.14)
Foreign				
S.R Investments Limited	-	-	(7.02)	(121.94)
Subtotal		**8,487.09**		397.68
Inter-company Elimination & Consolidation Adjustments	(2.47)	(204.26)	(122.88)	(2,135.67)
Grand total		**8,282.83**		(1,737.99)
Share of Profit in Associate				(1.01)

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/Associate company

Part "A": Subsidiaries (₹ in lakh)

Sr. No.	Particulars	Name of Subsidiary			
		Hakoba Lifestyle Ltd.	Mas Embroideries LLP@	Pioneer Reality Ltd.	S.R Investments Ltd. @@
(a)	Reporting Period	April to March	April to March	April to March	July to June
(b)	Reporting Currency	INR	INR	INR	USD
(c)	Share Capital	484.63	299.73	5.00	-
(d)	Reserve & Surplus	(105.72)	(300.17)	(7.00)	-
(e)	Total Assets	909.39	0.23	0.31	-
(f)	Total Liabilities	909.39	0.23	0.31	-
(g)	Investment other than Investment in Subsidiary	-	-	-	-
(h)	Turnover	6.26	-	-	-
(I)	Profit/(Loss) before Taxation	315.92	(2.09)	(0.14)	207.12
(j)	Provision for Taxation	-	-	-	0.04
(k)	Profit/(Loss) after Taxation	315.92	(2.09)	(0.14)	207.08
(l)	Proposed Dividend	-	-	-	-
(m)	% of shareholding	-	-	-	-

@ Formerly known as Mas Embroideries Pvt. Ltd.

@@ The Company has liquidated its wholly owned subsidiary S.R Investments during the year. Its accounts has been prepared by management upto 05.02.2016 (date of winding up).

Part "B": Associate (₹ in lakh)

Sr. No.	Particulars	Name of Associate
		Crystal Lace (I) Ltd.
(a)	Latest Audited Balance Sheet Date	31.03.2016
(b)	Shares of Associate held by the Company at year end	
	-No.	4,400,000
	-Amount of Investment in Associate	440.00
	-Extent of Holding %	44.58
(c)	Net worth attributable to Shareholding as per latest audited Balance Sheet	159.11
(d)	Profit/(Loss) for the year	
	-Considered in Consolidation	(1.01)
	-Not considered in Consolidation	(1.26)
(e)	Description of how there is significant influence	Due to % of Equity Share Capital
(f)	Reason why the associate is not consolidated	N.A

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm Regn Number: 121426W)

For & on behalf of the Board

MAHESH BHAGERIA
Partner
Membership Number: 034499

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

NAWAL SHARMA
Chief Financial Officer

AMI THAKKAR
Company Secretary

Place: Mumbai
Date: 29th May, 2017

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 Fifth Annual General Meeting to be held on Tuesday, the 29th August, 2017 at The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai- 400064 at 9.30a.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
170714004	

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. 17 to the Notice of 25th Annual General Meeting. The Voting period starts from 09.00 a.m. on Saturday, August 26, 2017 and ends at 5.00 p.m on Monday, August 28, 2017. The voting module shall be disabled by CDSL 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 Fifth Annual General Meeting to be held on Tuesday, the 29th August, 2017 at The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai-400064 at 9.30 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 31 March, 2017 and the Report of the Directors and the Auditors thereon.		
2.	Re-appointment of Mr. Harsh Vardhan Bassi, who retires by rotation.		
3.	Appointment of M/s. S K Naredi & Co. (ICAI Regn. No. 003333C), Chartered Accountants as Statutory Auditors and to fix their remuneration.		
4.	Regularization of Appointment of Mrs. Sujata Chakravarty (DIN 07584280) as an Independent Director of the Company.		
5.	Regularization of Appointment of Mr. Gangadharan Panicker (DIN 07735379) as an Executive Director of the Company.		
6.	To approve payment of remuneration to Mr. Gangadharan Panicker (DIN 07735379).		
7.	To approve issue of 1,96,078 Equity Shares of the Company on preferential basis to Kotak Mahindra Bank Limited.		
8.	Re-appointment and payment of remuneration of M/s. Vipul Bhardwaj & Co., as Cost Auditors & Fixing their remuneration.		

Signed this..... day of.....2017.

Affix Revenue Stamp of Rs.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.

Embroidery & Bobbin Lace Unit
Sarigam, Gujarat





Embroidery & Bobbin Lace Unit
Coimbatore, Tamilnadu







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

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