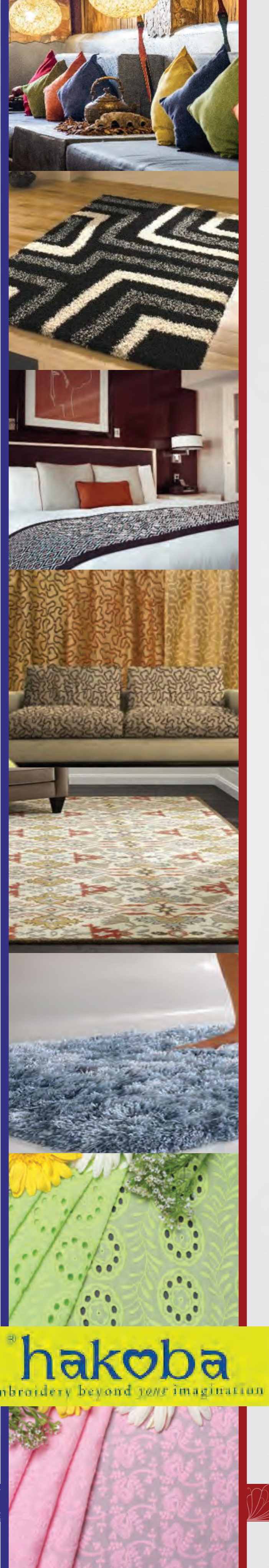
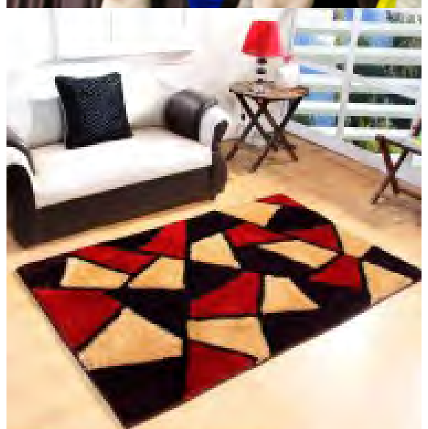
PIONEER GROUP

PIONEER EMBROIDERIES LIMITED

SILKOLITE
Scale to Value....



29TH ANNUAL REPORT 2020-21



Content

SCAN ME

This Annual Report can be downloaded from our website at
https://www.pelhakoba.com/wp-content/uploads/2021/06/Pioneer-29th-Annual-Report-2020-2021.pdf

GROWING BIGGER

We commit to transform our customers' aspirations into a reality. With the objective of promoting balanced and sustainable growth, we position ourselves as a true customer-centric manufacturer of yarn, embroidery and laces. This approach is backed by exceptional execution capabilities, R&D and global presence.

DRIVING STRONGER

Our unparalleled breadth of experience has allowed us to stay strong even in challenging market scenarios and set new standards of excellence in the Specialty Polyester Filament Yarn world. The Company is prepared to thrive in the coming years with the correct product mix and strong portfolio.

CREATING NICHE

Our commitment to be better is reflected in our journey to be more responsible, efficient and value-driven. We have an unwavering environmental, social, and governance emphasis that is influenced by every decision we make, in addition to our business objectives.

PIONEER GROUP

Company Overview

Established in 1991 by Mr Raj Kumar Sekhani, Pioneer Embroideries Limited ("PEL") is one of India's notable manufacturer and exporter of value-added Specialized Polyester Filament Yarn (SPFY) and Embroidery & Laces (EL).

It has a state-of-the-art SPFY manufacturing facility at Himachal Pradesh, and three Embroidery & Laces manufacturing facilities in Gujarat, Dadra & Nagar Haveli and Tamil Nadu. Along with a wide marketing presence at all the major markets. Its Coimbatore facility is also certified as per **GOTS** (Global Organic Textile Standard), an internationally recognized standard.

Within a few years, PEL has carved a permanent niche for itself in the SPFY business worldwide, with best-in-class quality under the **SILKOLITE** brand. PEL has a yarn capacity of about 18,000 MT pa. The Company's products find application mainly in the non-apparel segment, used in carpets, bath mats, upholstery fabrics, and curtains. PEL became one of the first textile Company to create a brand in a highly commoditized yarn business.

PEL has a capacity of around 14 mn meters for braided laces and about 1,700 mn stitches of embroidery. PEL's products enjoy premium in the marketplace because of better quality, designing, and capacity. Owners of the heritage brand – **Hakoba** – PEL has over the years added strength to the brand by building upon an extensive library of embroidery designs, making Hakoba synonymous to high-quality embroidery across the world.

Pioneer Group has established an impeccable reputation and carved a permanent niche in the industry throughout the world.

The Company is listed on NSE **(PIONEEREMB)** and BSE **(514300)**.

Mission

Pioneer is dedicated to delivering products and services with integrity and accountability using both proven and innovative methods

Vision

To make pioneer place of choice to work and grow

Key Facts & Figures

FY21 - Standalone

Revenue	EBITDA	PAT	Book Value
₹ 226 Cr.	₹ 29.4 Cr.	₹ 19.7Cr.	₹ 43.01
	Margin 12.9%	Margin 8.7%	

Over 3 Decades Of Experience In Manufacturing Yarn, Embroidery And Laces

Footprints in 25+ Countries

1000+ Team Members Embracing Our Culture And Delivering Value

Direct & Indirect Exports Contribute Over 60% To The Total Revenue

4 Manufacturing Facilities
One Of SPFY
Three Of EL

Capacity

Optimally Utilised Manufacturing Capacity

18,000+ MTPA Of SPFY

14+ Million Meters Of Braided Laces

1,700+ Million Stitches Of Embroidery

300,000+ Designs In Library
Embroidery & Laces

1200+ Colour Shades In Library
Specialized Polyester Filament Yarn

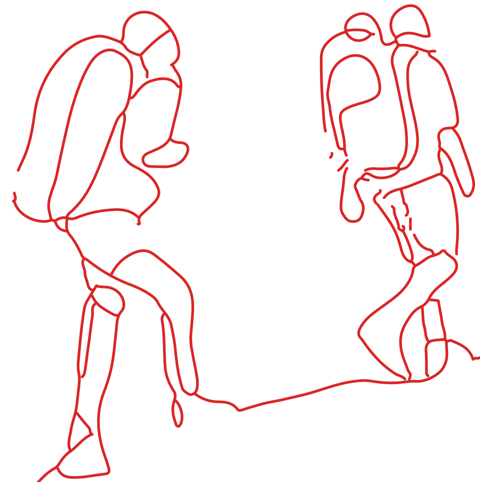
Integrated Manufacturing Operations

Key Brands

SILKOLITE Scale to Value....

hakoba Embroidery beyond your imagination

Journey So Far



1991
Mr. Raj Kumar Sekhani incorporated Pioneer Embroideries Ltd.

1994
Setup first embroidery manufacturing plant at Sarigam, Gujarat

1995
Setup marketing offices at Mumbai, New Delhi, Kolkata and Chennai

1996
Setup braided lace unit at Silvassa

1997
Expanded embroidery capacity by introduction of new plant at Naroli

1998
Setup embroidery dyeing and processing facility at Sarigam

1999
Expanded Braided Lace unit capacity by ten-folds

2000
Acquired an Embroidery Unit at Coimbatore

2001
Acquired the Hakoba Brand.

2002
Set up New State of the art Embroidery Manufacturing facility

2005
Expanded Embroidery manufacturing capacityat Naroli

2006
Started greenfield project of Dope Dyed Yarn (Now SPFY) facility in Kala-amb H.P

2007
Dope Dyeing Yarn (Now SPFY) plant of 4,800 MTPA commissioned

2008
Set up New State of the Art Braided Lace unit at Silvassa & Coimbatore

2009
Expansion of Dope Dyed Yarn (Now SPFY) business to 7,200 MTPA

2011
Expansion of Dope Dyed Yarn (Now SPFY) business to 12,000 MTPA. Also embarks on debt resolution with lenders

2012
Crossed ₹2,000 mn turnover for the first time, despite macro headwinds

2014
Developed specialized yarn. SPFY turnover on standalone surpasses ₹2,000 mn

2015
Successfully completes resolution of a major part of its outstanding debt

2017
SPFY capacity increased to 18,000 MTPA, Company enters DTY segment

2018
Company overcomes GST headwinds, weak domestic demand and declining exports, to register operational cash profits

2019
Turnaround performance in profitability. Notable growth in exports, turnover, gross and cash profits

2020
Maintains profitability in tough business scenario. Succeeds in lowering its overall borrowings by more than ₹230 mn

Manufacturing Units

Kala-Amb, Himachal Pradesh

State of the art plant makes
SPFY

Latest technology usage
Value added equipments

Capacity
18,000 MTPA

Sarigam, Gujarat

Embroidered - Fabric & Guipure, Embroidered material (Schiffli machines)

Braided Laces (Bobbin Lace machines)

Capacity (Embroidery)
385 mn stitches

Capacity (Lace)
7 mn metres

Coimbatore, Tamil Nadu

Embroidered fabrics, Allover fabrics and Laces (Schiffli machines)

Braided Laces (Bobbin Lace machines)

Capacity (Emb)
496 mn stitches

Capacity (Lace)
7.14 mn metres

GOTS certificated plant

Naroli, Dadra & Nagar Haveli

Embroidered fabrics, Allover fabrics and Laces (Schiffli machines)

Capacity
830 million stitches

Base for export orders

Assurance Of High Quality & Sustainable Future

Every kilogram of yarn consumes 35 litres of precious water to produce solution-dyed yarns. The Company's SPFY process is totally without water and generates zero effluents, making it a very ECO-FRIENDLY method. So in effect, a saving of 1.9 Million litres of water every day or 4.2 Million barrels per annum is equivalent to almost 260 full-size Olympic swimming pools. The primary focus is on R&D on Inter Fibre replacements, mainly targeting Natural Fibres and replacing Solution Dyed Yarns.

The Company has successfully achieved **Global Recycled Standard (GRS) 4.0** label (yarns made from PET bottles to capture sustainability tag) for its entire product range after due inspection and assessment by independent certification agency ONE CERT.

The Company is certified for **Oeko Tex standards**. The Standard 100 by Oeko-Tex is the product label for textiles tested for harmful substances with the largest prevalence worldwide. This certifies use of safe chemicals/dyes in the entire manufacturing process of making dyed yarns.

GOTS is a textile production certification that limits the use of toxic bleaches, dyes and other chemical inputs during the production process of textiles. PEL has a GOTS certified facility at Coimbatore.

ISO 14001 is the international standard that specifies requirements for an effective environmental management system (EMS). PEL's Himanchal Pradesh facility is certified with ISO 14001

ISO 9001 is defined as the international standard that specifies requirements for a quality management system (QMS). This demonstrates the ability of the Company to consistently provide products and services that meet customer and regulatory requirements.

Crafting Sustainable Business To Create A Future For Our People, Communities And The World.

Business Verticals

SILKOLITE Scale to Value....

Specialty Polyester Filament Yarn

- Air Texturised Yarns
- Carpet Yarns
- Twisted Yarns
- Fully Drawn Yarn
- Draw Textured Yarns
- Partially Oriented Yarns

hakoba Embroidery beyond your imagination

Retail

- Embroidery Fabrics
- Salwar Kameez Dupatta (SKDs)
- Sarees
- Garments

Embroidery & Laces

- Guipure All Over & Laces
- Fabric All Over & Laces
- Braided Laces
- Fancy Laces

PIONEER GROUP

SILKOLITE Scale to Value....

Creating A Niche For Its Eco-Friendly Product Portfolio

Brand: PEL is possibly the first Indian company to create a brand: "SILKOLITE" in a commodity product like yarn.

Sustainable Business: The Specialty Polyester Filament Yarn (SPFY) business has emerged as a profitable venture and a good diversification for the Company. In SPFY, the yarn is dyed at the polymer stage. Then, before the extrusion process, the polymer solution is mixed with a pigment and the extruded yarns are coloured with excellent colour variations and fastness.

ECO-Friendly Production Process: The Dope dyed process does not use water and generates zero effluents, making it a very ECO-FRIENDLY method. The Company saves around 1.9 Million litres of water every day

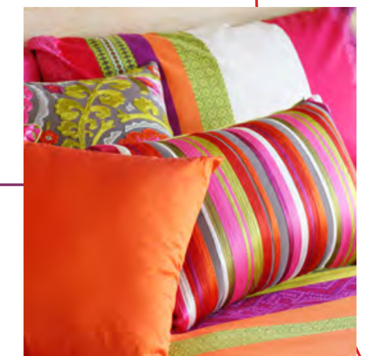
Type of SPFY: Air Texturised Yarns, Carpet Yarns, Twisted Yarns, Fully Drawn Yarn, Draw Textured Yarns, and Partially Oriented Yarns

SPFY End Use: SPFY produced by PEL finds use in Technical textiles like Flame Retardants yarns, Recycled yarns, Anti-Microbial yarns, UV Stabilized yarns, Easy Dye-able and other Fancy Yarns, which are capable of replacing natural fibres like Cotton, Viscose and Wool.

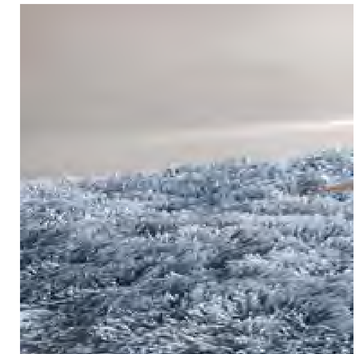
State-of-the-art Manufacturing: PEL setup a Specialty Polyester Filament Yarn (SPFY) manufacturing facility in Kala-amb, Himachal Pradesh, in 2007, sensing that this niche industry will need manufacturers to supply a wide range of quality products at user-specific order sizes. PEL's SPFY plant at Kala Amb, Himachal Pradesh, is today one of the most unique (end to end solution) plants in India and probably in the whole of South-East Asia.

Customer-centric Approach: PEL has garnered a notable market presence in this vertical with over 1,200 shades and customised order quantities according to customer requirements, even as low as 500 Kilos; this ability sets PEL apart from the competition.

www.silkolite.in

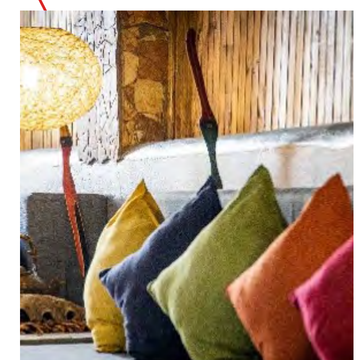


Air Texturized Yarns

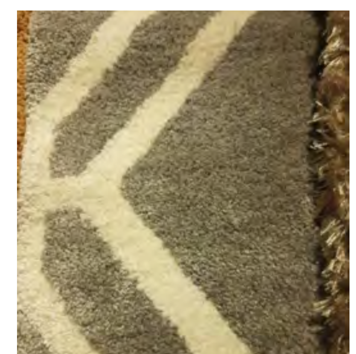


Carpet Yarns

Twisted Yarns



Fully Drawn Yarn



Draw Textured Yarns

Partially Oriented Yarns

hakoba
Embroidery beyond your imagination

Exclusive, Affordable, Fashionable And Sustainable

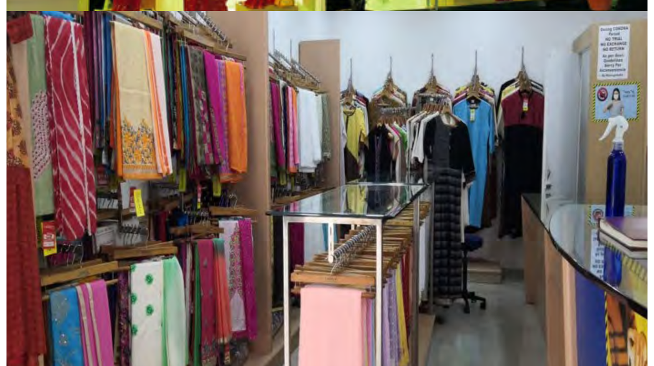
Heritage Brand: "HAKOBA", a heritage brand since 1961, expresses the romanticism of the union of the needle and thread through its intricate creations of a wide range of luxury textile products. In 2001 Pioneer bought over the brand and relooked at the entire product portfolio.

Organic Fabrics: As part of strengthening its sustainability objectives, the Hakoba brand now offers organic textile products manufactured by PEL, which holds the GOTS certification, certifying conformance to organic production materials and methodologies.

www.hakoba.in: PEL has revamped and relaunched its website www.hakoba.in with a wide range of premium textile products, including organic variety and designs that expand its demographic presence beyond its traditional and online marketplace (Like Amazon etc.).

Product Offerings: Currently, the retail outlets are selling Sarees, Salwar Kameez Duptta, Fashion Fabrics. Hakoba also added men's wear in its portfolio, such as Unstitched and Stitched Kurta Pyjama. However, plans are underway to introduce ready-to-wear women apparel such as Tops, Tunics which will hit the Company's website & retail stores by the September 2021. Besides cotton, other base fabrics like silks, man-made blends, net, etc., were also incorporated. In addition, Hakoba retail has expanded its reach by adding private labels under the Hakoba umbrella to add fashion and home furnishing allied products in its offerings.

Going Upward: Hakoba - the word itself conjures up images of embroidery. The brand is positioned as a store brand rather than a product brand. Hakoba offers something for everyone. Already, Hakoba occupies a unique mind pace among its customers, and the recall is exceptionally high. What was needed was a new avatar, which Pioneer is now providing, keeping the current market dynamics in mind. When the fashion history for Generation Z is written, Hakoba would be a preferred brand.



Embroidery & Laces

Striving For Growth Through Continuous Enhancement

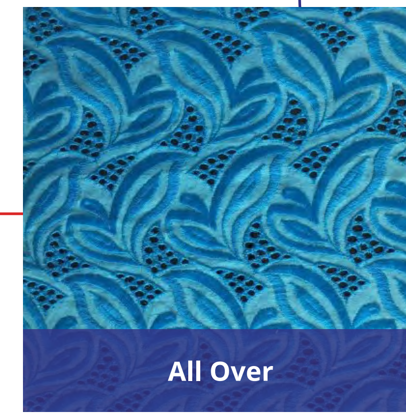
PAN India Presence: The Company has multiple embroidery and lace manufacturing facilities across the country in Sarigam (GJ), Naroli (D&NH) and Coimbatore (TN), along with a marketing presence at all the major markets, including Delhi NCR, Tirupur, Chennai, Mumbai, Kolkata.

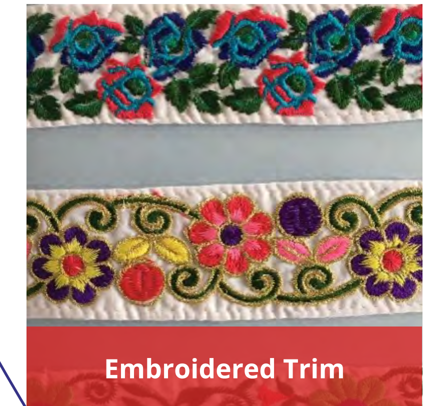
Pricing Power: PEL's embroidery products enjoy a premium in the marketplace because of better quality, design, and capacity.

GOTS Certified Plant: In pursuance of its sustainability objectives, PEL enjoys GOTS certification for its Coimbatore manufacturing facility. This has helped PEL's manufacturing facility become an approved vendor to Inditex (Zara retail) for embroidery.

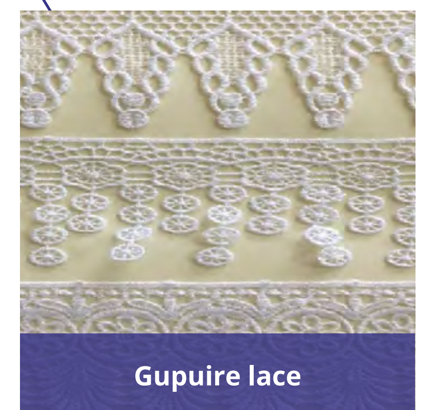
Product Development: The Company has a highly talented & skilled design development team, which constantly works towards creating new designs to fulfil the ever-evolving expectations in sync with global fashion trends.

Design Library: PEL's Design Library consists of over 3,00,000 plus embroidery designs, rooted and inspired by the Indian culture.


All Over


Embroidered Trim


Gupuire All Over


Gupuire lace


Lurex lace


Torchon All Over

Corporate Information

BOARD OF DIRECTORS

MR. RAJ KUMAR SEKHANI
Chairman
(DIN:00102843)

MR. HARSH VARDHAN BASSI
Managing Director
(DIN:00102941)

MR. GANGADHARAN KANDAM RAMA PANICKER
Executive Director
(DIN:07735379)

MR. SAURABH MAHESWARI
Executive Director
(DIN:00283903)

MR. JOGINDER KUMAR BAWEJA
Independent Director
(DIN:01660198)

MR. GOPALKRISHNAN SIVARAMAN
Independent Director
(DIN:00457873)

MS. SUSHAMA BHATT
Independent Director
(DIN:09168896)

BANKERS

UNION BANK OF INDIA
KOTAK MAHINDRA BANK LTD

CFO

MR. DEEPAK SIPANI

COMPANY SECRETARY & COMPLIANCE OFFICER

MS. AMI THAKKAR

STATUTORY AUDITORS

S. K. Naredi & Co.
Chartered Accountants

MANUFACTURING UNITS

1. 1637-1639, G.I.D.C. Sarigam, Dist. Valsad, Gujarat – 396 155
2. Primer Industrial Estate, Survey No.678/1/2, Village Naroli, Silvassa, (U.T.)-396 203
3. Mettupalaym Road, Chinnamaddampalayam, Billichi Post, Coimbatore – 641 019
4. 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 (SPFY):
807 & 808, ITL Twin Towers, Plot No. B-09, Netaji Subhash Place, Pitampura, New Delhi – 110 034

Mumbai Marketing Office:
Navyug House Building, Room #26, 1'st Floor, Old Hanuman Lane, Kalbadevi, Mumbai-400002

NCR Office:
Plot # 138, H Block, New Palam Vihar , Phase -1, Gurgaon , Haryana, -122017

Surat Office:
Kiran Compound, Near A P Market, Udhna, Surat – 394 210

Tirupur Office:
Door No 6(1)/25, Duraisamypuram, 1st street, PN Road, Tirupur-641602

Telephone No.	: 91-22- 4223 2323
Fax No.	: 91-22- 4223 2313
Website	: www.pelhakoba.com; www.silkolite.com
E-mail Address	: mumbai@pelhakoba.com
CIN	: L17291MH1991PLC063752
Listing	: BSE Limited and National Stock Exchange of India Limited
ISIN for Demat	: INE156C01018

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd., C101, 247 Park, L.B. S. Marg, Vikhroli (West), Mumbai- 400083
Telephone No. : 91-22- 4918 6000 / 4918 6270
Fax No. : 91-22- 4918 6060

Core Team

"The right blend of experience and expertise

Mr. Raj Kumar Sekhani
Chairman | **Age:** 61 Years

A Commerce Graduate from Calcutta University. He is the Promoter-Director and Executive Chairman of the Company. He has been involved in the activities of manufacturing and trading in garment accessories, including embroidery fabrics, laces and knitted fabrics, for more than two decades, much before he promoted the Company. His niche area of expertise and contribution has been formulating the overall Company policies and taking care of the domestic as well as global marketing of the Company's products.

Mr. Harsh Vardhan Bassi
Managing Director | **Age:** 46 Years

A Graduate in Commerce Stream from Punjab University, and took to business at a very young age. Delving into manufacturing, business development, marketing and other business verticals, he has gained tremendous experience in International marketing of textiles, having successfully interacted with renowned labels worldwide. Mr Bassi has been on board of Pioneer Embroideries Limited since 2003 and elevated as Managing Director in May 2014.

Mr. Gangadharan K R Panicker | *Executive Director*
Age: 66 Years | **Experience:** 42+Years
Qualification: Diploma - Textile Technology

Mr. Saurabh Maheshwari | *Executive Director*
Age: 42 Years | **Experience:** 21+Years
Qualification: CA

Mr. Deepak Sipani | *CFO*
Age: 47 Years | Experience: 22+Years
Qualification: CA

Mr. DNN Rao | *CEO SPFY*
Age: 56 Years | **Experience:** 32+Years
Qualification: B.Tech - Textiles

Mr. Sandeep Sharma | *President, Head Marketing-EL*
Age: 46 Years | **Experience:** 20+Years
Qualification: B.Com

Mr. Kuntal Kumar Pandit | *Sr. VP – Corporate Affairs*
Age: 52 Years | **Experience:** 32+Years
Qualification: Engineer - Elec. & Industrial Elec.

Mr. Manoj Pillay | *Sr. VP - International Trade-EL*
Age: 48 Years | **Experience:** 26+Years
Qualification: B.Com

Mr. B S Khulbe | *Marketing Head SPFY*
Age: 54 Years | **Experience:** 30+Years
Qualification: MBA - Marketing, B Tech - Textiles

Mr. Aarav Sekhani | *VP - Marketing*
Age: 36 Years | **Experience:** 12+Years
Qualification: MBA

Mr. Vishal Sekhani | *VP - Finance and Retail*
Age: 32 Years | **Experience:** 8+Years
Qualification: CA

Letter From Chairman

The Company has enormous long-term growth potential

Dear Shareholders,

It is a great honor for me to address the fellow members of the Pioneer family. People's lives, livelihoods and general well-being are being affected by the global pandemic and ongoing lockdowns. On behalf of the Company, I take this opportunity to extend my heartfelt condolences to everyone who has suffered a loss of family or friends on account of this pandemic. We as a responsible organization have been standing in unity as one Pioneer family, helping the lives we could touch upon in these adverse conditions.

Unprecedented times like these define an organization's strength and demonstrate the values it stands for. Our focus is on ensuring health, safety and well-being of all our employees and service providers. While we faced many challenges on the business front, I am proud to state that not a single person working in Pioneer lost his job. Instead, we all came together as a family and successfully tackled this unparallel situation.

However, we have taken advantage of this opportunity to revive ourselves and evolve with the changing times as a Company with global presence. We see huge potential in Specialized Polyester Filament Yarn (SPFY), embroidery & laces business and continue to invest in our brands, Silkolite & Hokoba. Also SPFY business will continue to drive the future growth of the Company due to its unique approach for providing end-to-end solutions.

Incidentally we had set up our first greenfield project to manufacture SPFY amidst Global financial crisis, high crude oil price and general stress. We were also having debt servicing concerns at that time, but despite these setbacks we were able to carve a niche for ourselves in SPFY by creating the Silkolite brand. Today, Silkolite is an established brand in a highly commoditised field. It has created an excellent recall among our customers because of wide range of quality products at user-specific order size. Hakoba being our heritage brand focuses more on the retail segment and delivers affordable, fashionable and exclusive products. Basis on in-depth research on customer's preference, we continue to add products in our portfolio for growing bigger.

I am happy to share that your Company has emerged stronger with the help of an experienced team, best in class manufacturing units which includes our colour and design library. Our strengths are driving us to create higher value and more impactful solutions for our stakeholders.

- Wide range of product offering
- Experienced Board & Team
- Strong focus on sustainability

During the year, Company's financial performance was badly affected by the pandemic in the first quarter but revived in the next three quarters. In FY2020-21 the Company delivered a Revenue of ₹22,597 lakhs, EBITDA margin stood at 12.9% and Profit at ₹1,967 lakhs. Interestingly, the combined EBIDTA of SPFY buisness during the last two years, i.e. FY 2019-20 and FY 2020-21, stands higher than the project cost of ₹50 crores that the Company had spent while establishing the first Greenfield yarn project.

With great optimism, we have set ourselves up to be a future-ready Company by putting in place robust systems and processes to help us navigate the new normal. We commit to keep growing in order to meet the needs of our customers, employees and shareholders. We wish to express our sincere gratitude to all our stakeholders for their aid, support and cooperation. We would like to express our heartfelt appreciation for all workers' tireless efforts, commitment and contribution to the Company.

With Warm Regards
Raj Kumar Sekhani

Letter From Managing Director

We have created a robust Customer centric organisation with Stable Growth & Strong Margins

My Dear Pioneer Family Members

I am happy to share the performance of your Company over the last one year. It was a momentous time for all with induced lockdowns and lack of opportunities. The pandemic has coerced people all over the world to make changes in their way of working and living.

Financial year 2021, started on a challenging note for your Company with the first quarter performance being below par on the account of the pandemic. But your Company improved its performance to end the year on a strong note. I believe it is because the nimbleness that your Company has in its DNA. Now, I am sure that we can look forward to better times as individuals and as a Company.

Now, let me give you an overview of your Company's performance in the last financial year. Though our turnover was down by 5% to ₹22,597 lakhs, our full year Profit After Tax was up by 137% - to ₹1,966 lakhs. This is on the account of your Company being aggressively EBIDTA focused. Because we are agile, we were able to look for opportunities to grow our business. Just to illustrate, at the beginning of FY21, we knew that our embroidery products will continue to struggle on the account of pandemic; we immediately increased the marketing efforts in the Specialized Polyester Filament Yarn (SPFY). This change helped us recover the ground we lost at the beginning of the year in the last quarter. On the export front also, we aggressively promoted our Silkolite, our SPFY brand among intermediary's exporters. These are companies who buy yarn and then make a finished product for export. We also looked to expand into end users markets like Home Furnishings, Upholstery, etc. At the same time we reach out to geographies where we had not exported earlier. We also tried increase the quantum of orders from our existing export clients.

During FY2021, the Company reported a de-growth of about 5% primarily on account of the weak sales in first quarter due to pandemic and the curtailed economic activity level. Higher yarn realization and operational efficiencies resulted into strong operational profit growth for FY21 at ₹2,944 lakhs against ₹2,094 lakhs in FY20 with operating margin improved to 12.9% from 8.7% in FY20. For the year under review Domestic sales were at ₹18,155 lakhs and exports were ₹4,442 lakhs driven primarily by SPFY business which reported revenue of ₹20,153 lakhs while EL business reported revenue of ₹2,444 lakhs. During the year our capacity utilization was around 80% for the SPFY business.

As we look towards a better future together, let me reiterate the strengths of your Company, which will help our growth. Though our SPFY capacities are low as compared to our peers, but we are able to give more options in colours, textures, etc. Your Company is, perhaps, the first to create a special brand in the yarn segment. Silkolite, our SPFY brand is well established and recognised for its quality. Our production management allows your Company to carry out customer specific customisations in smaller lots as low as 500 kilos.

We are looking to revive our heritage brand- Hakoba in the near future. We have already launched a completely revamped ecommerce enabled website (www.hakoba.in).

Before I end, let me take this opportunity to thank all team members, who have stood shoulder to shoulder with the Company through all times of difficulties and have actioned the strategies. The lion's share of your Company's success belongs to them.

As a final remark, I would like to reaffirm that your Company is on the growth path and together as Pioneer family we are in for good times. I want to emphasise Pioneer's strong foundation, which positions us well for the future as well as the current volatility.

With Warm regards
Harsh Vardhan Bassi

Financial Summary

(₹ In lakhs)

Particulars	FY17	FY18	FY19	FY20	FY21
Profit and Loss Statement					
Revenues	23,567	26,257	27,384	23,768	22,597
Other Income	221	233	204	183	187
Expenditure	21,892	25,280	25,426	21,858	19,840
EBITDA	1,895	1,209	2,162	2,094	2,944
EBITDA Margin(%)	8.0%	4.6%	7.8%	8.7%	12.9%
Interest	1,063	942	765	614	447
Depreciation	819	853	874	871	816
PBT	13	-585	413	828	1,681
PBT Margin (%)	0.1%	-2.2%	1.5%	3.5%	7.4%
Tax	0	0	0	0	-286
PAT	13	-585	413	828	1,967
PAT Margin(%)	0.1%	-2.2%	1.5%	3.5%	8.6%
Balance Sheet					
Fixed Assets	9,909	9,890	9,515	8,538	8,003
Investments	930	930	934	930	930
Non Current Assets	412	336	221	351	1,189
Current Assets	7,815	7,577	7,714	6,355	7,799
Total Assets	**19,066**	**18,733**	**18,384**	**16,174**	**17,921**
Equity	2,155	2,412	2,495	2,495	2,659
Reserve & Surplus	6,099	5,383	5,729	6,543	8,778
Net Worth	8,254	7,795	8,224	9,038	11,437
Long Term Borrowings	2,998	3,476	2,007	1,083	970
Other Non current Liabilities	339	354	404	529	502
Short Term Borrowings	1,729	1,589	1,846	1,579	1,163
Other Current Liabilities	5,746	5,519	5,903	3,945	3,849
Total Liabilities	**19,066**	**18,733**	**18,384**	**16,174**	**17,921**
Cash Flow statement					
Cash from Operations (After working capital changes)	2,494	1,242	1,950	2,563	1,813
Cash from Investments	-2,042	-698	-442	314	-820
Cash from financial Activities	-476	-534	-1,592	-2,790	-517
Ratios					
Debt to Equity	0.51	0.61	0.45	0.20	0.16
Current Ratio	1.05	1.07	1.00	1.15	1.56
EPS (Rs) Basic	0.07	-2.57	1.69	3.32	7.76
EPS (Rs) Diluted	0.05	-2.57	1.66	3.32	7.40
BV (Rs)	38.30	32.32	32.96	36.23	43.01

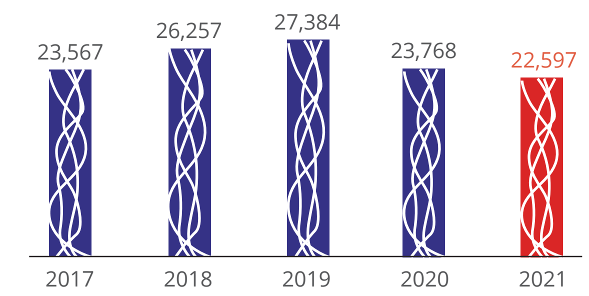
PIONEER GROUP

Key Perfomance

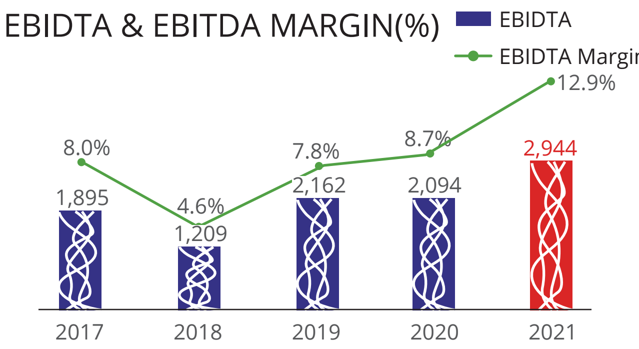
Improving Profitability

(₹ In lakhs)

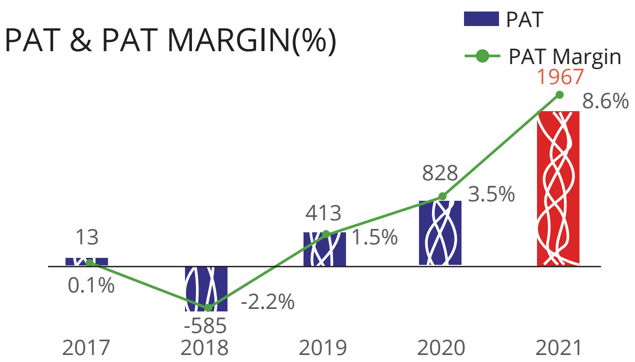
REVENUE



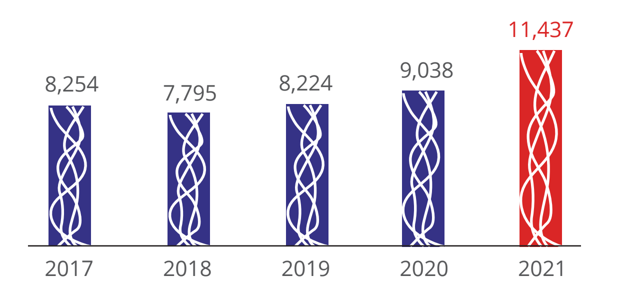
EBIDTA & EBITDA MARGIN(%)



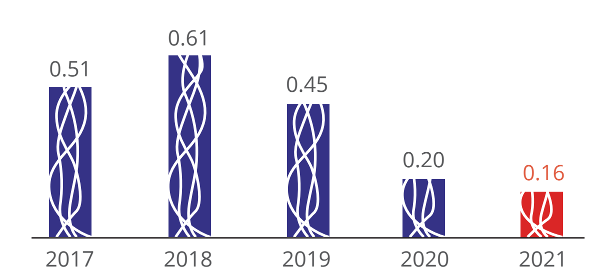
PAT & PAT MARGIN(%)



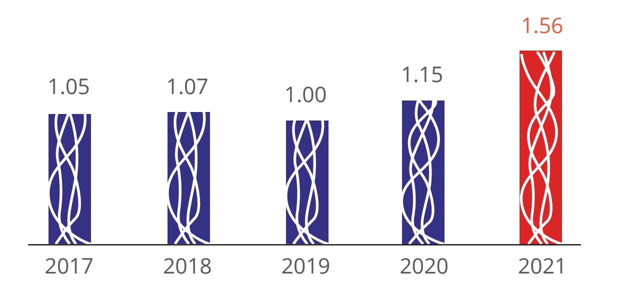
NET WORTH



DEBT TO EQUITY



CURRENT RATIO



Management Discussion and Analysis

A. Economic Overview

Global Economy

One year into the pandemic, the global outlook remains bleak. New virus mutations and the rising human toll raise concerns despite rising vaccine coverage. Economic recovery differs by country and industry, owing to differences in pandemic-related disruptions and the level of state support. The global economy shrinked by 3.3% in CY 2020, as all major economies excluding China experienced the downfall due to COVID-induced lockdowns.

The global economy is anticipated to rebound in 2021, with the International Monetary Fund (IMF) predicting 6% growth backed to US stimulus and vaccination optimism, which will lead to more economic opening. The growth recovery is likely to be led by the US and China – the US is estimated to grow 6.4% in 2021 and China by 8.4%. Governments and Central Banks are expected to maintain supportive policies until the recovery is firmly underway. High uncertainty surrounds this outlook, related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

Indian Economy

The Indian economy is estimated to decline by 8% in FY 2020-21, the first year of contraction since 1980. However, India saw a V-shaped recovery as most consumption and industrial indicators were back in positive growth territory (+0.4%) in Q3 FY2021 after declining throughout the first half of FY2021.

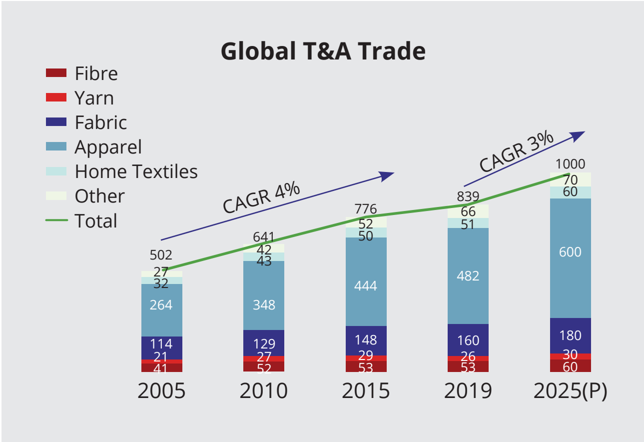
During the crisis, the Reserve Bank of India (RBI), as well as the central and state governments, offered critical support to the economy. The RBI kept its monetary policy flexible, reducing repo rates by 115 basis points in early CY 2020. The RBI maintained a liquidity surplus through different monetary policies to make funding markets easy.

The future depends not only on the success of the virus-vaccine struggle, but also on how well economic policies implemented in the face of significant uncertainties can limit the long-term consequences of this historic virus outbreak.

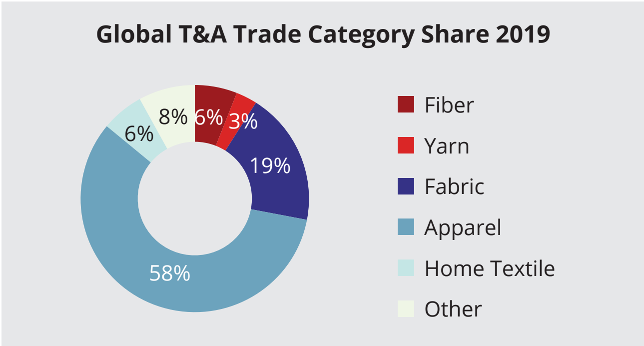
Global Apperal market is expected to grow to US$ 2 trillion by 2025

B. Global Textile & Apparel Industry

Global apparel market shrunk by 22%, coming down from US$ 1,635 bn in 2019 to US$ 1,280 bn in 2020. The consumption is expected to reach to pre-COVID levels over next couple of years and then retrace its growth path to reach US$ 2,007 bn by 2025.



The global textile and apparel trade has grown at a CAGR of 4% since 2005 to reach US$ 839 bn in 2019 and is expected to reach US$ 1 trillion by 2025, growing at a CAGR of 3%. Apparel dominated T&A trade with a 58% share in the overall trade value, followed by fabrics with a share of 19%.



China's share in global T&A trade in 2019 was 34%. Vietnam and Bangladesh were the second and the third largest textile and apparel exporters in 2019, respectively. India is the 5th largest exporter of T&A in the world with exports worth US$ 36.4 bn.

Leading T&A Exporter Category Wise

Fibre	USA	Australia	China
Export Value (US$ bn)	6.67	3.3	3.12
Market Share	20%	10%	9%
Yarn	**China**	**India**	**Vietnam**
Export Value (US$ bn)	5.53	3.69	3.17
Market Share	21%	14%	12%
Fabric	**China**	**Italy**	**S. Korea**
Export Value (US$ bn)	72.7	7.57	7.26
Market Share	45%	5%	5%
Home Textile	**China**	**India**	**Turkey**
Export Value (US$ bn)	19.2	5.79	4.14
Market Share	37%	11%	8%
Apparel	**China**	**Bangladesh**	**Vietnam**
Export Value (US$ bn)	149.9	40.9	33.7
Market Share	31%	8%	7%

Among the world's top five markets for apparel, India and China are anticipated to grow at a steady CAGR of 12 per cent and 10 per cent respectively, as compared to the global total of five per cent over the next few years. China is widely expected to become the largest apparel consumer in the world by the year 2025 with a market size worth $ 450 bn, while India will overtake Japan to occupy the 4th position on this list with an estimated market size of over $ 160 bn.

C. Indian Textile & Apparel Industry

Indian textile and apparel market is expected to grow to US$ 155 billion by FY26

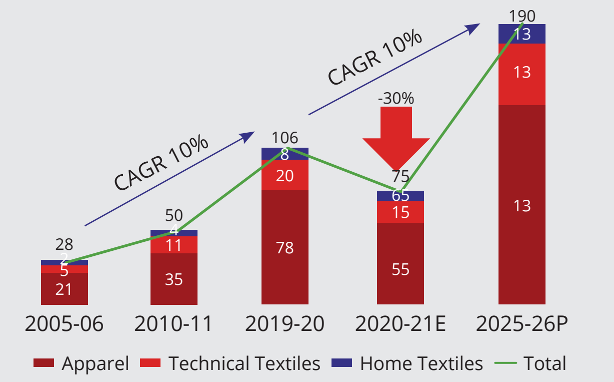
The Pandemic has had a tremendous impact on numerous Indian industries, with textile being one of the hardest hit. Textile and apparel manufacturing is a labor-intensive and capital-intensive industry. The bulk of employees are migrant labourers who have mostly returned to their home countries. The industry is in the midst of one of its worst-ever crises, as workflow and production schedules have been completely disrupted. The situation got worse as malls and shop showrooms have been closed for a long time. Considering India's status as a preferred destination for sourcing textile and apparel items by global brands, the Indian garmenting industry is being hit by order deferral and cancellation. Lockdown and lower consumer spending have weakened the Indian textile and clothing industry in the short to medium term. Due to the tremendous devastation inflicted by COVID-19, the sector is also reeling under liquidity and cost pressure.

Today, the textile and apparel industry in India is marked by radical innovation, shifting markets, evolving supply chains and distribution channels and is gradually drifting towards responsible and sustainable manufacturing. Being the second largest in the world, this industry holds immense potential to double its share of five per cent in the global trade in the coming five years. India's strengths have been defined in traditional textiles and natural fibres globally wherein, it is the largest producer of cotton and second largest producer of polyester and silk in the world. India's Textile industry, estimated at about USD 140 bn in 2019-20, contributes to 7% of industry output in value terms, 2% of India's GDP and to 12% of the country's export earnings. The textile industry is one of the largest source of employment generation in the country with over 45 million people employed directly, including 3.5 mn handloom workers across the country and another 600 mn people in allied sectors, including a large number of women and rural population.

The domestic textiles and apparel market stood at an estimated US$ 106 bn in 2019-20 and is estimated to have fell by 30% to US$ 75 bn in 2020-21, due to the pandemic. Long-term, it is expected to normalise and then resume growth at a CAGR of 10% to touch US$190 bn by 2025-26. Apparel demand in India currently stands at US$ 78 bn, dominated by the domestic with a share close to 74 per cent of India's total textile and apparel market. Technical textiles, one of the fastest growing sub-segments at CAGR of 12 per cent, is also witnessing a substantial increase in its market size in India.

Home textiles is set to grow at 20-22% in FY22, after the de-growth of around 19% in FY21. Demand for home textiles recovered swiftly on account of the extended stay at home period from the second quarter of fiscal 2021 and reopening of retail stores in key export markets and will sustain in fiscal 2022

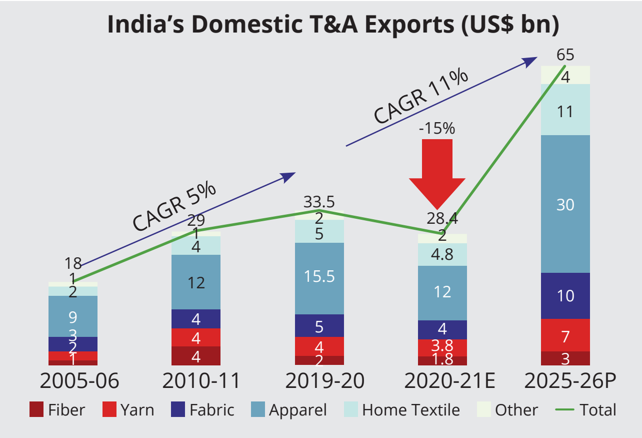
India's Domestic T&A Market Size (US$ bn)



Exports:

India's T&A exports reached US$ 33.5 billion in 2019-20. Due to the impact of Covid-19, India's T&A exports are expected to fall around 15% to reach US$ 28.4 bn in 2020-21.

India's exports of T&A are expected to grow to US$ 65 bn by 2025-26, growing at a CAGR of 11%.



IMPORTS

India's textile and apparel imports in 2018-19 reached around $ 7.3 bn. The imports of textile and apparel have been growing at a CAGR of eight per cent over the last 13 years from 2005-06 to 2018-19,

D. Impact of Covid on textile and apparel sector

The outbreak of Covid-19 has affected the textile and apparel industry globally as well as in India. The spread of the virus is having serious implications and companies have started feeling the impact owing to uncertainty in demand, supply chain disruptions, decline in raw material prices having repercussion on livelihood of workers as well. As estimates suggest, for the Indian textile and apparel industry, there is a 12-15 months' slowdown causing at least a 30 per cent shrinkage in the FY21 market size globally.

Indian textile sector provides direct employment to 45+ million people

Imports by major buying countries from garment-exporting countries in Asia dropped by up to 70 per cent in the first half of 2020 due to collapsing consumer demand, government lockdown measures and disruptions to raw material imports. Worker layoffs and dismissals sharply rose, while factories that reopened are often operating at reduced workforce.

Massive drops in working hours due to the COVID-19 crisis have had a devastating effect on jobs and incomes in APAC, according to ILO, whose Asia-Pacific Employment and Social Outlook 2020 released in December estimates that the economic backlash of the COVID-19 pandemic wiped out some 81 million jobs in 2020.

Fashion brands cancelled an estimated $15 B worth orders when the global lockdown closed retail outlets earlier in the year. Apparel retailers used force majeure clauses in contracts with overseas suppliers to cancel orders. Many such orders had already been completed but brands refused to accept shipments, leaving suppliers stuck with millions of dollars of unsold stock. Dozens of apparel retailers and fashion brands in the United States, Europe and Asia closed hundreds of stores or filed for bankruptcy. Many businesses were wrecked beyond mending.

To support the industry, the Government of India launched several measures like Emergency Credit Line Guarantee Scheme (ECLGS), which provided INR 3 lakh crore ($ 39.7 bn) collateral-free loans for businesses, including Micro, Small and Medium Enterprises (MSMEs), barring global tenders for government procurement up to INR 200 crore ($ 26.4 Mn), infusing more liquidity into banking and non-banking institutions, deferment of EPF/ESI payments, amending the definition of MSMEs by increasing the investment limit and including annual sales turnover as an additional criterion. The Government extended the ECLGS through ECLGS 2.0 for the 26 stressed sectors, including Textiles, as identified by the Kamath Committee. The Reserve Bank of India has also announced several stimulus measures to ease down the financial stress on the companies in the sector.

E. SWOT Analysis

Strengths:

The Indian textile Industry has inherent linkage with agriculture and with the culture and traditions of the country making for its versatile spread of products appropriate for both domestic and the export markets. The textile industry is one of the largest sources of employment generation in the country.

Manmade fibre

India is the second largest producer of man-made fibres (MMF) in the world with presence of large plants having state-of-the art technology. Most of the Man-made fibres are currently produced in India. MMF textile industry in India is self reliant across the value chain right from raw materials to the garmenting. Our fabrics are international standard and known for their excellent workmanship, colours, comforts, durability and other technical properties. Due to heavy investments in world-class manufacturing plants, continuous innovation, untiring entrepreneurship, new product mix and strategic market expansion, India is soon going to cloth the entire world and set to take centre stage in the global arena.

India's fibres production was at 1,319 mn tonne FY18 which increased to 1.442 mn tonne in FY19 and by January FY20 it touched 1.603 mn tonne. Of which manmade fibre production was 1,187 mn square metre in FY18 increased to 1,426 mn square metre. India's manmade yarn/fabric/ made up contributes 12.8% to total textile exports in India. (Source IBF annual report April 2021). The major exports markets for man-made filament fibres are USA, Belgium, Nepal, Bangladesh, and Indonesia.

Weakness:

Though textile is major sector of Indian economy contributing ~7% to overall production, few textile units are old with outdated technologies. This affects the speed as well as economies of scale. Although the textiles sector has witnessed a spurt in investment during the last five years, investment in technology and machinery should be enhanced.

Secondly, the investment in training people is necessary and focus on skilled labour will enable sector to drive production and quality growth attracting more demand.

Opportunities:

Turning crisis into opportunity, the textiles and apparel industry in India came to the forefront to help India combat Covid-19. Major shortages of masks and personal protective equipment (PPE) were being reported across the country, posing much danger for frontline workers who tend to Covid-19 patients. What followed then was a remarkable collaboration between governments at the central and state levels, textile and apparel industry players and workers to revamp existing production lines to manufacture a completely unknown product, from scratch. An import dependent India then charted a journey to become not only self-sufficient but the 2nd largest PPE manufacturer in the world in just 60 days.

Imports from China reducing: Firstly, Global trade war between the US and China and then Corona had impacted textile imports from China to a great extent. Going forward, any shift in sourcing away from China, could provide a relative advantage to other low-cost nations like Vietnam, Bangladesh and India. The innovation in technology, soothing government regulations and highly rising E-commerce provides immense opportunities to textile manufacturers to increase their export income and garner higher share of market in global demand for textile and apparel sector.

Demand for imports are on rise: The US and the EU have been importing more finished textile products (such as home furnishings and carpets) as well as highly specialized technical textiles, rather than conventional yarns and fabrics for apparel production purposes.

The world apparel import market is becoming ever more diversified as import demand is increasingly coming from emerging economies with a booming middle class. Affected by consumers' purchasing power (often measured by GDP per capita) and size of the population, the European Union (EU28), US, and Japan remained the world's top three importers of apparel in 2019. This pattern has lasted for decades. Altogether, these top three absorbed 58.1% of world apparel in 2019, which, however, was a new historic low (was 84% back in 2005). Behind the numbers, it is not the case that consumers in the EU, US, and Japan are necessarily purchasing less clothing. Instead, several emerging economies are becoming fast-growing apparel consumption markets and starting to import more. For example, China's apparel imports totalled $8.9bn in 2019, up 8.1% from a year earlier. From 2010 to 2019, China's apparel imports enjoyed a nearly 15% annual growth, compared with only 1.9% of the traditional top three.

Frequently changing fashions, rising populations, and increasing purchasing power continue to remain driving force for textile and apparel sector.

Threats

Demand contraction as witnessed during Covid pandemic remains the major risk to overall demand growth along with raw material supply chain disruption due to weather condition.

Further, the clarity on the structure of export incentive in India will remain a key development to watch out for in the sector, as it will have a bearing on the competitiveness of the country's apparel exports. While the Cabinet Committee on Economic Affairs (CCEA) had approved the Remission of Duties or Taxes on Export Products (RODTEP)scheme in March 2020, which will replace the existing Rebate of State and Central Taxes and Levies (ROSCTL) scheme, uncertainty on timing of implementation as well as structure/ rate of export incentives under the new scheme remains, as the details are yet to be announced. A reduction in the overall incentives available to the exporters under the new scheme could hurt the competitiveness of Indian exporters.

Risks and Concern

Covid 19 laid its impact globally affecting economic growth globally. In India, textile sector in general and Company in particular is not an exception to the situation. However, the Company quickly took steps to gear up to take up challenge and reported robust performance.

A major risk now would be to identify countries and buyers afresh for doing business with – countries where local epidemic situation is under control, and buyers where payment risks is assessed as low. Trade logistics in the post-Covid period would continue to remain disrupted, both for export markets and locally. Buyers may downsize, and look at pruning inventories, leading to smaller orders and probably shorter deliveries. Your Company would also need to use more of technology to connect with prospective buyers, as customer acquisition process could become largely online.

Achieving profitable growth would be a major concern going ahead, and all elements of doing business such as production schedules, labor, marketing network, buyers' credit, etc would have to be well-managed. There could possibly be a scenario forcing tradeoff between keeping production capacities at sub optimal levels and taking default risk of customers. All the while, Company would need to keep its overheads well in check.

However, the only saving grace in this situation is that your Company has, by the end of the year under review, retired most of its long-term debt, by raising resources from internal accruals and asset monetization.

Your Management is confident of addressing the current situation, and marshal all internal resources available with it to tide over the same successfully.

(Industry data has been sourced from various reports like Annual Report Ministry of Textile, Invest India, Wazir Advisor, Crisil, IBEF, IMF, World Economy outlook update, January 2021 and The National Statistical Office (NSO), Care Ratings)

F. PERFORMANCE REVIEW

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

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

Specialty Polyester Filament Yarn (SPFY)

Specialty Polyester Filament Yarn business continued to remain the dominant activity for the Company, with its contribution to the Company's overall turnover increased to 89% from 84% last fiscal, also accounted for almost the entire Operating Profits.

SPFY business managed to recoup the loss of business during the earlier months of the year under review, reporting a full-year revenue of ₹20,153 lakhs (previous year ₹19,924 lakhs).

The volumes for the SPFY business, at about 14,253 MT for the year under review, almost remained unchanged from the previous year figure. However, the share of value-added products stood at about 68% in volume terms and 76% in value terms, a rise of more than 400 basis points each over the previous years figures.

Local sales of SPFY recorded in the year under review stood at ₹15,928 lakh as against ₹16,685 lakh reported in the previous year, a drop of about 4.5%. Consequently, export revenues improved to ₹4,225 lakh from ₹3,239 lakh, up by 30% over previous year.

Over the years, the SPFY business has matured and built inherent capabilities which allows it to overcome combined effect of macro factors like input cost movements, export opportunities, varying domestic demand levels and pricing pressures. Continuous investments in capacities, creating a credible business under the Silkolite brand, enlarged product range, value-addition processes, improved efficiencies, process automation, product development, and local and international marketing network enables it to tweak product range and addressable markets to ensure profitability. Since last several years, the division has managed sustained average operating profits, and in the year under review, it managed to report one of its highest operating profit per ton.

Embroidery and Laces Business

Meanwhile, the Embroidery and Laces (EL) business vertical bore the brunt of the sluggish demand in both domestic and export markets resulting from the pandemic, as its addressable market of Textiles and Clothing remained lacklustre. The EL business reported a turnover of ₹2,444 lakhs (previous year ₹3,844 lakhs), a drop of about 36%. While domestic sales fell 36% to ₹2,228 lakh from ₹3,493 lakh, exports were lower by about 38% to ₹216 lakh from ₹351 lakh.

The fall in revenues for the EL was on account of lower volumes, with embroidery reporting a 27% drop and braided laces recording a 17% drop in volumes, a direct consequence of the low-demand scenario in garment segment worldwide, following the pandemic.

Investment in new equipment, consolidation, overhead cost rationalization, better outsourcing, creating newer channels for sales, and improving business efficiencies remain the ways in which the EL business can be sustained. The Company expects that the prospects of the EL business should improve in the coming quarters, and having a lean business structure in place should ensure better profitability.

G. FINANCIAL OVERVIEW

The Company has achieved a turnover of ₹22,597 lakh for FY21 as against ₹23,768 lakh in the previous year, reporting a de-growth of about 5% primarily on account of the weak sales reported in the first quarter of the year under review on account of the Covid 19 pandemic and the curtailed economic activity.

Domestic sales were at ₹18,155 lakh (previous year ₹20,177 lakh) and exports were ₹4,442 lakh (previous year ₹3,591 lakh) driven primarily by SPFY business which witnessed its export revenues increased by over 30% to ₹4,225 lakh (previous year ₹3,239 lakh).

Specialized Polyester Filament Yarn (SPFY) business vertical reversed the loss of business during the first quarter of the year and reported revenues of ₹20,153 lakh (previous year ₹19,924 lakh) for full year. Embroidery and Laces (EL) business vertical witnessed sluggish demand in both domestic and export markets resulting from pandemic. The EL vertical reported revenues of ₹2,444 lakh (previous year ₹3,844 lakh), registering a fall of 36%.

Operating Expenses

Operating expenses for the year ended 31st March, 2021 stood at ₹19,840 lakh, as against the previous year figure of ₹21,858 lakh, down 9%, primarily on account of a higher yarn prices and operational efficiency.

Interest Cost

The interest cost for the year under review fell by almost 27%, with the Company paying ₹447 lakh as against ₹614 lakh in the previous year. Over last few years, the Company has exhibited a continued downward trend in interest costs.

The key highlight of the year under review was about the Company continuing its efforts towards debt rationalization and cash optimization relentlessly. Utilizing its generated cash judiciously, your Company managed to lower its total borrowings, secured and unsecured, to ₹2,977 lakh from ₹3,390 lakh in the previous year.

Profits

Profit before Finance Costs, Depreciation, Tax and Exceptional Items for the year stood at ₹2,944 lakh (₹2,094 lakh), an impressive growth of 41%. This was because the drop in turnover was accompanied by almost similar fall in raw material and other input costs, and the Company was largely able to maintain its profitability level. Higher yarn realization and operational efficiencies resulted into strong operational profit growth. EBITDA margin improved substantially from 8.7% in FY20 to 12.9% in FY21.

The Net Profit after Exceptional Items for the period was more than doubled to ₹1,966 lakh from ₹828 lakh in the previous corresponding period, as the Company also generated higher operational cash profit of ₹2,497 lakh during the year under report, up 47% over previous year figure of ₹1,699 lakh.

H. Disclaimer:

Statements made in the Management Discussion and Analysis are relating to Company's objectives, projections, outlook, expectations, estimates, etc., which 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, 2021 (for the period April 1, 2020 up to March 31, 2021).

NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Shareholders of PIONEER EMBROIDERIES LIMITED will be held on Monday, 19th July, 2021 at 10.00 a.m. through Video conferencing(VC) or Other Audio Video Mode(OAVM) 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, 2021 and the Report of the Directors and the Auditors thereon.

2. To approve final dividend of ₹0.25 (Twenty Five naya paise) per equity share of ₹10/- each for the financial year 2020-2021.

3. To appoint a Director in place of Mr. Raj Kumar Sekhani (DIN:00102843) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. To approve re-appointment of Mr. Harsh Vardhan Bassi (DIN:00102941), as a Managing Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Companies Amendment Act, 2017 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') consent of the members be and is hereby accorded to re-appoint Mr. Harsh Vardhan Bassi (DIN:00102941) as a Managing Director of the Company with effect from 29th October, 2021 for a period of 5 years at remuneration including perquisites not exceeding ₹5,00,000/- (Rupees Five Lacs only) per month on such terms and conditions set out in draft Letter of appointment a copy whereof initialed by Mr. Raj Kumar Sekhani, Chairman of the Company for the purpose of identification, has been placed before this Meeting."

"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. Harsh Vardhan Bassi 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 there under and the terms of the aforesaid Letter between the Company and Mr. Harsh Vardhan Bassi shall be suitably modified to give effect to such variation or increase as the case may be."

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Harsh Vardhan Bassi 's office as a Managing Director, the remuneration set out in the aforesaid draft Letter of appointment be paid or granted to Mr. Harsh Vardhan Bassi as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof."

"RESOLVED FURTHER THAT 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."

5. Regularization of Appointment of Ms. Sushama Bhatt (DIN:09168896) 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, Ms. Sushama Bhatt (DIN:09168896), who was appointed as an Additional Independent Director in the Board Meeting held on 18th May, 2021, 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. 19th July, 2021."

6. Regularization of Appointment of Mr. Saurabh Maheshwari (DIN:00283903) 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. Saurabh Maheshwari (DIN:00283903), who was appointed as an Additional Director in the Board Meeting held on 18th May, 2021, 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."

7. To approve payment of remuneration to Mr. Saurabh Maheshwari (DIN:00283903) and in this regard, to consider and if thought fit, to pass the following resolution as a Ordinary 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. Saurabh Maheshwari (DIN: 00283903) as an Executive Director of the Company for a period of 5 years with effect from 18th May, 2021 at a remuneration not exceeding ₹4,02,000/- per month 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. Saurabh Maheshwari (DIN:00283903) 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. Saurabh Maheshwari (DIN:00283903) 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."

8. To approve the re-appointment and payment of remuneration of the Cost Auditor for the financial year ending 31st March, 2022 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded for re-appointment of M/s. Vipul Bhardwaj & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2022 at a remuneration, amounting to ₹1,25,000 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

Place : Mumbai.
Date : 18th May, 2021

Harsh Vardhan Bassi
Managing Director
DIN:00102941

NOTES

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.

2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

4. Mr. Raj Kumar Sekhani (DIN:00102843) Director retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment. Also, Mr. Harsh Vardhan Bassi (DIN:00102941) tenure as Managing Director is due for re-appointment w.e.f. 29th October, 2021. Also, Ms. Sushama Bhatt (DIN:09168896) and Mr. Saurabh Maheshwari (DIN:00283903) appointed as an 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 Director has furnished the relevant consents, declarations, etc. for his/her appointment/re-appointment.

5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/ Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company at mumbai@pelhakoba.com.

6. **Registration of email ID and Bank Account details:**

   In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

   In case the shareholder has not registered his/ her/their email address with the Company/its RTA/ Depositories and/or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

   (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. **OR**

   (ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

7. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual

Report for the financial year 2020-21 will also be available on the Company's website www.pelhakoba.com; websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

8. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

9. All documents referred to in the accompanying Notice and the Explanatory Statement are available on website of the Company at www.pelhakoba.com for inspection by the Members up to the date of 29th AGM.

10. The Register of Members and Share Transfer Register of the Company will remain closed from Saturday, 10th July, 2021 to Monday, 19th July, 2021 (both days inclusive).

11. Subject to the provisions of Section 123 of the Companies Act, 2013, the final dividend as recommended by the Board of Directors, if declared and approved at this AGM will be paid on or after Friday, 23rd July, 2021 to:

    a. To those members whose name appear on the Register of members of the Company on Friday, 9th July, 2021 (Record Date).

    b. The Beneficial owners as at the end of business hours on Friday, 9th July, 2021, as per list furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

    c. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Friday, 9th July, 2021.

    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.

12. The intimation of dividend pay-out / dispatch will be sent to the shareholders.

13. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and RTA (if shares held in physical form). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G / 15H, to avail the benefit of non-deduction of tax at source by e-mail to tdsexemptforms2021@pelhakoba.com by 11:59 p.m. IST on 9th July, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to tdsexemptforms2021@pelhakoba.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 9th July, 2021.

14. 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. However, during the year, 3750 shares were transferred to IEPF account pertaining to unclaimed dividend before 2007. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be

transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. During the year the Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

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

16. 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.

17. 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.

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.

18. The members are requested to:

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

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

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

EVENT NUMBER: 210090

(i) The voting period begins on Friday, 16th July, 2021 (9.00 a.m. IST) to Sunday, 18th July, 2021 (5.00 p.m. IST) During this period shareholder's of the Company, holding shares whether in physical form or in dematerialized form, as on the cut-off date Monday, 12th July, 2021, may cast their vote electronically. The e-voting module shall be disabled by LINKINTIME for voting after 18th July, 2021 at 5.00 p.m.

(ii) <u>Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:</u>

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 16th July, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL • Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.

Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ➢ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ➢ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ➢ Click "confirm" (Your password is now generated). 2. Click on 'Login' under 'SHARE HOLDER' tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. 4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). 7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter User **ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.

- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 2305 8738 or 22-2305 8542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

(iii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Monday, 12th July, 2021.

(iv) Any person who acquires shares of the Company and become Members of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, 12th July, 2021, may obtain the login id and password by sending a request at enotices@linkintime.co.in or to the Company at mumbai@pelhakoba.com.

20. Instructions for e-voting and joining the Annual General Meeting are as follows:

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

1. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/ OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <<https://instameet.linkintime.co.in>> and register with your following details:

   a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company

   b. PAN: Enter your 10 digit Permanent Account Number (PAN)

   c. Mobile No.

   d. Email ID

2. Click "Go to Meeting"

Note:
Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding InstaMeet, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

21. Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at mumbai@pelhakoba.com from Friday, 16th July, 2021, 9.00 a.m. to Sunday, 18th July, 2021 by 5.00 p.m. (Date & Time) (preferably one day or 24 hrs. prior to the date of AGM).

The first 5 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at mumbai@pelhakoba.com. The same will be replied by the company suitably.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

22. Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

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

24. The Scrutinizer shall after conclusion of voting at the Annual General Meeting 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.

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

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

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

ITEM NO. 4

As the Members are aware that Mr. Harsh Vardhan Bassi is at present Managing Director and instrumental in Company's ability to negotiate and take the Company to new heights. With his ability and skill he successfully motivated the employees and has become bridge with Bankers and other Government agencies. Due to their constant efforts, the Nomination and Remuneration committee and Board of Directors have decided to re-appoint Mr. Harsh Vardhan Bassi as a Managing Director with effect from 29th October, 2021 for a period of 5 years at remuneration including perquisites not exceeding ₹5,00,000/- (Rupees Five Lacs only) per month. The details of remuneration and perquisites payable to him is as under:

Nature	Mr. Harsh Vardhan Bassi, Managing Director	Remarks if any
Salary per month	₹4,50,000	--
Perquisites	₹50,000	--
Leave Salary	--	--
Drivers' Allowance	--	--
HRA	--	--
Medical Expenses	--	--
PF	--	--
Gratuity	--	--

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the Listing Regulations.

Save and except Mr. Harsh Vardhan Bassi, 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. 4 of the Notice.

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

ITEM NO. 5

Ms. Sushama Bhatt (DIN:09168896) was appointed as an Additional Independent Director in the Board Meeting held on 18th May, 2021, 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 Ms. Sushama Bhatt (DIN:09168896) 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, Ms. Sushama Bhatt, 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. 19th July, 2021. 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.

Ms. Sushama Bhatt is a Law graduate and also has a Diploma in Business Management. Her core professional strength is in the field of Marketing, Brand Management, Corporate Communications, Planning, organization and execution of developmental strategies, Advertising, PR, printing and publicity, branch and agent's development, Media management, Product Development and Regulatory Compliance. She is actively involved in Development sector through InnerWheel International for past 6 years. The Board is of the view that it shall be beneficial to the Company to avail her services.

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the Listing Regulations.

Except Ms. Sushama Bhatt, 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 for member's approval.

ITEM NO. 6 & 7

Mr. Saurabh Maheshwari (DIN:00283903) was appointed as an Additional Executive Director in the Board Meeting held on 18th May 2021, 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. Saurabh Maheshwari (DIN:00283903) 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. Saurabh Maheshwari (DIN:00283903), being eligible to be appointed as an 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. Saurabh Maheshwari (DIN: 00283903) is a Chartered Accountant by qualification. He has over 21 years of experience in the field of Textiles sector mainly in the field of manufacturing as well as processing of various yarns. He is instrumental in setting up of Greenfield speciality polyester yarn project at Kala Amb, Himachal Pradesh from selection of land, manufacturing technology, team building, distribution channel particularly for international business and selection of appropriate Product mix. His rich and varied experience in the industry and on account of the way he has led the yarn project over the last 14 years, Board is of the view that it shall be beneficial to the Company to elevate him as an Executive Director of the Company. As a home grown talent, Board feels he will prove to be an asset for the Company at the management level. The details of remuneration and perquisites payable to him is as under:

Nature	Mr. Saurabh Maheshwari, Executive Director	Remarks if any
Salary per month	₹4,02,000	--
Perquisites	--	--
Leave Salary	--	--
Drivers' Allowance	--	--
HRA	--	--
Medical Expenses	--	--
PF	--	--
Gratuity	--	--

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. Saurabh Maheshwari (DIN: 00283903) as an Executive Director of the Company for a period of 5 years with effect from 18th May, 2021 at a remuneration not exceeding ₹4,02,000/- per month including perquisites.

The draft appointment letter to be entered into between the Company and Mr. Saurabh Maheshwari (DIN:00283903) 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 statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the Listing Regulations.

Except Mr. Saurabh Maheshwari, 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. 6 & 7 for member's approval.

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, 2022.

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, 2022, as set out in the Resolution for the aforesaid services to be rendered by them.

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the Listing Regulations.

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 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

Place : Mumbai.
Date : 18th May, 2021

Harsh Vardhan Bassi
Managing Director
DIN:00102941

Annexure to Item No. 3 to 7 of the Notice:

Name	Mr. Raj Kumar Sekhani	Mr. Harsh Vardhan Bassi	Ms. Sushama Bhatt	Mr. Saurabh Maheshwari
DIN	00102843	00102941	09168896	00283903
Nationality	Indian	Indian	Indian	Indian
Date of Birth	06/06/1959	09/01/1974	12/09/1962	27/11/1977
Qualification	B.Com	B.Com	L.L.B, B.Com, Diploma in Business Management	C.A., B.Com
Nature of Expertise	Manufacturing and trading of garment accessories including embroidery fabrics, laces and knitted fabrics.	Manufacturing, Business Development, Marketing and other Business verticals.	Marketing, Brand Development, Corporate Communications and Advertising	Business Strategy, International Business, Team Building, Finance, Networking and Supply Chain
Experience	42 years	23 years	22 years	21 years
Date of first Appointment on the Board of the Company	12/10/1991	10/12/2003	18/05/2021	18/05/2021
Relationships between directors inter se	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Name of listed Companies in which holds Directorship	NIL	NIL	NIL	NIL
Name of other Companies in Committees of which holds Membership/ Chairmanship	NIL	NIL	NIL	NIL
Shareholding in Pioneer Embroideries Limited	31,64,760	NIL	NIL	25,000

DIRECTOR'S REPORT

To
The Members,
PIONEER EMBROIDERIES LIMITED

Your Directors present the Twenty Ninth Annual Report of your Company on the business and operations for the year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

		For the year ended 31st March, 2021	For the year ended 31st March, 2020
Turnover	– Domestic	18,155.05	20,177.43
	– Export including Incentive	4,441.91	3,590.77
Other Income		187.23	183.26
Total		**22,784.19**	**23,951.46**
Profit before Financial Charges, Depreciation, Exceptional Items & Tax		2,944.31	2,093.64
Financial Charges		447.07	613.94
Profit before Depreciation, Exceptional Items and Tax		2,497.24	1,479.70
Depreciation		816.30	871.21
Profit/(Loss) before Exceptional Items & Tax		1,680.94	608.49
Tax Expenses - Deferred Tax (Credit)		(285.60)	--
Exceptional Items - Income / (Loss) (net)		--	219.43
Net Profit / (Loss)		**1,966.54**	**827.92**
Per Share data			
Basic Earnings per Share (₹)		7.76	3.32
Diluted Earnings per Share (₹)		7.40	3.32
Book Value per Share (₹)		43.01	36.23

YEAR IN RETROSPECT

Profit before Finance Costs, Depreciation, Tax and Exceptional Items for the year stood at ₹2,944 lakhs (previous year ₹2,094 lakhs), a substantial increase of about 41%. The Company generated an operational cash profit of ₹2,497 lakhs during the year under review (previous year ₹1,699 lakhs), recording a growth of 47%. The Net Profit after Exceptional Items and Tax for the year is ₹1,967 lakhs (previous year ₹828 lakhs), a jump of 137%.

The impressive growth in profitability was a result of a significant rise in operating profit margins of the Company and lower financial charges compared to previous years. The operating profit margin of the Company witnessed an improvement of about 420 basis points in the year under review, to 12.9 % from 8.7% earlier.

Turnover of the Company for the year under review stood at ₹22,596 lakhs as against ₹23,768 lakhs in the previous year, a drop of about 5%, primarily on account of the weak sales reported in the first quarter of the year under review on account of the Covid 19 pandemic and the curtailed economic activity.

The Company's business segment of Specialized Polyester Filament Yarn (SPFY), managed to recoup the loss of business during the earlier months of the year under review, reporting a full-year revenue of ₹20,153 lakhs (previous year ₹19,924 lakhs).

Overall exports of the Company similarly increased 24% during the year under review, to ₹4,442 lakh (previous year ₹3,591 lakh), again led primarily by the SPFY business, which witnessed its export revenues increase by over 30% to ₹4,225 lakhs (previous year ₹3,239 lakh)

Meanwhile, the Embroidery and Laces Division (ELD) bore the brunt of the sluggish demand in both domestic and export markets resulting from the pandemic, as its addressable market of Textiles and Clothing remained lackluster. The ELD segment reported a turnover of ₹2,444 lakhs (previous year ₹3,844 lakhs), a drop of about 36%.

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

Global apparel market shrunk by 22%, coming down from US$ 1,635 billion in 2019 to US$ 1,280 billion in 2020. The consumption is expected to reach to pre-Covid levels over next couple of years and then retrace its growth path to reach US$ 2,007 billion by 2025.

India's Textile industry, estimated at about USD 140 bn in 2019-20, contributes to 7% of industry output in value terms, 2% of India's GDP and to 12% of the country's export earnings. The textile industry is one of the largest source of employment generation in the country with over 45 million people employed directly, including 3.5 mn handloom workers across the country and another 600 mn people in allied sectors, including a large number of women and rural population.

Fabric production in India stood at 7,436 million sq. mtr in FY19-20, which has grown at 2% CAGR in the past five years. Garment production in India was estimated at 22 billion pcs in 2019-20, while made-ups production stood at approx. 2.4 billion Kg. Due to Covid-19, the 2020- 21 apparel and made-ups production is expected to fall 27% and 12%, respectively. The Indian technical textiles market was estimated at US$ 20 billion in 2019-20, and grew at a CAGR of 10% since 2015-16.

The Indian textile industry is the second largest manufacturer and fifth largest exporter in the world, after China. India's T&A exports reached US$ 33.5 billion in 2019-20. Due to the impact of Covid-19, India's T&A exports are expected to fall around 15% to reach US$ 28.4 billion in 2020-21. India's exports of T&A are expected to grow to US$ 65 billion by 2025-26, growing at a CAGR of 11%. Home textiles to grow 20-22% in fiscal 2022, after de-growth of 7-8% last fiscal Demand for home textiles recovered swiftly on account of the extended stay at home period from the second quarter of fiscal 2021 and reopening of retail stores in key export markets; will sustain in fiscal 2022.

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US$ 3.46 billion from April 2000 to September 2020.

Government launched production linked incentive scheme to provide incentives for manufacture and export of specific textile products made of man-made fibre. It is also creating seven textile park to boost sales.

BANK BORROWINGS

The total secured borrowings as on year-end FY21 stand at about ₹2,977 lakhs (₹3,296 lakhs), including working capital of ₹1,163 lakhs (previous year of ₹1,485 lakhs). As a major portion of its long-term borrowings was repaid in the earlier years, the Company witnessed its financial charges drop by 27% for the year to ₹447 lakhs (previous year ₹614 lakhs).

LISTING

The Equity Shares of the Company are listed with the BSE & NSE.

DIVIDEND

Your Directors are pleased to recommend final dividend @ of ₹0.25 (Twenty Five naya paise) per equity share of ₹10 each for the financial year 2020-21, The total outflow on account of dividend payout, once approved by the shareholders, would be ₹66.48 lakh. The said dividend shall be paid out of the current year profits.

SHARE CAPITAL

During the year, 12,40,000 Equity shares of ₹10/- at ₹23/- each, were allotted on 28th December, 2020 to Mr. Raj Kumar Sekhani, promoter on preferential basis. Also, 3,80,000 and 23,000 Equity shares were allotted on 2nd February, 2021 and 24th March, 2021 of ₹10/- each at ₹13.40/- each and ₹19.60/- each respectively to Employees, under PEL ESOP Scheme.

Therefore, the paid up equity share Capital of the Company stood at ₹26,59,09,420 comprising 2,65,90,942 equity shares of ₹10 each as at 31st March, 2021.

SUBSIDIARY COMPANIES

The revenue of Hakoba Lifestyle Limited in current year stood at ₹Nil (₹68.56 lakhs). Loss after tax and exceptional item stood at ₹0.82 lakh as compared to net loss of ₹6.08 lakhs in previous year.

The revenue of Crystal Lace (India) Limited in current year stood at ₹0.54 lakhs (₹53.47 lakhs). The Company has incurred a net loss of ₹88.65 lakhs as compared to net loss of ₹14.89 lakh in previous year mainly on account of payment of property tax dues.

Pioneer Realty Limited had no activity during the year.

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

CONSOLIDATED ACCOUNTS

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

CORPORATE GOVERNANCE

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

ANNUAL RETURN

The detail forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this report as **Annexure - A** and forms an integral part of this Report. Also, Annual Return are made available on the Company's website (www.pelhakoba.com).

DIRECTORS

The Board regret to inform about decease of Ms. Sujata Chakravarty (DIN:07584280) on 4th May, 2021. The Board places on record its' appreciation for the contribution made during her tenure.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Mr. Raj Kumar Sekhani (DIN:00102843), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Accordingly, his re-appointment forms part of the notice of the ensuing Annual General Meeting.

Further, Mr. Harsh Vardhan Bassi (DIN:00102941) was appointed as a Managing Director of the Company for a period of five years up to 28th October, 2021. The Nomination and Remuneration Committee and the Board at their meetings held on 18th May, 2021 had approved the re-appointment of Mr. Harsh Vardhan Bassi (DIN:00102941), as a Managing Director of the Company for further period of 5 years from 29th October, 2021 to 28th October, 2026, at remuneration including perquisites not exceeding ₹5,00,000/- (Rupees Five Lacs only) per month as per Schedule V at the forth coming Annual General Meeting of the Company.

The Board at their meetings held on 18th May, 2021 had approved the appointment of Ms. Sushama Bhatt (DIN: 09168896) and Mr. Saurabh Maheshwari (DIN: 00283903) as an Independent Director and an Executive Director of the Company respectively with effect from 18th May, 2021 for a period of 5 years. The regularization of the said Directors shall be at the ensuing Annual General Meeting. The Nomination and Remuneration Committee has recommended and Board has approved the appointment of Mr. Saurabh Maheshwari (DIN:00283903), from 18th May, 2021 to 17th May, 2026, at remuneration including perquisites not exceeding ₹4,02,000/- (Rupees Four Lacs and Two Thousand only) per month as per Schedule V at the forth coming Annual General Meeting of the Company.

KEY MANAGERIAL PERSONNEL

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

Sr. No.	Name	Designation
1.	Mr. Harsh Vardhan Bassi	Managing Director
2.	Ms. Ami Thakkar	Company Secretary
3.	Mr. Deepak Sipani	Chief Financial Officer (CFO)

BOARD PERFORMANCE/ EVALUATION

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

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

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

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

BOARD MEETINGS

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

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 ("the Act") read with Rules framed thereunder, do not apply to the Company as it has not declared dividend from the FY 2007-08. However, as per amendment to the Investor Education and Protection Fund Authority

(Accounting, Audit, Transfer and Refund) Rules, 2016 dated 5th September, 2016, 3750 shares have been transferred to IEPF suspense account on 4th February, 2021.

VIGIL MECHANISM

The Company has established a Vigil Mechanism/Whistle Blower Policy that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for adequate safeguards against victimization of persons who use the Vigil Mechanism.

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

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

CREDIT RATING

The details pertaining to credit rating, forms part of the Corporate Governance Report and hence not repeated here for the sake of brevity.

NOMINATION AND REMUNERATION POLICY

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

RELATED PARTY TRANSACTIONS

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

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

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

DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) that in the preparation of the Annual Accounts for the year ended 31st March, 2021, 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 as at 31st March, 2021 and of the net profit of the Company for the year ended on that date;

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

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

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

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

STATUTORY AUDIT

M/s. S. K. Naredi & Co. Chartered Accountants (Registration No.003333C), statutory auditors of the Company were appointed for a period of 5 years at 25th Annual General Meeting as statutory auditors till the conclusion of 30th Annual General Meeting, as per the provisions of 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. S. K. Naredi & Co, Chartered Accountants in its report and therefore, there are no further explanations to be provided for in this report and is prepared as per “Ind AS”.

COST AUDIT

The Board of Directors, on the recommendation of Audit Committee, has re-appointed M/s. Vipul Bhardwaj & Co., Cost accountants, as Cost Auditor to audit the cost accounts of the Company for the year 2021-22 at a remuneration of ₹1,25,000 plus GST 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. The Company has maintained cost accounts and records for the business, which is applicable as per Section 148(1) of the Companies Act, 2013 for the year ended 31st March, 2021.

SECRETARIAL AUDIT

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting, and the reviews performed by management and the audit committee, the Board is of the opinion that the Company’s internal financial controls were adequate and operating effectively as at March 31, 2021.

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

RISK MANAGEMENT

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

IMPACT OF COVID 19

The COVID-19 pandemic manifested itself into a global crisis, adversely affecting economies of all nations. Like elsewhere, even in India, the initial response by the authorities was to impose nationwide lockdown, leading to closure and/or disruption of production and service activities. Our business operations across all manufacturing sites and sales offices were consequently impacted upto the first quarter of the year under review, but stabilized over the ensuing three quarters. However, the second wave of the pandemic since March, 2021 has proven to be more infectious and severe than the initial wave last year, and once again the businesses are feeling the impact of the same.

Your management places much importance to ensuring health and safety of employees and their families, and while our manufacturing sites remain functional, offices are either closed down as per lockdown directives of the local administration, or are operating with minimum staff. Employees continue to work from home for all crucial matters. While up until now the impact of the second wave on the overall business is not substantial, the situation is continuously evolving and extent to which your Company's operational and financial position can get impacted still remains uncertain.

Your Company is confident that it is now much better equipped and financially strong to absorb any short-term business disruptions.

SAFETY, HEALTH & ENVIRONMENT

The Company, in order to ensure health and safety of its employees and other staff, took adequate pre-emptive measures to enhance the hygiene and sanitization protocols across all offices and plants, in line with guidelines in force by local authorities. The health of the employees coming to work space is being continuously monitored for any signs of the health complications and adequate containment measures are in place. Your Company is committed to maintain its efforts in providing a safe working environment to its employees for as long as the epidemic is prevalent. At the same time, we are keeping our plants operational and thus trying to contribute towards the restoration of the economic activity and provide earnings to labor and staff.

HUMAN RESOURCE

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

Your Company regularly conducts technical and safety training programmes.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no orders passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.

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

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

MANAGERIAL REMUNERATION

a. Details of the remuneration of each director to the median remuneration of the employees of the

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

b. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

Employee Stock Option Plan (ESOP)

Details of ESOP implemented from time to time are as below:

(a) options granted; 4,30,000
(b) options vested; 4,03,000
(c) options exercised; 4,03,000
(d) options lapsed; 27,000
(e) the exercise price; Allotment on 2nd February, 2021 and 24th March, 2021 of ₹10/- each at ₹13.40/- each and ₹19.60/- each respectively
(f) variation in terms of options; No
(g) money realised by exercise of options; ₹55,42,800
(h) total number of options in force; NIL
(i) employee wise details of options granted to: (i) Key Managerial Personnel: NIL

There is no material change in the ESOP scheme and the same is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. ESOP scheme are made available on the Company's website (www.pelhakoba.com).

As per Regulation 13 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, a certificate received from the auditors of the Company that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the Company in the general meeting is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the year, there were no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year, the Company had not made any One Time Settlement with any banks or Financial Institutions.

COMPLIANCE OF SECRETARIAL STANDARDS

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

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

Place : Mumbai.
Date : 18th May, 2021

RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Annexure - A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on Financial year ended on 31st March, 2021
(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 (West), Mumbai-400 058. Tel : (022) 4223 2323 Fax : (022) 4223 2313
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 : (022) 4986 000, (022) 4918 6270 Fax : (022) 4918 6060

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	89.18%
2.	Embroidered Fabric, Laces, Braided Laces	13991	10.82%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN/ LLPIN	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%

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

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

i. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	1,961,833	--	1,961,833	7.86	3,201,833	--	3,201,833	12.04	4.18
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.	--	--	--	--	--	--	--	--	--
d) Bodies Corporates	4,501,726	--	4,501,726	18.04	5,536,492	--	5,536,492	20.82	2.78
e) Bank/FI	--	--	--	--	--	--	--	--	--
f) Any other	--	--	--	--	--	--	--	--	--
SUB TOTAL:(A) (1)	**6,463,559**	**--**	**6,463,559**	**25.90**	**8,738,325**	**--**	**8,738,325**	**32.86**	**6.96**
2) Foreign									
a) NRI Individuals	--	--	--	--	--	--	--	--	--
b) Other Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks/FI	--	--	--	--	--	--	--	--	--
e) Any other	--	--	--	--	--	--	--	--	--
SUB TOTAL (A) (2)	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**6,463,559**	**--**	**6,463,559**	**25.90**	**8,738,325**	**--**	**8,738,325**	**32.86**	**6.96**
B. PUBLIC SHAREHOLDING									
1) Institutions									
a) Mutual Funds	300	600	900	--	300	600	900	--	--
b) Banks/FI	3,284,948	--	3,284,948	13.17	3,692,575	--	3,692,575	13.89	0.72

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	
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt.	--	--	--	--	--	--	--	--	--
e) Venture Capital Fund	--	--	--	--	--	--	--	--	--
f) Insurance Companies	999,594	--	999,594	4.01	499,594	--	499,594	1.88	(2.13)
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
SUB TOTAL (B)(1):	**4,284,842**	**600**	**4,285,442**	**17.18**	**4,192,469**	**600**	**4,193,069**	**15.77**	**(1.41)**
2) Non Institutions									
a) Bodies Corporates									
i) Indian	872,670	7,572	880,242	3.53	1,276,303	7,572	1,283,875	4.83	1.30
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i. Individual shareholders holding nominal share capital up to ₹2 lakhs.	4,675,464	258,448	4,933,912	19.78	4,222,097	254,360	4,476,457	16.83	(2.95)
ii. Individual shareholders holding nominal share capital in excess of ₹2 lakhs.	6,131,788	--	6,131,788	24.58	6,096,314	23,000	6,119,314	23.01	(1.57)
c) NBFCs registered	--	--	--	--	--	--	--	--	--
d) Others (specify)	--	--	--	--	--	--	--	--	--
i) Non-Resident Indian	335,103	82,985	418,088	1.68	507,138	82,835	589,973	2.22	0.54
ii) Clearing Members	23,082	--	23,082	0.09	70,898	--	70,898	0.27	0.18
iii) Hindu Undivided Family	961,829	--	961,829	3.85	1,115,281	--	1,115,281	4.20	0.35
iv) Trust	850,000	--	850,000	3.41	--	--	--	--	(3.41)
v) IEPF	--	--	--	--	3750	--	3750	0.01	0.01
SUB TOTAL (B)(2):	**13,849,936**	**349,005**	**14,198,941**	**56.92**	**13,291,781**	**367,767**	**13,659,548**	**51.37**	**(5.55)**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**18,134,778**	**349,605**	**18,484,383**	**74.10**	**17,484,250**	**368,367**	**17,852,617**	**67.14**	**(6.96)**
C. Shares held by Custodian for GDRs & ADRs	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Grand Total (A+B+C)	**24,598,337**	**349,605**	**24,947,942**	**100.00**	**26,222,575**	**368,367**	**26,590,942**	**100.00**	**--**

ii. Shareholding of Promoters:

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	
Pioneer E-Com Fashions LLP	4,501,726	18.04	97.61	5,536,492	20.82	79.36	2.78
Raj Kumar Sekhani	1,924,760	7.71	47.08	3,164,760	11.90	28.63	4.19
Bimla Devi Sekhani	23,073	0.09	--	23,073	0.09	--	--
Manak Chand Baid Jt. Raj Kumar Sekhani	14,000	0.06	--	14,000	0.05	--	(0.01)
Total	**6,463,559**	**25.90**	**82.00**	**8,738,325**	**32.86**	**60.65**	**6.96**

Note: The increase in % of promoters shareholding is due to allotment of 12,40,000 equity shares to Mr. Raj Kumar Sekhani on preferential basis and purchase of 10,34,766 equity shares by Pioneer E-Com Fashions LLP.

iii. Change in Promoters' Shareholding:

Particulars	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
	No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
Pioneer E-Com Fashions LLP	4,501,726	18.04	--	--	4,501,726	16.93
Bought during the year	--	--	14/11/20	1,034,766	5,536,492	20.82
At the end of the year	5,536,492	20.82	--	--	5,536,492	20.82
Raj Kumar Sekhani	1,924,760	7.71	--	--	1,924,760	7.24
Bought during the year	--	--	24/03/21	1,240,000	3,164,760	11.90
At the end of the year	3,164,760	11.90	--	--	3,164,760	11.90

Note: The increase in % of promoters shareholding is due to allotment of 12,40,000 equity shares to Mr. Raj Kumar Sekhani on preferential basis and purchase of 10,34,766 equity shares by Pioneer E-Com Fashions LLP.

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

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
1	**Anand Ratanlal Sekhani**	1,500,500	6.01	--	--	1,500,500	5.64
	At the end of the year	1,500,500	5.64	--	--	1,500,500	5.64
2	**Amit Ratanlal Sekhani**	1,500,000	6.01	--	--	1,500,000	5.64
	At the end of the year	1,500,000	5.641	--	--	1,500,000	5.64
3	**Union Bank of India**	1,291,183	5.17	--	--	1,291,183	4.86
	Purchase	--	--	18 Dec 2020	3,603	1,294,786	4.87
	Sold	--	--	25 Dec 2020	(3,603)	1,291,183	4.86
	At the end of the year	1,291,183	4.86	--	--	1,291,183	4.86
4	**Export-Import Bank of India**	1,259,028	5.05	--	--	1,259,028	4.73
	Sold	--	--	12 Feb 2021	(60,000)	1,199,028	4.51
	Sold	--	--	05 Mar 2021	(32,373)	1,166,655	4.39
	At the end of the year	1,166,655	4.39	--	--	1,166,655	4.39
5	**Kotak Mahindra Bank Ltd**	734,037	2.94	--	--	734,037	2.76
	At the end of the year	734,037	2.76	--	--	734,037	2.76
6	**Sunita Bhagchandka**	916,610	3.67	--	--	916,610	3.45
	Sold	--	--	05 Feb 2021	(204,232)	712,378	2.68
	At the end of the year	712,378	2.68	--	--	712,378	2.68
7	**Nikhil Sekhani**	440,000	1.76	--	--	440,000	1.65
	Purchase	--	--	12 Feb 2021	110,000	550,000	2.07
	Purchase	--	--	19 Feb 2021	50,000	600,000	2.26
	At the end of the year	600,000	2.26	--	--	600,000	2.26
8	**Shreeji Capital and Finance Limited**	--	--	--	--	--	--
	Purchase	--	--	16 Oct 2020	212,737	212,737	0.80
	Purchase	--	--	23 Oct 2020	14,054	226,791	0.85
	Purchase	--	--	30 Oct 2020	132,848	359,639	1.35
	Purchase	--	--	06 Nov 2020	181,373	541,012	2.03
	Purchase	--	--	13 Nov 2020	39,185	580,197	2.18
	Sold	--	--	20 Nov 2020	(546,046)	34,151	0.13
	Purchase	--	--	27 Nov 2020	87,499	121,650	0.46
	Purchase	--	--	04 Dec 2020	89,066	210,716	0.79
	Purchase	--	--	11 Dec 2020	62,788	273,504	1.03
	Purchase	--	--	18 Dec 2020	744	274,248	1.03
	Sold	--	--	31 Dec 2020	(58,903)	215,345	0.81
	Purchase	--	--	08 Jan 2021	70,938	286,283	1.08
	Purchase	--	--	15 Jan 2021	90,376	376,659	1.42
	Purchase	--	--	22 Jan 2021	75,741	452,400	1.70
	Purchase	--	--	29 Jan 2021	50,812	503,212	1.89

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding during the year	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of The Company
	Purchase	--	--	05 Feb 2021	20,368	523,580	1.97
	Purchase	--	--	12 Feb 2021	1,121	524,701	1.97
	Purchase	--	--	19 Feb 2021	10,724	535,425	2.01
	Purchase	--	--	26 Feb 2021	8,373	543,798	2.05
	Purchase	--	--	05 Mar 2021	34,190	577,988	2.17
	Purchase	--	--	31 Mar 2021	10,000	587,988	2.21
	At the end of the year	587,988	2.21	--	--	587,988	2.21
9	**General Insurance Corporation of India**	500,000	2.00	--	--	500,000	1.88
	At the end of the year	500,000	1.88	--	--	500,000	1.88
10	**United India Insurance Company Limited**	499,594	2.00	--	--	499,594	1.88
	At the end of the year	500,000	1.88	--	--	500,000	1.88

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	1,924,760	7.71	1,924,760	7.24
	increase in Directors Shareholding on 24th March, 2021	1,240,000	4.66	3,164,760	11.90
	Decrease in Directors Shareholding during the year	--	--	3,164,760	11.90
	At the end of the year	3,164,760	11.89	3,164,760	11.90
2.	**Gangadharan K R Panicker**				
	At the beginning of the year	--	--	--	--
	Allotment of shares on 2nd February, 2021 under ESOP scheme	20,000	0.08	20,000	0.08
	Decrease in Directors Shareholding during the year	--	--	20,000	0.08
	At the end of the year	20,000	0.08	20,000	0.08
3.	**Deepak Sipani**				
	At the beginning of the year	--	--	--	--
	Allotment of shares on 2nd February, 2021 under ESOP scheme	20,000	0.08	20,000	0.08
	Decrease in Shareholding during the year	--	--	20,000	0.08
	At the end of the year	20,000	0.08	20,000	0.08

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
4.	**Ami Thakkar**				
	At the beginning of the year	--	--	--	--
	Allotment of shares on 2nd February, 2021 under ESOP scheme	7,500	0.03	7,500	0.03
	Decrease in Directors Shareholding during the year	--	--	7,500	0.03
	At the end of the year	7,500	0.03	7,500	0.03

Note: During the year, the Company has allotted 4,03,000 equity shares to employees under ESOP Basis.

V. INDEBTEDNESS

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

(₹ in lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
I. Indebtness at the beginning of the financial year				
i) Principal Amount	3,274.64	94.11	--	3,368.75
ii) Interest due but not paid	21.53	--	--	21.53
iii) Interest accrued but not due	6.90	--	--	6.90
Total (i+ii+iii)	**3,303.07**	**94.11**	**--**	**3,397.18**
Change in Indebtedness during the financial year				
Addition	757.96	--	--	757.96
Reduction	(1,079.95)	(94.11)	--	(1,174.06)
Net Change	(321.99)	(94.11)	--	(416.10)
Indebtedness at the end of the financial year				
i) Principal Amount	2,976.93	--	--	2,976.93
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	4.15	--	--	4.15
Total (i+ii+iii)	**2,981.06**	**--**	**--**	**2,981.06**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
		Chairman	Managing Director	Executive Director	
		Mr. Raj Kumar Sekhani	Mr. Harsh Vardhan Bassi	Mr. Gangadharan K R Panicker	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961	67.00	31.80	18.31	117.11
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	3.01	2.68	6.09
	(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)	**67.40**	**34.81**	**20.99**	**123.20**

B. Remuneration to other Directors:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Name of the Directors			Total Amount
1	**Independent Directors**	**Mr. Joginder Kumar Baweja**	**Mr. Gopalkrishnan Sivaraman**	**Ms. Sujata Chakravarty**	
	(a) Fee for attending board / committee meetings	0.97	0.95	0.48	2.40
	(b) Commission	--	--	--	--
	(c) Others, please specify	--	--	--	--
	Total (1)	**0.97**	**0.95**	**0.48**	**2.40**
2	**Other Non-Executive Directors**				
	(a) Fee for attending board / committee meetings	--	--	--	--
	(b) Commission	--	--	--	--
	(c) Others, please specify	--	--	--	--
	Total (2)	**--**	**--**	**--**	**--**
	Total Managerial Remuneration	**0.97**	**0.95**	**0.48**	**2.40**

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

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary (Ms. Ami Thakkar)	CFO (Mr. Deepak Sipani)	
1.	Gross Salary	5.30	16.51	21.81
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1.01	2.68	3.69
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission	--	--	--
	- as % of profit	--	--	--
	- Others, (specify)	--	--	--
5.	Others, please specify	--	--	--
	Total (C)	**6.31**	**19.19**	**25.50**

VII. PENALTIES/PUNISHMENT/COMPOUNDING 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. AOC -2

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

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

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

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

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**I) Sales**
		a) J.J. Sons
		b) Kiran Industries Pvt. Ltd.
		c) Kiran Texpro Pvt. Ltd.
		d) J.J. Enterprises
		II) Purchases
		a) Kiran Industries Pvt. Ltd.
		b) Kiran Texpro Pvt. Ltd.
		c) J.J. Enterprises
		d) Crystal Lace (India) Ltd.
		III) Rent
		a) Kiran Industries Pvt. Ltd.
b)	Nature of contracts/arrangements/transaction	Invoice
c)	Duration of the contracts/ arrangements/ transaction	As and when required
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	As per normal business norms
e)	Date of approval by the Board	11th February, 2020
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board of Directors

RAJ KUMAR SEKHANI

Date : 18th May, 2021
Place : Mumbai.

Chairman
DIN:00102843

Annexure - D

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

[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, 2021 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, 2021 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;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period);

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

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

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

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

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951;
3. Labour Laws and other incidental laws related to labour and employees appointed by the company either on its payroll or on contractual basis as related to wages, gratuity, bonus, provident fund, ESIC, compensation etc.;
4. Acts prescribed under prevention and control of pollution;
5. Acts prescribed under Environmental protection;
6. Acts as prescribed under Direct Tax and Indirect Tax;
7. Land Revenue laws of respective States;
8. Labour Welfare Act to respective States;
9. Acts as prescribed under Shop and Establishment Act of various local authorities.
10. Local Laws as applicable to various offices and plants;

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations 2015.

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

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

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

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

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

Further we have to state that we have not carried out the physical inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID 2019 across the country. We have relied on the records as made available by the Company by digital mode and also on the Management Representation Letter issued by the Company.

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: 18th May, 2021
Place: Mumbai
UDIN:F002655C000339970

Annexure 1

(forming part of Secretarial Audit Report)

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

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

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

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

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

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

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

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

For **SANJAY DHOLAKIA & ASSOCIATES**

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

Date: 18th May, 2021.
Place: Mumbai
UDIN: F002655C000339970

Annexure - E

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

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

Name of Director	Designation	Ratio to median remuneration of the employees
Mr. Raj Kumar Sekhani	Chairman	43:1
Mr. Harsh Vardhan Bassi	Managing Director	22:1
Mr. Gangadharan K R Panicker	Executive Director	13:1

a) The Median remuneration of employees of the Company was ₹1.58 lakhs.

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

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

Designation	Name of Employee	% increase/decrease in remuneration (₹ in lakhs)
Chairman	Mr. Raj Kumar Sekhani	11.59
Managing Director	Mr. Harsh Vardhan Bassi	(15.46)
Executive Director	Mr. Gangadharan K R Panicker	1.66
CFO	Mr. Deepak Sipani	2.66
Company Secretary	Ms. Ami Thakkar	5.08

iii. The % increase in the median remuneration of employees in the financial Year: 35.83%.

iv. The number of permanent employees on the rolls of the Company :1045

v. 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 35.83% while the increase in the remuneration of managerial personnel was 1.21%.

vi. Affirmation that the remuneration is as per the remuneration policy of the Company:

The company hereby affirmed that the remuneration is as per the Remuneration policy of the Company.

vii. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board of Directors

RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Date : 18th May, 2021
Place : Mumbai

Annexure - F

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2021 is given here below and forms part of Directors' Report.

A) CONSERVATION OF ENERGY:

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

B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

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

RESEARCH AND DEVELOPMENT:

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

C) FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ in lakhs)

	2020-21	2019-20
Total Foreign Exchange Used (Payment Basis)	**267.77**	213.16
Total Foreign Exchange Earned	**4,322.52**	3,539.85

Annexure - G

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

   Identification of projects:

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

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

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

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

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Sujata Chakravarty*	Chairperson	01	01
2.	Mr. Raj Kumar Sekhani	Member	01	01
3.	Mr. Harsh Vardhan Bassi	Member	01	01
4.	Mr. Joginder Kumar Baweja	Member	01	01

   * Deceased on 4th May, 2021.

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** https://www.pelhakoba.com/wp-content/uploads/2016/10/Corporate_Social_Responsibility_policy.pdf

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** NA

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1	NA	NA	NA

6. **Average net profit of the company as per section 135(5): ₹1.30 crores**

7. (a) Two percent of average net profit of the company as per section 135(5): **₹2.60 lakhs**
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NA**
   (c) Amount required to be set off for the financial year: **NA**
   (d) Total CSR obligation for the financial year (7a+7b- 7c): **₹2.60 lakhs**

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹2.60 lakhs	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in₹)	Mode of Implementa tion Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementati on Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Sri Jethmal Jiwraj Sekhani Charitable Trust	Financial Literacy of Women	No	Gujarat	Surat	₹2.60 lakhs	Yes	NA	NA
	Total					₹2.60 lakhs			

(d) Amount spent in Administrative Overheads: **NA**

(e) Amount spent on Impact Assessment, if applicable: **NA**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹**2.60 lakhs**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹2.60 lakhs
(ii)	Total amount spent for the Financial Year	₹2.60 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	NA	NA	NA	NA	NA	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in ₹)**	**Amount spent on the project in the reporting Financial Year (in ₹)**	**Cumulative amount spent at the end of reporting Financial Year (in ₹)**	**Status of the project- Completed /Ongoing**
1.	NA	NA	NA	NA	NA	NA	NA	NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **NA**

    (a) Date of creation or acquisition of the capital asset(s).
    (b) Amount of CSR spent for creation or acquisition of capital asset.
    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

Harsh Vardhan Bassi
Managing Director
DIN: 00102941

Sushama Bhatt
Chairman-CSR Committee
DIN: 09168896

Place: Mumbai
Date: 18th May, 2021

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

Your Company believes that good Corporate Governance is essential for achieving long term goals and enhancing shareholder value. 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. Our pursuit towards achieving good governance is an on-going basis. 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 of six Directors, out of which three are Executive Directors, and three are Independent Non-Executive Directors. The Non-Executive Directors of the Company are highly experienced professionals in their fields and in the corporate world. The Chairman of the Board is an Executive Director.

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

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

Category	Name of Directors
Executive Directors	Mr. Raj Kumar Sekhani, Chairman
	Mr. Harsh Vardhan Bassi, Managing Director
	Mr. Gangadharan K R Panicker, Executive Director
Non-Executive and Independent Directors	Mr. Joginder Kumar Baweja
	Mr. Gopalkrishnan Sivaraman
	Ms. Sujata Chakravarty*

*Deceased on 4th May, 2021.

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

Name of the Director	Category	No. of other Directorships@	#No. of Board Committee in which Director is	
			Member	Chairman
Mr. Raj Kumar Sekhani	Chairman	3	2	--
Mr. Harsh Vardhan Bassi	Managing Director	3	3	--
Mr. Joginder Kumar Baweja	Independent Non-Executive Director	1	4	2
Mr. Gopalkrishnan Sivaraman	Independent Non-Executive Director	--	3	1
Ms. Sujata Chakravarty*	Independent Non-Executive Director	--	1	1
Mr. Gangadharan K R Panicker	Executive Director	--	--	--

@ Does not include Directorships in Private Companies.
# Committee includes Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.
*Deceased on 4th May, 2021.

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%20PROGRAMMES%20IMPARTED%20TO%20INDEPENDENT%20DIRECTORS%202016-2017.pdf

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

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

The Board of the Company met Four times during the year ended 31st March, 2021 on the following dates:

29-06-2020, 13-08-2020, 06-11-2020 and 02-02-2021

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 31st August, 2020
Mr. Raj Kumar Sekhani	4	4	Present
Mr. Harsh Vardhan Bassi	4	4	Present
Mr. Joginder Kumar Baweja	4	4	Present
Mr. Gopalkrishnan Sivaraman	4	4	Present
Ms. Sujata Chakravarty*	4	4	Present
Mr. Gangadharan K R Panicker	4	4	Present

*Deceased on 4th May, 2021.

Directors seeking reappointment:

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

Mr. Raj Kumar Sekhani

Mr. Raj Kumar Sekhani, is a Commerce Graduate from Calcutta University. Being a promoter of the Company, he has been involved in the activities of manufacturing and trading in garment accessories including embroidery fabrics, laces and knitted fabrics for 42 years. He holds Directorship of Hakoba Lifestyle Limited, Pioneer Realty Limited and Crystal Lace (India) Limited. He is also Member of Stakeholders Relationship and Corporate Social Responsibility Committee of Pioneer Embroideries Limited. Mr. Raj Kumar Sekhani (DIN:00102843), was appointed as an Non Independent Director/Chairman of the Company being liable to retire by rotation and being eligible for re-appointment, is placed before the members at the forthcoming Annual General Meeting for their approval.

Mr. Harsh Vardhan Bassi

Mr. Harsh Vardhan Bassi, is a Graduate in Commerce Stream from Punjab University, and took business at a very young age. He has nearly 23 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", Pioneer Realty Limited and Crystal Lace (India) Limited. In addition to being a member of Audit, Shareholders Relationship and Corporate Social Responsibility Committee of Pioneer Embroideries Ltd. Mr. Harsh Vardhan Bassi (DIN:00102941), Managing Director of the Company was appointed for a period of five years up to 28th October, 2021. The Nomination and Remuneration Committee and the Board at their meetings held on 18th May, 2021 had recommended the re-appointment of Mr. Harsh Vardhan Bassi (DIN:00102941), as a Managing Director of the Company for further period of 5 years from 29th October, 2021 to 28th October, 2026 at the forth coming Annual General Meeting of the Company.

3. **Core skills / expertise / competencies available with the Board**

The core skills / expertise / competencies required in the Board in the context of the Company's Businesses and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

Core skills / expertise / competencies	Name of the Directors					
	Mr. Raj Kumar Sekhani	Mr. Harsh Vardhan Bassi	Mr. Joginder Kumar Baweja	Mr. Gopalkrishnan Sivaraman	Ms. Sujata Chakravarty*	Mr. Gangadharan K R Panicker
Leadership	•	•	•	•	•	•
Strategic Planning	•	•	•	•	•	•
Industry Knowledge and Experience	•	•	•	•	•	•
Technology	•	•		•		•
Financial Control	•	•	•	•		
Human Resources	•	•	•	•	•	•
Business strategy, Sales and Marketing	•	•	•			•
Corporate Governance	•	•	•	•	•	•

*Deceased on 4th May, 2021.

The Board members hereby confirm that the independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

4. **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 evaluation of Promoter Directors and Independent Directors was done by the Board as a whole by Independent Directors and Promoters Directors every year. The evaluation of Independent Directors includes performance and fulfillment of the independence criteria as specified in LODR and their independence from the management. 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.

5. **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, 2021 four Meetings of the Audit Committee were held on 29-06-2020, 13-08-2020, 06-11-2020 and 02-02-2021.

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 Director on the Committee	Committee Meetings Attended
Mr. Joginder Kumar Baweja	Chairman	Non-Executive Independent Director	4	4
Mr. Harsh Vardhan Bassi	Member	Executive Director	4	4
Mr. Gopalkrishnan Sivaraman	Member	Non-Executive Independent Director	4	4

6. 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, 2021, two meetings of the Committee was held on 29-06-2020 and 06-11-2020.

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 Director on the Committee	Committee Meetings Attended
Mr. Joginder Kumar Baweja	Chairman	Non-Executive Independent Director	2	2
Mr. Gopalkrishnan Sivaraman	Director	Non-Executive Independent Director	2	2
Ms. Sujata Chakravarty*	Director	Non-Executive Independent Director	2	2

*Deceased on 4th May, 2021.

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

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

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

- To recommend and review the remuneration packages of the Managing Director and Whole Time Directors including pension rights and compensation payment.

- To recommend and review on the sitting fees to be paid to the Non-Executive Directors and Independent Directors for attending the Board Meetings and Committee Meetings.

- To help in determining the appropriate size, diversity and composition of the Board.

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

- To assist in developing a succession plan for the Board.

- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Performance Evaluation of board

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

7. 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:

(₹ in lakhs)

Sr. No.	Name of Director	Sitting fees	Salary	Bonus	Performance Linked Incentives	Provident Fund	Pension	Stock option
1.	Mr. Raj Kumar Sekhani	--	67.40	--	--	--	--	--
2.	Mr. Harsh Vardhan Bassi	--	34.81	--	--	--	--	--
3.	Mr. Joginder Baweja	0.97	--	--	--	--	--	--
4.	Mr. Gopalkrishnan Sivaraman	0.95	--	--	--	--	--	--
5.	Ms. Sujata Chakravarty*	0.48	-	-	--	--	--	--
6.	Mr. Gangadharan K R Panicker	--	20.99	--	--	--	--	--
	Total	**2.40**	**123.20**	**--**	**--**	**--**	**--**	**--**

*Deceased on 4th May, 2021.

8. Stakeholders' Relationship Committee

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

During the year ended 31st March, 2021, four Meetings of the Stakeholder's Relationship Committee were held on 29-06-2020, 13-08-2020, 06-11-2020 and 02-02-2021.

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

Ms. 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, 2021 are given hereunder:

Nature of Complaints	Received	Attended to	Pending
Non Receipt of Share Certificate(s) Transfer	0	0	0
Non Receipt of Rejected DRF	0	0	0
Non Receipt of Exchange Certificate(s)	0	0	0
Non Receipt of Bonus Certificate(s)	0	0	0
Total	**0**	**0**	**0**

9. Corporate Social Responsibility Committee

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

During the year under review, One Corporate Social Responsibility Committee meeting was held on 2nd February, 2021.

The composition of Corporate Social Responsibility Committees as under:

Name of the Director	Designation	Status	Committee Meetings held during the tenure of Director on the Committee	Committee Meetings Attended
Ms. Sujata Chakravarty*	Chairperson	Non-Executive Independent Director	1	1
Mr. Raj Kumar Sekhani	Member	Chairman	1	1
Mr. Harsh Vardhan Bassi	Member	Managing Director	1	1
Mr. Joginder Kumar Baweja	Member	Non-Executive Independent Director	1	1

*Deceased on 4th May, 2021.

Terms of Reference

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

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

10. 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
2017-2018	20th August, 2018	9.30 A.M	The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai- 400064.	02*
2018-2019	26th August, 2019	10.00 A.M	The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai- 400064.	04**
2019-2020	31st August, 2020	10.00 A.M	Through Video conferencing(VC) or Other Audio Video Mode(OAVM).	0

*For AGM held on 20th August, 2018 the following Special Resolutions were passed:

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

**For AGM held on 26th August, 2019 the following Special Resolutions were passed:

Sr. No.	Particulars
1.	Re-appointment of Mr. Joginder Kumar Baweja (DIN:01660198), as an Independent Director of the Company.
2.	Re-appointment of Mr. Gopalkrishnan Sivaraman (DIN:00457873), as an Independent Director of the Company.
3.	Approval of Pioneer Embroideries Limited Employee Stock Option Plan 2018.
4.	Approval of Pioneer Embroideries Limited Employee Stock Option Plan 2018-Holding Company and\or Subsidiary(ies) Company(ies).

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

The venue and time of the Extra Ordinary General Meeting held during the year are as follows:

Date	Time	Venue	No. of Special Resolutions passed
15th December, 2020	11.00 A.M	Through Video conferencing(VC) or Other Audio Video Mode(OAVM).	1#

#For EGM held on 15th December, 2020 the following Special Resolutions were passed:

Sr. No.	Particulars
1.	Issue of 12,40,000 Equity Shares of the Company on preferential basis to Mr. Raj Kumar Sekhani.

11. 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 'Economic Times/Business Standard' & 'Mumbai Lakshdeep'. The results are displayed on the Company's Website: - www.pelhakoba.com.

General Shareholder Information

i)	**AGM**		
	Date and Time	:	Monday, 19th July, 2021 at 10.00 A.M. through Video Conferencing or Other Audio Visual means
ii)	**Financial Calendar 2021-2022 (tentative) Financial year ends on 31st March every year**		
	Quarter ending June 30, 2021	:	By Second Week of August, 2021
	Half year ending September 30, 2021	:	By Second Week of November, 2021
	Quarter ending December 31, 2021	:	By Second Week of February, 2022
	Year ending March 31, 2022	:	By Last Week of May, 2022
	Annual General Meeting (2021-2022)	:	By end of September, 2022
iii)	**Date of Book Closure**	:	Saturday, 10th July, 2021 to Monday, 19th July, 2021 (both days inclusive)
iv)	**Dividend Payment Date**	:	Dividend of ₹0.25 paise per share of ₹10/- each has been recommended by the Board of Directors of the Company for the year. Dividend, if declared by the Members at the Annual General Meeting, shall be paid on or after 23rd July, 2021.
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 2021-2022 has been paid to the above Stock Exchanges.
vii)	**Demat ISIN No.**	:	INE156C01018

viii) Stock Market Data

The month-wise movement (High & Low) of the shares of the Company at the Bombay Stock Exchange and National Stock Exchange during each month for the year ended 31st March, 2021 is as under:

Month	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (in lakhs)	High Price (₹)	Low Price (₹)	Volume (in lakhs)
April, 2020	21.00	15.30	2.06	21.50	16.00	12.70
May, 2020	19.95	16.00	2.45	20.00	15.65	16.27
June, 2020	27.50	17.70	39.17	27.80	17.05	244.41
July, 2020	28.75	22.95	48.66	28.00	22.85	295.48
August, 2020	27.00	21.90	35.10	26.50	21.10	321.75
September, 2020	23.50	19.00	9.85	23.20	19.25	35.16

Month	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (in lakhs)	High Price (₹)	Low Price (₹)	Volume (in lakhs)
October, 2020	22.45	19.20	12.26	22.30	18.60	149.98
November, 2020	27.00	18.80	26.47	27.05	19.20	463.09
December, 2020	37.95	26.50	99.69	37.90	26.55	427.99
January, 2021	44.75	36.15	70.32	44.70	35.50	668.78
February, 2021	48.90	38.10	79.03	48.65	38.35	703.71
March, 2021	43.95	37.00	31.72	43.90	37.00	338.82

ix) **Performance in comparison to Broad-based indices such at BSE Sensex, NSE NIFTY.** : As against a rise of 68.01% in BSE Sensex during the year, the price of equity shares of the Company has rose by 127.14%.

As against a rise of 70.87% in NSE NIFTY 50 during the year, the price of equity shares of the Company has rose by 131.10%.

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: 022-49186000
Fax: 022-49186060
Email: rnt.helpdesk@linkintime.co.in

xi) Share Transfer System

The share transfers, received are processed and completed 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, 2021

Slab of No. of Shareholding			No. of Shareholders	% to No. of Shareholders	Amount (₹)	% to paid-up capital
Upto	-	5,000	19,268	91.40	1,173,889	4.41
5,001	-	10,000	830	3.94	685,801	2.58
10,001	-	20,000	441	2.09	685,224	2.58
20,001	-	30,000	149	0.71	385,106	1.45
30,001	-	40,000	68	0.32	245,911	0.93
40,001	-	50,000	81	0.38	383,913	1.44
50,001	-	100,000	111	0.53	835,427	3.14
> 100,001			132	0.63	22,195,671	83.47
Total			**21,080**	**100.00**	**26,590,942**	**100.00**

xiii) Categories of Shareholding Pattern as on 31st March, 2021

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Promoters	4	0.02	8,738,325	32.86
Mutual Funds & UTI	2	0.01	900	0.00
Banks/Financial Institutions/ Ins/ Govt.	6	0.03	4,192,169	15.77
Foreign Institutional Investors	0	0.00	0	0.00
Corporates	148	0.71	1,283,875	4.83
Individuals	19,883	95.36	10,595,771	39.85
NRIs/OCBs	472	2.26	589,973	2.22
Others	335	1.61	1,189,929	4.47
Total	**20,850***	**100.00**	**26,590,942**	**100.00**

* Due to clubbing of Folios of same person holding shares in more than one Folio, there is Difference in No. of shareholders in Distributions of Shareholding as on 31st March, 2021 and Categories of Shareholding Pattern as on 31st March, 2021.

xiv) Dematerializations of Shares

The Company's shares are traded compulsorily in dematerialized form. As on 31st March, 2021 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	368,367	1.39
Shares held in Demat Form	26,222,575	98.61
TOTAL	**26,590,942**	**100.00**

xv) Outstanding GDRs / Warrants and Convertible Instruments

There is no Outstanding GDRs / Warrants and Convertible Instruments as at 31st March, 2021.

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

The Company is not involved in any hedging activities.

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) 4918 6000, Fax No.: (022) 4986 060
Email: rnt.helpdesk@linkintime.co.in

Investors may also write or contact Ms. 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)4223 2323 Fax: (022) 4223 2313
Email: mumbai@pelhakoba.com

xix) Credit Rating obtained by the Company

There has been upgrade in Company's credit rating to "CARE BB; Stable" from "CARE B- Stable", on account of an improvement in the revenue and profitability margins generated by the Company along with significant debt repayment, leading to improvement in capital structure and debt coverage metrics. The said rating was received from CARE Ratings Limited on 3rd March, 2021.

xx) Utilisation of funds raised through preferential allotment:

₹285.20 lakhs raised through preferential allotment made to Mr. Raj Kumar Sekhani have been used for Company's Working Capital during the year.

xxi) Total Fees for all Services paid by the Listed Entity and Its Subsidiaries, on a consolidated basis, to The Statutory Auditor and all entities in the Network Firm/Network Entity of which the Statutory Auditor is a part.

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

Company Name	Relationship	Name of Auditor	(₹ In lakhs)
Pioneer Embroideries Limited	Parent Company	M/s. S. K. Naredi & Co, (ICAI Reg. No. 003333C), Chartered Accountants	11.50

12. 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.

13. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

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

14. CERTIFICATE FROM PRACTISING COMPANY SECRETARY

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

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

16. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

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

17. DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LODR

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

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

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

Modified Opinion in Auditors Report: The Company's financial statement for the year 2020-2021 does not contain any modified audit opinion.

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

18. WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees.

19. PREVENTION OF INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed from starting of the quarter till 48 hours after the declaration of results and during occurrence of any material events as per the code. The Company has appointed Ms. Ami Thakkar as Compliance Officer, who is responsible to set procedures and implementation of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code.

20. CODE OF CONDUCT

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

21. SCORES

There are no pending complaints under SCORES.

22. 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, 2021.

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

23. 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.

24. STATUTORY AND REGULATORY DISCLOSURES

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and regulation 46 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

The Company has complied with the corporate governance provisions as specified in chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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, 2021.

For Pioneer Embroideries Limited

Harsh Vardhan Bassi
Managing Director
DIN:00102941

For Pioneer Embroideries Limited

Deepak Sipani
Chief Financial Officer

Place: Mumbai
Date: 18th May, 2021

MANAGING DIRECTORS/CHIEF FINANCIAL OFFICER CERTIFICATION

To
The Board of Directors
Pioneer Embroideries Limited
Mumbai.

We have reviewed the financial statements and the cash flow statement of Pioneer Embroideries Limited for the year ended 31st March, 2021 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 and evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

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

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

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

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

For Pioneer Embroideries Limited

Harsh Vardhan Bassi
Managing Director
DIN:00102941

For Pioneer Embroideries Limited

Deepak Sipani
Chief Financial Officer

Place: Mumbai
Date: 18th May, 2021

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of corporate governance by Pioneer Embroideries Limited, ('the Company'), for the year ended on 31st March, 2021, 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.

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

Rahul Naredi
Partner
Membership Number: 302632
UDIN: 21302632AAAADF8632

Place: Mumbai
Date: 18th May, 2021

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority .

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

We have conducted online verification & examination relevant records, as facilitated by the Company digitally, due to COVID 19 and subsequent lockdown situation and also on the Management Representation Letter issued by the Company for the purpose of issuing this Report.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor

Place: Mumbai
Date: 18th May, 2021
FCS 2655 CP 1798
UDIN: F002655C000339937

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Pioneer Embroideries Limited,

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Pioneer Embroideries Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit & Loss(including other comprehensive income), the statement of changes in equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information(hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March, 2021, and its profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Recognition of Deferred Tax Assets Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The Company's ability to recognise previously un-recognised deferred tax assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the applicable tax laws. As at 31st March, 2021 the Company has recognised total deferred tax assets of ₹271.65 lakh. The recognition of deferred tax asset is a key audit matter as its recoverability within the allowed time frame involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Company.	Our audit procedures to test the recognition of deferred tax assets included the following: Read and understood the Company's accounting policies with respect to recognition of deferred taxes and for assessing compliance with Ind AS 12 "Income Taxes". Evaluated the Company's tax positions by assessing the prevalent tax laws and compared the current position with prior years, past precedents. We assessed the disclosures in Note 6 of the financial statements in accordance with the requirements of Ind AS 12 "Income Taxes".

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

Auditors' Responsibility

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

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

   (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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.

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

RAHUL NAREDI
Partner
Membership Number: 302632
UDIN: 21302632AAAADF8632

Place: Mumbai
Date: 18th May, 2021

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, 2021.

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

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

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

c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.

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

iii. As per the information and explanation given to us and the records produced before us for verification, the Company has granted unsecured loans to three 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 prescribed 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, 2021 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, 2021 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 during the year. The Company has not taken any loans or borrowings from government or through debentures.

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

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

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

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

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

xiv. According to the information and explanations given to us, the company has made preferential allotment of equity shares during the year. The requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised has 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 covered under Section 192 of the Act.

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

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

RAHUL NAREDI
Partner
Membership Number: 302632
UDIN: 21302632AAAADF8632

Place: Mumbai
Date: 18th May, 2021

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, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

RAHUL NAREDI
Partner
Membership Number: 302632
UDIN: 21302632AAAADF8632

Place: Mumbai
Date: 18th May, 2021

Standalone Balance Sheet

As at March 31, 2021

(₹ in lakhs)

Particulars		Note	As at March 31, 2021	As at March 31, 2020
I	**ASSETS**			
1	**Non-Current Assets**			
	Property, Plant & Equipments	3A	7,874.23	8,352.67
	Capital Work- in- Progress	3B	-	24.51
	Other Intangible Assets	3C	25.77	32.47
	Right of Use Assets	3D	103.43	128.25
	Financial Assets			
	(i) Investments	4	929.65	929.65
	(ii) Other Non-Current Financial Assets	5	195.18	202.74
	Deferred Tax Assets (Net)	6	271.65	-
	Other Non-Current Assets	7	722.00	148.55
2	**Current Assets**			
	Inventories	8	3,978.13	3,412.68
	Financial Assets			
	(i) Trade Receivables	9	1,994.68	1,578.51
	(ii) Cash and Cash Equivalents	10	618.28	142.76
	(iii) Other Current Financial Assets	11	623.16	775.77
	Current Tax Assets (Net)	12	98.90	119.91
	Other Current Assets	13	485.92	325.94
TOTAL ASSETS			**17,920.98**	**16,174.41**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	Equity Share Capital	14	2,659.09	2,494.79
	Other Equity	15	8,777.93	6,543.43
2	**Non-Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	16	970.48	1,082.81
	(ii) Lease Liability	17	35.54	67.88
	Provisions	18	466.60	461.30
3	**Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	19	1,162.97	1,578.81
	(ii) Lease Liability	20	50.31	42.15
	(iii) Trade Payables	21		
	a) Outstanding dues of Micro Enterprises and Small Enterprises		337.69	262.66
	b) Outstanding dues other than Micro Enterprises and Small Enterprises		1,775.25	1,918.83
	(iv) Other Current Financial Liabilities	22	1,538.44	1,503.83
	Provisions	23	14.42	18.55
	Other Current Liabilities	24	132.26	199.37
TOTAL EQUITY AND LIABILITIES			**17,920.98**	**16,174.41**
Significant Accounting Policies and other Notes to the Standalone Financial Statements.		1-49		

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

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

RAHUL NAREDI
Partner
Membership Number: 302632
Place: Mumbai
Date: 18th May, 2021

For & on behalf of Board of Directors

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Standalone Profit & Loss

For the year ended March 31, 2021

(₹ in lakhs)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from Operations	25	22,596.96	23,768.20
Other Income	26	187.23	183.26
Total Income		**22,784.19**	**23,951.46**
Expenses			
Cost of Materials Consumed	27	11,128.94	12,980.79
Purchases of Stock-in-Trade		87.36	300.01
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	28	226.02	28.18
Employee Benefits Expense	29	2,937.38	3,200.44
Finance Costs	30	447.07	613.94
Depreciation and Amortization Expenses	3	816.30	871.21
Other Expenses	31	5,460.18	5,348.40
Total Expenses		**21,103.25**	**23,342.97**
Profit before Exceptional and Extraordinary Items and Tax		**1,680.94**	**608.49**
Exceptional Items - Income/(Loss) (Net)	32	-	219.43
Profit before Tax		**1,680.94**	**827.92**
Tax Expenses			
Current Tax		-	-
Deferred Tax (Credit)	33	(285.60)	-
Profit for the year (A)		**1,966.54**	**827.92**
Other Comprehensive Income			
Items that will not reclassified to Profit or Loss			
Remeasurement gain/(loss) of defined benefit plan		50.15	(13.96)
Income tax impact on above item		(13.95)	-
Other Comprehensive Income for the year (B)		**36.20**	**(13.96)**
Total Comprehensive Income for the year (A+B)		**2,002.74**	**813.96**
Earning per Equity Share of ₹10 each:	**47**		
(1) Basic ₹		7.76	3.32
(2) Diluted ₹		7.40	3.32
Significant Accounting Policies and other Notes to the Standalone Financial Statements.	1-49		

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

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

RAHUL NAREDI
Partner
Membership Number: 302632
Place: Mumbai
Date: 18th May, 2021

For & on behalf of Board of Directors

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Standalone Cash Flow

For the year ended March, 31, 2021

(₹ in lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash Flow From Operating Activities :**		
	Net Profit before Extraordinary Items and Tax	**1,680.94**	827.92
	Adjustment for :		
	Depreciation and Amortisation Expense	816.30	871.21
	Loss/(Profit) on sale/discard of Property, Plant and Equipment (net)	(3.09)	20.09
	Profit from sale of Non Core Assets	-	(219.43)
	Interest Income	(18.75)	(17.28)
	Finance Costs	447.07	613.94
	Provision for Expected Credit Losses	43.23	22.71
	Liabilities/Provisions no longer required written back	-	(44.35)
	Operating Profit before Working Capital Changes	**2,965.70**	**2,074.81**
	Changes in Working Capital:		
	Adjustments for :		
	Decrease/(Increase) in Inventories	(565.46)	(380.11)
	Decrease/(Increase) in Trade and Other Receivables	(459.21)	1,799.89
	Increase/(Decrease) in Trade and Other Payables	(149.27)	(930.05)
	Cash generated from Operation	**1,791.76**	**2,564.54**
	Net Income Tax (paid) / refunds	21.01	(1.62)
	Net Cash from Operating Activities	**1,812.77**	**2,562.92**
B.	**Cash Flow From Investing Activities :**		
	Purchases of Property, Plant and Equipments and Intangible Assets (including capital advance)	(843.11)	(228.54)
	Proceeds from sales of Property, Plant & Equipments (net of Advance)	4.00	521.16
	Proceeds from Long Term Investments	-	4.05
	Interest Received	18.75	17.28
	Net Cash from / (used) in Investing Activities	**(820.36)**	**313.95**
C.	**Cash Flow From Financing Activities :**		
	Proceeds from Issue of Equity Share Capital (including Share Premium)	396.06	-
	Proceeds from Non-Current Borrowing	757.96	267.34
	Repayment of Non-Current Borrowing	(733.94)	(2,189.68)
	Net increase / (decrease) in Current Borrowings	(415.84)	(267.67)
	Payment of Lease Liability	(49.78)	5.40
	Finance Costs	(471.35)	(605.39)
	Net Cash used in Financing Activities	**(516.89)**	**(2,790.00)**
	Net increase / (decrease) in cash and Cash Equivalents (A+B+C)	475.52	86.87
	Add: Opening Cash and Cash Equivalent	142.76	55.89
	Closing Cash and Cash Equivalent	**618.28**	**142.76**

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

RAHUL NAREDI
Partner
Membership Number: 302632
Place: Mumbai
Date: 18th May, 2021

For & on behalf of Board of Directors

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Standalone Statement of Change in Equity

For the year ended March 31, 2021

(₹ in lakhs)

(a) Equity Share Capital :

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	2,49,47,942	2,494.79	2,49,47,942	2,494.79
Changes in Equity Share Capital during the year	16,43,000	164.30	-	-
Balance at the end of the year	**2,65,90,942**	**2,659.09**	**2,49,47,942**	**2,494.79**

(b) Other Equity :

Particulars	Reserves and Surplus			Total
	Security Premium Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans	
Balance at April 01, 2019	**3,767.41**	**1,892.31**	**69.75**	**5,729.47**
Profit for the year	-	827.92	-	827.92
Transfer to Retained earnings	-	69.75	(69.75)	-
Other Comprehensive Income for the year	-	(13.96)	-	(13.96)
Total Comprehensive Income for the year	**-**	**883.71**	**(69.75)**	**813.96**
Balance at March 31, 2020	**3,767.41**	**2,776.02**	**-**	**6,543.43**
Profit for the year	-	1,966.54	-	1,966.54
Other Comprehensive Income for the year (net of tax)	-	36.20	-	36.20
Total Comprehensive income for the year	**-**	**2,002.74**	**-**	**2,002.74**
On issuance of Equity Shares	231.76	-	-	231.76
Balance at March 31, 2021	**3,999.17**	**4,778.76**	**-**	**8,777.93**

Securities Premium Reserve: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders, if any.

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

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

RAHUL NAREDI
Partner
Membership Number: 302632
Place: Mumbai
Date: 18th May, 2021

For & on behalf of Board of Directors

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Notes to Standalone Financial Statements
for the year ended March 31, 2021

1 Reporting Entity

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

These financial statements were authorised for issue by the Board of Directors in their meeting held on 18th May, 2021.

2 Significant Accounting Policies

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

2.1 Basis of Preparation

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

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

2.2 Basis of Measurement

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

- Certain financial assets and liabilities that is measured at fair value.

- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

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

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

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- **Level 3** inputs are unobservable inputs for the asset or liability.

2.3 Functional and Presentation Currency

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

Notes to Standalone Financial Statements
for the year ended March 31, 2021

2.4 Use of Judgements and Estimates

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

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

Judgements

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

- Classification of leases into finance and operating lease.

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

Assumptions and Estimation Uncertainties

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

- Measurement of defined benefit obligations: key actuarial assumptions;

- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;

- Impairment test: key assumptions underlying recoverable amounts;

- Useful life and residual value of Property, Plant and Equipment;

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

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

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

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle;

- Held primarily for the purpose of trading;

- Expected to be realised/settled within twelve months after the reporting period, or

- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

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

2.6 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

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

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

Subsequent Measurement

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

Depreciation

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

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Right of use assets is amortised over the lease period or estimated useful life whichever is less. Additions on rented premises are being amortised over the period of rent agreement.

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

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

Capital work-in-progress

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

De-recognition

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

2.7 Intangible Assets

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2021

2.8 Non-current Assets held for Sale

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

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.9 Impairment of Non-financial Assets

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

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

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

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

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

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

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

2.11 Foreign Currency Transactions

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

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

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

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

2.12 Employee Benefits

Short term employee benefits

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

Defined contribution plans

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

Defined benefit plans

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

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

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

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

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

Other long-term employee benefits

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

2.13 Revenue Recognition

The Company recognises revenue from sale of goods when;

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

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

iii) the amount of revenue can be measured reliably;

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

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

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

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

Interest other than interest on overdue debts from customers, is recognised on time proportion basis. Dividends are recognised at the time the right to receive payment is established.

2.14 Inventories

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

2.15 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

2.16 Measurement of Fair Value

a) Financial instruments

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

b) Marketable and non-marketable equity securities

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

2.17 Financial Instruments

a. Financial Assets

Initial recognition and measurement

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

Classifications

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

Financial assets at amortised cost

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

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

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

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

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

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

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

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

Equity Instruments

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

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

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

Impairment of financial assets

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

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

b. Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial Liabilities measured at amortised cost

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Derecognition of financial liabilities

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

2.18 Income Tax

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

Current tax

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

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

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.19 Leases

The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot

Notes to Standalone Financial Statements

for the year ended March 31, 2021

be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company. The Business activity of the company falls within one business segment viz "Textile".

2.22 Standard issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(₹ in lakhs)

3A. Property, Plant and Equipment

Particulars	Tangible Assets									Leasehold Assets	
	Freehold land	Buildings	Plant and Equipment	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Electrical Installations	Borewell	Total	Leasehold land	Total
Cost												
As at 1st April, 2019	**392.29**	**3,126.24**	**7,448.60**	**100.44**	**57.74**	**25.12**	**51.33**	**493.59**	**0.36**	**11,695.71**	**24.81**	**11,720.52**
Additions	-	3.72	184.59	18.73	0.70	2.70	5.51	3.56	-	219.51	-	219.51
Disposals	66.60	160.06	212.75	6.99	0.34	-	0.35	4.45	-	451.54	-	451.54
Reclassification to Right of Use Assets	-	-	-	-	-	-	-	-	-	-	24.81	24.81
As at 31st March 2020	**325.69**	**2,969.90**	**7,420.44**	**112.18**	**58.10**	**27.82**	**56.49**	**492.70**	**0.36**	**11,463.68**	**-**	**11,463.68**
Additions	-	-	257.49	9.88	0.35	3.36	4.66	5.91	-	281.65	-	281.65
Disposals	-	-	8.96	-	-	0.07	0.16	-	-	9.19	-	9.19
As at 31st March 2021	**325.69**	**2,969.90**	**7,668.97**	**122.06**	**58.45**	**31.11**	**60.99**	**498.61**	**0.36**	**11,736.14**	**-**	**11,736.14**
Depreciation												
As at 1st April, 2019	**-**	**415.79**	**1,647.88**	**30.53**	**36.04**	**13.27**	**27.53**	**252.64**	**0.08**	**2,423.76**	**0.90**	**2,424.66**
Additions	-	138.57	593.57	14.54	3.28	5.30	10.06	51.59	0.06	816.97	-	816.97
Disposals	-	31.45	86.88	6.27	0.34	-	0.33	4.45	-	129.72	-	129.72
Reclassification to Right of Use Assets	-	-	-	-	-	-	-	-	-	-	0.90	0.90
As at 31st March 2020	**-**	**522.91**	**2,154.57**	**38.80**	**38.98**	**18.57**	**37.26**	**299.78**	**0.14**	**3,111.01**	**-**	**3,111.01**
Additions	-	136.97	543.37	15.81	3.05	3.54	10.27	46.11	0.06	759.18	-	759.18
Disposals	-	-	8.13	-	-	0.07	0.08	-	-	8.28	-	8.28
As at 31st March 2021	**-**	**659.88**	**2,689.81**	**54.61**	**42.03**	**22.04**	**47.45**	**345.89**	**0.20**	**3,861.91**	**-**	**3,861.91**
Net block												
As at 31st March 2020	325.69	2,446.99	5,265.87	73.38	19.12	9.25	19.23	192.92	0.22	8,352.67	-	8,352.67
As at 31st March 2021	**325.69**	**2,310.02**	**4,979.16**	**67.45**	**16.42**	**9.07**	**13.54**	**152.72**	**0.16**	**7,874.23**	**-**	**7,874.23**

3B. Capital Work-in-Progress	
As at 31st March 2020	24.51
As at 31st March 2021	**-**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

3C. Intangible Assets

Particulars	Computer Software	Total
Cost		
As at 1st April, 2019	**68.00**	**68.00**
Additions	-	-
Disposals	-	-
As at 31st March 2020	**68.00**	**68.00**
Additions	-	-
Disposals	-	-
As at 31st March 2021	**68.00**	**68.00**
Depreciation		
As at 1st April, 2019	**28.82**	**28.82**
Additions	6.71	6.71
Disposals	-	-
As at 31st March 2020	**35.53**	**35.53**
Additions	6.70	6.70
Disposals	-	-
As at 31st March 2021	**42.23**	**42.23**
Net block		
As at 31st March 2020	32.47	32.47
As at 31st March 2021	**25.77**	**25.77**

3D. Right of use Assets (Refer Note 35)

Particulars	Leasehold Land	Leased Property	Total
Cost			
As at 1st April, 2019	**-**	**-**	**-**
Reclassification from Property, Plant & Equipment	24.81		24.81
Additions as per IND AS 116 (Lease)	-	151.87	151.87
Disposals	-	-	-
As at 31st March 2020	**24.81**	**151.87**	**176.68**
Additions	-	-	-
Additions as per IND AS 116 (Lease)	-	25.60	25.60
Disposals	-	6.81	6.81
As at 31st March 2021	**24.81**	**170.66**	**195.47**
Amortisation			
Reclassification from Property, Plant & Equipment	0.90	-	0.90
For the year	0.29	47.24	47.53
Deletions	-	-	-
As at 31st March 2020	**1.19**	**47.24**	**48.43**
Additions	0.30	50.12	50.42
Disposals	-	6.81	6.81
As at 31st March 2021	**1.49**	**90.55**	**92.04**
Net block			
As at 31st March 2020	23.62	104.63	128.25
As at 31st March 2021	**23.32**	**80.11**	**103.43**

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

b) Property, Plant and Equipment given as security for borrowings (Refer note 16 & 19).

c) Certain machinery at SPFY unit are hypothecated to Director of Industries Himachal Pradesh towards capital subsidy received from them.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

4 Non- Current Investment

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Quoted Investments				
In Other Entities (measured at fair value through profit and loss)				
RLF Limited	1,000	-	1,000	-
(Equity shares of Face Value of ₹10 each)				
(Cost ₹0.06 lakh less provision made ₹0.06 lakh)				
Padmini Technologies Limited (listing suspended)	68,939	-	68,939	-
(Equity shares of Face Value of ₹10 each)				
(Cost ₹17.56 lakh less provision made ₹17.56 lakh)				
Unquoted Investments				
a) Investment in Subsidiaries (measured at cost)				
Hakoba Lifestyle Limited	**48,46,312**	**484.63**	**48,46,312**	**484.63**
(Equity shares of Face Value of ₹10 each)				
Pioneer Realty Limited	50,000	5.00	50,000	5.00
(Equity shares of Face Value of ₹10 each)				
Crystal Lace (I) Limited	44,00,000	440.00	44,00,000	440.00
(Equity shares of Face Value of ₹10 each)				
b) In Other Entities				
The Greater Bombay Co-op. Bank Limited	40	0.01	40	0.01
(Equity shares of Face Value of ₹25 each)				
Clover Energy Private Limited	100	0.01	100	0.01
(Equity shares of Face Value of ₹10 each)				
	93,66,391	929.65	93,66,391	929.65

a. None of the above investments are listed on any stock exchange in India or outside India.

b. Aggregate amount of investments are given below:

Aggregate cost of unquoted investments	947.27	947.27
Aggregated amount of impairment in value of investment	17.62	17.62

5 Other Non-Current Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security Deposits	153.61	150.34
Fixed Deposit in Banks with more than 12 months maturity	41.57	52.40
	195.18	**202.74**

(₹ in lakhs)

6 Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets		
Business Losses including Unabsorbed Depreciation	472.79	-
Provision for allowances for credit losses	282.54	-
Expenses allowed in the year of payment	154.43	-
Lease Liabilities	25.48	-
Total Deferred Tax Assets (A)	**935.24**	**-**
Deferred Tax Liabilities in relation to:		
Property, Plant & Equipments and Intangible Assets	639.71	-
Right-of-use to assets	23.88	-
Total Deferred Tax Liabilities (B)	**663.59**	**-**
Total Deferred Tax Assets	**271.65**	**-**

6.1 Movement of Deferred Tax

Deferred tax assets/ liabilities in relation to the year ended March 31, 2021

Particulars	As at March 31, 2020	Recognised in P&L	Recognised in OCI	As at March 31, 2021
Deferred Tax Assets in relation to:				
Business Losses including Unabsorbed Depreciation	-	472.79		472.79
Provision for allowances for credit losses	-	282.54		282.54
Expenses allowed in the year of payment	-	168.38	(13.95)	154.43
Lease Liabilities	-	25.48		25.48
Total Deferred Tax Assets (A)	**-**	**949.19**	**(13.95)**	**935.24**
Deferred Tax Liabilities in relation to:				
Property, Plant & Equipments and Intangible Assets	-	639.71		639.71
Right-of-use to assets	-	23.88		23.88
Total Deferred Tax Liabilities (B)	**-**	**663.59**	**-**	**663.59**
Total Deferred Tax Assets (A - B)	**-**	**285.60**	**(13.95)**	**271.65**

6.2 During the year, the Company has reassessed deferred tax recognition, accordingly deferred tax assets of ₹271.65 lakhs on unabsorbed depreciations and carried forward tax losses has been accounted. The Company has concluded that the deferred tax assets on unabsorbed depreciations and carried forward tax losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expected to generate taxable income in near future.

6.3 In the previous year, deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation as there is no convincing evidence that sufficient taxable profits will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the Company.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(₹ in lakhs)

7 Other Non-Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Capital Advances	722.00	148.55
	722.00	**148.55**

7.1 Capital advance of ₹720.00 (₹148.55) has been given towards advance against purchase of a property and ₹2.00 to suppliers of plant & machineries.

8 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost or net realisable value as certified by Management)		
Raw Materials	1,578.70	845.38
Work-in-Progress	684.23	537.84
Finished Goods	1,448.81	1,821.22
Store & Spares	203.54	156.63
Packing Material	62.85	51.61
	3,978.13	**3,412.68**

8.1 Inventories are hypothecated to secure borrowings. (Refer Note 16 & 19)

9 Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered Good	1,988.20	1,568.68
Having significant increase in credit risks	201.83	195.48
Considered Doubtful/Bad	820.25	786.71
	3,010.28	**2,550.87**
Less: Allowance for Credit Losses	(1,015.60)	(972.36)
	1,994.68	**1,578.51**

9.1 Trade receivables include outstanding from related party enterprise of ₹32.02 (₹29.29) and Associate Concern ₹2.80 (₹2.80).

9.2 Trade receivables are hypothecated to secure borrowings. (Refer Note 16 & 19)

10 Cash & Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks - In Current Accounts	590.23	125.16
Cash in hand	28.05	17.60
	618.28	**142.76**

11 Other Current Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Other Loans and Advances		
Subsidiaries		
Hakoba Lifestyle Ltd.	191.74	195.40
Pioneer Realty Ltd.	2.96	2.59
Crystal Lace (I) Ltd.	171.08	-
Others		
Loan & Advances to Staff	27.97	22.31
Advances to Arcot Textile Mills Ltd. (Refer Note 11.1)	229.41	549.10
Insurance Claim Receivable	-	6.37
	623.16	**775.77**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(₹ in lakhs)

11.1 Advances to Arcot Textile Mills Limited (ATML) (then a BIFR Company) was given for purchase of movable and immovable assets situated at Kallakurichi, Tamilnadu for a total consideration of ₹1,105.00 on lump sum sale basis pursuant to MOU dated 20th December, 2007. The transfer of assets in favour of the Company was subject to deregistration of ATML from BIFR. Due to inordinate delay in deregistration from BIFR, it had been agreed that ATML will return the above advance vide their confirmation letter dated 5th October, 2012. Accordingly, ₹875.59 has been returned by ATML till March 31, 2021.

12 Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Refund Receivable (net)	98.90	119.91
	98.90	**119.91**

13 Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advances recoverable in cash or in kind	154.86	104.28
Prepaid Expenses	45.83	45.53
Accrued Export and Other Incentives	37.17	39.45
Other Advances and Balances	248.06	136.68
	485.92	**325.94**

14 Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity Shares of ₹10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	5,00,00,000	**5,000.00**	**5,00,00,000**	**5,000.00**
Issued, Subscribed & Paid up				
Equity Shares of ₹10 each	2,65,90,942	2,659.09	2,49,47,942	2,494.79
	2,65,90,942	**2,659.09**	**2,49,47,942**	**2,494.79**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the financial year	2,49,47,942	2,494.79	2,49,47,942	2,494.79
Add: Issued during the year	16,43,000	164.30	-	-
As at the end of the financial year	**2,65,90,942**	**2,659.09**	**2,49,47,942**	**2,494.79**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(₹ in lakhs)

Issue of Shares:

The Company has issued 12,40,000 equity shares of ₹10 each at a premium of ₹23 each during the year on preferential basis to the promoter on 28th December, 2020 pursuant to shareholders' approval dated 15th December, 2020. The Company has also issued 4,03,000 equity shares of ₹10 each to the employees of the Company under PEL ESOP Scheme.

Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Pioneer E-Com Fashions LLP	55,36,492	20.82	45,01,726	18.04
Raj Kumar Sekhani	31,64,760	11.90	19,24,760	7.72
Anand Sekhani	15,00,500	5.64	15,00,500	6.01
Amit Sekhani	15,00,000	5.64	15,00,000	6.01
Union Bank of India	12,91,183	4.86	12,91,183	5.18
Export Import Bank of India	11,66,656	4.39	12,59,028	5.05

15 Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Share Premium Reserve		
Opening Balance	3,767.41	3,767.41
Add: During the year	231.76	-
Balance as at the end of the year	**3,999.17**	**3,767.41**
Retained Earnings		
Opening Balance	2,776.02	1,892.31
Transfer from Other Comprehensive Income (Remeasurement of defined benefit Plans)	-	69.75
Add :- Other Comprehensive Income (including tax thereon)	36.20	(13.96)
Add: Profit for the year	1,966.54	827.92
Balance as at the end of the year	**4,778.76**	**2,776.02**
Other Comprehensive Income		
Opening Balance	-	69.75
Less: Transfer to Retained Earning	-	(69.75)
	-	-
	8,777.93	**6,543.43**

(₹ in lakhs)

Nature and purpose of other reserves/ other equity

Securities Premium

This Reserve represents premium received on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

16 Non-Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans		
Term Loans from Banks/Institutions	1,813.96	1,661.28
Loan from Others	-	128.66
	1,813.96	**1,789.94**
Current Maturity of Borrowings disclosed under the head "Other Financial Liabilities" (Refer Note 22)	843.48	707.13
	970.48	**1,082.81**

16.1 Term Loans from bank of ₹1,088.13 are secured by first pari passu charge over fixed assets of the Company both present & future with other term lenders and are further secured by second charge over current assets of the Company, by personal guarantee of Chairman of the Company and pledge of company's certain shares by promoter and promoter group firms. These loans of ₹1,088.13 are repayable in monthly instalments ending December 2022 and carries interest @13% p.a..

16.2 Term Loans from banks of ₹700.82 are secured by first pari passu charge over current assets of the Company and further secured by second pari passu charge over fixed assets of the Company both present & future with other term lenders, by personal guarantee of the Chairman of the Company.
Out of these loan, i) ₹335.00 is repayable in monthly instalments ending October 2024 and carries interest @9.25% p.a..; ii) ₹100.00 is repayable in monthly instalments ending March 2022 and carries interest @8% p.a. & iii) ₹265.82 is repayable in monthly instalments ending October 2024 and carries interest @7.5% p.a..

16.3 Term Loan from Banks of ₹25.01 are secured by hypothecation of respective vehicles financed.

17 Lease Liability

Particulars	As at March 31, 2021	As at March 31, 2020
Finance lease obligations	85.85	110.03
	85.85	**110.03**
Current Maturity of Lease (Refer Note 20)	50.31	42.15
	35.54	**67.88**

18 Long Term Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	466.60	461.30
	466.60	**461.30**

19 Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Loans Repayable on Demand		
Cash Credit from Bank	1,162.97	1,484.70
	1,162.97	**1,484.70**
Unsecured		
Loans From Related Party		
From Directors	-	94.11
	-	94.11
	1,162.97	**1,578.81**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

19.1 Cash Credit Loans are secured by first pari passu charge by hypothecation of stocks, book debts and second pari passu 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.

20 Lease Liability

Particulars	As at March 31, 2021	As at March 31, 2020
Lease obligations	50.31	42.15
	50.31	**42.15**

21 Trade Payables

For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises	337.69	262.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,775.25	1,918.83
	2,112.94	**2,181.49**

21.1 Trade Payables include outstanding to a related enterprise of ₹3.06 (₹19.31) and subsidiaries of ₹Nil (₹57.32).

21.2 Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

a. Principal amount and Interest due thereon remaining unpaid to any supplier at the end of year	57.60	64.40
b. Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c. the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d. the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

22 Other Current Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of Long Term Debt (Refer note 16)	843.48	707.13
Interest accrued	4.15	28.43
Capital Creditors	57.33	69.86
Employees Emoluments	552.06	557.48
Statutory Dues	38.52	38.14
Others	42.90	102.79
	1,538.44	**1,503.83**

23 Short Term Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision For Employee Benefits	14.42	18.55
	14.42	**18.55**

24 Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Customers' Credit Balances and Advances against orders	132.26	199.37
	132.26	**199.37**

25 Revenue From Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products - Yarn, Embroidery Fabric & Laces		
Domestic Sales	18,155.05	20,177.43
Export Sales	4,322.52	3,539.85
Other Operating Revenue (Including Export Incentives)	119.39	50.92
	22,596.96	**23,768.20**

25.1 Sales include sales made to related enterprises ₹21.31 (₹33.96).

26 Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income	18.75	17.28
Profit on disposal of Property, Plant and Equipment (Net)	3.09	-
Liabilities/Provisions no longer required written back	-	44.35
Gain on Foreign Currency transactions and translation (Net)	57.42	62.18
Miscellaneous Income	107.97	59.45
	187.23	**183.26**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

27 Cost Of Material Consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of Raw Material Consumed		
Opening Stock	845.38	553.67
Purchases during the year	11,862.26	13,272.50
	12,707.64	**13,826.17**
Less:- Closing Stock	1,578.70	845.38
	11,128.94	**12,980.79**

27.1 Purchases includes from related enterprises ₹54.12 (₹38.63) and subsidiaries ₹0.54 (₹53.08).

28 Change In Inventories

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Inventories		
Work-in-Progress	537.84	527.81
Finished Goods	1,821.22	1,859.43
	2,359.06	**2,387.24**
Less: Closing Inventories		
Work-in-Progress	684.23	537.84
Finished Goods	1,448.81	1,821.22
	2,133.04	**2,359.06**
	226.02	**28.18**

29 Employee Benefits Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and Incentives	2,713.09	3,021.37
Contribution to Funds	109.65	108.31
Staff Welfare Expenses	59.21	70.76
Employee ESOP Compensation (Refer Note 39)	55.43	-
	2,937.38	**3,200.44**

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(₹ in lakhs)

30 Finance Cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense	416.20	540.92
Other Borrowing Costs	30.87	27.81
Fair value changes of interest free loans	-	44.43
Net Gain/Loss on Foreign Currency Transactions and Translation	-	0.78
(Considered as finance costs)		
	447.07	**613.94**

31 Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Stores & Spares Consumed	420.31	425.01
Repair & Maintenance	145.11	143.92
Power & Fuel	1,774.70	1,812.84
Insurance	46.93	46.67
Job Charges	325.15	327.38
Legal & Professional Fees	76.80	77.18
Packing Material Consumed	1,305.92	1,193.78
Payment to Auditors*	11.50	11.50
Rates & Taxes	26.84	24.23
Rent	16.59	32.23
Provision for Doudtful Debts	33.53	-
Provision for Allowance of Credit Losses	9.70	22.71
Loss on disposal of Property, Plant and Equipment (Net)	-	20.09
Directors Sitting Fees	2.40	1.70
Donations	0.10	0.06
Expenditure incurred towards CSR activities	2.60	-
Selling Expenses	942.07	786.51
Miscellaneous Expenses	319.93	422.59
	5,460.18	**5,348.40**

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
*** Details of payment to Auditors**		
a) Statutory & Tax Audit	11.50	11.50
b) for Taxation Matter	-	-
c) for Other Services	-	-
	11.50	**11.50**

32 Exceptional Items

Exceptional item of ₹Nil (₹219.43) represents profit from sale of non-core assets of the Company.

33 Income Taxes Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Tax expense/(credit) recognized in the Statement of Profit and Loss		
Current tax recognised in Statement of Profit and Loss	-	-
Deferred tax	(285.60)	-
Income Tax expense reported in the Statement of Profit and Loss	**(285.60)**	-
Deferred tax impact on component of other comprehensive income (OCI)	13.95	-
Total Income Tax benefit recognized in Other Comprehensive Income	13.95	-
Total Income Tax expense recognised in the current year	**(271.65)**	-
Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:		
Enacted income tax rate in India applicable to the Company	27.82	27.82
Profit before tax	1,680.94	827.92
Income Taxes Expense	467.64	230.33
Effect of:		
Expenses that are not deductible in determining taxable profit	6.57	-
Deferred Tax assets recognized on previous years loss and unabsorbed dereciation (Refer Note 6.2)	(271.65)	-
Tax effect of items brought forward losses and other items	(473.35)	(230.33)
Others	(0.86)	-
	(271.65)	**-**

(₹ in lakhs)

34 Contingent liabilities, contingent assets and commitments

Particulars		As at March 31, 2021	As at March 31, 2020
A.	**Contingent liabilities (not provided for) in respect of:**		
1	Bank Guarantees Outstanding.	80.05	73.80
2	Demand for Excise duty, being contested by the Company	33.58	33.58
3	Demand for Income Tax, being contested by the Company	62.34	62.34
4	Demand for Service Tax, being contested by the Company	123.85	123.85
5	Sundry Cases in Labour Court and Industrial Court (Sarigam unit, Gujrat and Silvassa unit) *(quantum is not ascertainable)	N A*	N A*
6	Custom Duty on Capital Goods and Raw Materials imported under Advance License / EPCG Scheme, against which export obligation is to be fulfilled.	-	1.62

There is no contingent liability other than stated above and adequate provision have been made for all known liabilities, except interest and penalties as may arise. The management believes that the Company has a strong chance of favourable decision in above cases, hence no further provision has been considered necessary.

B. Commitments

Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances]	723.00	13.00

35 Leases

As a Lessee

a) The movement in lease liabilities during the years ended March 31, 2021 and March 31, 2020 is as follows:

Balance at the beginning	110.03	-
Additions	25.60	151.87
Finance cost accrued during the year	14.55	17.32
Deletions	(14.86)	-
Payment of Lease Liabilities	(49.48)	(59.16)
Balance at the end	85.85	110.03

b) The details of the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis are as follows:

Less than one year	58.20	53.98
One to five years	39.09	76.91
More than five years	-	-
Total	**97.29**	**130.89**

c) The Company has incurred rent expense of ₹16.59 (₹32.23) for the year ended March 31, 2021 towards expenses relating to short-term leases and leases of low-value assets.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(₹ in lakhs)

36 Foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Foreign Currency exposure not hedged by derivative instrument or otherwise :		
i. Receivable	160.35	172.18
ii. Payable	10.09	35.75
(b) Outstanding forward contracts to be hedge foreign currency exposure :	-	-

37 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund ₹86.91 (₹83.88).

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	March 31, 2021	March 31, 2020
Net defined benefit liability / (asset)	425.57	400.58
Liability for Gratuity		
Current	12.93	16.01
Non-Current	412.64	384.57

B. Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

(₹ in lakhs)

Particulars	March 31, 2021			March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	400.58	-	400.58	340.85	-	340.85
Included in profit or loss						
Service costs	69.80	-	69.80	60.67	-	60.67
Interest cost / (income)	26.52	-	26.52	24.53	-	24.53
	96.32	**-**	**96.32**	**85.20**	**-**	**85.20**
Included in OCI						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	0.58	-	0.58	42.50	-	42.50
- experience adjustment	(50.73)	-	(50.73)	(28.54)	-	(28.54)
	(50.15)	**-**	**(50.15)**	**13.96**	**-**	**13.96**
Other						
Contributions paid by the employer			-			-
Benefits paid	(21.18)	-	(21.18)	(39.43)	-	(39.43)
	(21.18)	**-**	**(21.18)**	**(39.43)**	**-**	**(39.43)**
Balance as at 31 March	**425.57**	**-**	**425.57**	**400.58**	**-**	**400.58**

	Particulars	March 31, 2021	March 31, 2020
C.	**Plan assets**		
	The Company has no plan assets.		

D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate	6.79%	6.80%
Expected rate of future salary increase	7.50%	7.50%
Mortality	100% of IALM (2006 - 08)	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(373.25)	489.37	(350.75)	458.46
Expected rate of future salary increase (1% movement)	486.16	(374.48)	461.51	(351.89)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

A) Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.

B) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

C) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumption in the valuation can impact the liabilities."

38 Related parties

A. Related parties and their relationships

i	**Key Managerial Personnel (KMP) and their relatives**	Mr. Raj Kumar Sekhani (Chairman) Mr. Harsh Vardhan Bassi (Managing Director) Mr. Gangadharan K R Panicker (Executive Director) Mr. Joginder Kumar Baweja (Independent Director) Mr. Gopalkrishnan Sivaraman (Independent Director) Ms. Sujata Chakravarthy (Independent Director) Ms. Bimla Devi Sekhani Mr. Aarav Sekhani Mr. Vishal Sekhani Mr. Ratanlal Sekhani Ms. Prachi Sekhani Ms. Priyani Sekhani
ii.	**Enterprises having significant influence by KMP & their Relatives**	M/s J J Sons M/s J J Enterprises Kiran Industries Pvt. Ltd. Thakurdas & Co. Pvt. Ltd. Kiran Texpro Pvt. Ltd.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(₹ in lakhs)

iii. **Subsidiaries** — Hakoba Lifestyle Ltd.
Pioneer Realty Ltd.
Crystal Lace (I) Ltd.

iv. **Associate Concerns** — Pioneer E-Com Fashions LLP
Reach Industries Pvt. Ltd.

B Transactions with the above in the ordinary course of business

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	2.76	31.44
M/s J J Enterprises	1.26	5.66
Kiran Industries Pvt. Ltd.	0.83	(3.14)
Kiran Texpro Pvt. Ltd.	16.46	-
	21.31	**33.96**
Purchases		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Enterprises	0.02	1.73
M/s J J Sons	-	0.80
Kiran Industries Pvt. Ltd.	39.28	23.67
Kiran Texpro Pvt. Ltd.	14.82	12.43
	54.12	**38.63**
Subsidiaries		
Crystal Lace (I) Ltd.	0.54	53.08
Payment for Rent & Other Services		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	7.08	7.08
Employee Benefit Expense		
Key Managerial Personnel (KMP) and their Relatives		
Managerial Remuneration		
Mr. Raj Kumar Sekhani (Chairman)	67.00	60.00
Mr. Harsh Vardhan Bassi (Managing Director)	34.81	40.77
Mr. Gangadharan K R Panicker (Executive Director)	20.99	21.09
Mr. Aarav Sekhani	15.27	17.28
Mr. Vishal Sekhani	15.27	17.28
Mr. Ratanlal Sekhani	25.26	25.26
Ms. Prachi Sekhani	2.65	3.00
Ms. Priyani Sekhani	3.71	4.20
	184.96	**188.88**
Director Sitting Fees		
Mr. Joginder Kumar Baweja (Independent Director)	0.97	0.80

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mr. Gopalkrishnan Sivaraman (Independent Director)	0.95	0.80
Ms. Sujata Chakravarthy (Independent Director)	0.48	0.10
	2.40	**1.70**
Loans & Advances Given / Repaid		
Subsidiaries		
Pioneer Realty Ltd.	0.37	0.37
Crystal Lace (I) Ltd.	171.08	-
	171.45	**0.37**
Key Managerial Personnel (KMP) and their Relatives		
Mr. Raj Kumar Sekhani (Chairman)	12.75	50.57
Mr. Harsh Vardhan Bassi (Managing Director)	81.37	-
	94.12	**50.57**
Loans & Advances taken/recovered		
Subsidiaries		
Hakoba Lifestyle Ltd.	3.66	59.03
Key Managerial Personnel (KMP) and their Relatives		
Mr. Harsh Vardhan Bassi (Managing Director)	-	12.40
Guarantee taken		
Key Managerial Personnel (KMP) and their Relatives		
Ms. Bimla Devi Sekhani	-	250.00
Associates Concerns		
Pioneer E-Com Fashions LLP	-	250.00

C Outstanding balance at the year end

Loans & Advances Given		
Subsidiaries		
Hakoba Lifestyle Ltd.	191.74	195.40
Pioneer Realty Ltd.	2.96	2.59
Crystal Lace (I) Ltd.	171.08	-
	365.78	**197.99**
Loans & Advances taken/recovered		
Key Managerial Personnel (KMP) and their Relatives		
Mr. Raj Kumar Sekhani (Chairman)	-	12.74
Mr. Harsh Vardhan Bassi (Managing Director)	-	81.37
	-	**94.11**
Trade Payables & Other Liabilities		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	1.66	16.65
Kiran Texpro Pvt. Ltd.	1.40	2.66
	3.06	**19.31**

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Subsidiaries		
Crystal Lace (I) Ltd.	-	57.32
Receivables		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	2.26	7.57
M/s J J Enterprises	16.30	15.56
Kiran Industries Pvt. Ltd.	7.30	-
Thakurdas & Co. Pvt. Ltd.	6.16	6.16
	32.02	**29.29**
Associate Concerns		
Reach Industries Pvt. Ltd.	2.80	2.80

39 Pioneer Embroideries Limited Employee Stock Option Plan 2018 Scheme (ESOP)

The Company has granted stock options under the Pioneer Embroideries Limited Employee Stock Option Plan 2018 Scheme (ESOP) to the eligible employees of the Company. Under ESOP, the company has granted 4,30,000 options on August 14, 2019. 100% of total options granted would vest in after one year from the date of grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of ₹10 each of the Company. The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Options	Weighted Average exercise price (₹)	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	430,000	-	-	-
Options granted under ESOP	-	-	430,000	@
Options exercised during the year	403,000	13.75	-	-
Options cancelled during the year	27,000	-	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	-	-	430,000	@
Options exercisable at the end of the year	-	-	430,000	@

@ The exercise price shall be decided by NRC subject to maximum discount of 50% of the closing market price on the stock exchange, which records the highest trading volumn in the Company's equity shares on the date immediately prior to the date on which the notice of excercise is given to the Company by the employee. In any event, the excercise price shall not be less than face value of the equity share.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

40 Financial instruments

I. Fair value measurements

A. Financial instruments by category

	As at March 31, 2021		As at March 31, 2020	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets				
Investments	0.02	-	0.02	-
Trade receivables	-	1,994.68	-	1,578.51
Cash and cash equivalents	-	618.28	-	142.76
Others				
Non Current	-	195.18	-	202.74
Current	-	623.16	-	775.77
	0.02	**3,431.30**	**0.02**	**2,699.78**
Financial liabilities				
Long term borrowings	-	970.48	-	1,082.81
Short terms borrowings	-	1,162.97	-	1,578.81
Trade payables	-	2,112.94	-	2,181.49
Other non-current financial liabilities		35.54		67.88
Other current financial liabilities	-	1,588.75	-	1,545.98
	-	**5,870.68**	**-**	**6,456.97**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table."

Financial assets and liabilities measured at fair value - recurring fair value measurements:

	As at March 31, 2021 / March 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets	0.02	-	-	0.02
Financial liabilities	-	-	-	-
	0.02	**-**	**-**	**0.02**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(₹ in lakhs)

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

C. Fair value of financial assets and liabilities measured at amortised cost:

	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Face Value	Carrying Amount	Face Value
Financial assets				
Trade receivables	-	1,994.68	-	1,578.51
Cash and cash equivalents	-	618.28	-	142.76
Others				
Non Current	-	195.18	-	202.74
Current	-	623.16	-	775.77
	-	**3,431.30**	**-**	**2,699.78**
Financial liabilities				
Long term borrowings	-	970.48	-	1,082.81
Short terms borrowings	-	1,162.97	-	1,578.81
Trade payables	-	2,112.94	-	2,181.49
Other non-current financial liabilities	-	35.54	-	67.88
Other current financial liabilities	-	1,588.75	-	1,545.98
	-	**5,870.68**	**-**	**6,456.97**

The carrying amounts of the abovementioned financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the President of the Company.

More than 60 % of the Company’s customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.
The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The carrying amount net of credit loss allowances of trade receivables is ₹1,994.68 (March 31, 2020 – ₹1,578.51).

(₹ in lakhs)

Reconciliation of loss allowance provision – Trade receivables:

	March 31, 2021	March 31, 2020
Opening balance	(972.36)	(949.65)
Changes in loss allowance	(43.24)	(22.71)
Closing balance	**(1,015.60)**	**(972.36)**

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in indian rupee and have an average maturity within a year.

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts March 31, 2021	Contractual cash flows				
		Total	0- 1 year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,813.96	1,813.96	843.48	841.40	127.03	2.05
Short term borrowings	1,162.97	1,162.97	1,162.97	-	-	-
Trade payables	2,112.94	2,112.94	2,112.94	-	-	-

Notes to Standalone Financial Statements
for the year ended March 31, 2021

(₹ in lakhs)

Particulars	Carrying Amounts March 31, 2021	Contractual cash flows				
		Total	0- 1 year	1–3 years	3-5 years	More than 5 years
Other non-current financial liabilities	35.54	35.54	-	35.54	-	-
Other current financial liabilities	745.27	745.27	745.27	-	-	-
Total non-derivative liabilities	**5,870.68**	**5,870.68**	**4,864.66**	**876.94**	**127.03**	**2.05**

Particulars	Carrying Amounts March 31, 2020	Contractual cash flows				
		Total	0- 1 year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,789.94	1,789.94	707.13	1,075.30	7.51	-
Short term borrowings	1,578.81	1,578.81	1,578.81	-	-	-
Trade payables	2,181.49	2,181.49	2,181.49	-	-	-
Other non-current financial liabilities	67.88	67.88	-	67.88	-	-
Other current financial liabilities	838.85	838.85	838.85	-	-	-
Total non-derivative liabilities	**6,456.97**	**6,456.97**	**5,306.28**	**1,143.18**	**7.51**	**-**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for liquidity / credit management purposes and which are not usually closed out before contractual maturity.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of Directors.

(₹ in lakhs)

v. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Company's foreign currency payables, have been partially hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at March 31, 2021		As at March 31, 2020	
	USD	**EUR**	**USD**	**EUR**
Financial assets				
Trade receivables	1.77	-	1.92	0.33
Other payables	0.38	0.01	0.24	-
Net statement of financial position exposure	**2.15**	**0.01**	**2.16**	**0.33**

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
USD 1	74.17	70.67	73.50	75.32
EUR 1	84.65	86.92	86.09	83.09

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2020 and March 31, 2019, the Company's borrowings at variable rate were denominated in Indian Rupees.
Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk
The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

	Nominal Amount	
	March 31, 2021	March 31, 2020
Fixed-rate instruments		
Financial liabilities	1,813.96	1,884.06
	1,813.96	1,884.06
Variable-rate instruments		
Financial liabilities	1,162.97	1,484.69
	1,162.97	**1,484.69**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2021				
Variable-rate instruments	5.81	(5.81)	5.81	(5.81)
Cash flow sensitivity	5.81	(5.81)	5.81	(5.81)
March 31, 2020				
Variable-rate instruments	7.42	(7.42)	7.42	(7.42)
Cash flow sensitivity	7.42	(7.42)	7.42	(7.42)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

41 a. Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

b. Realisable value of current assets, deposits, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.

42 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed. The Company has incurred ₹2.60 expenditure on CSR during the year.

43 Events Occurring after Balance Sheet Date
Proposed Dividend

The Board of Directors has recommended final dividend of ₹0.25 per share on the face value of ₹10 each (2.5%), aggregating to ₹66.48, subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

(₹ in lakhs)

44 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Textile" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

45 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company :

Particulars	March 31, 2021	March 31, 2020
Equity Share Capital	2,659.09	2,494.79
Other Equity	8,777.93	6,543.43
Total Equity	**11,437.02**	**9,038.22**
Non-Current Borrowings	970.48	1,082.81
Current maturities of Non-Current Borrowings	843.48	707.13
Current Borrowings	1,162.97	1,578.81
Total Debts	**2,976.93**	**3,368.75**
Less: Cash & Cash Equivalents	618.28	142.76
Net Debts	**2,358.65**	**3,225.99**
Capital & Net Debts	**13,795.67**	**12,264.21**
Debts Equity Ratio	**0.26**	**0.37**
Capital Gearing Ratio	**17%**	**26%**

46 Other Disclosures

a. Disclosure as specified in Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015:

Particulars	Balance as at March 31, 2021	Maximum outstanding of loan during the year
Hakoba Lifestyle Limited	191.74 (195.40)	196.38 (195.40)
Pioneer Realty Limited	2.96 (2.59)	2.96 (2.59)
Crystal Lace (I) Limited	171.08 (Nil)	171.08 (Nil)

Previous year figures have been given in bracket.

Notes to Standalone Financial Statements

for the year ended March 31, 2021

(₹ in lakhs)

b. Disclosure relating to loans or security given by the Company as per requirements of section 186 (4) to the Companies Act, 2013:

Particulars	Amount	Purpose
Hakoba Lifestyle Limited	484.63	Investment in Equity Shares
Pioneer Realty Limited	5.00	
Crystal Lace (I) Limited	440.00	
Hakoba Lifestyle Limited	191.74	ICD given for business
Pioneer Realty Limited	2.96	
Crystal Lace (I) Limited	171.08	

47 Earning per Equity Share

Particulars	March 31, 2021	March 31, 2020
Net Profit for the year	1,966.54	827.92
Weighted Average Number of Equity Shares of ₹10 each (fully paid-up)	2,53,28,172	2,49,47,942
- Basic (₹)	7.76	3.32
- Diluted (₹)	7.40	3.32

48 On account of the outbreak of Covid·19 virus globally and in India, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020 leading to shutting down of the Company's manufacturing facilities and operations. The Company has since resumed its manufacturing facilities after seeking necessary permissions and capacity utilization is being gradually increased. Though the Company's operations have been affected in the short term, the management believes that there may not be significant impact of Covid -19 pandemic on the financial position and performance of the Company in the long-term. The Company estimates to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of business based on currently-available information. However, if the pandemic persists, and if there are further material changes on account of its severity or duration, Company's estimates will be reviewed in due course.

49 Previous year figure have been regrouped / reclassified to conform to current years classifications.

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

RAHUL NAREDI
Partner
Membership Number: 302632
Place: Mumbai
Date: 18th May, 2021

For & on behalf of Board of Directors

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Pioneer Embroideries Limited,
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pioneer Embroideries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March, 2021, and the consolidated statement of Profit and Loss(including other comprehensive income), the consolidated statement of changes in equity and the consolidated Cash Flow Statement for the year then ended, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March, 2021, of consolidated profit, (consolidated changes in equity) and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Recognition of Deferred Tax Assets Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The Company's ability to recognise previously un-recognised deferred tax assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the applicable tax laws.	Our audit procedures to test the recognition of deferred tax assets included the following: Read and understood the Company's accounting policies with respect to recognition of deferred taxes and for assessing compliance with Ind AS 12 "Income Taxes". Evaluated the Company's tax positions by assessing the prevalent tax laws and compared the current position with prior years, past precedents.

As at 31st March, 2021 the Company has recognised total deferred tax assets of ₹271.65 lakh. The recognition of deferred tax asset is a key audit matter as its recoverability within the allowed time frame involves significant estimate of the financial projections, availability of sufficient taxable income in the future and significant judgements in the interpretation of tax regulations and tax positions adopted by the Company.	We assessed the disclosures in Note 6 of the Ind AS financial statements in accordance with the requirements of Ind AS 12 “Income Taxes”.

Information other than the Consolidated Financial Statements and Auditor’s Report thereon

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the three entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

We did not audit the financial statements/ financial information of the three subsidiaries whose financial statements/ financial information (before eliminating inter Company balances) reflect total assets of ₹2247.98 lakh and net assets of ₹537.47 lakh as at 31st March, 2021, total revenues (before eliminating inter Company transactions) of ₹0.54 lakh and net cash flow amounting to ₹3.80 lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of this subsidiaries, and our report in terms of sub-sections (3) and (11) of Section143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the auditors and the financial statement/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statement and other financial information of the subsidiaries, we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The consolidated financial statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

ii. the Group 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 Group.

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

RAHUL NAREDI
Partner
Membership Number: 302632
UDIN: 21302632AAAADG2498

Place: Mumbai
Date: 18th May, 2021

Annexure "A" to the Independent Auditors' Report of Even Date on the Consolidated Financial Statements of Pioneer Embroideries Limited

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

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of **Pioneer Embroideries Limited** (hereinafter referred to as the 'Holding Company") and its subsidiaries, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting.

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

Opinion

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such entity incorporated in India.

Our opinion on the internal financial controls over financial reporting, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the information and explanations given by the management.

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

RAHUL NAREDI
Partner
Membership Number: 302632
UDIN: 21302632AAAADG2498

Place: Mumbai
Date: 18th May, 2021

Consolidated Balance Sheet

As at March 31, 2021

(₹ in lakhs)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1 Non-Current Assets			
Property, Plant & Equipments	3A	7,874.23	8,352.67
Capital Work- in- Progress	3B	-	24.51
Other Intangible Assets	3C	25.82	32.52
Right of Use Assets	3D	103.43	128.25
Financial Assets			
(i) Investments	4	0.02	0.02
(ii) Other Non-Current Financial Assets	5	202.26	209.82
Deferred Tax Assets (Net)	6	271.65	-
Other Non-Current Assets	7	722.00	148.55
2 Current Assets			
Inventories	8	4,324.31	3,760.64
Financial Assets			
(i) Trade Receivables	9	2,310.36	1,899.74
(ii) Cash and Cash Equivalents	10	624.20	144.88
(iii) Other Current Financial Assets	11	807.23	1,127.64
Current Tax Assets (Net)	12	99.83	120.84
Other Current Assets	13	672.29	512.93
Assets held for sale	14	803.86	803.86
TOTAL ASSETS		**18,841.49**	**17,266.87**
II EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	15	2,659.09	2,494.79
Share Application Money		-	-
Other Equity	16	8,299.87	6,106.08
Non Controlling Interest		85.91	135.04
2 Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	17	1,152.37	1,264.70
(ii) Lease Liability	18	35.54	67.88
Provisions	19	466.60	461.30
3 Current Liabilities			
Financial Liabilities			
(i) Borrowings	20	1,162.97	1,578.81
(ii) Lease Liability	21	50.31	42.15
(iii) Trade Payables	22		
a) Outstanding dues of Micro Enterprises and Small Enterprises		337.69	262.66
b) Outstanding dues other than Micro Enterprises and Small Enterprises		1,854.48	2,080.42
(iv) Other Current Financial Liabilities	23	1,539.98	1,505.12
Provisions	24	14.42	18.55
Other Current Liabilities	25	1,182.26	1,249.37
TOTAL EQUITY AND LIABILITIES		**18,841.49**	**17,266.87**
Significant Accounting Policies and other Notes to the Consolidated Financial Statements.	1-50		

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

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

RAHUL NAREDI
Partner
Membership Number: 302632
Place: Mumbai
Date: 18th May, 2021

For & on behalf of Board of Directors

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

PIONEER GROUP

Consolidated Statement of Profit & Loss

For the year ended March 31, 2021

(₹ in lakhs)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from Operations	26	22,596.96	23,837.16
Other Income	27	187.23	191.45
Total Income		**22,784.19**	**24,028.61**
Expenses			
Cost of Materials Consumed	28	11,128.94	13,048.55
Purchases of Stock-in-Trade		86.82	246.93
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	29	227.81	79.17
Employee Benefits Expense	30	2,937.38	3,201.88
Finance Costs	31	447.07	613.94
Depreciation and Amortization Expenses	3	816.30	871.21
Other Expenses	32	5,548.77	5,357.43
Total Expenses		**21,193.09**	**23,419.11**
Profit before Exceptional and Extraordinary Items and Tax		**1,591.10**	**609.50**
Exceptional Items - Income/(Loss) (Net)	33	-	219.43
Profit before Tax		**1,591.10**	**828.93**
Tax Expenses			
Current Tax		-	-
Deferred Tax (Credit)	34	(285.60)	-
Profit from Continuing Operations before Tax		**1,876.70**	**828.93**
Other Income from Discontinuing Operations		-	-
Expenses on Discontinuing Operations		-	-
Depreciation and Amortisation Expense		-	23.61
Profit/(Loss) from Discontinuing Operations		**-**	**(23.61)**
Profit for the year (A)		**1,876.70**	**805.32**
Other Comprehensive Income			
Items that will not reclassified to Profit or Loss			
Remeasurement gain/(loss) of defined benefit plan		50.15	(13.96)
Income tax impact on above item		(13.95)	-
Other Comprehensive Income for the year (B)		**36.20**	**(13.96)**
Total Comprehensive Income for the year (A+B)		**1,912.90**	**791.36**
Profit / (Loss) for the year attributable to:			
Owners of the Company		1,925.83	821.14
Non controlling interests		(49.13)	(15.82)
Other Comprehensive Income attributable to:			
Owners of the Company		36.20	(13.96)
Non controlling interests		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		1,962.03	807.18
Non controlling interests		(49.13)	(15.82)
Earning per Equity Share of ₹10 each:	**48**		
(1) Basic (₹)		7.41	3.23
(2) Diluted (₹)		7.06	3.23
Significant Accounting Policies and other Notes to the Consolidated Financial Statements.	1-50		

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

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

RAHUL NAREDI
Partner
Membership Number: 302632
Place: Mumbai
Date: 18th May, 2021

For & on behalf of Board of Directors

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Consolidated Statement of Cash Flow

For the year ended March 31, 2021

(₹ in lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A.	**Cash Flow From Operating Activities :**		
	Net Profit before Extraordinary Items and Tax	1,591.10	828.93
	Adjustment for :		
	Depreciation and Amortisation Expense	816.30	871.21
	Loss/(Profit) on sale/discard of Property, Plant and Equipment (net)	(3.09)	19.40
	Profit from sale of Non Core Assets	-	(219.43)
	Interest Income	(18.75)	(17.57)
	Finance Costs	447.07	613.94
	Provision for Expected Credit Losses	43.23	22.71
	Liabilities/Provisions no longer required written back	-	(44.35)
	Operating Profit before Working Capital Changes	**2,875.86**	**2,074.84**
	Changes in Working Capital:		
	Adjustments for :		
	Decrease/(Increase) in Inventories	(563.67)	(260.99)
	Decrease/(Increase) in Trade and Other Receivables	(285.24)	1,737.60
	Increase/(Decrease) in Trade and Other Payables	(231.37)	(987.08)
	Cash generated from Operation	**1,795.58**	**2,564.37**
	Net Income Tax (paid) / refunds	21.01	(1.62)
	Net Cash from Operating Activities	**1,816.59**	**2,562.75**
B.	**Cash Flow From Investing Activities :**		
	Purchases of Property, Plant and Equipments and Intangible Assets (including capital advance)	(843.12)	(228.53)
	Proceeds from sales of Property, Plant & Equipments (net of Advance)	4.00	521.84
	Proceeds from Long Term Investments	-	4.05
	Interest Received	18.75	17.57
	Net Cash from / (used) in Investing Activities	**(820.37)**	**314.93**
C.	**Cash Flow From Financing Activities :**		
	Proceeds from Issue of Equity Share Capital (including Share Premium)	396.06	-
	Proceeds from Non-Current Borrowing	757.96	267.34
	Repayment of Non-Current Borrowing	(733.95)	(2,189.67)
	Net increase / (decrease) in Current Borrowings	(415.84)	(267.67)
	Payment of Lease Liability	(49.79)	5.40
	Finance Costs	(471.34)	(605.39)
	Net Cash used in Financing Activities	**(516.90)**	**(2,789.99)**
	Net increase / (decrease) in cash and Cash Equivalents (A+B+C)	479.32	87.69
	Add: Opening Cash and Cash Equivalent	144.88	57.19
	Closing Cash and Cash Equivalent	**624.20**	**144.88**

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

RAHUL NAREDI
Partner
Membership Number: 302632
Place: Mumbai
Date: 18th May, 2021

For & on behalf of Board of Directors

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Consolidated Statement of Change in Equity

For the year ended March 31, 2021

(₹ in lakhs)

(a) Equity Share Capital :

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	2,49,47,942	2,494.79	2,49,47,942	2,494.79
Changes in Equity Share Capital during the year	1,643,000	164.30	-	-
Balance at the end of the year	**2,65,90,942**	**2,659.09**	**2,49,47,942**	**2,494.79**

(b) Other Equity :

Particulars	Reserves and Surplus				Non Controlling Interest	Total
	Security Premium Reserve	Revaluation Reserve	Retained Earnings	Remeasurement of Defined Benefit Plans		
Balance at April 01, 2019	**3,767.41**	**363.61**	**1,098.13**	**69.75**	**150.86**	**5,449.76**
Profit for the year	-	-	821.14	-	(15.82)	805.32
Transfer to Retained earnings	-	-	69.75	(69.75)	-	-
Other Comprehensive Income for the year	-	-	(13.96)	-	-	(13.96)
Total Comprehensive Income for the year	**-**	**-**	**876.93**	**(69.75)**	**(15.82)**	**791.36**
Balance at March 31, 2020	**3,767.41**	**363.61**	**1,975.06**	**-**	**135.04**	**6,241.12**
Profit / (Loss) for the year	-	-	1,925.83	-	(49.13)	1,876.70
Other Comprehensive Income for the year (net of tax)	-	-	36.20	-	-	36.20
Total Comprehensive Income for the year	**-**		**1,962.03**	**-**	**(49.13)**	**1,912.90**
On issuance of Equity Shares	231.76	-	-	-	-	231.76
Balance at March 31, 2021	**3,999.17**	**363.61**	**3,937.09**	**-**	**85.91**	**8,385.78**

Securities Premium Reserve: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders, if any.

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

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

RAHUL NAREDI
Partner
Membership Number: 302632
Place: Mumbai
Date: 18th May, 2021

For & on behalf of Board of Directors

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Notes to Consolidated Financial Statements
For the year ended March 31, 2021

1 Reporting Entity

The Consolidated Financial Statements comprise financial statements of Pioneer Embroideries Limited ("the Company") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2021. The Company is a public company domiciled in India and having registered office at Unit 101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai-400 058. Equity shares of the Company are listed in India on the Bombay stock exchange and the National stock exchange.

The Group is a manufacturer of Special Polyester Filament Yarn, Embroidery & Lace Products. It has four manufacturing units located at Kala-amb (Himachal Pradesh) for SPFY and Sarigam (Gujarat), Naroli (Daman & Nagar Haveli), Coimbatore (Tamilnadu) for Embroidery and Laces.

These financial statements were authorised for issue by the Board of Directors in their meeting held on 18th May, 2021.

2 Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the Consolidated Financial Statements.

2.1 Basis of Preparation

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

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

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated profit and loss, if any.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

2.2 Basis of Measurement

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

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

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

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

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

2.3 Functional and Presentation Currency

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

2.4 Use of Judgements and Estimates

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

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

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

- Classification of leases into finance and operating lease.

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

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

- Measurement of defined benefit obligations: key actuarial assumptions;

- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;

- Impairment test: key assumptions underlying recoverable amounts;

- Useful life and residual value of Property, Plant and Equipment;

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

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

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

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle;

- Held primarily for the purpose of trading;

- Expected to be realised/settled within twelve months after the reporting period, or

- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

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

2.6 Property, Plant and Equipment (Fixed Assets)

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

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

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

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

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Right of use assets is amortised over the lease period or estimated useful life whichever is less. Additions on rented premises are being amortised over the period of rent agreement.

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

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

Capital work-in-progress

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

De-recognition

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

2.7 Intangible Assets

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

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

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

2.8 Non-current Assets held for Sale

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

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

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

2.9 Impairment of Non-financial Assets

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

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

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

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

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.
The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

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

2.11 Foreign Currency Transactions

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

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

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

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

2.12 Employee Benefits

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

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

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

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

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

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

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

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

Other long-term employee benefits

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

2.13 Revenue Recognition

The Group recognises revenue from sale of goods when;

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

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

iii) the amount of revenue can be measured reliably;

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

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

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

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

Interest other than interest on overdue debts from customers, is recognised on time proportion basis.

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

2.14 Inventories

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

2.15 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

2.16 Measurement of Fair Value

a) Financial instruments

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

b) Marketable and non-marketable equity securities

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

2.17 Financial Instruments

a. Financial Assets

Initial recognition and measurement

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

Classifications

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

Financial assets at amortised cost

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

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

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

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

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

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

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

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

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

Equity Instruments

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

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

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

Impairment of financial assets

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

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

b. Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial Liabilities measured at amortised cost

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Derecognition of financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

2.18 Income Tax

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

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

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

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax
Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income tax during the specified period.

2.19 Leases

The Group as lessor
Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability
The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets
The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Group. The Business activity of the Group falls within one business segment viz "Textile".

2.22 Standard issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

3A. Property, Plant and Equipment

(₹ in lakhs)

Particulars	Tangible Assets										Leasehold Assets	Total
	Freehold land	Buildings	Plant and Equipment	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Electrical Installations	Borewell	Total	Leasehold land	
Cost												
As at 1st April, 2019	**392.29**	**3,126.24**	**7,448.60**	**100.44**	**57.74**	**25.12**	**51.33**	**493.59**	**0.36**	**11,695.71**	**24.81**	**11,720.52**
Additions	-	3.72	184.59	18.73	0.70	2.70	5.51	3.56	-	219.51	-	219.51
Disposals	66.60	160.06	212.75	6.99	0.34	-	0.35	4.45	-	451.54	-	451.54
Reclassification to Right of Use Assets	-	-	-	-	-	-	-	-	-	-	24.81	24.81
As at 31st March 2020	**325.69**	**2,969.90**	**7,420.44**	**112.18**	**58.10**	**27.82**	**56.49**	**492.70**	**0.36**	**11,463.68**	**-**	**11,463.68**
Additions	-	-	257.49	9.88	0.35	3.36	4.66	5.91	-	281.65	-	281.65
Disposals	-	-	8.96	-	-	0.07	0.16	-	-	9.19	-	9.19
As at 31st March 2021	**325.69**	**2,969.90**	**7,668.97**	**122.06**	**58.45**	**31.11**	**60.99**	**498.61**	**0.36**	**11,736.14**	**-**	**11,736.14**
Depreciation												
As at 1st April, 2019	**-**	**415.79**	**1,647.88**	**30.53**	**36.04**	**13.27**	**27.53**	**252.64**	**0.08**	**2,423.76**	**0.60**	**2,424.36**
Additions	-	138.57	593.57	14.54	3.28	5.30	10.06	51.59	0.06	816.97	0.30	817.27
Disposals	-	31.45	86.88	6.27	0.34	-	0.33	4.45	-	129.72	-	129.72
Reclassification to Right of Use Assets	-	-	-	-	-	-	-	-	-	-	0.90	0.90
As at 31st March 2020	**-**	**522.91**	**2,154.57**	**38.80**	**38.98**	**18.57**	**37.26**	**299.78**	**0.14**	**3,111.01**	**-**	**3,111.01**
Additions	-	136.97	543.37	15.81	3.05	3.54	10.27	46.11	0.06	759.18	-	759.18
Disposals	-	-	8.13	-	-	0.07	0.08	-	-	8.28	-	8.28
Reclassification to Right of Use Assets											-	-
As at 31st March 2021	**-**	**659.88**	**2,689.81**	**54.61**	**42.03**	**22.04**	**47.45**	**345.89**	**0.20**	**3,861.91**	**-**	**3,861.91**
Net block												
As at 31st March 2020	325.69	2,446.99	5,265.87	73.38	19.12	9.25	19.23	192.92	0.22	8,352.67	-	8,352.67
As at 31st March 2021	**325.69**	**2,310.02**	**4,979.16**	**67.45**	**16.42**	**9.07**	**13.54**	**152.72**	**0.16**	**7,874.23**	**-**	**7,874.23**

3B. Capital Work-in-Progress

As at 31st March 2020	24.51
As at 31st March 2021	-

(₹ in lakhs)

3C. Intangible Assets

Particulars	Computer Software	Hakoba Brand	Total
Cost			
As at 1st April, 2019	**68.00**	**0.05**	**68.05**
Additions	-	-	-
Disposals	-	-	-
As at 31st March 2020	**68.00**	**0.05**	**68.05**
Additions	-	-	-
Disposals	-	-	-
As at 31st March 2021	**68.00**	**0.05**	**68.05**
Depreciation			
As at 1st April, 2019	**28.82**	**-**	**19.50**
Additions	6.71	-	9.32
Disposals	-	-	-
As at 31st March 2020	**35.53**	**-**	**35.53**
Additions	6.70	-	6.70
Disposals	-	-	-
As at 31st March 2021	**42.23**	**-**	**42.23**
Net block			
As at 31st March 2020	32.47	0.05	32.52
As at 31st March 2021	**25.77**	**0.05**	**25.82**

3D. Right of use Assets (Refer Note 36)

Particulars	Leasehold Land	Leased Property	Total
Cost			
As at 1st April, 2019			
Reclassification from Property, Plant & Equipment	24.81	-	24.81
Additions as per IND AS 116 (Lease)	-	151.87	151.87
Disposals	-	-	-
As at 31st March 2020	**24.81**	**151.87**	**176.68**
Additions	-	-	
Additions as per IND AS 116 (Lease)	-	25.60	25.60
Disposals	-	6.81	6.81
As at 31st March 2021	**24.81**	**170.66**	**195.47**
Amortisation			
Reclassification from Property, Plant & Equipment	0.90		0.90
For the year	0.29	47.24	47.53
Deletions	-	-	-
As at 31st March 2020	**1.19**	**47.24**	**48.43**
Additions	0.30	50.12	50.42
Disposals	-	6.81	6.81
As at 31st March 2021	**1.49**	**90.55**	**92.04**
Net block			
As at 31st March 2020	23.62	104.63	128.25
As at 31st March 2021	**23.32**	**80.11**	**103.43**

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

b) Property, Plant and Equipment given as security for borrowings (Refer note 17 & 20).

c) Certain machinery at SPFY unit are hypothecated to Director of Industries Himachal Pradesh towards capital subsidy received from them.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

4 Non- Current Investment

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Quoted Investments				
In Other Entities (measured at fair value through profit and loss)				
RLF Limited	1,000	0.00	1,000	0.00
(Equity shares of Face Value of ₹10 each)				
(Cost ₹0.06 lakh less provision made ₹0.06 lakh)				
Padmini Technologies Limited (listing suspended)	68,939	0.00	68,939	0.00
(Equity shares of Face Value of ₹10 each)				
(Cost ₹17.56 lakh less provision made ₹17.56 lakh)				
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)				
Clover Energy Private Limited	100	0.01	100	0.01
(Equity shares of Face Value of ₹10 each)				
	70,079	**0.02**	**70,079**	**0.02**
a. None of the above investments are listed on any stock exchange in India or outside India.				
b. Aggregate amount of investments are given below:				
Aggregate cost of unquoted investments		17.64		17.64
Aggregated amount of impairment in value of investment		17.62		17.62

5 Other Non-Current Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security Deposits	155.62	152.35
Fixed Deposit and NSC in Banks with more than 12 months maturity	46.64	57.47
	202.26	**209.82**

(₹ in lakhs)

6 Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets		
Business Losses including Unabsorbed Depreciation	472.79	-
Provision for allowances for credit losses	282.54	-
Expenses allowed in the year of payment	154.43	-
Lease Liabilities	25.48	-
Total Deferred Tax Assets (A)	**935.24**	**-**
Deferred Tax Liabilities in relation to:		
Property, Plant & Equipments and Intangible Assets	639.71	-
Right-of-use to assets	23.88	-
Total Deferred Tax Liabilities (B)	**663.59**	**-**
Total Deferred Tax Assets	**271.65**	**-**

6.1 Movement of Deferred Tax

Deferred tax assets/ liabilities in relation to the year ended March 31, 2021

Particulars	As at March 31, 2020	Recognised in P&L	Recognised in OCI	As at March 31, 2021
Deferred Tax Assets in relation to:				
Business Losses including Unabsorbed Depreciation	-	472.79		472.79
Provision for allowances for credit losses	-	282.54		282.54
Expenses allowed in the year of payment	-	168.38	(13.95)	154.43
Lease Liabilities	-	25.48		25.48
Total Deferred Tax Assets (A)	**-**	**949.19**	**(13.95)**	**935.24**
Deferred Tax Liabilities in relation to:				
Property, Plant & Equipments and Intangible Assets	-	639.71		639.71
Right-of-use to assets	-	23.88		23.88
Total Deferred Tax Liabilities (B)	**-**	**663.59**	**-**	**663.59**
Total Deferred Tax Assets (A - B)	**-**	**285.60**	**(13.95)**	**271.65**

6.2 During the year, the Company has reassessed deferred tax recognition, accordingly deferred tax assets of ₹271.65 lakhs on unabsorbed depreciations and carried forward tax losses has been accounted. The Company has concluded that the deferred tax assets on unabsorbed depreciations and carried forward tax losses will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The Company is expected to generate taxable income in near future.

6.3 In the previous year, deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation as there is no convincing evidence that sufficient taxable profits will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the Company.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

7 Other Non-Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Capital Advances	722.00	148.55
	722.00	**148.55**

7.1 Capital advance of ₹720.00 (₹148.55) has been given towards advance against purchase of a property and ₹2.00 to suppliers of plant & machineries.

8 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost or net realisable value as certified by Management)		
Raw Materials	1,579.12	845.79
Work-in-Progress	684.23	537.84
Finished Goods	1,791.99	2,166.19
Store & Spares	206.12	159.22
Packing Material	62.85	51.60
	4,324.31	**3,760.64**

8.1 Inventories are hypothecated to secure borrowings. (Refer Note 17 & 20)

9 Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured		
Considered Good	2,303.88	1,889.91
Having significant increase in credit risks	201.83	195.48
Considered Doubtful/Bad	843.41	809.88
	3,349.12	**2,895.27**
Less: Allowance for Credit Losses	(1,038.76)	(995.53)
	2,310.36	**1,899.74**

9.1 Trade receivables include outstanding from related party enterprise of ₹35.15 (₹30.42) and Associate Concern ₹2.80 (₹2.80).

9.2 Trade receivables are hypothecated to secure borrowings. (Refer Note 17 & 20)

10 Cash & Cash Equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks - In Current Accounts	593.59	126.72
Cash in hand	30.61	18.16
	624.20	**144.88**

11 Other Current Financial Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Other Loans and Advances		
Related Party		
Pioneer E-com Fashions LLP	549.85	549.85
Others		
Loan & Advances to Staff	27.97	22.32
Advances to Arcot Textile Mills Ltd. (Refer Note 11.1)	229.41	549.10
Insurance Claim Receivable	-	6.37
	807.23	**1,127.64**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

11.1 Advances to Arcot Textile Mills Limited (ATML) (then a BIFR Company) was given for purchase of movable and immovable assets situated at Kallakurichi, Tamilnadu for a total consideration of ₹1,105.00 on lump sum sale basis pursuant to MOU dated 20th December, 2007. The transfer of assets in favour of the Company was subject to deregistration of ATML from BIFR. Due to inordinate delay in deregistration from BIFR, it had been agreed that ATML will return the above advance vide their confirmation letter dated 5th October, 2012. Accordingly, ₹875.59 has been returned by ATML till March 31, 2021.

12 Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Refund Receivable (net)	99.83	120.84
	99.83	**120.84**

13 Other Current Assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advances recoverable in cash or in kind	340.84	290.92
Prepaid Expenses	46.09	45.85
Accrued Export and Other Incentives	37.17	39.45
Other Advances and Balances	248.19	136.71
	672.29	**512.93**

14 Assets held for sale

Particulars	As at March 31, 2021	As at March 31, 2020
Leasehold Land	695.66	695.66
Building	108.20	108.20
	803.86	**803.86**

15 Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity Shares of ₹10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	5,00,00,000	**5,000.00**	**5,00,00,000**	**5,000.00**
Issued, Subscribed & Paid up				
Equity Shares of ₹10 each	2,65,90,942	2,659.09	2,49,47,942	2,494.79
	2,65,90,942	**2,659.09**	**2,49,47,942**	**2,494.79**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the financial year	2,49,47,942	2,494.79	2,49,47,942	2,494.79
Add: Issued during the year	16,43,000	164.30	-	-
As at the end of the financial year	**2,65,90,942**	**2,659.09**	**2,49,47,942**	**2,494.79**

Issue of Shares:
The Company has issued 12,40,000 equity shares of ₹10 each at a premium of ₹23 each during the year on preferential basis to the promoter on 28th December, 2020 pursuant to shareholders' approval dated 15th December, 2020.

The Company has also issued 4,03,000 equity shares of ₹10 each to the employees of the Company under PEL ESOP Scheme.

Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Pioneer E-Com Fashions LLP	55,36,492	20.82	45,01,726	18.04
Raj Kumar Sekhani	31,64,760	11.90	19,24,760	7.72
Anand Sekhani	15,00,500	5.64	15,00,500	6.01
Amit Sekhani	15,00,000	5.64	15,00,000	6.01
Union Bank of India	12,91,183	4.86	12,91,183	5.18
Export Import Bank of India	11,66,656	4.39	12,59,028	5.05

16 Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
Share Premium Reserve		
Opening Balance	3,767.41	3,767.41
Add: During the year	231.76	-
Balance as at the end of the year	**3,999.17**	**3,767.41**
Revaluation Reserve		
Opening Balance	363.61	363.61
Add: During the year	-	-
Balance as at the end of the year	**363.61**	**363.61**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings		
Opening Balance	1,975.06	1,098.13
Transfer from Other Comprehensive Income (Remeasurement of defined benefit Plans)	-	69.75
Add :- Other Comprehensive Income (including tax thereon)	36.20	(13.96)
Add: Profit for the year	1,925.83	821.14
Balance as at the end of the year	**3,937.09**	**1,975.06**
Other Comprehensive Income		
Opening Balance	-	69.75
Less: Transfer to Retained Earning	-	(69.75)
	-	-
Non-Controlling Interest	85.91	135.04
	85.91	**135.04**
	8,385.78	**6,241.12**

Nature and purpose of other reserves/ other equity

Securities Premium

This Reserve represents premium received on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

17 Non-Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans		
Term Loans from Banks/ Institutions	1,813.95	1,661.27
Loan from Others	-	128.66
Unsecured Loans		
Related Party	1.90	1.90
Others	180.00	180.00
	1,995.85	**1,971.83**

Particulars	As at March 31, 2021	As at March 31, 2020
Current Maturity of Borrowings disclosed under the head “Other Financial Liabilities” (Refer Note 23)	843.48	707.13
	1,152.37	**1,264.70**

17.1 Term Loans from bank of ₹1,088.13 are secured by first pari passu charge over fixed assets of the Company both present & future with other term lenders and are further secured by second charge over current assets of the Company, by personal guarantee of Chairman of the Company and pledge of company’s certain shares by promoter and promoter group firms. These loans of ₹1,088.13 are repayable in monthly instalments ending December 2022 and carries interest @13% p.a..

17.2 Term Loans from banks of ₹700.82 are secured by first pari passu charge over current assets of the Company and further secured by second pari passu charge over fixed assets of the Company both present & future with other term lenders, by personal guarantee of the Chairman of the Company.

Notes to Consolidated Financial Statements
For the year ended March 31, 2021

(₹ in lakhs)

Out of these loan, i) ₹335.00 is repayable in monthly instalments ending October 2024 and carries interest @9.25% p.a..; ii) ₹100.00 is repayable in monthly instalments ending March 2022 and carries interest @8% p.a. & iii) ₹265.82 is repayable in monthly instalments ending October 2024 and carries interest @7.5% p.a..

17.3 Term Loan from Banks of ₹25.01 are secured by hypothecation of respective vehicles financed.

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

18 Lease Liability

Particulars	As at March 31, 2021	As at March 31, 2020
Finance lease obligations	85.85	110.03
	85.85	**110.03**
Current Maturity of Lease (Refer Note 21)	(50.31)	(42.15)
	35.54	**67.88**

19 Long Term Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits	466.60	461.30
	466.60	**461.30**

20 Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Loans Repayable on Demand		
Cash Credit from Bank	1,162.97	1,484.70
	1,162.97	**1,484.70**
Unsecured		
Loans From Related Party		
From Directors	-	94.11
	-	**94.11**
	1,162.97	**1,578.81**

20.1 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.

21 Lease Liability

Particulars	As at March 31, 2021	As at March 31, 2020
Lease obligations	50.31	42.15
	50.31	**42.15**

22 Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises	337.69	262.66
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,854.48	2,080.42
	2,192.17	**2,343.08**

Notes to Consolidated Financial Statements
For the year ended March 31, 2021

(₹ in lakhs)

22.1 Trade Payables include outstanding to a related enterprise of ₹16.73 (₹32.98).

22.2 Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Principal amount and Interest due thereon remaining unpaid to any supplier at the end of year	57.60	64.40
b.	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c.	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d.	the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-

23 Other Current Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of Long Term Debt (Refer Note 17)	843.48	707.14
Interest accrued	4.15	28.42
Capital Creditors	57.33	69.86
Employees Emoluments	552.06	557.48
Statutory Dues	38.54	38.18
Others	44.42	104.04
	1,539.98	**1,505.12**

24 Short Term Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision For Employee Benefits	14.42	18.55
	14.42	**18.55**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

25 Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Customers' Credit Balances and Advances against orders	132.26	199.37
Advance Against Property	1,050.00	1,050.00
	1,182.26	**1,249.37**

26 Revenue From Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products - Yarn, Embroidery Fabric & Laces		
Domestic Sales	18,155.05	20,246.39
Export Sales	4,322.52	3,539.85
Other Operating Revenue (Including Export Incentives)	119.39	50.92
	22,596.96	**23,837.16**

26.1 Sales include sales made to related enterprises ₹21.31 (₹33.96).

27 Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income	18.75	17.57
Profit on disposal of Property, Plant and Equipment (Net)	3.09	-
Liabilities/Provisions no longer required written back	-	44.35
Gain on Foreign Currency transactions and translation (Net)	57.42	62.18
Miscellaneous Income	107.97	67.35
	187.23	**191.45**

27.1 Purchases includes from related enterprises ₹54.12 (₹38.63).

28 Cost Of Material Consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of Raw Material Consumed		
Opening Stock	845.79	583.28
Purchases during the year	11,862.27	13,311.06
	12,708.06	**13,894.34**
Less:- Closing Stock	1,579.12	845.79
	11,128.94	**13,048.55**

Notes to Consolidated Financial Statements
For the year ended March 31, 2021

(₹ in lakhs)

29 Change In Inventories

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Inventories		
Work-in-Progress	537.84	527.81
Finished Goods	2,166.19	2,255.39
	2,704.03	**2,783.20**
Less: Closing Inventories		
Work-in-Progress	684.23	537.84
Finished Goods	1,791.99	2,166.19
	2,476.22	**2,704.03**
	227.81	**79.17**

30 Employee Benefits Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, Wages and Incentives	2,713.09	3,022.82
Contribution to Funds	109.65	108.31
Staff Welfare Expenses	59.21	70.75
Employee ESOP Compensation (Refer Note 40)	55.43	-
	2,937.38	**3,201.88**

31 Finance Cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense	416.20	540.92
Other Borrowing Costs	30.87	27.81
Fair value changes of interest free loans	-	44.43
Net Gain/Loss on Foreign Currency Transactions and Translation	-	0.78
(Considered as finance costs)		
	447.07	**613.94**

32 Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Stores & Spares Consumed	420.31	425.01
Repair & Maintenance	145.11	143.92

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power & Fuel	1,774.70	1,812.84
Insurance	47.42	47.02
Job Charges	325.15	327.38
Legal & Professional Fees	80.07	83.98
Packing Material Consumed	1,305.92	1,194.15
Payment to Auditors*	12.22	12.22
Rates & Taxes	38.42	24.31
Rent	16.59	33.13
Provision for Doudtful Debts	33.53	-
Provision for Allowance of Credit Losses	9.70	22.71
Loss on disposal of Property, Plant and Equipment (Net)	-	19.40
Directors Sitting Fees	2.40	1.70
Donations	0.10	0.06
Expenditure incurred towards CSR activities	2.60	-
Selling Expenses	942.07	786.51
Miscellaneous Expenses	392.46	423.09
	5,548.77	**5,357.43**
*** Details of payment to Auditors**		
a) Statutory & Tax Audit	12.22	12.22
b) for Taxation Matter	-	-
c) for Other Services	-	-
	12.22	**12.22**

33 Exceptional Items

Exceptional item of ₹NIL (₹219.43) represents profit from sale of non-core assets of the Company.

34 Income Taxes Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Tax expense/(credit) recognized in the Statement of Profit and Loss		
Current tax recognised in Statement of Profit and Loss	-	-
Deferred tax	(285.60)	-
Income Tax expense reported in the Statement of Profit and Loss	**(285.60)**	-
Deferred tax impact on component of other comprehensive income (OCI)	13.95	-
Total Income Tax benefit recognized in Other Comprehensive Income	**13.95**	**-**
Total Income Tax expense recognised in the current year	**(271.65)**	**-**

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:		
Enacted income tax rate in India applicable to the Company	27.82	27.82
Profit before tax	1,591.10	828.93
Income Taxes Expense	442.64	230.61
Effect of:		
Expenses that are not deductible in determining taxable profit	6.57	-
Deferred Tax assets recognized on previous years loss and unabsorbed dereciation (Refer Note 6.2)	(271.65)	-
Tax effect of items brought forward losses and other items	(448.35)	(230.61)
Others	(0.86)	-
	(271.65)	**-**

35 Contingent liabilities, contingent assets and commitments

	Particulars	As at March 31, 2021	As at March 31, 2020
A.	**Contingent liabilities (not provided for) in respect of:**		
	1 Bank Guarantees Outstanding.	80.05	73.80
	2 Demand for Excise duty, being contested by the Company	33.58	33.58
	3 Demand for Income Tax, being contested by the Company	62.34	62.34
	4 Demand for Service Tax, being contested by the Company	123.85	123.85
	5 Sundry Cases in Labour Court and Industrial Court (Sarigam unit, Gujrat and Silvassa unit) *(quantum is not ascertainable)	N A*	N A*
	6 Custom Duty on Capital Goods and Raw Materials imported under Advance License / EPCG Scheme, against which export obligation is to be fulfilled.	-	1.62
	There is no contingent liability other than stated above and adequate provision have been made for all known liabilities, except interest and penalties as may arise. The management believes that the Company has a strong chance of favourable decision in above cases, hence no further provision has been considered necessary.		
B.	**Commitments**		
	Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances]	723.00	13.00

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

36 Leases

	Particulars	As at March 31, 2021	As at March 31, 2020
	As a Lessee		
a)	The movement in lease liabilities during the years ended March 31, 2021 and March 31, 2020 is as follows:		
	Balance at the beginning	110.03	-
	Additions	25.60	151.87
	Finance cost accrued during the year	14.55	17.32
	Deletions	(14.86)	-
	Payment of Lease Liabilities	(49.48)	(59.16)
	Balance at the end	**85.85**	**110.03**
b)	The details of the contractual maturities of lease liabilities as at March 31, 2021 and March 31, 2020 on an undiscounted basis are as follows:		
	Less than one year	58.20	53.98
	One to five years	39.09	76.91
	More than five years	-	-
	Total	**97.29**	**130.89**

c) The Company has incurred rent expense of ₹16.59 (₹32.23) for the year ended March 31, 2021 towards expenses relating to short-term leases and leases of low-value assets.

37 Foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Foreign Currency exposure not hedged by derivative instrument or otherwise :		
i. Receivable	160.35	172.18
ii. Payable	10.09	35.75
(b) Outstanding forward contracts to be hedge foreign currency exposure :	-	-

38 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund ₹86.91 (₹83.88).

(ii) Defined Benefit Plan:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Notes to Consolidated Financial Statements
For the year ended March 31, 2021

(₹ in lakhs)

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	March 31, 2021	March 31, 2020
Net defined benefit liability / (asset)	425.57	400.58
Liability for Gratuity		
Current	12.93	16.01
Non-Current	412.64	384.57

B. Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	March 31, 2021			March 31, 2020		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	400.58	-	400.58	340.85	-	340.85
Included in profit or loss						
Service costs	69.80	-	69.80	60.67	-	60.67
Interest cost / (income)	26.52	-	26.52	24.53	-	24.53
	96.32	**-**	**96.32**	**85.20**	**-**	**85.20**
Included in OCI						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	0.58	-	0.58	42.50	-	42.50
- experience adjustment	(50.73)	-	(50.73)	(28.54)	-	(28.54)
	(50.15)	**-**	**(50.15)**	**13.96**	**-**	**13.96**
Other						
Contributions paid by the employer			-			-
Benefits paid	(21.18)	-	(21.18)	(39.43)	-	(39.43)
	(21.18)	**-**	**(21.18)**	**(39.43)**	**-**	**(39.43)**
Balance as at 31 March	**425.57**	**-**	**425.57**	**400.58**	**-**	**400.58**

	Particulars	March 31, 2021	March 31, 2020
C.	**Plan assets**		
	The Company has no plan assets.		

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

	Particulars	March 31, 2021	March 31, 2020
D.	**Actuarial assumptions**		
	The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).		
	Discount rate	6.79%	6.80%
	Expected rate of future salary increase	7.50%	7.50%
	Mortality	100% of IALM (2006 - 08)	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2021		March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(373.25)	489.36	(350.75)	458.46
Expected rate of future salary increase (1% movement)	486.16	(374.48)	461.51	(351.89)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

A) Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.

B) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

C) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumption in the valuation can impact the liabilities.

39 Related parties

A. Related parties and their relationships

i	**Key Managerial Personnel (KMP) and their relatives**	Mr. Raj Kumar Sekhani (Chairman) Mr. Harsh Vardhan Bassi (Managing Director) Mr. Gangadharan K R Panicker (Executive Director)

Notes to Consolidated Financial Statements
For the year ended March 31, 2021

(₹ in lakhs)

	Mr. Joginder Kumar Baweja (Independent Director) Mr. Gopalkrishnan Sivaraman (Independent Director) Ms. Sujata Chakravarthy (Independent Director) Ms. Bimla Devi Sekhani Mr. Aarav Sekhani Mr. Vishal Sekhani Mr. Ratanlal Sekhani Ms. Prachi Sekhani Ms. Priyani Sekhani
ii. Enterprises having significant influence by KMP & their Relatives	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.
iii. Associate Concerns	Pioneer E-Com Fashions LLP Reach Industries Pvt. Ltd.

B Transactions with the above in the ordinary course of business

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sales		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	2.76	31.43
M/s J J Enterprises	1.26	5.66
Kiran Industries Pvt. Ltd.	0.83	(3.14)
Kiran Texpro Pvt. Ltd.	16.46	-
	21.31	**33.96**
Purchases		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Enterprises	0.02	1.73
M/s J J Sons	-	0.79
Kiran Industries Pvt. Ltd.	39.28	23.67
Kiran Texpro Pvt. Ltd.	14.82	12.43
	54.12	**38.63**
Payment for Rent & Other Services		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	7.08	7.08
Employee Benefit Expenses		
Key Managerial Personnel (KMP) and their relatives		
Mr. Raj Kumar Sekhani (Chairman)	67.00	60.00

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

Mr. Harsh Vardhan Bassi (Managing Director)	34.81	40.77
Mr. Gangadharan K R Panicker (Executive Director)	20.99	21.09
Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
Mr. Aarav Sekhani	15.27	17.28
Mr. Vishal Sekhani	15.27	17.28
Mr. Ratanlal Sekhani	25.26	25.26
Ms. Prachi Sekhani	2.65	3.00
Ms. Priyani Sekhani	3.71	4.20
	184.96	**188.88**
Director Sitting Fees		
Mr. Joginder Kumar Baweja (Independent Director)	0.97	0.80
Mr. Gopalkrishnan Sivaraman (Independent Director)	0.95	0.80
Ms. Sujata Chakravarthy (Independent Director)	0.48	0.10
	2.40	**1.70**
Loans & Advances given /repaid		
Key Managerial Personnel (KMP) and their Relatives		
Mr. Raj Kumar Sekhani (Chairman)	12.75	50.56
Mr. Harsh Vardhan Bassi (Managing Director)	81.37	-
	94.12	**50.56**
Loans & Advances taken / recovered		
Key Managerial Personnel (KMP) and their Relatives		
Mr. Harsh Vardhan Bassi (Managing Director)	-	12.40
Guarantee taken		
Key Managerial Personnel (KMP) and their Relatives		
Ms. Bimla Devi Sekhani	-	250.00
Associate Concerns		
Pioneer E-Com Fashions LLP	-	250.00

C Outstanding balance at the year end

Loans & Advances taken / recovered		
Key Managerial Personnel (KMP) and their relatives		
Mr. Raj Kumar Sekhani (Chairman)	-	12.74
Mr. Harsh Vardhan Bassi (Managing Director)	-	81.37
	-	**94.11**
Enterprises having significant influence by KMP & their Relatives		
Raj Kumar Sekhani (HUF)	1.90	1.90

Notes to Consolidated Financial Statements
For the year ended March 31, 2021

(₹ in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Trade Payables & Other Liabilities		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	13.67	13.67
Kiran Industries Pvt. Ltd.	1.66	16.65
Kiran Texpro Pvt. Ltd.	1.40	2.66
	16.73	**32.98**
Receivables		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	2.83	8.14
M/s J J Enterprises	16.86	16.12
Kiran Industries Pvt. Ltd.	7.30	-
Thakurdas & Co. Pvt. Ltd.	8.16	8.16
	35.15	**32.42**
Associate Concerns		
Reach Industries Pvt. Ltd.	2.80	2.80
Pioneer E-Com Fashions LLP	549.85	549.85
	552.65	**552.65**

40 Pioneer Embroideries Limited Employee Stock Option Plan 2018 Scheme (ESOP)

The Company has granted stock options under the Pioneer Embroideries Limited Employee Stock Option Plan 2018 Scheme (ESOP) to the eligible employees of the Company. Under ESOP, the company has granted 4,30,000 options on August 14, 2019. 100% of total options granted would vest in after one year from the date of grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of ₹10 each of the Company. The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

During the year, certain unvested options were cancelled on non-fulfilment of certain vesting conditions under ESOP. As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of Options	Weighted Average exercise price (₹)	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	430,000	-	-	-
Options granted under ESOP	-	-	430,000	@
Options exercised during the year	403,000	13.75	-	-
Options cancelled during the year	27,000	-	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	-	-	430,000	@
Options exercisable at the end of the year	-	-	430,000	@

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

@ The exercise price shall be decided by NRC subject to maximum discount of 50% of the closing market price on the stock exchange, which records the highest trading volumn in the Company's equity shares on the date immediately prior to the date on which the notice of excercise is given to the Company by the employee. In any event, the excercise price shall not be less than face value of the equity share.

41 Financial instruments

I. Fair value measurements

A. Financial instruments by category

	As at March 31, 2021		As at March 31, 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments	0.02	-	0.02	-
Trade receivables	-	2,310.36	-	1,899.74
Cash and cash equivalents	-	624.20	-	144.88
Others				
Non Current	-	202.26	-	209.82
Current	-	807.23	-	1,127.64
	0.02	**3,944.05**	**0.02**	**3,382.09**
Financial liabilities				
Long term borrowings	-	1,152.37	-	1,264.70
Short terms borrowings	-	1,162.97	-	1,578.81
Trade payables	-	2,192.17	-	2,343.08
Other non-current financial liabilities		35.54	-	67.88
Other current financial liabilities	-	1,590.29	-	1,547.27
	-	**6,133.35**	**-**	**6,801.74**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in lakhs)

Financial assets and liabilities measured at fair value - recurring fair value measurements:

	As at March 31, 2021 / March 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets	0.02	-	-	0.02
Financial liabilities	-	-	-	-
	0.02	**-**	**-**	**0.02**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

C. Fair value of financial assets and liabilities measured at amortised cost:

	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets				
Trade receivables	-	2,310.36	-	1,899.74
Cash and cash equivalents	-	624.20	-	144.88
Others				
Non Current	-	202.26	-	209.82
Current	-	807.23	-	1,127.64
	-	**3,944.05**	**-**	**3,382.09**
Financial liabilities				
Long term borrowings	-	1,152.37	-	1,264.70
Short terms borrowings	-	1,162.97	-	1,578.81
Trade payables	-	2,192.17	-	2,343.08
Other non-current financial liabilities	-	35.54	-	67.88
Other current financial liabilities	-	1,590.29	-	1,547.27
	-	**6,133.35**	**-**	**6,801.74**

The carrying amounts of the abovementioned financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

Notes to Consolidated Financial Statements
For the year ended March 31, 2021

(₹ in lakhs)

II. Financial risk management
The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Group’s board of directors has overall responsibility for the establishment and oversight of the Group’s risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.
The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees compliance with the Group’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group’s standard payment and delivery terms and conditions are offered. The Group’s review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the President of the Group.

More than 60 % of the Group’s customers have been transacting with the Group for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties."

(₹ in lakhs)

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The carrying amount net of credit loss allowances of trade receivables is ₹2,310.36 (March 31, 2020 – ₹1,899.74).

During the period, the Group has made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Group management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

A default on a financial asset is when counterparty fails to make payments within 60 days when they fall due.

Reconciliation of loss allowance provision – Trade receivables:

	March 31, 2021	March 31, 2020
Opening balance	(995.53)	(972.82)
Changes in loss allowance	(43.23)	(22.71)
Closing balance	(1,038.76)	(995.53)

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Group's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(a) Financing arrangements

The Group has bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in indian rupee and have an average maturity within a year.

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

(b) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts March 31, 2021	Contractual cash flows				
		Total	0- 1 year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,995.85	1,995.85	843.48	841.40	308.92	2.05
Short term borrowings	1,162.97	1,162.97	1,162.97	-	-	-
Trade payables	2,192.17	2,192.17	2,192.17	-	-	-
Other non-current financial liabilities	35.54	35.54	-	35.54	-	-
Other current financial liabilities	746.81	746.81	746.81	-	-	-
Total non-derivative liabilities	**6,133.34**	**6,133.34**	**4,945.43**	**876.94**	**308.92**	**2.05**

Particulars	Carrying Amounts March 31, 2020	Contractual cash flows				
		Total	0- 1 year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,971.83	1,971.83	707.14	1,075.30	189.39	-
Short term borrowings	1,578.81	1,578.81	1,578.81	-	-	-
Trade payables	2,343.08	2,343.08	2,343.08	-	-	-
Other non-current financial liabilities	67.88	67.88	-	67.88	-	-
Other current financial liabilities	840.13	840.13	840.13	-	-	-
Total non-derivative liabilities	**6,801.73**	**6,801.73**	**5,469.16**	**1,143.18**	**189.39**	**-**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for liquidity / credit management purposes and which are not usually closed out before contractual maturity. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of Directors.

(₹ in lakhs)

v. Currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Group's foreign currency payables, have been partially hedged using forward contracts taken by the Group.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	As at March 31, 2021		As at March 31, 2020	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	1.77	-	1.92	0.33
Other payables	0.38	0.01	0.24	-
Net statement of financial position exposure	**2.15**	**0.01**	**2.16**	**0.33**

The following significant exchange rates have been applied:

	Average Rates		Year end spot rates	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD 1	74.17	70.67	73.50	75.32
EUR 1	84.65	86.92	86.09	83.09

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During March 31, 2019 and March 31, 2018, the Group's borrowings at variable rate were denominated in Indian Rupees.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

Notes to Consolidated Financial Statements
For the year ended March 31, 2021

(₹ in lakhs)

	Nominal Amount	
	March 31, 2021	March 31, 2020
Fixed-rate instruments		
Financial liabilities	1,995.86	2,065.96
	1,995.86	2,065.96
Variable-rate instruments		
Financial liabilities	1,162.97	1,484.69
	1,162.97	**1,484.69**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2021				
Variable-rate instruments	5.81	(5.81)	5.81	(5.81)
Cash flow sensitivity	5.81	(5.81)	5.81	(5.81)
March 31, 2020				
Variable-rate instruments	7.42	(7.42)	7.42	(7.42)
Cash flow sensitivity	7.42	(7.42)	7.42	(7.42)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

42 a. Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

b. Realisable value of current assets, deposits, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.

43 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed. The Group has incurred ₹2.60 expenditure on CSR during the year.

44 Events Occurring after Balance Sheet Date
Proposed Dividend

The Board of Directors has recommended final dividend of ₹0.25 per share on the face value of ₹10 each (2.5%), aggregating to ₹66.48, subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

Notes to Consolidated Financial Statements
For the year ended March 31, 2021

(₹ in lakhs)

45 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Group falls within one broad business segment viz. “Textile” and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of ‘Segment Reporting’ is not considered applicable.

46 Capital management

The Group’s policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Group :

Particulars	March 31, 2021	March 31, 2020
Equity Share Capital	2,659.09	2,494.79
Other Equity	8,299.87	6,106.08
Total Equity	**10,958.96**	**8,600.87**
Non-Current Borrowings	1,152.37	1,264.70
Current maturities of Non-Current Borrowings	843.48	707.14
Current Borrowings	1,162.97	1,578.81
Total Debts	**3,158.82**	**3,550.65**
Less: Cash & Cash Equivalents	624.20	144.88
Net Debts	**2,534.62**	**3,405.77**
Capital & Net Debts	**13,493.58**	**12,006.64**
Debts Equity Ratio	**0.29**	**0.41**
Capital Gearing Ratio	**19%**	**28%**

47 Other Disclosures

The Consolidated Financial Statements include the accounts of Pioneer Embroideries Limited (Parent Company) and its subsidiaries as detailed below:

Particulars	Country of Incorporation	March 31, 2021	March 31, 2020
Hakoba Lifestyle Ltd	India	100%	100%
Pioneer Realty Limited	India	100%	100%
Crystal Lace (I) Ltd	India	45%	45%

48 Earning per Equity Share

Particulars	March 31, 2021	March 31, 2020
Net Profit for the year	1,876.70	805.32
Weighted Average Number of Equity Shares of ₹10 each (fully paid-up)	2,53,28,172	2,49,47,942
- Basic (₹)	7.41	3.23
- Diluted (₹)	7.06	3.23

Notes to Consolidated Financial Statements

For the year ended March 31, 2021

(₹ in lakhs)

49 On account of the outbreak of Covid·19 virus globally and in India, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020 leading to shutting down of the Company's manufacturing facilities and operations. The Group has since resumed its manufacturing facilities after seeking necessary permissions and capacity utilization is being gradually increased. Though the Group's operations have been affected in the short term, the management believes that there may not be significant impact of Covid -19 pandemic on the financial position and performance of the Group in the long-term. The Group estimates to recover the carrying amount of all its assets including inventories, receivables and loans in the ordinary course of business based on currently-available information. However, if the pandemic persists, and if there are further material changes on account of its severity or duration, Group's estimates will be reviewed in due course.

50 Previous year figure have been regrouped / reclassified to conform to current years classifications.

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

RAHUL NAREDI
Partner
Membership Number: 302632
Place: Mumbai
Date: 18th May, 2021

For & on behalf of Board of Directors

HARSH VARDHAN BASSI
Managing Director
DIN 00102941

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

FORM AOC-1 Annexure A

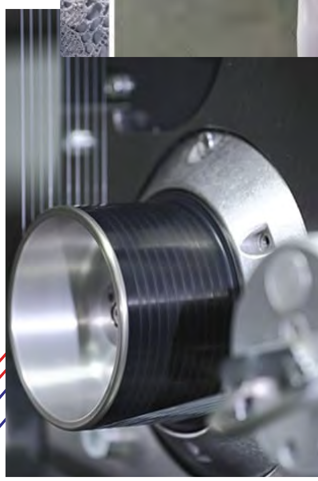
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries:

Part "A": Subsidiaries (₹ in lakhs)

Sr. No.	Particulars	Name of Subsidiary		
		Hakoba Lifestyle Ltd.	Pioneer Reality Ltd.	Crystal Lace (I) Ltd.
(a)	Reporting Period	April to March	April to March	April to March
(b)	Reporting Currency	INR	INR	INR
(c)	Share Capital	484.63	5.00	987.04
(d)	Reserve & Surplus	(99.21)	(7.95)	(832.05)
(e)	Total Assets	848.77	0.29	1,398.91
(f)	Total Liabilities	463.35	3.24	1,243.92
(g)	Investment other than Investment in Subsidiary	-	-	-
(h)	Turnover	-	-	0.54
(i)	Profit/(Loss) before Taxation	(0.82)	(0.37)	(88.65)
(j)	Provision for Taxation	-	-	-
(k)	Profit/(Loss) after Taxation	(0.82)	(0.37)	(88.65)
(l)	Proposed Dividend	-	-	-
(m)	% of shareholding	-	-	-

Accessing World's Best Technology To Manufacture World-Class Yarn



Growth Backed By Classic Design And Colour Library

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