PIONEER GROUP

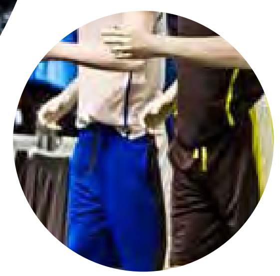
PIONEER
EMBROIDERIES
LIMITED

Weaving Our Future
Expanding Our Horizon

30th Annual Report 2021-22

SILKOLITE
Scale to Value....

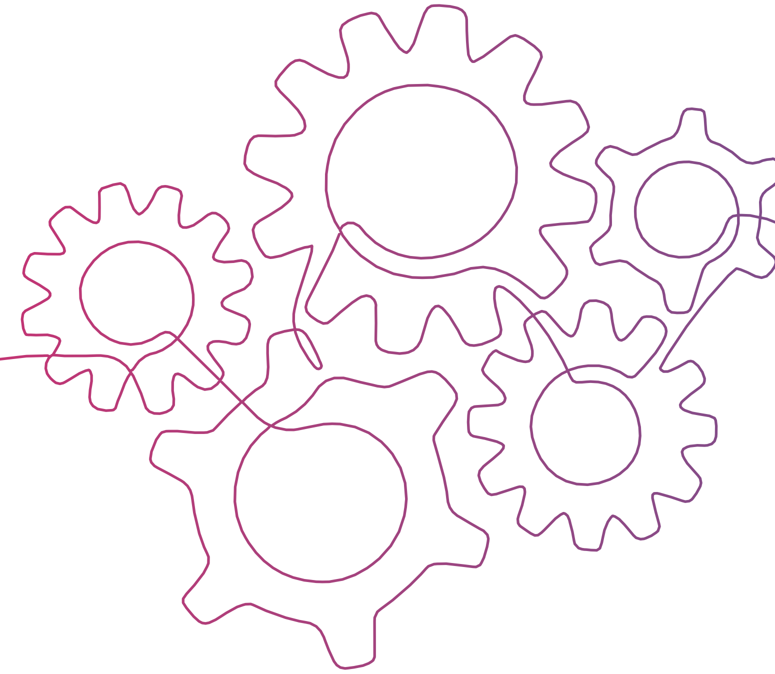
hakoba
Embroidery beyond your imagination



Content

This Annual Report can be downloaded from our website at

https://www.pelhakoba.com/wp-content/uploads/2022/06/Pioneer-30th-Annual-Report-2022-2023.pdf



PIONEER GROUP

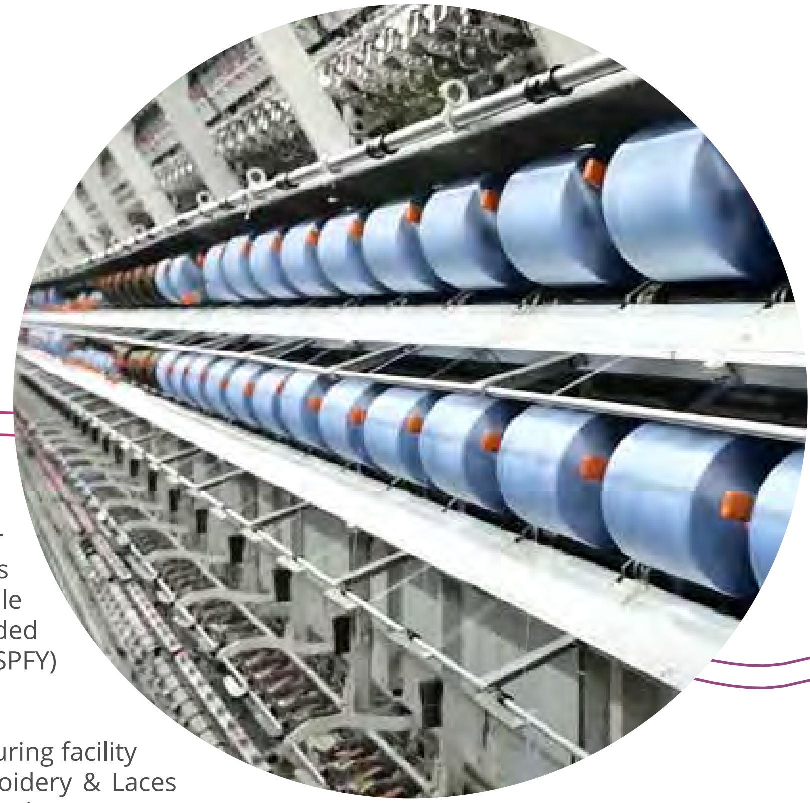
Weaving Our Future Expanding Our Horizon

The aspects of business growth and success are crucial to us. The Company has always placed a high value on its employees and the areas in which it operates. The organisation believes that by creating a happy and healthy community, it will be able to develop and achieve greater success.

PEL has actively worked on different areas for sustainable growth. We at PEL have the vision, expertise and foresight required to build plans for difficult times, achieve successful growth in all business settings and weave opportunities through industry research and innovation.

Company has chosen SPFY as the focus of their future expansion plans and we are well-positioned to seize the opportunity. Our unmatched depth of experience has enabled us to thrive in the face of adversity and set new benchmarks for excellence in the Specialty Polyester Filament Yarn industry. With the right product mix and a robust portfolio, the Company is poised to grow in the coming years.

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 a place of choice to work and grow

FY22 - Standalone

Revenue
₹ 292.2 Cr.

EBITDA
₹ 26.5 Cr.
Margin 9.0%

PAT
₹ 11.0 Cr.
Margin 3.8%

Book Value
₹ 47.28

PIONEER GROUP

Key Facts & Figures

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

Footprints in
25+ Countries

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

4 Manufacturing Facilities
One Of SPFY
Three Of EL

300,000+ Designs In Library
Embroidery & Laces

1200+ Colour Shades In Library
Specialized Polyester Filament Yarn

1000+ Team Members
Embracing Our Culture And Delivering Value

Integrated Manufacturing Operations

Capacity

Optimally Utilised Manufacturing Capacity

18,000+
MTPA Of SPFY

14+
Million Meters Of Braided Laces

1,700+
Million Stitches Of Embroidery

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 crochet lace braiding unit at Dadra, which was expanded by over ten-fold capacity in 1999

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

2021
Recorded highest ever PAT of ₹197 Mn in FY21. Started fresh capacity expansion of 8,000 MT for SPFY

Manufacturing Units

Kala-Amb, Himachal Pradesh

State of the art plant makes **SPFY**

Latest technology using equipment for value added products

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 mn 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.

Business Verticals

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

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

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

www.silkolite.in

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.

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.).

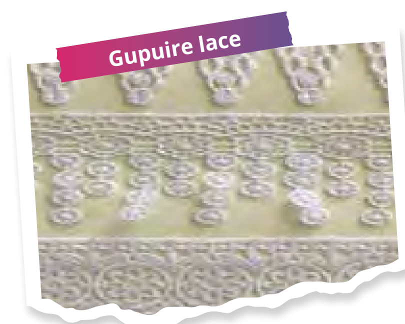
Product Offerings: Currently, the retail outlets are selling Sarees, Salwar Kameez Duptta, Fashion Fabrics. Hakoba also added men's wear in its portfolio, such as Unstitched and Stitched Kurta Pyjama. Besides cotton, other base fabrics like silks, man-made blends, net, etc., were also incorporated. In 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.

New Launch: In August 2021 the company had launched it's first Ready-to-Wear (RTW) garments for both women and men in all white collection to commemorate the nation's 75th year of independence

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.

SPFY Capacity Expansion

Planned Capacity expansion of SPFY by 8000 MT	Location: Kala-Amb, Himachal Pradesh	CAPEX budget of around ₹ 58 Cr.	Additional revenue potential ₹ 100 Cr.

Timeline

January 2023
Commencement of commercial production

December 2022
Arrival of machines

July 2022
Building completion

October 2021
Procurement of Land



Equipment supplier »

Oerlikon Barmag Group:
World-renowned supplier of quality textile extrusion equipment

Himson Engineering Private Limited:
Leading supplier in India for all kinds of Texturing and winding machines

PEL's products enjoy a premium in the marketplace because of better quality, design, and capacity. PEL has a yarn capacity of about 18,000 MT pa, which will be expanded to 26,000 MT pa with commercial production to commence from January 2023. The current expansion is in newer product categories in POY (Partially Oriented Yarn) and DTY (Draw Textured Yarn) segment. The Company is aggressively focusing on POY-based specialty textile avenues such as Flame retardant, Automotive, Anti-Microbial, to name a few. With the newer product offerings in place, PEL will become a complete supplier or a one-stop-shop for its customers for all kind of speciality yarns. The current capacity utilization is ~ 95%. The new capacity, when added will have a sales potential of ₹ 100-110 Cr. at full utilization with a mix of domestic and exports.

In the year 2005, Pioneer Embroideries Limited planned to foray into specialty yarns and envisioned a one-of-a-kind state-of-the-art infrastructure to supply dope/melt dyed polyester filament, full drawn Yarns with end-to-end tailor-made solutions for niche markets. In order to cater to a small batch size of 500 kgs, it planned to build its own Master batch (colourant) manufacturing factory, allowing it to shorten lead times and create even the tiniest quantities of colourants with no leftovers. The goal became a reality in 2007, when the company launched operations with a limited capacity of 15 MT/day. In 2017, it successfully introduced POY-based product line, and now has a strong market presence in both the Domestic & Export Markets.

Today, PEL is synonymous with Specialty Polyester Filament Yarn, and its trademark SILKOLITE is a renowned name in the global textile business. The organisation has made a mark for itself by employing qualified personnel and adhering to the highest quality standards. R&D on Inter Fibre alternatives, primarily targeting Natural Fibres and Solution Dyed Yarns, is a priority. Incidentally the dope dyed technique uses no water and produces no effluents, making it a very ECO FRIENDLY procedure.

Integrating embroidery facilities

12 High Speed Embroidery Machine with capacity of 2000+ million stitches	Location: Dhule, Maharashtra	CAPEX budget of around ₹ 45 Cr.	Additional revenue potential ₹ 54 Cr.

Equipment supplier »
Lasser AG, Switzerland,
Leading player for high-speed shuttle embroidery machines

Presently, PEL has three embroidery and lace manufacturing facilities at Coimbatore (Tamil Naidu), Naroli (UT DN&H) and Sarigam (Gujarat), along with marketing presence at all the major markets including Delhi NCR, Tirupur, Chennai, Mumbai, Kolkata. Its embroidery products enjoy premium in the market place because of better quality, designing, and capacity. However, the machines are old, having average RPM of 150, requiring large manpower compared to the new generation machines which are around 600-750 RPM, with longer fabric frame. It is imperative for PEL to modernise its embroidery plant increase its sales and profitability in this business too.

PEL intends to setup a single manufacturing unit with state-of-the-art equipment. The existing 32 machines at all locations will be and largely replaced with 12 new generation machines which will provide additional capacity, enhanced quality and efficiency, reduction in wages and overheads, This will directly result in additional profitability, and also give PEL an edge in pricing its products competitively in the markets.

Around ₹ 38 Cr. will be needed to import machinery from Lasser AG, Switzerland, which is a leading player for high-speed shuttle embroidery machines. Balance investment of ₹ 7 Cr. will be needed for ancillary machinery and utilities.

Setting up building infrastructure in a Textile Park

Shree Ganesh Integrated Textile Park Private Limited (SGITPL) is a textile park approved under Government of India (GoI)'s Scheme of Integrated Textile Park (SITP). Total approved project cost of SGITPL, as per GOI records, is ₹ 104 Cr. out of which ₹ 49 Cr. has been approved in grants from Central & State Governments.

PEL intends to join SGITPL as one of three lead promoters. This will help PEL to meet its near-term business objective of setting up a green field project and also have adequate land parcel for future growth plans. SGITPL has already received GoI approval to accept PEL as a co-promoter. Each of the three lead promoters will hold 33.3% stake in SGITPL, and will also have land holding in the same ratio. PEL's initial investment in the park will be around 12 -13 Cr. towards equity and building construction. PEL aims to complete the building over the next 6-7 months and this cost will be spread over current financial year.

Additionally State Government offers the following financial benifits:

1. Capital subsidy of 60% of the basic cost of machinery
2. SGST refund for sales in Maharashtra

Timeline

Expected commercial production
90 days from arrivals of machines

Arrival of machines
Sets of 4 machines every subsequent quarter

Building completion
Q3 FY2023

Procurement of Land
Tied up with the textile park

Corporate Information

BOARD OF DIRECTORS

MR. RAJ KUMAR SEKHANI
Chairman
(DIN:00102843)

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

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 No – 828, Udyog Vihar, Phase -5 , Gurgaon, Haryana, Pin- 122016 | Tel - 0124 - 4365400,03

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

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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:** 62 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:** 47 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 | *President Corporate & Head of Business (South India)*
Age: 67 Years | **Experience:** 43+Years
Qualification: Diploma - Textile Technology

Mr. Saurabh Maheshwari | *Executive Director*
Age: 43 Years | **Experience:** 22+Years
Qualification: CA

Mr. Deepak Sipani | *CFO*
Age: 48 Years | Experience: 23+Years
Qualification: CA

Mr. DNN Rao | *CEO SPFY*
Age: 57 Years | **Experience:** 33+Years
Qualification: B.Tech - Textiles

Mr. Sandeep Sharma | *President, Head Marketing-EL*
Age: 47 Years | **Experience:** 21+Years
Qualification: B.Com

Mr. Kuntal Kumar Pandit | *Sr. VP – Corporate Affairs*
Age: 53 Years | **Experience:** 33+Years
Qualification: Engineer - Elec. & Industrial Elec.

Mr. Manoj Pillay | *Sr. VP - International Trade-EL*
Age: 49 Years | **Experience:** 27+Years
Qualification: B.Com

Mr. B S Khulbe | *Marketing Head SPFY*
Age: 55 Years | **Experience:** 31+Years
Qualification: MBA - Marketing, B Tech - Textiles

Mr. Aarav Sekhani | *VP - Marketing*
Age: 37 Years | **Experience:** 13+Years
Qualification: MBA

Mr. Vishal Sekhani | *VP - Finance and Retail*
Age: 33 Years | **Experience:** 9+Years
Qualification: CA

Letter From Chairman

Dear Shareholders,

The last few years have been a whirlwind of activities and introspection. A global pandemic, geopolitical tensions, supply chain disruptions, the rise of cryptocurrencies, and several other public and private upheavals have all attracted attention in recent years. As the smoke clears and a better image of the future emerges, I believe we are approaching a moment of tremendous opportunity and growth.

Your organisation has demonstrated incredible resilience and adaptation in the face of massive upheaval, emerging stronger than ever after devastating catastrophes such as the global financial crisis or the pandemic. Unexpected events like these illustrate an organization's strength and the principles it represents. All of our employees and service providers' health, safety, and well-being are top priorities for us. Your business is dedicated to continuing to provide a safe working environment for its employees. Simultaneously, we continue to operate our factories, attempting to contribute to the restoration of economic activity and providing wages to labour and staff.

The domestic textile industry, which experienced a drop in demand in fiscal 2021 due to the outbreak of the Covid-19 pandemic, is on track to recover in fiscal 2022, thanks to the reopening of businesses, educational institutions, and retail outlets, as well as an increase in the vaccinated population. China + 1 sourcing strategy followed all over the world have led to increase in textile exports from India. Government initiatives like the Production Linked Incentive plan, the establishment of mega textile parks, and the extension of the Rebate of State and Central Taxes and Levies scheme are all helping to boost the sector. PLI scheme approved by GOI mandates using 85% man-made fibers which is going to accelerate the demand in this segment. 61 projects were approved by GOI in the first tranche. The recurrence of Covid-19 infections, on the other hand, will be a critical metric to watch.

During the year, Company's financial performance was affected by the increasing raw material prices, increasing global shipping costs & inflation. In FY2021-22 the Company delivered a Revenue of ₹29,217 lakhs, EBITDA stood at ₹2,653 and PAT at ₹1,105 lakhs.

Expansion is your Company's primary goal in the current economic environment. The increased demand from the home textile segment helped us grow in the difficult times of COVID and we continue to be a niche player in SPFY. The present expansion of your Company is in the POY (Partially Oriented Yarn) and DTY (Draw Textured Yarn) segments. The project will cost ₹ 58 Cr. in total, with ₹ 18 Cr. coming from internal accruals and the rest coming from bank borrowings. The project is expected to be finished in 3rd quarter, and the new capacity will be operational by the fourth quarter of FY22-23. With this expansion, our focus continues to be on improving the operating profits through increased capacity utilisations; increasing our share of value-added products, and improving operational efficiencies."

Our strengths motivate us to provide more valuable and impactful solutions to our stakeholders. In the coming years, I hope to share with you additional milestones on our journey. I would like to express my gratitude on behalf of the Board of Directors for your continuous faith, confidence, and support.

With Warm Regards
Raj Kumar Sekhani

Letter From Managing Director

My Dear Pioneer Family Members,

On many levels, this year has been eventful. Despite a tough macro climate, we continued on our expansion path and increased revenues. Given three waves of Covid-19 in India, many waves in other overseas markets where we do business, and a variety of other circumstances, the year was tough for all. Global supply chain stress and increasing energy prices resulted in widespread inflation, which was compounded by geopolitical tensions.

Mitigating the consequences necessitated strategic focus, agility, and quick action. We broadened our reach while driving growth enterprises, maintaining the speed of innovation, and expanding out into new areas. Internal change is another lens through which we should measure our performance throughout the course of the year. At all levels, we strengthened our talents and personnel, and the organisation is bubbling with energy and ideas. As we work toward our goal of being a market leader, our sustainability agenda is becoming more defined.

Revolution is a way of life and part of our DNA. We have been at the vanguard of visualising and using innovative concepts for numerous years, as you are aware. Many of our businesses have continued to innovate into products and expand processes that give higher value while reducing environmental footprints during the past year. Demand for us in retail is expected to increase this year. However, we are not yet free of the looming uncertainties, so we will continue to keep a careful eye on the prospects and potential risks, and take a balanced approach moving forward. The risk-managed approach will lead us in both day-to-day decisions and capital allocation decisions.

Now, allow me to provide you with an overview of your Company's Performance over the previous fiscal year. For the year, profit before finance costs, depreciation, tax, and exceptional items was ₹2,653 lakhs, a decline of roughly 10%. During the year under review, the Company achieved an operational cash profit of ₹2,333 lakhs. The year's Net Profit after Exceptional Items and Tax is ₹1,105 lakhs a 44% decrease, owing mostly to the recognition of deferred tax assets last year. The drop in Company's operating profit margins over the year was a result of higher raw material costs & higher freight costs than in previous years.

The SPFY Division continues to focus on maximising operating profits through a judicious mix of exports-domestic sales and product mix. During the year, SPFY segment contributed Revenue of ₹25,096 lakhs out of which ₹2,938 lakhs came from exports. Embroidery and Laces (EL) business contributed ₹4,012 lakhs in revenues, out of which ₹741 lakhs came from exports. In the coming years, we expect both these businesses to do well on the strength of their inherent capabilities and growth opportunities.

During the year, Company's credit rating has been upgraded in the month of October 2021 & further upgrade in our rating to Investment Grade happened in April 2022. This has been a result of a steadily-improving operational performance and deleveraging efforts undertaken in recent years.

Without the tireless efforts of our employees, as well as the support of their families, making substantial progress during such a difficult year would have been impossible. I would want to express my gratitude to them all for their contributions. I am also grateful to you, our shareholders, for your continuous trust, support, and confidence in our business, and I look forward to realising our long-term goals. All of this is intended to provide tangible and long-term benefits to our stakeholders.

With Warm regards
Harsh Vardhan Bassi

Financial Summary

(₹ In lakhs)

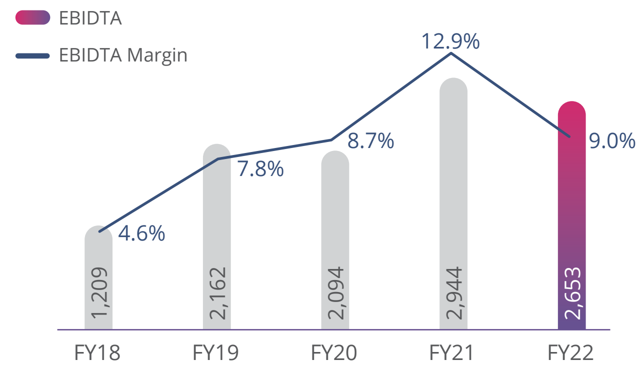
Particulars	FY18	FY19	FY20	FY21	FY22
Profit and Loss Statement					
Revenues	26,257	27,384	23,768	22,597	29,217
Other Income	233	204	183	187	173
Expenditure	25,280	25,426	21,858	19,840	26,737
EBITDA	1,209	2,162	2,094	2,944	2,653
EBITDA Margin(%)	4.6%	7.8%	8.7%	12.9%	9.0%
Interest	942	765	614	447	320
Depreciation	853	874	871	816	808
PBT	-585	413	828	1,681	1,525
PBT Margin (%)	-2.2%	1.5%	3.5%	7.4%	5.2%
Tax	0	0	0	-286	420
PAT	-585	413	828	1,967	1,105
PAT Margin(%)	-2.2%	1.5%	3.5%	8.6%	3.8%
Balance Sheet					
Fixed Assets	9,890	9,515	8,538	8,003	8,608
Investments	930	934	930	930	930
Non Current Assets	336	221	351	1,189	689
Current Assets	7,577	7,714	6,355	7,799	8,769
Total Assets	**18,733**	**18,384**	**16,174**	**17,921**	**18,995**
Equity	2,412	2,495	2,495	2,659	2,659
Reserve & Surplus	5,383	5,729	6,543	8,778	9,912
Net Worth	7,795	8,224	9,038	11,437	12,571
Long Term Borrowings	3,476	2,007	1,083	970	519
Other Non current Liabilities	354	404	529	502	968
Short Term Borrowings	1,589	1,846	1,579	2,006	2,104
Other Current Liabilities	5,519	5,903	3,945	3,005	2,833
Total Liabilities	**18,733**	**18,384**	**16,174**	**17,921**	**18,995**
Cash Flow statement					
Cash from Operations (After working capital changes)	1,242	1,950	2,563	1,813	1,339
Cash from Investments	-698	-442	314	-820	-1,027
Cash from financial Activities	-534	-1,592	-2,790	-517	-798
Ratios					
Debt to Equity	0.82	0.68	0.38	0.27	0.24
Current Ratio	1.07	1.00	1.15	1.56	1.78
EPS (Rs) Basic	-2.57	1.69	3.32	7.76	4.16
EPS (Rs) Diluted	-2.57	1.66	3.32	7.40	4.11
BV (Rs)	32.32	32.96	36.23	43.01	47.28

Key Perfomance

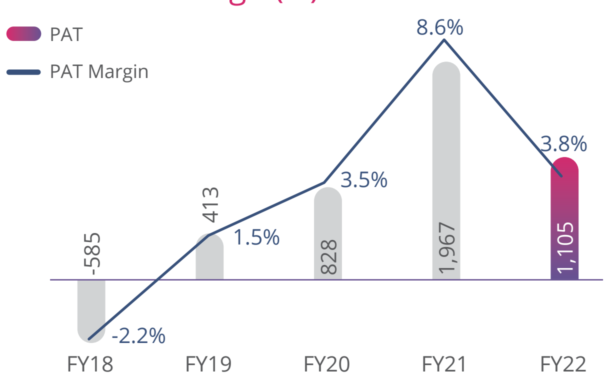
(₹ In lakhs)

Revenue

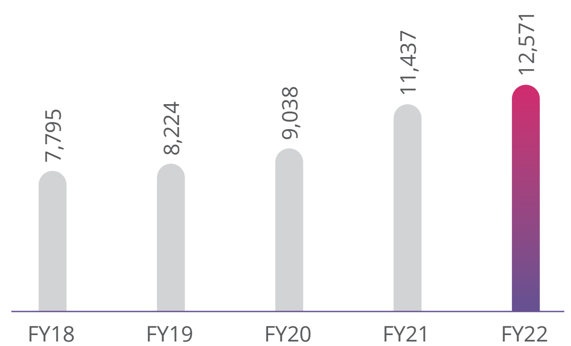
EBIDTA & EBITDA Margin(%)



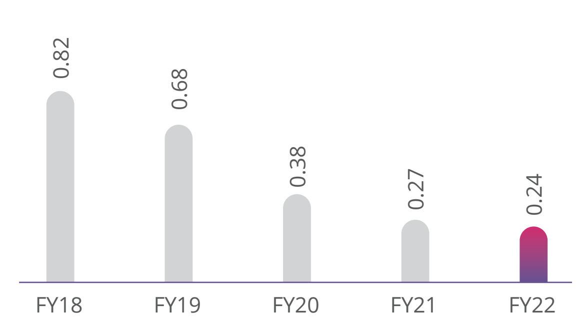
PAT & PAT Margin(%)



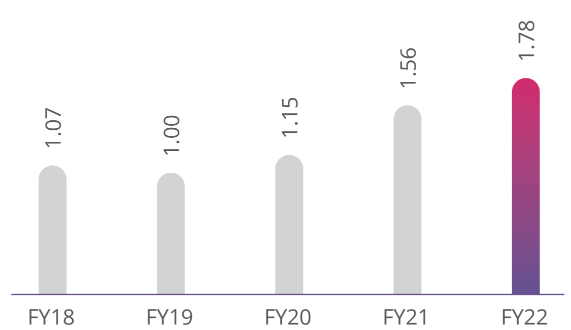
Net Worth



Debt To Equity(x)



Current Ratio



Management Discussion and Analysis

Economic Overview

In comparison to expectations, the global recovery from the COVID-19 epidemic has been slow. The rise of geopolitical tensions, which has resulted in a broad-based increase in global commodity prices and is projected to have a big negative impact on global trade and economy, has increased the downside risks to even this moderate rebound. Globally, growth and inflation outcomes are in jeopardy. In the context of this unprecedented risk, the positive effects expected from the release of pent-up demand, particularly for contact-intensive services, the government's focus on infrastructure and capital spending, favourable financial circumstances and increased capacity utilisation appear transitory.

The Russia-Ukraine conflict, prolonged Covid-19 flare-ups, frequent and wider-ranging lockdowns in China, particularly in major manufacturing hubs weakened fiscal assistance, and lingering supply constraints are all expected to slow global GDP from 6.1% to 3.6% in 2022 and 2023. These occurrences have resulted in global inflationary pressure and supply chain disruptions. In many nations, higher, broader, and more persistent pricing pressures have led to monetary policy tightening. Overall economic risks have risen dramatically, and policy trade-offs have become increasingly difficult. Global growth is expected to slow to around 3.3% after 2023 in the medium term. Inflation forecasts for 2022 are 5.7% in advanced economies and 8.7% in emerging market and developing economies, up 1.8 and 2.8 percentage points from January. Multilateral efforts are critical in responding to the humanitarian crisis, preventing further economic fragmentation, maintaining global liquidity, managing debt distress, combating climate change and ending the pandemic.

	2021	2022P	2023P
World Output	6.1	3.6	3.6
Advanced Economies	5.2	3.3	2.4
United States	5.7	3.7	2.3
Euro Area	5.3	2.8	2.3
Japan	1.6	2.4	2.3
United Kingdom	7.4	3.7	1.2
Canada	4.6	3.9	2.8
Other Advanced Economies	5.0	3.1	3.0
Emerging Market and Developing Economies	6.8	3.8	4.4
Emerging and Developing Asia	7.3	5.4	5.6
China	8.1	4.4	5.1
India	8.9	8.2	6.9
ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam)	3.4	5.3	5.9

(Source: World Economic outlook May 2022)

Indian overview

India's economy is rebounding after subsequent rounds of COVID-19 infestations this year, which slowed activity and took a toll on the country's population. India's swift and comprehensive response to the pandemic, including fiscal support and economic reforms, is assisting in a GDP recovery that is now forecast to be the fastest among the world's major countries.

In its April World Economic Outlook report, the IMF reduced India's GDP growth prediction for 2022 to 8.2% from 9%. The projected growth rate for 2023 is 6.9%. The RBI maintained all policy rates at their current levels. Retail inflation was 7% in March 2022, and wholesale price index inflation was 15.1%. Consumer confidence has strengthened, manufacturing business conditions have improved, financial markets have stabilised, demand has risen, and market conditions have improved, all of which have contributed to India's sustained economic growth. The FY 2022-23 budget satisfactorily exceeded expectations of a faster economic path due to a consistent emphasis on infrastructure, investment, manufacturing improvement, improved logistical capabilities, help for MSMEs, green economy goals, expanding digitalization, and banking expansion.

Global Textile & Apparel Industry

The pandemic has had a considerable impact on all sectors of the global economy, particularly those in which physical social interaction has a significant impact on demand variables. Textiles and clothes are one such industry where government constraints, social distancing conventions, and travel laws have had a significant impact on demand for textile and apparel items on one hand, while posing substantial supply-side issues on the other.
The global apparel market is expected to fall from $1.6 trillion in 2019 to $1.3 trillion in 2020 (decline of 22%). However, the market recovered by around 16% in 2021, reaching US$ 1.5 trillion. The market is estimated to reach over US$ 2 trillion in 2025, increasing at a CAGR of 4% from 2019. The global textile and apparel trade was worth

$774 billion in 2020, an 8% decrease from the previous year owing to the impact of COVID. It is estimated to reach $1 trillion by 2025, rising at a 3% CAGR from 2019. Apparel was the most traded category, accounting for 54% of total trade, followed by textiles 16%.

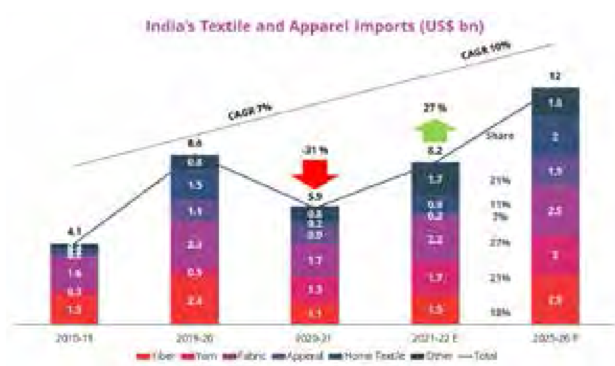
China was the largest exporter in 2020, accounting for around 38% of world trade. In 2020, Vietnam was the second largest T&A exporter, while Bangladesh was the second largest clothing exporter. With US$ 29.6 billion in exports, India ranks sixth in the world. In 2020, China was the biggest T&A exporter of manufactured staple fibre, MMF spun yarn, and MMF filament yarn, with market shares of 17%, 36%, and 35%, respectively. The United States was the biggest exporter of natural fibres, accounting for 30% of total exports, while India was the greatest exporter of natural spun yarn, accounting for 23%.

Indian Textile & Apparel Industry

The domestic textile and apparel market in India is expected to be US$ 99 billion in 2021-22, a 30% increase from 2020-21. The market is estimated to increase at a 10% CAGR from 2019 to 2025, reaching US$ 190 billion by 2025-26.

T&A exports from India were worth US$ 31 billion in 2020-21 and are expected to reach US$ 40 billion in 2021-22, representing a 28% increase. Exports are predicted to reach US$ 60 billion in 2025-26, expanding at an 11% CAGR from 2021-22.

India's T&A imports were $5.9 billion in 2020-21 and are expected to reach $8.2 billion in 2021-22, which is still less than the $8.6 billion in pre-COVID imports in 2019-20. Imports are predicted to expand at a CAGR of 10% from 2021-22, reaching US$ 12 billion in 2025-26.



India is the world's largest exporter of natural spun yarn (mostly cotton-based).It ranks among the top five global exporters in numerous categories, including natural fibre, MMF spun yarn, filament yarn, woven fabric, and home textiles. India falls behind the rest of the world in MMF staple fibres, knitted fabric, and apparel.

By 2029, India's textile industry is anticipated to be worth more than US$ 209 billion.

India’s Overall T&A* Exports

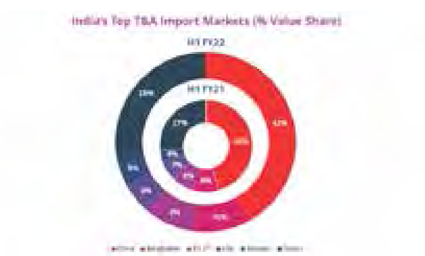
India’s Textile & Apparel Exports (Values in US$ Million)

Category	Q1 FY20	Q1 FY21	Q1 FY22	CAGR (FY20-22)	Q2 FY20	Q2 FY21	Q2 FY22	CAGR (FY20-22)	H1 FY20	H1 FY21	H1 FY22	CAGR (FY20-22)
Fibre	382	314	1,086	69%	284	505	689	56%	666	819	1,775	63%
Filament	299	97	375	12%	288	205	392	17%	587	302	767	14%
Yarn	886	533	1,398	26%	762	879	1,612	45%	1,648	1,412	3,010	35%
Fabric	1,189	504	1,290	4%	1254	1,099	1,451	8%	2,443	1,603	2,741	6%
Apparel	4,172	1,448	3,408	-10%	3708	3,343	3,929	3%	7,881	4,791	7,337	-4%
Home Textile	1,327	714	1,610	10%	1383	1,573	1,918	18%	2,710	2,287	3,528	14%
Others	449	245	531	9%	417	441	689	29%	866	686	1,220	19%
Total	8,704	3,856	9,700	6%	8095	8,044	10,680	15%	16,799	11,900	20,380	10%

India’s Overall T&A* Imports

India’s Textile & Apparel Imports (Values in US$ Million)

Category	Q1 FY20	Q1 FY21	Q1 FY22	CAGR (FY20-22)	Q2 FY20	Q2 FY21	Q2 FY22	CAGR (FY20-22)	H1 FY20	H1 FY21	H1 FY22	CAGR (FY20-22)
Fibre	579	248	391	-18%	984	203	353	-40%	1,563	451	744	-31%
Filament	197	86	310	25%	214	86	267	12%	411	172	577	18%
Yarn	112	46	102	-5%	144	120	135	-3%	256	166	237	-4%
Fabric	618	232	509	-9%	614	367	568	-4%	1,232	599	1,077	-7%
Apparel	232	132	184	-11%	354	243	356	0%	585	375	540	-4%
Home Textile	63	37	46	-15%	93	34	55	-23%	156	71	101	-20%
Others	185	228	102	-26%	214	193	239	6%	399	421	341	-8%
Total	1,985	1,010	1,786	-5%	2,616	1,247	1,972	-13%	4,602	2,257	3,758	-10%



(Source: Wazir Advisors Annual Report Indian Textile & Apparel Industry 2022)

Impact of Covid on textile and apparel sector

As the world fights the ongoing pandemic of the dreaded covid-19 virus, the textile industry is attempting to focus on alternatives and charting its return to normalcy during this lockdown. This scenario has not only hampered economic forecasts but has also altered the business models of many industries. Following the lockdown, all industries and textile bodies will implement new practises for on-premises safety precautions and sanitization.

As per CRISIL reports 2022, the domestic textile industry, which experienced a drop in demand in fiscal 2021 due to the outbreak of the Covid-19 pandemic, is on track to recover in fiscal 2022, thanks to the reopening of businesses, educational institutions, and retail outlets, as well as an increase in the vaccinated population. Sanctions on Chinese textiles have also increased textile exports in India. Government initiatives like the Production Linked Incentive plan, the establishment of mega textile parks, and the extension of the Rebate of State and Central Taxes and Levies scheme are all helping to boost the sector. The recurrence of Covid-19 infections, on the other hand, will be a critical metric to watch. Government initiatives, on the other hand, have prompted optimism that the sector will rise to $300 billion by 2025-26, a 300% increase in the next two years. In technical textiles, there has been a dramatic turnaround. In terms of value, technical textiles imports were ₹ 1,058 Cr. more than exports in FY20, while exports were ₹ 2,998 Cr. higher in FY21.

(Source: Business standard and CRISIL research)

The COVID-19 pandemic turned into a global crisis, wreaking havoc on economies around the world. The authorities’ initial response, like in other countries, was to enforce a nationwide lockdown, resulting in the shutdown and/or suspension of production and service activities. Your company places a high priority on ensuring the health and safety of employees and their families, and while our manufacturing sites are operational, our offices are either closed or working with minimal staff due to local administration lockdown directives. For all critical matters, employees continue to work from home. Your business is sure that it is now considerably better prepared and financially sound to deal with any short-term business setbacks.

In the Union Budget for 2020-21, the National Technical Textiles Mission was planned. It would be operational until 2023–24, at a cost of ₹ 1480 Cr., for the benefit of the textile industry.

Manmade fibre

India is the world’s second-largest producer of man-made fibres (MMF), with major operations employing cutting technology. India now produces the majority of man-made fibres. India’s MMF textile sector is self-sufficient throughout the value chain, from raw materials to garmenting. Indian textiles are of the highest quality, with outstanding workmanship, colours, comforts, durability, and other technical features. Due to significant investments in world-class manufacturing plants, continual innovation and unwavering entrepreneurship, a new product mix, and strategic market growth, India is on track to clothe the entire world and take centre stage in the global arena in the near future.

India produced 2.40 MT of fibre in FY21 (through January 2021), whereas 4,762 million kgs of yarn were produced during the same time period.

Textile manufacturing costs in developed countries such as the United States, Turkey, Korea, Egypt, China, and Brazil are high, however textile manufacturing costs in India and Indonesia are lower than in developed countries such as China and Brazil in the BRICs. As India prepares to transition to manufactured fibre (MMF) to meet expanding domestic and global demand, the Niti Aayog has begun assessing laws and regulations that need to be changed in the textile and apparel sector to enable the industry to move towards a circular economy. The approach coincides with the government's push for MMF and technical textiles, for which a ₹ 10,683 Cr. production-linked incentive scheme was authorised last year. The programme includes 40 MMF garments, 14 MMF fabric goods, and 10 technological textiles.

(Source: Economic times)

Despite the pandemic, India's domestic textile exports expanded at a robust rate of 9% in FY21. 1.13 million Tonnes of cotton yarn were exported from India in 2020-21.

SWOT Analysis

Strength: The textile sector is one of the country's most important sources of employment. The Indian textile industry is inextricably linked to agriculture, as well as the country's culture and customs, resulting in a diverse range of items suitable for both home and international markets.

Weakness: Despite the fact that textile is an important sector of the Indian economy, many textile factories are ancient and use outdated technology. This has an impact on both speed and economics of scale. Although the textiles industry has seen a surge in investment in recent years, further investment in technology and machines is needed. It is critical to invest in people's education, and a concentration on skilled labour will help the sector to boost output and quality growth, drawing more demand. The majority of the international market is overlooked due to cotton's overspecialization, synthetic products are pricey in India, and fabric necessary for items like swimsuits, sky-wear, and industrial gear is generally lacking.

India's comparative and competitive cost advantage is expected to attract significant FDI into the textile industry.

Opportunities: The industry is extremely diverse, ranging from hand-spun and hand-woven textiles on one end of the spectrum to capital-intensive sophisticated mills on the other. The textiles sector is dominated by the decentralised power looms/hosiery and knitting sector. The textile industry is immensely diverse, ranging from hand-spun and hand-woven textiles on one end to capital-intensive complex mills on the other.

According to IBEF, The Indian textiles market is expected to be worth more than US$ 209 billion by 2029. India is the world's largest producer of cotton. Production stood at 360.13 lakh bales for the crop year October 2021-September 2022. Domestic consumption for the 2021-22 crop year is estimated to be at 335 lakh bales.

India produced 2.40 MT of fibre in FY21 (through January 2021), whereas 4,762 million kgs of yarn were produced during the same time period. Despite the pandemic, India's domestic textile exports expanded at a robust rate of 9% in FY21. 1.13 million tonnes of cotton yarn were exported from India in 2020-21. From April 2000 to December 2021, the textiles industry (including coloured and printed textiles) attracted US$ 3.93 billion in FDI.

The PLI plan, worth ₹ 10,683 Cr. (US$ 1.44 billion), is likely to provide a huge boost for textile manufacturers.

Under the automatic method, the Indian government has permitted 100% FDI in the sector. The plan aims to encourage the use of MMF (man-made fibre) garments, MMF fabrics, and ten different types of technological textiles.

Threats:

1. **Raw material supply shortage:** Due to pollution issues, some units in China and Europe have been shut down, resulting in a rise in the prices of basic raw materials, and there are many other factors influencing raw material supply, such as weather.

2. **Increase in raw material costs:** Unpredictable market conditions, weather, and policies, among other factors, have resulted in an increase in raw material costs.
3. **Environmental issues:** Environmental compliance isn't always at the top of the list of concerns for textile and garment importers.
4. **Infrastructure bottlenecks:** India's infrastructure quality continues to lag behind that of many other Asian countries.

Risks and Concern

The consequence of Covid 19 on global economic growth has been put out. The textile industry in India, in general, and Company in particular, are not immune to the circumstances. The Company moved fast to prepare for the challenge and demonstrated strong performance.

A big risk now would be to re-identify nations and customers with whom to do business — countries where the local epidemic situation is under control, and purchasers with low payment risk. In the post-Covid era, trade logistics would continue to be affected, both for export markets and locally. Buyers may shrink and consider inventory reductions, resulting in lower orders and likely shorter delivery times. Because the client acquisition process may become largely online, your company will need to use more technology to engage with potential consumers. In the future, achieving profitable growth will be a big worry, and all aspects of business, such as production schedules, labour, marketing network, buyers' credit, and so on, will need to be well-managed. There could be a scenario that forces a compromise between keeping production capacities at sub-optimal levels and accepting customer default risk. Company would have to maintain its overheads low at all times.

Through a risk management approach designed to identify the important risks affecting business, a continuous process for recognising, evaluating, and managing significant risks is in place. Risks include a large drop in demand from core markets, inflation concerns, and any negative regulatory developments, among others. A risk analysis and assessment was undertaken throughout the year, and no serious risks were discovered.

Performance Review

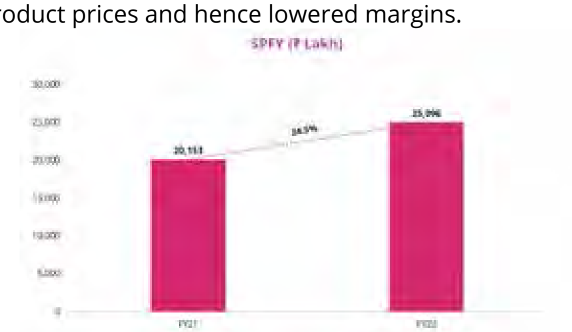
The Company's product portfolio consists of SPFY, Embroidered Laces and Fabrics, Braided Laces, etc. The products of the Company and their manufacturing locations are as follows:

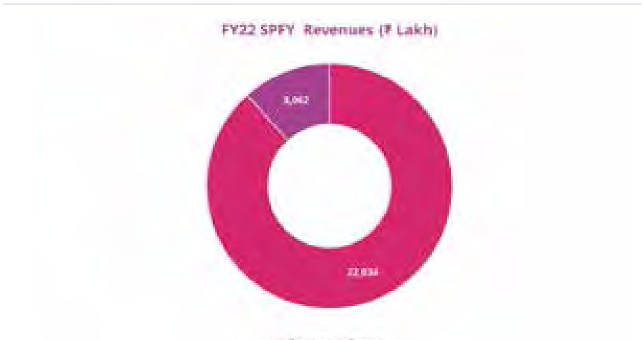
Product	Location
Specialized Polyester Filament Yarn	Kala-amb (Himachal Pradesh)
Embroidered Laces- Fabric & Guipure, Embroidered dress material (made on Schiffli machines)	Sarigam (Gujarat)
Braided Laces (made on Bobbin Lace Machines)	Sarigam (Gujarat), Coimbatore (Tamil Nadu)
Embroidered Fabrics, Allover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

Specialty Polyester Filament Yarn (SPFY)

The Company's Specialty Polyester Filament Yarn business remained dominant and profitable, with its contribution to overall turnover at 85.8%.

SPFY reported a full-year income of ₹ 25,096 lakhs (previous year ₹ 20,153 lakhs). Sales Volumes for the SPFY business increased by 12.4% to 16,021 MT from 14,253 MT in the previous year. The average realization has also been higher by 10.8% to ₹ 157 per Kg. However, raw material prices were higher which also resulted in high product prices and hence lowered margins.





The share of value-added items, on the other hand, was around 61% in volume and 69% in value. The turnover of value-added product increased by 12.5% to ₹ 17,323 lakh over FY21.

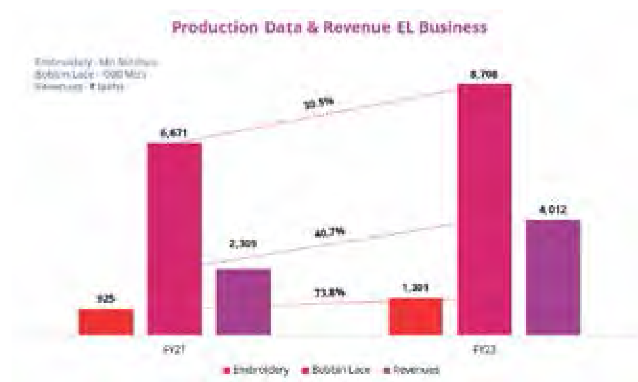
Local sales of SPFY recorded in the year under review stood at ₹ 22,034 lakh as against ₹ 15,928 lakh reported in the previous year, splendid increase of 38.3%. However, export revenues declined by 27.5% to ₹ 3,062 lakh from ₹ 4, 225 lakh in the previous year. The focus is to optimize the margin and hence export business was lower due to high container costs earning low margins.

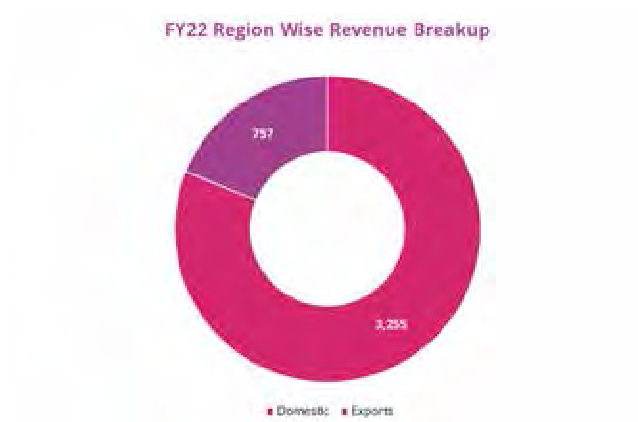
Over time, the SPFY business has grown and gained inherent characteristics that enables it to overcome the combined effects of macro factors such as input cost fluctuations, export prospects, shifting local demand levels, and pricing pressures. Continuous investments in capacities, the development of a credible business under the Silkolite brand, an expanded product range, value-added processes, improved efficiencies, process automation, product development, and a local and international marketing network enable it to fine-tune its product range and target markets to ensure profitability.

The Company has undertaken a capacity expansion project to increase capacity from 18,000 MT to 26,000 MT at capex of ₹ 58 Cr.. The production will commence from January 2023.

Embroidery and Laces Business

The Embroidery and Laces (EL) business witnessed strong demand recovery in both home and international markets. The EL segment recorded a turnover of ₹ 4,012 lakhs (₹ 2,309 lakhs the previous year), an increase of 73.8%.





The EL business can be enhanced by investing in new equipment, consolidating operations, rationalising overhead costs, better outsourcing, developing new sales channels, and enhancing business efficiencies. The Company anticipates that the EL business' prospects will improve in the next quarters, and that the implementation of a lean corporate structure will result in increased profitability. The Company is looking to integrate its three facilities and replace old machines with modern efficient and high productive machines.

Shree Ganesh Integrated Textile Park Private Limited (SGITPL) is a textile park approved under Government of India (GOI)'s Scheme of Integrated Textile Park (SITP). Total approved project cost of SGITPL, as per GOI records, is ₹ 104 Cr. PEL intends to join SGITPL as one of three lead promoters. This will help PEL to meet its near-term business objective of setting up a green field project and also have adequate land parcel for future growth plans. SGITPL has already received GOI approval to accept PEL as a co-promoter. Each of the three lead promoters will hold 33.3% stake in SGITPL, and will also have land holding in the same ratio. PEL's initial investment in the park will be around 12 -13 Cr. towards equity and building construction. PEL aims to complete the building over the next 6-7 months and this cost will be spread over current financial year. New EL plant will be set up in SGITPL.

FINANCIAL OVERVIEW

The company's turnover for the year under review was ₹ 29,217 lakhs, up from ₹ 22,597 lakhs the previous year, a considerable rise of around 29.3%, owing to an increase in pricing and volume as compared to the previous year, which was impacted by the Covid 19 pandemic and reduced economic activity.

The Company's Specialized Polyester Filament Yarn (SPFY) business segment recorded full-year revenue of ₹ 25,096 lakhs (prior year's revenue of ₹ 20,153 lakhs).

Profits:

For the year, profit before finance costs, depreciation, tax, and exceptional items was ₹ 2,653 lakhs (₹ 2,944 lakhs the previous year), a decline of roughly 9.9%. During the year under review, the Company achieved an operational cash profit of ₹ 2,333 lakhs (prior year's ₹ 2,497 lakhs), a decrease of 6.6%.

The year's PBT was at ₹ 1,525 lakhs compared to ₹ 1,681 lakhs, down by 9.3%. Net Profit after Exceptional Items and Tax is ₹ 1,105 lakhs (prior year's ₹ 1,967 lakhs), a 43.8% decrease, owing mostly to the recognition of deferred tax assets last year.

Disclaimer

The Company's objectives, projections, outlook, expectations, estimates, and other information expressed in the Management Discussion and Analysis may be considered forward-looking statements under applicable securities laws and regulations. These statements are based on certain assumptions that the Company cannot guarantee.

Several circumstances, some of which the Company may not have direct control over, could have a substantial impact on the Company's operations. As a result, actual results may differ materially from such projections, whether expressed or implied, because it would be beyond the Company's ability to successfully implement its growth strategy. The Company assumes no obligation or responsibility to update forward-looking statements or to publicly amend, modify, or revise them to reflect events or circumstances that occur after the date of the statement on the basis of subsequent development, information, or events.

The Management of Pioneer Embroideries Ltd. (Pioneer, or the Company) presents below an analysis of its performance during the year under review, i.e. Accounting year ended 31st March, 2022 (for the period April 1, 2021 up to March 31, 2022).

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Shareholders of PIONEER EMBROIDERIES LIMITED will be held on Tuesday, 12th July, 2022 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, 2022 and the Report of the Directors and the Auditors thereon.

2. To approve final dividend of ₹0.30 (Thirty naya paise) per equity share of ₹10/- each for the financial year 2021-2022.

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

4. To appoint M/s. M B A H & CO (ICAI Regn. No. 121426W), Chartered Accountants as Statutory Auditors and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Sections 139(1), 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendations of Audit Committee, consent of the members, be and are hereby accorded for appointment of M/s. M B A H & CO, Chartered Accountants, Mumbai having ICAI Firm Registration No. 121426W, as statutory auditor of the Company in place of retiring auditor M/s. S K Naredi & Co., Chartered Accountants, M/s. M B A H & CO, Chartered Accountants having confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act and Rule 4 of the Rules, be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 35th Annual General Meeting, on such remuneration, as may be agreed upon by the Board of Directors and the Auditors, in addition to GST and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company."

SPECIAL BUSINESS

5. To approve the re-appointment and payment of remuneration of the Cost Auditor for the financial year ending 31st March, 2023 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, 2023 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 : 27th May, 2022

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. The Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020, 13th April, 2020, 13th January, 2021, 14th December, 2021 and 5th May, 2022 (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. Harsh Vardhan Bassi (DIN:00102941) Director retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment. As required under the Secretarial Standard - 2 and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the details of the Directors seeking re-appointment inter alia, age, experience, relationship with other directors of the Company, and other directorships, membership/ chairmanship of the committees of other Boards, etc. are annexed to the Notice and form part of the Explanatory Statement. The Director has furnished the relevant consents, declarations, etc. for his re-appointment.

5. Appointment / 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 2021-22 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 13, 2022. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 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 30th AGM.

10. The Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 6th July, 2022 to Tuesday, 12th July, 2022 (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 Saturday, 16th July, 2022 to:

    a. To those members whose name appear on the Register of members of the Company on Tuesday, 5th July, 2022 (Record Date).

    b. The Beneficial owners as at the end of business hours on Tuesday, 5th July, 2022, 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 Tuesday, 5th July, 2022.

    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 of 5th July, 2022. 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 of 5th July, 2022.

14. The details of unpaid and unclaimed amounts as on 31st March, 2022 are uploaded on the Company's website (www.pelhakoba.com). As per amendment to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 dated 5th September, 2016, 3,750 shares have been transferred to IEPF suspense account on 4th February, 2021. Dividend of ₹9,37.50 on above shares (declared for the Financial Year 2020-2021) were transferred to IEPF account. 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: 220153

(i) The voting period begins on Saturday, 9th July, 2022 (9.00 a.m. IST) to Monday, 11th July, 2022 (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 Tuesday, 5th July, 2022, may cast their vote electronically. The e-voting module shall be disabled by LINKINTIME for voting after 11th July, 2022 at 5.00 p.m.

(ii) 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:

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 Saturday, 9th July, 2022.

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 NSDL1	• 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:

- o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- o 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".

<u>Helpdesk for Individual Shareholders holding securities in demat mode:</u>

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- 23058738 or 22-23058542-43.

<u>Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service provider is LINKINTIME.</u>

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. Tuesday, 5th July, 2022.

v) 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. Tuesday, 5th July, 2022, 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 e-voting, 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 www. mumbai@pelhakoba.com from Saturday, 9th July, 2022, 9.00 a.m. to Monday, 11th July, 2022 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. **<u>Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:</u>**

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).

InstaMeet Support Desk
Link Intime India Private Limited

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. 4 & 5 of the Notice.

ITEM NO. 4

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of M/s. M B A H & CO, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 35th Annual General Meeting.

The remuneration payable to the Statutory Auditor shall be ₹11,50,000/-. Please note that there is no material change in the fee payable to M/s. M B A H & CO from that paid to M/s. S K Naredi & Co., Chartered Accountants.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on 27th May, 2022, proposed their appointment.

M/s. M B A H & CO have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

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

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, 2023.

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, 2023, 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. 5 of the Notice.

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

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

Place: Mumbai
Date : 27th May, 2022

Harsh Vardhan Bassi
Managing Director
DIN:00102941

Annexure to Item No. 3 of the Notice:

Name	**Harsh Vardhan Bassi**
DIN	00102941
Nationality	Indian
Date of Birth	09/01/1974
Qualification	B.Com
Nature of Expertise	Manufacturing, Business Development, Marketing and other Business verticals.
Experience	24 years
Date of first Appointment on the Board of the Company	10/12/2003
Relationships between directors inter se	Not Applicable
Name of listed Companies in which holds Directorship	NIL
Name of other Companies in Committees of which holds Membership/ Chairmanship	NIL
Shareholding in Pioneer Embroideries Limited	NIL

DIRECTOR'S REPORT

To
The Members,
PIONEER EMBROIDERIES LIMITED

Your Directors present the Thirtieth Annual Report of your Company on the business and operations for the year ended 31st March, 2022.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

		For the year ended 31st March, 2022	For the year ended 31st March, 2021
Turnover	– Domestic	25,397.73	18,155.05
	– Export including Incentive	3,819.32	4,441.91
Other Income		172.85	187.23
Total		29,389.90	22,784.19
Profit before Financial Charges, Depreciation, Exceptional Items & Tax		2,653.24	2,944.31
Financial Charges		320.44	447.07
Profit before Depreciation, Exceptional Items and Tax		2,332.80	2,497.24
Depreciation		808.09	816.30
Profit/(Loss) before Exceptional Items & Tax		1,524.71	1,680.94
Tax Expenses		419.61	(285.60)
Net Profit / (Loss)		1,105.10	1,966.54
Per share data			
Basic Earnings per Share (₹)		4.16	7.76
Diluted Earnings per Share (₹)		4.11	7.40
Book Value per Share (₹)		47.28	43.01

YEAR IN RETROSPECT

Profit before Finance Costs, Depreciation, Tax and Exceptional Items for the year stood at ₹ 2,653 lakhs (previous year ₹ 2,944 lakhs), a decrease of about 10%. The Company generated an operational cash profit of ₹ 2,333 lakhs during the year under review (previous year ₹ 2,497 lakhs), recording a decline of 7%. The Net Profit after Exceptional Items and Tax for the year is ₹ 1,105 lakhs (previous year ₹ 1,967 lakhs), a decline of 44%, mainly on account of recognition of Deferred tax assets during last year.

The decline in operating profit margins of the Company during the year was on account of higher raw material cost as compared to previous years.

Turnover of the Company for the year under review stood at ₹ 29,390 lakhs as against ₹ 22,784 lakhs in the previous year, a significant increase of about 29%, primarily on account of increase in product prices as well as increase in volumes as compared to the previous year, which was impacted on account of the Covid 19 pandemic and curtailed economic activity.

The Company's business segment of Specialized Polyester Filament Yarn (SPFY), reported a full-year revenue of ₹ 25,096 lakhs (previous year ₹ 20,153 lakhs).

Overall exports of the Company decreased by 14% during the year under review, to ₹ 3,819 lakh (previous year ₹ 4,442 lakh). However, Embroidery and laces (EL) witnessed good demand in overseas markets, and exports in this segment were higher by 250% to ₹ 757 lakh (previous year ₹ 216 lakh).

Domestic market was optimistic for both SPFY and EL segments. Overall, domestic business grew 40% to ₹ 25,398 lakh (previous year ₹ 18,155 lakhs). SPFY reported domestic revenues of ₹ 22,034 lakhs (previous year ₹ 15,928 lakhs), a growth of 38%, while EL reported 51% higher domestic revenues of ₹ 3,364 lakh (previous year ₹ 2,228 lakh).

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

Indian domestic textile and apparel market is estimated to be US$ 99 bn. in 2021-22, which has recovered 30% from, 2020-21. The market is expected to grow at a 10% CAGR from 2019- 20 to reach US$ 190 bn. by 2025-26.

India's T&A exports were US$ 31 bn. in 2020-21 and are estimated to be US$ 40 bn. in 2021-22, a growth of approx. 28%. The exports are expected to reach US$ 60 bn. in 2025-26, growing at a CAGR of 11% from 2021-22.

India is the leading exporter of natural spun yarn (mainly cotton based). In several categories, it features among the top 5 global exporters – natural fibre, MMF spun yarn, filament yarn, woven fabric and home textiles.

India's exports of technical textile grew at a CAGR of 9% since 2015-16 to ~USD 2,370 mn in 2020-21. India's export of technical textile during April – October 2021 was USD 1,719 mn.

To encourage the manufacture and export of specified textile items made of man-made fibres, the government launched a production-linked incentive system. It is also developing seven textile parks in order to increase sales.

CAPITAL EXPANSION

Your Company's current expansion is in POY (Partially Oriented Yarn) and DTY (Draw Textured Yarn) segment. The total project cost is ₹ 58 Cr. , of which ₹ 18 Cr. would be from internal accruals and the balance will be funded through bank borrowings. Post-expansion, the total installed capacity of the Company will be 26,000 MTPA from the current 18,000 MTPA. The project is expected to be completed by the third quarter of the current year, and the new capacity will be fully operational by the fourth quarter of FY22-23. The major equipment is being sourced from Germany-based Oerlikon Barmag Group, a world-renowned supplier of quality textile extrusion equipment.

Your Company is looking to integrate its three facilities and replace old machines with modern efficient and high productive machines at GOI approved Shree Ganesh Integrated Textile Park Private Limited (SGITPL) situated at Dhule, Maharashtra.

BANK BORROWINGS

The total secured borrowings as on year-end FY22 stood at about ₹ 2,623 lakhs (₹ 2,977 lakhs), including working capital of ₹ 1,416 lakhs (previous year of ₹ 1,163 lakhs). As a major portion of its long-term borrowings was repaid in the earlier years, the Company witnessed its financial charges drop by 28% for the year to ₹ 320 lakhs (previous year ₹ 447 lakhs).

LISTING

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

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

DIVIDEND

Your Directors are pleased to recommend final dividend @ of ₹ 0.30 (Thirty naya paise) per equity share of ₹ 10 each for the financial year 2021-22, The total outflow on account of dividend payout, once approved by the shareholders, would be ₹ 79.77 lakh. The said dividend shall be paid out of the current year profits.

SHARE CAPITAL

During the year, there was no change in Company's share capital.

SUBSIDIARY COMPANIES

The revenue of Hakoba Lifestyle Limited in current year stood at ₹ 1.87 lakh (₹ Nil lakhs). Profit after tax and exceptional item stood at ₹ 1.46 lakh as compared to net loss of ₹ 0.82 lakhs in previous year.

The revenue of Crystal Lace (India) Limited in current year stood at ₹ 6.34 lakhs (₹ 0.54 lakhs). The Company has incurred a net loss of ₹ 4.27 lakhs as compared to net loss of ₹ 88.65 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

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are made available on the Company's website (www.pelhakoba.com).

DIRECTORS

The Board at their meetings held on 3rd August, 2021 had approved the appointment of Mr. D R Mehta as an Independent Director of the Company. Further, Mr. Gangadharan Panicker, Executive Director and Mr. D R Mehta, Independent Director resigns form the post of Director with effect from 11th December, 2021. The Board places on record its' appreciation for the contribution made during their tenure.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Harsh Vardhan Bassi (DIN: 00102941), 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.

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.	Mrs. 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 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 details of unpaid and unclaimed amounts as on 31st March, 2022 are uploaded on the Company's website (www.pelhakoba.com).

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.

Dividend of ₹ 937.50 on above shares (declared for the Financial Year 2020-2021) were transferred to IEPF account.

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 an 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

There has been upgrade in Company's credit rating pertaining to Long Term Bank facilities from "CARE BB; Stable" to "CARE BB+; Positive" and for Short Term Bank facilities from "CARE A4" to "CARE A4 +; Positive" received from CARE Ratings Ltd. letter bearing No. CARE/HO/RL/2021-22/2573, dated 6th October, 2021.

Further, the Company is pleased to inform that there has been upgrade in Company's credit rating as per India Ratings and Research on 29th April, 2022, as below:

Instrument Type	Rating
Fund Based Working Capital Limits	IND BBB/Stable/IND A3+
Non-Fund Based Working Capital Limits	IND A3+
Term Loan	IND BBB/Stable

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 -A.

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 - B 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, 2022, 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, 2022 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

The members of the Company at the 25th Annual General Meeting (AGM) had appointed M/s. S. K. Naredi & Co. Chartered Accountants (Registration No.003333C) as the Statutory Auditor of the Company to hold office from the conclusion of 25th AGM for the period of 5 years until the conclusion of the 30th AGM of the Company. Accordingly, the present term of M/s. S. K. Naredi & Co. Chartered Accountants as Statutory Auditor concludes at the conclusion of the ensuing AGM. The Board of Directors of the Company placed on record their appreciation for the services rendered by M/s. S. K. Naredi & Co. Chartered Accountants, as the statutory auditor of the Company. In accordance with provision of Section 139 of the Companies Act, 2013 read with Rules framed thereunder, the Board of Directors of the Company on the recommendation of the Audit Committee, proposed appointment of M/s. M B A H & CO (ICAI Regn. No. 121426W), Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of ensuing 30th AGM for a term of consecutive five years till the conclusion of 35th AGM.

The appointment of M/s. M B A H & CO (ICAI Regn. No. 121426W), Chartered Accountants as the statutory auditor of the Company is placed before the members for approval at the ensuing AGM. As required under provision of Section 139(1) of the Companies Act, 2013 the Company has received a written consent from M B A H & CO for their appointment and a certificate to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for appointment as statutory auditors of the Company. The members are requested to consider the appointment of statutory auditors as aforesaid and fix their remuneration.

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 2022-23 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, 2022.

SECRETARIAL AUDIT

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting, and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively as at 31st March, 2022.

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 continued to impact the social and business activity in India and across world. India was a witness to the second wave of the pandemic in March-June 21 period, driven by the Delta variant, which proved to be far more severe and fatal than the initial wave. The Omcron variant-let third wave in Jan 2022 was also highly infectious, but thankfully less deadly than the earlier waves.

Though society at large was greatly affected by the subsequent waves, and the resulting restrictions and lockdowns, the Government and India Inc were better prepared to deal with the impact on the Businesses. Economic growth and demand generally remained strong, except for few business segments, and movement of goods and core industrial activity witnessed lesser disruptions. The pace and expanse of vaccination also helped in normalization of business levels.

All our manufacturing sites remained functional during the year, while offices were operated with minimum desired staff for major part of the year As the pandemic refuses to go away completely, your Company continues to accord highest priority to the health and safety of its employees and their families, and also their financial well-being. We are also much better equipped and financially strong to address any disruptive situations going ahead.

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. 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 - D.

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-E to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company seeks to build constructive relationship with all the stakeholders and wants to benefit from your Company's presence. The 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 -F.

Employee Stock Option Plan (ESOP)

There is no material change in the ESOP scheme and the same is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. Details of ESOP and 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 Secretarial auditor 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 annexed as Annexure -G.

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 : 27th May, 2022

RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Annexure - A

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 - B

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
		e) J J and sons
		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	2nd February, 2021
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board of Directors
RAJ KUMAR SEKHANI

Chairman
DIN:00102843

Date : 27th May, 2022
Place : Mumbai.

Annexure - C

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2022
[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, 2022 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, 2022 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; (Not applicable to the Company during the Audit Period);

   (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. Trade Marks Act 1999 & Copy Right Act 1957;
10. The Legal Metrology Act, 2009;
11. Acts as prescribed under Shop and Establishment Act of various local authorities;
12. Local Laws as applicable to various offices and plants;

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

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

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

Sr. No	Compliance Requirement (Regulations/Circulars/Guidelines including specific clause)	Deviations	Observations /Remarks Of The Practicing Company Secretary
1.	Regulation 17(1) of SEBI (LODR) Regulations	Non- compliance under regulation 17(1) of SEBI (LODR) Regulations pertaining to Board Composition	The Company filed waiver application and decision awaited.
2.	Regulation and 17(1A) of SEBI (LODR) Regulations	Non- compliance under regulation 17(1A) of SEBI (LODR) Regulations pertaining to an appointment of non-executive director who attained the age of seventy five years	The Company has paid fines under protest imposed by BSE & NSE for aforesaid non-compliance.

The following are the details of actions taken against the listed entity / its promoters / directors / material subsidiaries either by SEBI or by Stock Exchanges (including under the standard operating procedures issued by SEBI through various circulars) under the aforesaid Acts / Regulations and circulars /guidelines issued thereunder

Sr. No.	Action Taken By	Details of Violation	Details Of Action Taken E.G. Fines, Warning Letter, Debarment, Etc.	Observations/ Remarks Of The Practicing Company Secretary, If Any.
1	BSE e-mail dated September 8, 2021	Non- compliance under regulation 17(1) of SEBI (LODR) Regulations pertaining to Board Composition	Fine of ₹2,59,600/-	The Company filed waiver application and decision awaited from BSE.

Sr. No.	Action Taken By	Details of Violation	Details Of Action Taken E.G. Fines, Warning Letter, Debarment, Etc.	Observations/ Remarks Of The Practicing Company Secretary, If Any.
2	NSE letter dated August 20, 2021 ref no NSE/LIST-SOP/ COMB/FINES/ 0821	Non- compliance under regulation 17(1) of SEBI (LODR) Regulations pertaining to Board Composition	Fine of ₹2,59,600/-	The Company filed waiver application and personal hearing was made before the committee. The decision awaited from NSE.
3	NSE letter dated December 08, 2021 ref no NSE/SOP/RBF/ FINES/ 0155	Non- compliance under regulation 17(1A) of SEBI (LODR) Regulations pertaining to an appointment of non-executive director who attained the age of seventy five years	Fine of ₹1,39,240/-	The Company has paid fine under protest to the National Stock Exchange of India Limited (NSE). Waiver application made. Decision awaited from NSE.
4	BSE e-mail dated November 22, 2021	Non- compliance under regulation 17(1) and 17(1A) of SEBI (LODR) Regulations pertaining to Board Composition and appointment of non-executive director who attained the age of seventy five years	Fine of ₹3,33,940/-	The Company has paid fine of ₹ 1,39,240/- under protest to the BSE Limited (BSE). Waiver application for regulation 17(1A) rejected against which Personal hearing awaited from BSE.
5	BSE e-mail dated February 21, 2022	Non- compliance under regulation 17(1A) of SEBI (LODR) Regulations pertaining to an appointment of non-executive director who attained the age of seventy five years	Fine of ₹1,69,920/-	The Company has paid fine under protest to the BSE Limited (BSE). Waiver application made. Decision awaited from BSE.
6	NSE letter dated February 21, 2022 ref no NSE/LIST-SOP/ COMB/FINES/ 0832	Non- compliance under regulation 17(1A) of SEBI (LODR) Regulations pertaining to an appointment of non-executive director who attained the age of seventy five years	Fine of ₹1,69,920/-	The Company has paid fine under protest to the National stock Exchange of India Limited (NSE). The Company filed waiver application and personal hearing was made before the committee. The decision awaited from NSE.

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.

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

For **SANJAY DHOLAKIA & ASSOCIATES**

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

Date: 27th May, 2022
Place: Mumbai
UDIN: F002655D000401878

Annexure 1

(forming part of Secretarial Audit Report)

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

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

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

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

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

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

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

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

For **SANJAY DHOLAKIA & ASSOCIATES**

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

Date: 27th May, 2022
Place: Mumbai
UDIN: F002655D000401878

Annexure - D

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

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

Name of Director	Designation	Ratio to median remuneration of the employees
Mr. Raj Kumar Sekhani	Chairman	46:1
Mr. Harsh Vardhan Bassi	Managing Director	22:1
Mr. Gangadharan Kandam Rama Panicker*	Executive Director	8:1
Mr. Saurabh Maheshwari**	Executive Director	23.1

*Resigned on 11-12-2021 **Appointed on 18-05-2021

a) The Median remuneration of Employees of the Company was ₹1.82 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
Chairman	Mr. Raj Kumar Sekhani	25.22
Managing Director	Mr. Harsh Vardhan Bassi	14.16
Executive Director	Mr. Gangadharan Kandam Rama Panicker*	(33.80)
Executive Director	Mr. Saurabh Maheshwari**	--
CFO	Mr. Deepak Sipani	25.50
Company Secretary	Mrs. Ami Thakkar	24.53

*Resigned on 11-12-2021 **Appointed on 18-05-2021

iii. The % increase in the median remuneration of employees in the financial Year: 14.92%.

iv. The number of permanent employees on the rolls of the Company : 932.

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 14.92% while the increase in the remuneration of managerial personnel was 14.03%.

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 : 27th May, 2022
Place : Mumbai.

Annexure - E

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

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2022 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)

	2021-22	2020-21
Total Foreign Exchange Used (Payment Basis)	680.66	267.77
Total Foreign Exchange Earned	3,678.51	4,322.52

Annexure - F

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

   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, health care, Setting up homes for women, orphans, etc, employment enhancing vocation skills especially among women and Environment Sustainability (save mangroves), which are 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: https://www.pelhakoba.com/investor-arena/

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. Sushama Sunil Bhatt	Chairperson	02	02
2.	Mr. Raj Kumar Sekhani	Member	02	02
3.	Mr. Harsh Vardhan Bassi	Member	02	02
4.	Mr. Joginder Kumar Baweja	Member	02	02

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/investor-arena/

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): ₹9.07 crores

7. (a) Two percent of average net profit of the company as per section 135(5): **₹18.15 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): **₹18.15 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
₹18.15 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 Imple-men-tation - 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 Lakhs)	Mode of implementati on Direct (Yes/No)	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Omkar Andh Apang Samajik Santha	Promoting Education and health care, Setting up homes for women, orphans, etc	Yes	Maharashtra	Mumbai	12.00	No	Omkar Andh Apang Samajik Santha	CSR00003196
2.	Shakti Foundation	Promoting Education and employment enhancing vocation skills especially among women, etc	No	Haryana	Panchkula	4.15	No	Shakti Foundation	CSR00010337
3.	IWC of Bombay Airport Area Charitable Trust	Environment Sustainability (save mangroves)	Yes	Maharashtra	Mumbai	2.00	No	IWC of Bombay Airport Area Charitable Trust	CSR00014295
	Total					**18.15**			

(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): ₹**18.15 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)	₹18.15 lakhs
(ii)	Total amount spent for the Financial Year	₹18.15 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 Sunil Bhatt
Chairman-CSR Committee
DIN:09168896

Place: Mumbai
Date: 27th May, 2022

Annexure - G

COMPLIANCE CERTIFICATE
[Pursuant to Regulation 13 of the Securities Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,

The Members,
PIONEER EMBROIDERIES LIMITED

I, Sanjay Dholakia, is Secretarial Auditor of Pioneer Embroideries Limited (hereinafter referred to as 'the Company'), having CIN L17291MH1991PLC063752 and having its registered office at Unit 101b, 1st floor, Abhishek Premises, Plot No.C5-6 Dalia Ind. Est., Off. New link Road, Andheri (W) Mumbai 400058. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations'), for the Financial Year ended 31st March, 2022.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Company has implemented Pioneer Embroideries Limited Employee Stock Option Plan – 2018 viz. Employee Stock Option Scheme in accordance with the Regulations and the Special Resolution(s) passed by the members at the Annual General Meeting of the Company held on 20th August, 2018.

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its Officers, I certify that the Company has implemented the Pioneer Embroideries Limited Employee Stock Option Plan – 2018 and Employee Stock Option Scheme in accordance with the applicable provisions of the Regulations and Resolution(s) passed by the Company in the General Meeting(s).

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. 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.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For **SANJAY DHOLAKIA & ASSOCIATES**

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

Date: 27th May, 2022
Place: Mumbai
UDIN: F002655D000402120

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 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
	Mr. Harsh Vardhan Bassi
	Mr. Saurabh Maheshwari#
	Mr. Gangadharan Kandam Rama Panicker*
Non-Executive and Independent Directors	Mr. Joginder Kumar Baweja
	Mr. Gopalkrishnan Sivaraman
	Ms. Sushama Sunil Bhatt#
	Mr. Devraj Mehta**

Appointed on 18th May, 2021.
* Resigned on 11th December, 2021.
** Appointed on 3rd August, 2021 and resigned on 11th December, 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	--	4	2
Mr. Gopalkrishnan Sivaraman	Independent Non-Executive Director	--	3	1
Mr. Saurabh Maheshwari#	Executive Director	--	--	--
Ms. Sushama Sunil Bhatt#	Independent Non-Executive Director	--	2	1
Mr. Gangadharan Kandam Rama Panicker*	Executive Director	--	--	--
Mr. Devraj Mehta**	Independent Non-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.
# Appointed on 18th May, 2021.
* Resigned on 11th December, 2021.
** Appointed on 3rd August, 2021 and resigned on 11th December, 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 https://www.pelhakoba.com/investor-arena/

Terms of appointment of Independent Directors is available on website of the Company at https://www.pelhakoba.com/investor-arena/

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, 2022 on the following dates:

18-05-2021, 03-08-2021, 01-11-2021 and 28-01-2022.

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 19th July, 2021
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. Sushama Sunil Bhatt#	4	4	Present
Mr. Saurabh Maheshwari#	4	4	Present
Mr. Gangadharan Kandam Rama Panicker*	3	3	Present
Mr. Devraj Mehta**	2	2	NA

Appointed on 18th May, 2021.
* Resigned on 11th December, 2021.
** Appointed on 3rd August, 2021 and resigned on 11th December, 2021.

The Board at their meetings held 18th May, 2021 had appointed Ms. Sushama Bhatt, as an Independent Director and Mr. Saurabh Maheshwari, as an Executive Director and on 3rd August, 2021 had approved the appointment of Mr. D R Mehta as an Independent Director of the Company. Further, Mr. Gangadharan Panicker, Executive Director and Mr. D R Mehta, Independent Director resigns form the post of Director with effect from 11th December, 2021. Mr. Dev Raj Mehta had resigned due to health complications and also confirmed that there is no other material reason other than the one mention above, for his resignation. The Board places on record its' appreciation for the contribution made during their tenure.

Directors seeking reappointment:

A brief resume of Director seeking re-appointment 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. 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 24 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 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.

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. Sushama Sunil Bhatt#	Mr. Saurabh Maheshwari#	Mr. Gangadharan Kandam Rama Panicker*	Mr. Devraj Mehta**
Leadership	•	•	•	•	•	•	•	•
Strategic Planning	•	•	•	•	•	•	•	•
Industry Knowledge and Experience	•	•	•	•	•	•	•	•
Technology		•		•	•	•	•	
Financial Control	•	•	•	•		•		
Human Resources	•	•	•	•	•		•	•
Business strategy, Sales and Marketing	•	•	•			•	•	•
Corporate Governance	•	•	•	•	•	•	•	•

Appointed on 18th May, 2021.
* Resigned on 11th December, 2021.
** Appointed on 3rd August, 2021 and resigned on 11th December, 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 Regulation 18 of 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, 2022 four Meetings of the Audit Committee were held on 18-05-2021, 03-08-2021, 01-11-2021 and 28-01-2022.

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, 2022 two meetings of the Committee was held on 18-05-2021 and 03-08-2021.

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	Member	Non-Executive Independent Director	2	2
Ms. Sushama Sunil Bhatt#	Member	Non-Executive Independent Director	2	2

Appointed on 18th 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 (in nos.)
1.	Mr. Raj Kumar Sekhani	--	84.00	--	--	--	--	--
2.	Mr. Harsh Vardhan Bassi	--	39.74	--	--	--	--	--
3.	Mr. Joginder Baweja	1.00	--	--	--	--	--	--
4.	Mr. Gopalkrishnan Sivaraman	0.95	--	--	--	--	--	--
5.	Ms. Sushama Sunil Bhatt#	0.50	--	--	--	--	--	--
6.	Mr. Saurabh Maheshwari#	--	40.16	1.71	--	--	--	90,000
7.	Mr. Gangadharan Kandam Rama Panicker*	_	13.89	0.43	--	--	--	10,000
8.	Mr. Devraj Mehta**	0.20	--	--	--	--	--	--
	Total	**2.65**	**178.19**	**2.14**	**--**	**--**	**--**	**--**

#Appointed on 18th May, 2021.
* Resigned on 11th December, 2021.
** Appointed on 3rd August, 2021 and resigned on 11th December, 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, 2022, four Meetings of the Stakeholder's Relationship Committee were held on 18-05-2021, 03-08-2021, 01-11-2021 and 28-01-2022.

The Composition of Stakeholders' Relationship 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. Gopalkrishnan Sivaraman	Chairman	Non-Executive Independent Director	4	4
Mr. Raj Kumar Sekhani	Member	Executive Director	4	4
Mr. Harsh Vardhan Bassi	Member	Executive Director	4	4
Mr. Joginder Kumar Baweja	Member	Non-Executive Independent Director	4	4

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, 2022 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	16	16	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 Company's Website: - www.pelhakoba.com.

During the year under review, Two Corporate Social Responsibility Committee meeting was held on 18th May, 2021 and 28th January, 2022.

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. Sushama Sunil Bhatt#	Chairperson	Non-Executive Independent Director	2	2
Mr. Raj Kumar Sekhani	Member	Executive Director	2	2
Mr. Harsh Vardhan Bassi	Member	Executive Director	2	2
Mr. Joginder Kumar Baweja	Member	Non-Executive Independent Director	2	2

Appointed on 18th 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.
- Monitor CSR policy from time to time.
- Institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company.

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
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
2020-2021	19th July, 2021	10.00 A.M	Through Video conferencing(VC) or Other Audio Video Mode(OAVM).	0

*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.

Sr. No.	Particulars
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:

There is no EOGM held during the year.

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.

Analysts/Institutional Investors Presentation

Presentations are also made to international and domestic institutional investors and analysts. These presentations and other disclosures which are required to be disseminated on the Company's website under the Listing Regulations have been uploaded on the Company's Website: - www.pelhakoba.com.

General Shareholder Information

i)	**AGM**		
	Date and Time	:	Tuesday, 12th July, 2022 at 10.00 A.M through Video Conferencing or Other Audio Visual means
ii)	**Financial Calendar 2022-2023 (tentative) Financial year ends on 31st March every year.**		
	Quarter ending June 30, 2022	:	By Second Week of August, 2022
	Half year ending September 30, 2022	:	By Second Week of November, 2022
	Quarter ending December 31, 2022	:	By Second Week of February, 2023
	Year ending March 31, 2023	:	By Last Week of May, 2023
	Annual General Meeting (2022-2023)	:	By end of September, 2023
iii)	**Date of Book Closure**	:	Wednesday, 6th July, 2022 to Tuesday, 12th July, 2022 (both days inclusive)
iv)	**Dividend Payment Date**	:	Dividend of ₹0.30 naya 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 16th July, 2022.

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 2022-2023 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, 2022 is as under:

Month	BSE			NSE		
	High Price (₹)	Low Price (₹)	Volume (in Lakhs)	High Price (₹)	Low Price (₹)	Volume (in Lakhs)
April, 2021	49.25	36.05	107.37	49.25	38.30	1,346.68
May, 2021	58.50	44.65	446.29	59.50	45.10	4,129.83
June, 2021	60.60	51.70	958.91	60.70	51.50	6,766.00
July, 20201	78.75	52.45	1,562.46	78.90	52.40	13,951.14
August, 2021	79.40	55.95	1,284.38	79.70	57.60	6,377.87
September, 2021	72.20	60.45	495.60	72.35	60.40	2,905.32
October, 2021	66.45	55.80	182.14	66.50	55.80	1,749.72
November, 2021	62.60	51.75	250.05	62.85	51.95	3,291.82
December, 2021	79.60	53.90	666.31	78.70	56.40	7,157.03
January, 2022	73.30	57.05	666.72	73.50	57.05	6,365.48
February, 2022	59.95	48.75	125.32	59.85	48.25	994.53
March, 2022	57.00	47.10	133.39	57.35	46.95	1,053.87

ix)	**Performance in comparison to Broad-based indices such at BSE Sensex, NSE NIFTY.**	:	As against a rise of 18.30% in BSE Sensex during the year, the price of equity shares of the Company has rose by 19.75%. As against a rise of 18.88% in NSE NIFTY 50 during the year, the price of equity shares of the Company has rose by 19.62%.

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, 2022

Slab of No. of Shareholding			No. of Shareholders	% to No. of Shareholders	Amount (₹)	% to paid-up capital
Upto	-	5,000	23,304	89.21	1,80,45,800	6.79
5,001	-	10,000	1326	5.08	1,10,23,140	4.15
10,001	-	20,000	687	2.63	1,06,17,160	3.99
20,001	-	30,000	210	0.80	54,31,040	2.04
30,001	-	40,000	125	0.48	45,42,850	1.71
40,001	-	50,000	126	0.48	60,78,790	2.29
50,001	-	1,00,000	183	0.70	1,36,24,400	5.12
> 1,00,001			162	0.62	19,65,46,240	73.91
Total			**26,123***	**100.00**	**26,59,09,420**	**100.00**

xiii) Categories of Shareholding Pattern as on 31st March, 2022

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Promoters	4	0.02	87,38,325	32.86
Mutual Funds & UTI	2	0.01	900	0.00
Banks/Financial Institutions/Ins/ Govt.	4	0.02	25,00,286	9.40
Foreign Portfolio Investors (Corporate)	3	0.01	93907	0.35
Other Bodies Corporates	152	0.59	12,24,308	4.61
Individuals	24,724	95.82	1,27,08,928	47.80
NRIs/OCBs	511	1.98	2,43,228	0.92
Investor Education And Protection Fund (IEPF)	1	0.00	3,750	0.01

Category	No. of Share holders	% of Share holders	No. of Shares held	% of Share holding
Body Corporate - Ltd Liability Partnership (LLP)	10	0.04	36,595	0.14
Others	391	1.52	10,40,715	3.91
Total	**25,802***	**100.00**	**2,65,90,942**	**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, 2022 and Categories of Shareholding Pattern as on 31st March, 2022.

xiv) Dematerializations of Shares

The Company's shares are traded compulsorily in dematerialized form. As on 31st March, 2022 the details of the shares of the Company held in physical and demat form are given below:

	No. of Shares	% to the Capital
Shares held in Physical Form	3,42,281	1.29
Shares held in Demat Form	2,62,48,661	98.71
Total	**2,65,90,942**	**100.00**

xv) Outstanding GDRs / Warrants and Convertible Instruments

There is no Outstanding GDRs / Warrants and Convertible Instruments as at 31st March, 2022.

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) 49186000, Fax No.: (022) 49186060
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)42232323 Fax: (022) 42232313
Email: mumbai@pelhakoba.com

xix) Credit Rating obtained by the Company

There has been upgrade in Company's credit rating pertaining to Long Term Bank facilities from **"CARE BB; Stable" to "CARE BB+; Positive"** and for Short Term Bank facilities from **"CARE A4" to "CARE A4 +; Positive" received from** CARE Ratings Ltd. letter bearing No. CARE/HO/RL/2021-22/2573, dated 6th October, 2021.

xx) Utilisation of funds raised through preferential allotment:

The Company is not involved in any Utilisation of funds raised through preferential allotment.

xxi) Disclosure in relation to recommendation made by any Committee which was not accepted by the Board:

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

xxii) 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's 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 except as mentioned in Secretarial Audit Report as marked as Annexure C.

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

Your Company has zero tolerance towards any kind of harassment, including sexual harassment or discrimination. Your Company has constituted an Internal Complaints Committee (ICC) to investigate and resolve sexual harassment complaints. Employees are encouraged to speak up and report any such incidences to the ICC. Your Company has also implemented a Policy on Prevention of Sexual Harassment which is reviewed by the ICC at regular intervals. 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. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT

No Loans and Advance in the nature of Loans to Firms/Companies are given in which Directors are interested other than to subsidiaries which forms part of the notes to accounts.

15. 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.

16. 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.

17. 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 except as mentioned in Secretarial Audit Report as marked as Annexure C.

18. 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 2021-2022 does not contain any modified audit opinion.

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

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

19. 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.

20. 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.

21. 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.

22. SCORES

There are no pending complaints under SCORES.

23. 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 31^{st} March, 2022.

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

24. 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.

25. 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, 2022.

For Pioneer Embroideries Limited

Harsh Vardhan Bassi
Managing Director
DIN:00102941

For Pioneer Embroideries Limited

Deepak Sipani
Chief Financial Officer

Place: Mumbai
Date: 27th May, 2022

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, 2022 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: 27th May, 2022

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, 2022, 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: 22302632AJSQXG8484

Place: Mumbai
Date: 27th May, 2022

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, 2022 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.

For **SANJAY DHOLAKIA & ASSOCIATES**

(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor

Place: Mumbai
Date: 27th May, 2022
Membership No. 2655 /CP No.1798
UDIN: F002655D00402054

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, 2022, 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 31stMarch, 2022, 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 ethical 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
The Company has disclosed in Note 35 the contingent liabilities as at 31st March, 2022 amounting to ₹ 299.82 Lakh in respect of different tax/legal matters. This has been identified as a key audit matter due to magnitude of the amount involved, uncertainty of the matter and the potential financial impact on the financial statements. There is significant judgement required by management in assessing the exposure of each case due to the complexities of the cases and timescales for resolution.	To address this key audit matter, our audit procedures included the following: • Obtained the summary of all pending litigation matters of the Company and assessed the management's position through discussion with the Management, on both, the probability of success and the amounts involved. • Assessed the relevant disclosures made within the financial statements to ensure they appropriately reflect the facts and circumstances of the potential exposures and in accordance with IND AS 37. • We are satisfied that the treatment in respect of these matters is appropriate based on our procedures performed and we conclude that the related disclosures are appropriately presented in the financial statements.

Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the 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 for the Audit of the Standalone Financial Statements

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, 2020 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, based on our audit 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.

    (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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, of pending litigations on its financial position in its financial statements;

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

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

iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

(h) As stated in the standalone financial statements

(1) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with the section 123 of the Act.

(2) No interim dividend has been paid by the Company during the year.

(3) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act.

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

UDIN: 22302632AJTWTH1059
Place: Mumbai
Date: 27th May, 2022

RAHUL NAREDI
Partner
Membership Number: 302632

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, 2022.

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets;

a) (A) the Company is generally maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) the Company is maintaining proper records showing full particulars of intangible 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.

d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

e) Neither any proceedings have been initiated nor are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made there under.

ii. a) The physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion the coverage and procedure of such verification as followed by management is appropriate. No discrepancies were noticed on verification between the physical stocks and book records that were 10% or more in the aggregate for each class of inventory.

b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are substantially in agreement with the books of account of the Company.

iii. During the year the company has made investments in and granted loans or advances in the nature of loans, secured or unsecured to companies.

a) During the year the company has provided loans or provided advances in the nature of loans, to other Companies, in respect to which;

(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances to subsidiaries is ₹ 3.32 Lakh and ₹ 362.11 Lakh respectively;

(B) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances to parties other than subsidiaries is ₹ 335.57 Lakh and ₹ 335.57 Lakh respectively.

b) The investments made and the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the company's interest except that the loans to subsidiaries are interest free.

c) In respect of loans and advances in the nature of loans, given to other than subsidiaries, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

d) No amount is overdue for more than ninety days in respect of principal and interest.

e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

f) The Company has granted loans or advances in the nature of loans to its subsidiaries, either repayable on demand or without specifying any terms or period of repayment. The aggregate amount of such loans is ₹ 362.11 Lakh, which is 51.90 % to the total loans granted.

iv. In respect of loans and investments, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

v. The Company has not accepted any 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

PIONEER GROUP

there under. Therefore, this clause is not applicable.

vi. Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained.

vii. a) The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no undisputed statutory dues which are in arrears, as at 31st March, 2022 for a period of more than six months from the date they became payable.

b) Details of statutory dues, which have not been deposited as on 31st March, 2022 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. There are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The company has not been declared a wilful defaulter by any bank or financial institution or other lender.

c) The term loans were applied for the purpose for which the loans were obtained.

d) The funds raised on short term basis have not been utilised for long term purposes.

e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

x. a) No money has been raised by way of initial public offer or further public offer (including debt instruments) during the year, therefore this clause is not applicable.

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year; therefore, this clause is not applicable.

xi. a) Neither any fraud by the company nor any fraud on the Company has been noticed or reported during the year.

b) No report under sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.

c) The Company has not received any whistle-blower complaints during the year.

xii. The Company is not a Nidhi Company, therefore this clause is not applicable.

xiii. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv. a) The Company has an internal audit system commensurate with the size and nature of its business.

b) The reports of the Internal Auditors for the internal audits done during the year have been considered.

xv. The Company has not entered into any non-cash transactions with directors or persons connected with them.

xvi. a) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.

c) The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.

d) The Group does not have any CIC as part of the Group.

xvii. The Company has not incurred cash losses in the Financial Year and in the immediately preceding Financial year.

xviii. There has been no resignation of the statutory auditors during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

xx. There is no unspent amount under section 135(5) of the Act pursuant to any project. Accordingly clauses 3(xx)(a) and 3(xx)(b) of the order are not applicable.

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

UDIN: 22302632AJTWTH1059
Place: Mumbai
Date: 27th May, 2022

RAHUL NAREDI
Partner
Membership Number: 302632

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, 2022in 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, 2022, 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)

UDIN: 22302632AJTWTH1059
Place: Mumbai
Date: 27th May, 2022

RAHUL NAREDI
Partner
Membership Number: 302632

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Balance Sheet

As at March 31, 2022

(₹ in lakhs)

	Particulars	Note	As at March 31, 2022	As at March 31, 2021
I	**ASSETS**			
1	**Non-Current Assets**			
	Property, Plant & Equipments	3A	7,438.57	7,874.23
	Capital Work- in- Progress	3B	781.41	-
	Right of Use Assets	3C	363.56	103.43
	Other Intangible Assets	3D	24.40	25.77
	Financial Assets			
	(i) Investments	4	929.65	929.65
	(ii) Other Financial Assets	5	368.76	195.18
	Deferred Tax Assets (Net)	6	-	271.65
	Other Non-Current Assets	7	320.11	722.00
	Total Non-Current Assets		**10,226.46**	**10,121.91**
2	**Current Assets**			
	Inventories	8	4,392.21	3,978.13
	Financial Assets			
	(i) Investments	9	103.62	-
	(ii) Trade Receivables	10	2,155.16	1,994.68
	(iii) Cash and Cash Equivalents	11	132.68	618.28
	(iv) Loans	12	335.57	-
	(v) Other Financial Assets	13	566.85	623.16
	Current Tax Assets (Net)	14	149.22	98.90
	Other Current Assets	15	933.70	485.92
	Total Current Assets		**8,769.01**	**7,799.07**
	TOTAL ASSETS		**18,995.47**	**17,920.98**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	Equity Share Capital	16	2,659.09	2,659.09
	Other Equity	17	9,912.31	8,777.93
	Total Equity		**12,571.40**	**11,437.02**
2	**Non-Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	18	518.55	970.48
	(ii) Lease Liabilities	19	310.80	35.54
	Provisions	20	498.61	466.60
	Deferred Tax Liabilities (Net)	6	158.90	-
	Total Non-Current Liabilities		**1,486.86**	**1,472.62**
3	**Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	21	2,104.22	2,006.45
	(ii) Lease Liabilities	22	33.86	50.31
	(iii) Trade Payables	23		
	a) Outstanding dues of Micro Enterprises and Small Enterprises		301.43	337.69
	b) Outstanding dues other than Micro Enterprises and Small Enterprises		1,647.04	1,775.25
	(iv) Other Financial Liabilities	24	656.47	694.96
	Provisions	25	22.52	14.42
	Other Current Liabilities	26	171.67	132.26
	Total Current Liabilities		**4,937.21**	**5,011.34**
	TOTAL EQUITY AND LIABILITIES		**18,995.47**	**17,920.98**
	Significant Accounting Policies and other Notes to the Standalone Financial Statements.	1-50		

The accompanying Notes are an integral part of the Standalone 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: 27th May, 2022

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, 2022

(₹ in lakhs)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from Operations	27	29,217.05	22,596.96
Other Income	28	172.85	187.23
Total Income		**29,389.90**	**22,784.19**
Expenses			
Cost of Materials Consumed	29	16,872.20	11,128.94
Purchases of Stock-in-Trade		396.79	87.36
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	30	(920.24)	226.02
Employee Benefits Expenses	31	3,508.16	2,937.38
Finance Costs	32	320.44	447.07
Depreciation and Amortization Expenses	3	808.09	816.30
Other Expenses	33	6,879.75	5,460.18
Total Expenses		**27,865.19**	**21,103.25**
Profit before Exceptional and Extraordinary Items and Tax		**1,524.71**	**1,680.94**
Exceptional Items - Income/(Loss) (Net)		-	-
Profit before Tax		**1,524.71**	**1,680.94**
Tax Expenses			
Current Tax		-	-
Deferred Tax Charge / (Credit)	34	419.61	(285.60)
Profit for the year (A)		**1,105.10**	**1,966.54**
Other Comprehensive Income			
Items that will not reclassified to Profit or Loss			
Remeasurement of defined benefit plan		39.30	50.15
Income tax impact on above item		(10.93)	(13.95)
Other Comprehensive Income for the year (B)		**28.37**	**36.20**
Total Comprehensive Income for the year (A+B)		**1,133.47**	**2,002.74**
Earning per Equity Share of ₹10 each:	49		
(1) Basic ₹		4.16	7.76
(2) Diluted ₹		4.11	7.40
Significant Accounting Policies and other Notes to the Standalone Financial Statements.	1-50		

The accompanying Notes are an integral part of the Standalone 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: 27th May, 2022

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, 2022

(₹ in lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash Flow From Operating Activities :**		
	Net Profit before Extraordinary Items and Tax	**1,524.71**	**1,680.94**
	Adjustment for :		
	Depreciation and Amortisation Expense	808.09	816.30
	Loss/(Profit) on sale/discard of Property, Plant and Equipment (net)	(15.30)	(3.09)
	Interest Income	(51.42)	(18.75)
	Profit on Sale of Investments	(0.84)	-
	Finance Costs	320.44	447.07
	Employee ESOP Compensation	67.39	-
	Provision for Expected Credit Losses	16.68	43.23
	Operating Profit before Working Capital Changes	**2,669.75**	**2,965.70**
	Changes in Working Capital:		
	Adjustments for :		
	Decrease/(Increase) in Inventories	(414.08)	(565.46)
	Decrease/(Increase) in Trade and Other Receivables	(742.21)	(459.21)
	Increase/(Decrease) in Trade and Other Payables	(123.67)	(149.27)
	Cash generated from Operation	**1,389.79**	**1,791.76**
	Net Income Tax (paid) / refunds	(50.32)	21.01
	Net Cash from Operating Activities	**1,339.47**	**1,812.77**
B.	**Cash Flow From Investing Activities :**		
	Purchases of Property, Plant and Equipments and Intangible Assets (including capital advance)	(665.21)	(843.11)
	Proceeds from sales of Property, Plant & Equipments (net of Advance)	24.74	4.00
	Purchase of Investments	(102.78)	-
	Inter corporate deposit given	(335.57)	-
	Interest Received	51.42	18.75
	Net Cash from / (used) in Investing Activities	**(1,027.40)**	**(820.36)**
C.	**Cash Flow From Financing Activities :**		
	Proceeds from Issue of Equity Share Capital (including Share Premium)	-	396.06
	Proceeds from Non-Current Borrowing	255.47	757.96
	Repayment of Non-Current Borrowing	(862.96)	(733.94)
	Net increase / (decrease) in Current Borrowings	253.33	(415.84)
	Payment of Lease Liability	(56.79)	(49.78)
	Dividend Paid	(64.93)	-
	Finance Costs	(321.79)	(471.35)
	Net Cash used in Financing Activities	**(797.67)**	**(516.89)**
	Net increase / (decrease) in cash and Cash Equivalents (A+B+C)	(485.60)	475.52
	Add: Opening Cash and Cash Equivalent	618.28	142.76
	Closing Cash and Cash Equivalent	**132.68**	**618.28**

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 -Statement of Cash Flows.

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: 27th May, 2022

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, 2022

(₹ in lakhs)

(a) Equity Share Capital :

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	2,65,90,942	2,659.09	2,49,47,942	2,494.79
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	**2,65,90,942**	**2,659.09**	**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**	**2,65,90,942**	**2,659.09**

(b) Other Equity :

Particulars	Reserves and Surplus			Total
	Security Premium Reserve	Retained Earnings	Share Based Payment Reserve	
Balance at April 01, 2020	**3,767.41**	**2,776.02**	**-**	**6,543.43**
Changes in Accounting Policy or prior period errors	-	-	-	-
Restated balance as at April 01, 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**
Changes in Accounting Policy or prior period errors	-	-	-	-
Restated balance as at April 01, 2021	**3,999.17**	**4,778.76**	**-**	**8,777.93**
Profit for the year	-	1,105.10	-	1,105.10
Other Comprehensive Income for the year (net of tax)	-	28.37	-	28.37
Total Comprehensive Income for the year	**-**	**1,133.47**	**-**	**1,133.47**
Dividend Paid	-	(66.48)	-	(66.48)
Recognition of Share based payments	-	-	67.39	67.39
Balance at March 31, 2022	**3,999.17**	**5,845.75**	**67.39**	**9,912.31**

The accompanying Notes are an integral part of the Standalone 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: 27th May, 2022

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, 2022

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 27th May, 2022.

2 Significant Accounting Policies

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

2.1 Basis of Preparation

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

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

2.2 Basis of Measurement

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

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

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

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

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

2.3 Functional and Presentation Currency

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

2.4 Use of Judgements and Estimates

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

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

Judgements

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

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

Assumptions and Estimation Uncertainties

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

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

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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

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.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

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.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

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 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

Notes to Standalone Financial Statements
for the year ended March 31, 2022

- 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 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

(₹ in lakhs)

3A. Property, Plant and Equipments

Particulars	Tangible Assets									
	Freehold land	Buildings	Plant and Equipment	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Electrical Installations	Borewell	Total
Cost										
As at 1st April, 2020	**325.69**	**2,969.90**	**7,420.44**	**112.18**	**58.10**	**27.82**	**56.49**	**492.70**	**0.36**	**11,463.68**
Additions	-	-	257.49	9.88	0.35	3.36	4.66	5.91	-	281.65
Disposals	-	-	8.96	-	-	0.07	0.16	-	-	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**
Additions	-	-	234.09	40.57	-	8.14	8.50	24.47	5.01	320.78
Disposals	-	-	42.34	12.93	-	0.81	0.14	1.13	-	57.35
As at 31st March 2022	**325.69**	**2,969.90**	**7,860.72**	**149.70**	**58.45**	**38.44**	**69.35**	**521.95**	**5.37**	**11,999.57**
Depreciation										
As at 1st April, 2020	**-**	**522.91**	**2,154.57**	**38.80**	**38.98**	**18.57**	**37.26**	**299.78**	**0.14**	**3,111.01**
Additions	-	136.97	543.37	15.81	3.05	3.54	10.27	46.11	0.06	759.18
Disposals	-	-	8.13	-	-	0.07	0.08	-	-	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**
Additions	-	136.14	548.90	16.93	2.67	4.20	10.87	27.21	0.08	747.00
Disposals	-	-	38.31	8.13	-	0.69	0.14	0.64	-	47.91
As at 31st March 2022	**-**	**796.02**	**3,200.40**	**63.41**	**44.70**	**25.55**	**58.18**	**372.46**	**0.28**	**4,561.00**
Net block										
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
As at 31st March 2022	**325.69**	**2,173.88**	**4,660.32**	**86.29**	**13.75**	**12.89**	**11.17**	**149.49**	**5.09**	**7,438.57**

3B. Capital Work-in-Progress

As at 31st March 2021	-
As at 31st March 2022	**781.41**

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lakhs)

3C. Right of use Assets (Refer Note 36)

Particulars	Leasehold Land	Leased Property	Total
Cost			
As at 1st April, 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**
Additions	-	-	-
Additions as per IND AS 116 (Lease)	-	315.60	315.60
Disposals	-	80.08	80.08
As at 31st March 2022	**24.81**	**406.18**	**430.99**
Amortisation			
As at 1st April, 2020	**1.19**	**47.24**	**48.43**
Additions	0.30	50.12	50.42
Deletions	-	6.81	6.81
As at 31st March 2021	**1.49**	**90.55**	**92.04**
Additions	0.29	55.18	55.47
Disposals	-	80.08	80.08
As at 31st March 2022	**1.78**	**65.65**	**67.43**
Net block			
As at 31st March 2021	23.32	80.11	103.43
As at 31st March 2022	**23.03**	**340.53**	**363.56**

3D. Intangible Assets

Particulars	Computer Software	Total
Cost		
As at 1st April, 2020	**68.00**	**68.00**
Additions	-	-
Disposals	-	-
As at 31st March 2021	**68.00**	**68.00**
Additions	4.25	4.25
Disposals	-	-
As at 31st March 2022	**72.25**	**72.25**
Depreciation		
As at 1st April, 2020	**35.53**	**35.53**
Additions	6.70	6.70
Disposals	-	-
As at 31st March 2021	**42.23**	**42.23**
Additions	5.62	5.62
Disposals	-	-
As at 31st March 2022	**47.85**	**47.85**
Net block		
As at 31st March 2021	25.77	25.77
As at 31st March 2022	**24.40**	**24.40**

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 18 & 21).

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

d) Capital Work in progress includes a sum of ₹780.53 spent for ongoing expansion at Kala-amb unit.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lakhs)

3.2 a) Capital work-in-progress ageing schedule for the year ended March 31, 2022:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	781.41	-	-	-	781.41
	781.41	**-**	**-**	**-**	**781.41**

b) Above project is not overdue and not exceeds its cost of orignal plan as at the reporting date.

4 Non- Current Investment

Particulars	As at March 31, 2022		As at March 31, 2021	
	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**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

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 investments	17.62	17.62

5 Other Non-Current Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security Deposits	155.49	153.61
Fixed Deposit in Banks with more than 12 months maturity	213.27	41.57
	368.76	**195.18**

6 Deferred Tax Assets / (Liability) (Net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
Business Losses including Unabsorbed Depreciation	40.80	472.79
Provision for allowances for credit losses	263.35	282.54
Expenses allowed in the year of payment	182.25	154.43
Lease Liabilities	95.89	25.48
Total Deferred Tax Assets (A)	**582.29**	**935.24**
Deferred Tax Liabilities in relation to:		
Property, Plant & Equipments and Intangible Assets	646.45	639.71
Right-of-use to assets	94.74	23.88
Total Deferred Tax Liabilities (B)	**741.19**	**663.59**
Total Deferred Tax Assets	**(158.90)**	**271.65**

6.1 Movement of Deferred Tax Assets / (Liability)

Particulars	As at March 31, 2021	Recognised in P&L	Recognised in OCI	As at March 31, 2022
Deferred Tax Assets in relation to:				
Business Losses including Unabsorbed Depreciation	472.79	(431.99)		40.80
Provision for allowances for credit losses	282.54	(19.19)		263.35
Expenses allowed in the year of payment	154.43	38.76	(10.93)	182.26
Lease Liabilities	25.48	70.41		95.89
Total Deferred Tax Assets (A)	**935.24**	**(342.01)**	**(10.93)**	**582.30**

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lakhs)

Deferred Tax Liabilities in relation to:				
Property, Plant & Equipments and Intangible Assets	639.71	6.74		646.45
Right-of-use to assets	23.88	70.86		94.74
Total Deferred Tax Liabilities (B)	**663.59**	**77.60**	**-**	**741.19**
Total Deferred Tax Assets (A - B)	**271.65**	**(419.61)**	**(10.93)**	**(158.89)**

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 In the Previous year, the Company has reassessed deferred tax recognition, accordingly deferred tax assets of ₹271.65 lakhs on unabsorbed depreciations and carried forward tax losses had 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.

7 Other Non-Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital Advances	320.11	722.00
	320.11	**722.00**

7.1 Capital advance of ₹16.00 has been given towards advance towards Building Construction and ₹304.11 to suppliers of plant & machineries for ongoing expansion at SPFY unit.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

8 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(Valued at lower of cost or net realisable value as certified by Management)		
Raw Materials	1,028.45	1,578.70
Work-in-Progress	719.31	684.23
Finished Goods	2,333.97	1,448.81
Store & Spares	244.45	203.54
Packing Material	66.03	62.85
	4,392.21	**3,978.13**
Inventories include Goods in transit as under:		
Finished Goods	698.31	174.93

8.1 Inventories are hypothecated to secure borrowings. (Refer Note 18 & 21)

9 Current Investment

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Investment in Equity instruments				
Quoted, fully paid-up				
Hi-Tech Pipes Limited	947	5.37	-	-
(Equity shares of Face Value of ₹10 each)				
Unquoted, fully paid-up				
National Stock Exchange of India Ltd.*	3,000	98.25	-	-
(Equity shares of Face Value of ₹1 each)	**3,947**	**103.62**	**-**	**-**
* Pending transfer in the name of the Company				
Aggregate book value of quoted investments		5.37		-
Aggregate market value of quoted investments		4.77		-
Aggregate book value of unquoted investments		98.25		-
Aggregated amount of impairment in value of investments		-		-

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lakhs)

10 Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered Good	2,158.88	1,988.20
Having significant increase in credit risks	194.17	201.83
Credit Impaired	748.73	820.25
	3,101.78	**3,010.28**
Less: Allowance for Credit Losses	(946.62)	(1,015.60)
	2,155.16	**1,994.68**

10.1 Trade receivables include outstanding from related party enterprise of ₹55.28 (₹32.02) and Associate Concern ₹Nil (₹2.80).

10.2 Trade receivables are hypothecated to secure borrowings. (Refer Note 18 & 21)

Trade Receivables ageing schedule as at 31st March, 2022:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables -considered good	1,497.32	661.56	60.95	50.32	54.82	28.08	2,353.05
Undisputed Trade receivables -credit impaired	-	-	-	2.66	3.48	41.53	47.67
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	701.06	701.06
	1,497.32	661.56	60.95	52.98	58.30	770.67	3,101.78
Less: Allowance for Credit Losses							(946.62)
Total Trade Receivables							**2,155.16**

Trade Receivables ageing schedule as at 31st March, 2021:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables -considered good	1,348.82	545.83	126.39	100.63	32.54	35.82	2,190.03
Undisputed Trade receivables -credit impaired	-	-	-	-	2.89	116.30	119.19
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	701.06	701.06
	1,348.82	545.83	126.39	100.63	35.43	853.18	3,010.28
Less: Allowance for Credit Losses							(1,015.60)
Total Trade Receivables							**1,994.68**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

11 Cash & Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks - In Current Accounts	105.85	590.23
Cash in hand	26.83	28.05
	132.68	**618.28**

12 Current Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Inter Corporate Deposits		
Others	335.57	-
	335.57	**-**

13 Other Current Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Other Loans and Advances		
Subsidiaries		
Hakoba Lifestyle Ltd.	193.28	191.74
Pioneer Realty Ltd.	3.16	2.96
Crystal Lace (I) Ltd.	165.67	171.08
Others		
Loan & Advances to Staff	30.33	27.97
Advances to Arcot Textile Mills Ltd. (Refer Note 13.1)	174.41	229.41
	566.85	**623.16**

13.1 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, ₹930.59 has been returned by ATML till March 31, 2022.

14 Current Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Refund Receivable (net)	149.22	98.90
	149.22	**98.90**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

15 Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances recoverable in cash or in kind	238.64	154.86
Prepaid Expenses	152.45	45.83
Accrued Export and Other Incentives	108.14	37.17
Other Advances and Balances	434.47	248.06
	933.70	**485.92**

16 Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	2,65,90,942	2,659.09
	2,65,90,942	**2,659.09**	**2,65,90,942**	**2,659.09**

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, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
As at the beginning of the financial year	2,65,90,942	2,659.09	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**	**2,65,90,942**	**2,659.09**

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.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

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

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	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	55,36,492	20.82
Raj Kumar Sekhani	31,64,760	11.90	31,64,760	11.90
Anand Sekhani#	10,85,500	4.08	15,00,500	5.64
Amit Sekhani#	10,90,000	4.10	15,00,000	5.64

As at March 31, 2022, shareholding is less than 5%

Shareholding of Promoters:

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Pioneer E-Com Fashions LLP	55,36,492	20.82	No Change	55,36,492	20.82	2.78
Raj Kumar Sekhani	31,64,760	11.90	No Change	31,64,760	11.90	4.19
Bimladevi Sekhani	23,073	0.09	No Change	23,073	0.09	No Change
Manak Chand Baid Jt. Raj Kumar Sekhani	14,000	0.05	No Change	14,000	0.05	(0.01)

17 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Share Premium Reserve		
Opening Balance	3,999.17	3,767.41
Add: During the year	-	231.76
Balance as at the end of the year	**3,999.17**	**3,999.17**
Share Based Payment Reserve		
Opening Balance	-	-
Add: Recognition of Share based payments during the year (Refer Note 40)	67.39	-
Balance as at the end of the year	**67.39**	**-**
Retained Earnings		
Opening Balance	4,778.76	2,776.02
Add : Other Comprehensive Income (including tax thereon)	28.37	36.20
Add: Profit for the year	1,105.10	1,966.54
	5,912.23	**4,778.76**
Less: Dividend paid	(66.48)	-
Balance as at the end of the year	**5,845.75**	**4,778.76**
	9,912.31	**8,777.93**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ 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.

Share Based Payment Reserve:

This reserve relates to stock options granted to employees under "Employee Stock Option Plan 2018 Scheme (ESOP)"and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options.

Retained Earnings

Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

18 Non-Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans		
Term Loans from Banks/Institutions	1,206.47	1,813.96
Loan from Others	-	-
	1,206.47	**1,813.96**
Current Maturity of Borrowings disclosed under the head "Other Financial Liabilities" (Refer Note 21)	687.92	843.48
	518.55	**970.48**

18.1 Term Loan from bank of ₹434.51 of Foreign Currency Term Loan is 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. This loan is repayable in monthly instalments ending December 2022 and presently carries interest @6.16% p.a..

18.2 Term Loans from banks of ₹585.28 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) ₹293.75 is repayable in monthly instalments ending October 2024 and carries interest @9.25% p.a..; ii) ₹225.53 is repayable in monthly instalments ending October 2024 and carries interest @7.5% p.a.. & iii) ₹66.00 is repayable in monthly instalments ending March 2027 and carries interest @6.8% p.a

18.3 Term Loan from bank of ₹135.11 is secured by exclusive charge on certain plant & machinery purchased under ATUFS. This loan is repayable in monthly instalments ending November 2024 and carries interest @5.60% p.a..

18.4 Term Loan from Banks of ₹51.57 are secured by hypothecation of respective vehicles financed.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

19 Lease Liability

Particulars	As at March 31, 2022	As at March 31, 2021
Finance lease obligations	344.66	85.85
	344.66	**85.85**
Current Maturity of Lease (Refer Note 22)	33.86	50.31
	310.80	**35.54**

20 Long Term Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits	498.61	466.60
	498.61	**466.60**

21 Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Loans Repayable on Demand		
Cash Credit from Banks	1,416.30	1,162.97
Current maturities of Long Term Debt (Refer note 18)	687.92	843.48
	2,104.22	**2,006.45**

21.1 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.

22 Lease Liability

Particulars	As at March 31, 2022	As at March 31, 2021
Lease obligations	33.86	50.31
	33.86	**50.31**

23 Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises	301.43	337.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,647.04	1,775.25
	1,948.47	**2,112.94**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

23.1 Trade Payables include outstanding to a related enterprise of ₹4.54 (₹3.06).

23.2 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, 2022	As at March 31, 2021
a.	Principal amount and Interest due thereon remaining unpaid to any supplier at the end of year	3.60	29.66
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	-	-

Trade Payables ageing schedule: As at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	297.83	-	-	-	3.60	301.43
(ii) Others	1,300.98	239.01	35.35	25.16	46.54	1,647.04
Total Trade Payable	**1,598.81**	**239.01**	**35.35**	**25.16**	**50.14**	**1,948.47**

Trade Payables ageing schedule: As at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	308.03	0.40	-	5.31	23.95	337.69
(ii) Others	1,368.34	161.04	70.89	55.07	119.91	1,775.25
Total Trade Payable	**1,676.37**	**161.44**	**70.89**	**60.38**	**438.46**	**2,112.94**

24 Other Current Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued	2.79	4.15
Unpaid Dividend	1.55	-
Capital Creditors	107.39	57.33
Employees Emoluments	456.67	552.06

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

Statutory Dues	42.79	38.52
Others	45.28	42.90
	656.47	**694.96**

25 Short Term Provisions

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Provision For Employee Benefits	22.52	14.42
	22.52	**14.42**

26 Other Current Liabilities

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Customers' Credit Balances and Advances against orders	171.67	132.26
	171.67	**132.26**

27 Revenue From Operations

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Sale of Products - Yarn, Embroidery Fabric & Laces		
Domestic Sales	25,397.73	18,155.05
Export Sales	3,678.51	4,322.52
Other Operating Revenue (Including Export Incentives)	140.81	119.39
	29,217.05	**22,596.96**

27.1 Sales include sales made to related enterprises ₹314.30 (₹21.31).

28 Other Income

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Profit on Sale of Investments	0.84	-
Interest Income	51.42	18.75
Profit on disposal of Property, Plant and Equipment (Net)	15.30	3.09
Gain on Foreign Currency transactions and translation (Net)	64.33	57.42
Miscellaneous Income	40.96	107.97
	172.85	**187.23**

29 Cost Of Material Consumed

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Cost of Raw Material Consumed		
Opening Stock	1,578.70	845.38
Purchases during the year	16,321.95	11,862.26

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lakhs)

	17,900.65	**12,707.64**
Less:- Closing Stock	1,028.45	1,578.70
	16,872.20	**11,128.94**

29.1 Purchases includes from related enterprises ₹19.48 (₹54.12) and subsidiaries ₹6.92 (₹0.54).

30 Change In Inventories

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Opening Inventories		
Work-in-Progress	684.23	537.84
Finished Goods	1,448.81	1,821.22
	2,133.04	**2,359.06**
Less: Closing Inventories		
Work-in-Progress	719.31	684.23
Finished Goods	2,333.97	1,448.81
	3,053.28	2,133.04
	(920.24)	**226.02**

31 Employee Benefits Expense

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Salaries, Wages and Incentives	3,232.54	2,713.09
Contribution to Funds	136.39	109.65
Staff Welfare Expenses	71.84	59.21
Employee ESOP Compensation (Refer Note 40)	67.39	55.43
	3,508.16	**2,937.38**

32 Finance Cost

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Interest expense	255.82	401.65
Interest on Lease Obligation	22.33	14.55
Net Gain/Loss on Foreign Currency Transactions and Translation	27.79	30.87
(Considered as finance costs)	14.50	-
	320.44	**447.07**

33 Other Expenses

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Stores & Spares Consumed	514.23	420.31
Repair & Maintenance	185.68	145.11
Power & Fuel	1,999.92	1,774.70

(₹ in lakhs)

Insurance	51.68	46.93
Job Charges	605.13	325.15
Legal & Professional Fees	106.64	76.80
Packing Material Consumed	1,597.54	1,305.92
Payment to Auditors*	11.50	11.50
Rates & Taxes	22.24	26.84
Rent	23.94	16.59
Provision for Expected Credit Losses (Net off Bad Debts of ₹85.87 lakh)	16.68	43.23
Directors Sitting Fees	2.65	2.40
Donations	-	0.10
Expenditure incurred towards CSR activities	18.15	2.60
Selling Expenses	1,197.99	942.07
Miscellaneous Expenses	525.78	319.93
	6,879.75	**5,460.18**
*** 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**

34 Income Tax Expense

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Tax expense/(credit) recognized in the Statement of Profit and Loss		
Current tax	-	-
Deferred tax charge/(credit)	419.61	(285.60)
Income Tax expense reported in the Statement of Profit and Loss	419.61	(285.60)
Deferred tax impact on component of other comprehensive income (OCI)	10.93	13.95
Total Income Tax benefit recognized in Other Comprehensive Income	**10.93**	**13.95**
Total Income Tax expense recognised in the current year	**430.54**	**(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	1,524.71	1,680.94
Income Tax Expense	424.17	467.64
Effect of:		
Expenses that are not deductible in determining taxable profit	6.73	6.57
Deferred Tax assets recognized on previous years loss and unabsorbed depreciation (Refer Note 6.2)	-	(271.65)
Tax effect of items brought forward losses and other items	-	(473.35)
Others	(0.36)	(0.86)
	430.54	**(271.65)**

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lakhs)

35 Contingent liabilities, contingent assets and commitments

		Particulars	As at March 31, 2022	As at March 31, 2021
A.	**Contingent liabilities (not provided for) in respect of:**			
	1	Bank Guarantees Outstanding.	80.05	80.05
	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*
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]		1,602.68	723.00

36 Leases

	Particulars	As at March 31, 2022	As at March 31, 2021
	As a Lessee		
a)	The movement in lease liabilities during the years ended March 31, 2022 and March 31, 2021 is as follows:		
	Balance at the beginning	85.85	110.03
	Additions during the year	313.40	25.60
	Finance cost accrued during the year	22.33	14.55
	Deletions	(9.67)	(14.86)
	Payment of Lease Liabilities	(67.23)	(49.48)
	Balance at the end	**344.66**	**85.85**
b)	Total cash outflow for leases recognised in Statement of Cash Flows for the year ended March 31, 2022 was ₹ 56.79 (₹ 49.78).		
c)	Balance of Lease Liabilities :		
	Non-Current Lease Liabilities	310.80	35.54
	Current Lease Liabilities	33.86	50.31
		344.65	**85.86**
d)	The details of the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis are as follows:		
	Less than one year	64.38	58.20
	One to five years	152.03	39.09
	More than five years	1,073.25	-
	Total	**1,289.66**	**97.29**

(₹ in lakhs)

e) The Company has incurred rent expense of ₹23.94 (₹16.59) for the year ended March 31, 2022 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, 2022	As at March 31, 2021
(a) Foreign Currency exposure not hedged by derivative instrument or otherwise :		
i. Receivable	632.42	160.35
ii. Payable	498.11	10.09
(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 ₹104.79 (₹86.91).

(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, 2022. 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, 2022	March 31, 2021
Net defined benefit liability / (asset)	463.60	425.57
Liability for Gratuity		
Current	21.14	12.93
Non-Current	442.46	412.64

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:

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	March 31, 2022			March 31, 2021		
	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	425.57	-	425.57	400.58	-	400.58
Included in profit or loss						
Service costs	73.71	-	73.71	69.80	-	69.80
Interest cost / (income)	28.07	-	28.07	26.52	-	26.52
	101.78	**-**	**101.78**	**96.32**	**-**	**96.32**
Included in OCI						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	(19.15)	-	(19.15)	0.58	-	0.58
- experience adjustment	(20.15)	-	(20.15)	(50.73)	-	(50.73)
	(39.30)	**-**	**(39.30)**	**(50.15)**	**-**	**(50.15)**
Other						
Contributions paid by the employer			-			-
Benefits paid	(24.45)	-	(24.45)	(21.18)	-	(21.18)
	(24.45)	**-**	**(24.45)**	**(21.18)**	**-**	**(21.18)**
Balance as at 31 March	**463.60**	**-**	**463.60**	**425.57**	**-**	**425.57**

C. Plan assets

Particulars	March 31, 2022	March 31, 2021
The Company has no plan assets.		

D. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Discount rate	7.10%	6.79%
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.

(₹ in lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(409.06)	529.82	(373.25)	489.37
Expected rate of future salary increase (1% movement)	526.79	(410.20)	486.16	(374.48)

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 Kandam Rama Panicker (Executive Director) (upto December 11, 2021) Mr. Saurabh Maheshwari (Executive Director) (w.e.f. May 18, 2021)) Mr. Joginder Kumar Baweja (Independent Director) Mr. Gopalkrishnan Sivaraman (Independent Director) Ms. Sujata Chakravarthy (Independent Director) (upto May 04, 2021) Ms. Sushama Sunil Bhatt (Independent Director) (w.e.f. May 18, 2021) Mr. Devraj Mehta (Independent Director) (w.e.f. August 03, 2021 till December 11, 2021) Ms. Bimla Devi Sekhani Mr. Aarav Sekhani Mr. Vishal Sekhani Mr. Ratanlal Sekhani Ms. Prachi Sekhani Ms. Priyani Sekhani

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

ii.	**Enterprises having significant influence by KMP & their Relatives**	M/s J J Sons M/s J J and Sons M/s J J Enterprises Kiran Industries Pvt. Ltd. Thakurdas & Co. Pvt. Ltd. Kiran Texpro Pvt. Ltd.
iii.	**Subsidiaries**	Hakoba Lifestyle Ltd. Pioneer Realty Ltd. Crystal Lace (I) Ltd.
iv.	**Associate Concerns**	Pioneer E-Com Fashions LLP Reach Industries Pvt. Ltd.

B Transactions with the above in the ordinary course of business

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	5.78	2.76
M/s J J and Sons	9.39	-
M/s J J Enterprises	1.58	1.26
Kiran Industries Pvt. Ltd.	70.01	0.83
Kiran Texpro Pvt. Ltd.	227.54	16.46
	314.30	**21.31**
Purchases		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Enterprises	1.34	0.02
Kiran Industries Pvt. Ltd.	5.99	39.28
Kiran Texpro Pvt. Ltd.	12.15	14.82
	19.48	**54.12**
Subsidiaries		
Crystal Lace (I) Ltd.	6.92	0.54
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)	84.00	67.00
Mr. Harsh Vardhan Bassi (Managing Director)	39.74	34.81

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. Gangadharan Kandam Rama Panicker (Executive Director)	14.32	20.99
Mr. Saurabh Maheshwari (Executive Director)	41.87	-
Mr. Aarav Sekhani	17.28	15.27
Mr. Vishal Sekhani	17.28	15.27
Mr. Ratanlal Sekhani	25.26	25.26
Ms. Prachi Sekhani	3.00	2.65
Ms. Priyani Sekhani	4.20	3.71
	246.95	**184.96**
Director Sitting Fees		
Mr. Joginder Kumar Baweja (Independent Director)	1.00	0.97
Mr. Gopalkrishnan Sivaraman (Independent Director)	0.95	0.95
Ms. Sujata Chakravarthy (Independent Director)	-	0.48
Ms. Sushama Sunil Bhatt	0.50	-
Mr. Devraj Mehta	0.20	-
	2.65	**2.40**
Dividend Paid		
Key Managerial Personnel (KMP) and their Relatives		
Mr. Raj Kumar Sekhani (Chairman)	7.91	-
Mr. Gangadharan Kandam Rama Panicker (Executive Director)	0.05	-
Mr. Saurabh Maheshwari (Executive Director)	0.06	-
Ms. Bimla Devi Sekhani	0.06	-
Mr. Ratanlal Sekhani	0.19	-
Associates Concern		
Pioneer E-Com Fashions LLP	13.84	-
	22.11	**-**
Loans & Advances Given / Repaid		
Subsidiaries		
Hakoba Lifestyle Ltd.	1.54	-
Pioneer Realty Ltd.	0.20	0.37
Crystal Lace (I) Ltd.	-	171.08
	1.74	**171.45**

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Key Managerial Personnel (KMP) and their Relatives		
Mr. Raj Kumar Sekhani (Chairman)	-	12.75
Mr. Harsh Vardhan Bassi (Managing Director)	-	81.37
	-	**94.12**
Loans & Advances taken/recovered		
Subsidiaries		
Hakoba Lifestyle Ltd.	-	3.66
Crystal Lace (I) Ltd.	5.41	-
	5.41	**3.66**
Guarantee taken		
Associates Concerns		
Pioneer E-Com Fashions LLP	330.00	-

C. Outstanding balance at the year end

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loans & Advances Given		
Subsidiaries		
Hakoba Lifestyle Ltd.	193.28	191.74
Pioneer Realty Ltd.	3.16	2.96
Crystal Lace (I) Ltd.	165.67	171.08
	362.11	**365.78**
Trade Payables & Other Liabilities		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	1.22	1.66
Kiran Texpro Pvt. Ltd.	3.32	1.40
	4.54	**3.06**
Receivables		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	2.49	2.26
M/s J J and Sons	10.51	-
M/s J J Enterprises	15.27	16.30
Kiran Industries Pvt. Ltd.	12.46	7.30
Thakurdas & Co. Pvt. Ltd.	4.80	6.16

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Kiran Texpro Pvt. Ltd.	9.75	-
	55.28	**32.02**
Associate Concerns		
Reach Industries Pvt. Ltd.	-	2.80

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 4,31,000 options on August 03, 2021. 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.

As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of Options	Weighted Average exercise price (₹)	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	-	-	4,30,000	-
Options granted under ESOP	4,31,000	@	-	-
Options exercised during the year	-	-	4,03,000	13.75
Options cancelled during the year	-	-	27,000	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	4,31,000	@	-	-
Options exercisable at the end of the year	4,31,000	@	-	-

@ 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, 2022

(₹ in lakhs)

41 Financial instruments
I. Fair value measurements
A. Financial instruments by category

	As at March 31, 2022		As at March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments	0.02	103.62	0.02	-
Trade receivables	-	2,155.16	-	1,994.68
Cash and cash equivalents	-	132.68	-	618.28
Loans	-	335.57	-	-
Others				
Non Current	-	368.76	-	195.18
Current	-	566.85	-	623.16
	0.02	**3,662.64**	**0.02**	**3,431.30**
Financial liabilities				
Long term borrowings	-	518.55	-	970.48
Short terms borrowings	-	2,104.22	-	2,006.45
Trade payables	-	1,948.47	-	2,112.94
Other non-current financial liabilities	-	310.80	-	35.54
Other current financial liabilities	-	690.33	-	745.27
	-	**5,572.37**	**-**	**5,870.68**

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, 2022 / March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets	0.02	-	-	0.02
Financial liabilities	-	-	-	-
	0.02	**-**	**-**	**0.02**

(₹ in lakhs)

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, 2022		As at March 31, 2021	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets				
Investments	-	103.62	-	-
Trade receivables	-	2,155.16	-	1,994.68
Cash and cash equivalents	-	132.68	-	618.28
Loans	-	335.57	-	-
Others				
Non Current	-	368.76	-	195.18
Current	-	566.85	-	623.16
	-	**3,662.64**	**-**	**3,431.30**
Financial liabilities				
Long term borrowings	-	518.55	-	970.48
Short terms borrowings	-	2,104.22	-	2,006.45
Trade payables	-	1,948.47	-	2,112.94
Other non-current financial liabilities	-	310.80	-	35.54
Other current financial liabilities	-	690.33	-	745.27
	-	**5,572.37**	**-**	**5,870.68**

The carrying amounts of the abovementioned financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk"

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the President of the Company.

More than 60 % of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

(₹ in lakhs)

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The carrying amount net of credit loss allowances of trade receivables is ₹2,155.16 (March 31, 2021 – ₹1,994.68).

Reconciliation of loss allowance provision – Trade receivables:

	March 31, 2022	March 31, 2021
Opening balance	(1,015.60)	(972.36)
Changes in loss allowance	68.98	(43.24)
Closing balance	(946.62)	(1,015.60)

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.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Carrying Amounts March 31, 2022	Contractual cash flows				
		Total	0- 1 year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,206.47	1,206.47	687.92	483.03	34.67	0.85
Short term borrowings	1,416.30	1,416.30	1,416.30	-	-	-
Trade payables	1,948.47	1,948.47	1,948.47	-	-	-
Other non-current financial liabilities	310.80	310.80	-	33.09	20.45	257.26
Other current financial liabilities	690.33	690.33	690.33	-	-	-
Total non-derivative liabilities	**5,572.37**	**5,572.37**	**4,743.02**	**516.12**	**55.12**	**258.12**

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	-	-	-
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**

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

(₹ in lakhs)

is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of Directors.

v. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Company's foreign currency payables, have been partially hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at March 31, 2022		As at March 31, 2021	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	4.47	2.81	1.77	-
Other payables	6.56	0.01	0.38	0.01
Net statement of financial position exposure	11.03	2.82	2.15	0.01

The following significant exchange rates have been applied

	Average Rates		Year end spot rates	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
USD 1	75.75	74.17	75.81	73.50
EUR 1	86.14	84.65	84.66	86.09

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, 2022 and March 31, 2021, 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.

Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in lakhs)

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	Nominal Amount	
	March 31, 2022	March 31, 2021
Fixed-rate instruments		
Financial liabilities	1,206.47	1,813.96
	1,206.47	**1,813.96**
Variable-rate instruments		
Financial liabilities	1,416.30	1,162.97
	1,416.30	**1,162.97**

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, 2022				
Variable-rate instruments	7.08	(7.08)	7.08	(7.08)
Cash flow sensitivity	7.08	(7.08)	7.08	(7.08)
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)

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.

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.

c. Some of the fixed deposits and bank accounts are subject to confirmations though reconciled with available bank statements.

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

43 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed. The Company has incurred ₹18.15 expenditure on CSR during the year.

	Particulars	March 31, 2022	March 31, 2021
i)	Amount required to be spent by the company during the year	18.15	2.60
ii)	Amount of expenditure incurred	18.15	2.60
iii)	Shortfall at the end of the year	-	-
iv)	Total of previous years shortfall	-	-
v)	Reason for shortfall	NA	NA
vi)	Nature of CSR activities	Promoting poor children education, upliftment of Eco-Socio backward society and save mangrooves projects	
vii)	Details of related party transactions	-	2.60
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	NA

44 Events Occurring after Balance Sheet Date

Proposed Dividend

The Board of Directors has recommended final dividend of ₹0.30 (₹0.25) per share on the face value of ₹10 each, aggregating to ₹79.77 (₹66.48), subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

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 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.

46 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, 2022	March 31, 2021
Equity Share Capital	2,659.09	2,659.09
Other Equity	9,912.31	8,777.93

Notes to Standalone Financial Statements
for the year ended March 31, 2022

(₹ in lakhs)

Total Equity	**12,571.40**	**11,437.02**
Non-Current Borrowings	518.55	970.48
Current maturities of Non-Current Borrowings	687.92	843.48
Current Borrowings	1,416.30	1,162.97
Total Debts	**2,622.77**	**2,976.93**
Less: Cash & Cash Equivalents	132.68	618.28
Net Debts	**2,490.09**	**2,358.65**

47 Ratios

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.78	1.56		
Debt Equity Ratio	Total Borrowings + Lease Liabilities	Total Equity	0.24	0.27	-11.9%	
Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after Taxes + Non-cash Operating Expenses + Interest + Other adjustment like Profit on sale of assets	Debt Service = Interest + Lease Payments + Principal Repayments	1.79	2.62	-31.8%	Due to reduction in Net Profit as compared to last year
Return on Equity Ratio	Net Profit after Tax	Average Total Equity	9.21%	19.21%	-52.1%	Due to reduction in Net Profit as compared to last year
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	6.98	6.11	14.2%	
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	14.16	12.75	11.1%	
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	9.29	6.40	45.2%	Higher purchases on Revenue growth resulting in better ratio
Net Capital Turnover Ratio	Revenue from Operations	Working Capital = Current Assets-Current Liabilities	7.62	8.11	-5.9%	
Net Profit Ratio	Net Profit	Revenue from Operations	3.78%	8.70%	-56.5%	Due to reduction in Net Profit as compared to last year
Return on Capital employed	Earning before Finance Cost & Tax (EBIT)	Capital Employed = Tangible Met Worth + Total Debt + Lease Liability + Deferred Tax Liability/(Assets)	11.75%	14.96%	-21.4%	

(₹ in lakhs)

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Return on Investment	Return/Profit/Earnings	Average Investment	Nil	Nil		

48 Other Disclosures

a. Disclosure as specified in Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015:

Particulars	Balance as at March 31, 2022	Maximum outstanding of loan during the year
Hakoba Lifestyle Limited	193.28 (191.74)	193.28 (196.38)
Pioneer Realty Limited	3.16 (2.96)	3.16 (2.96)
Crystal Lace (I) Limited	165.67 (171.08)	171.08 (171.08)

Previous year figures have been given in bracket.

b. Disclosure relating to loans or security given by the Company as per requirements of section 186 (4) to the Companies Act, 2013:

Particulars	Amount	Purpose
Hakoba Lifestyle Limited	484.63	Investment in Equity Shares
Pioneer Realty Limited	5.00	
Crystal Lace (I) Limited	440.00	
Hakoba Lifestyle Limited	193.28	ICD given for business
Pioneer Realty Limited	3.16	
Crystal Lace (I) Limited	165.67	

49 Earning per Equity Share

Particulars	March 31, 2022	March 31, 2021
Net Profit for the year	1,105.10	1,966.54
Weighted Average Number of Equity Shares of ₹10 each (fully paid-up)	2,65,90,942	2,53,28,172
- Basic (₹)	4.16	7.76
- Diluted (₹)	4.11	7.76

Notes to Standalone Financial Statements
for the year ended March 31, 2022

50 Previous year figure have been regrouped / reclassified to conform to current years classifications.

The accompanying Notes are an integral part of the Standalone 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: 27th May, 2022

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

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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 March 31st March, 2022, and the consolidated statement of Profit and Loss(including other comprehensive income), theconsolidated statement of changes in equity and theconsolidated Cash Flow Statementfor 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 Group as at 31st March, 2022, of their 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(SAs)specified under Section 143(10) of the Act. 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 Group 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
The Company has disclosed in Note 36 the contingent liabilities as at 31st March, 2022 amounting to ₹ 299.82 Lakh in respect of different tax/legal matters. This has been identified as a key audit matter due to magnitude of the amount involved, uncertainty of the matter and the potential financial impact on the financial statements. There is significant judgement required by management in assessing the exposure of each case due to the complexities of the cases and timescales for resolution	To address this key audit matter, our audit procedures included the following: • Obtained the summary of all pending litigation matters of the Company and assessed the management's position through discussion with the Management, on both, the probability of success and the amounts involved. • Assessed the relevant disclosures made within the financial statements to ensure they appropriately reflect the facts and circumstances of the potential exposures and in accordance with IND AS 37. • We are satisfied that the treatment in respect of these matters is appropriate based on our procedures performed and we conclude that the related disclosures are appropriately presented in the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including 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 theIndian 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 and its subsidiary companies which are companies incorporated in India, have 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 entitieswithin 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 ₹2233.84 lakh and net assets of ₹534.49 lakh as at 31st March, 2022, total revenues (before eliminating inter Company transactions) of ₹8.21 lakh and net cash flow amounting to

₹1.40 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 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, 2022 taken 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, 2022 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 the requirements of section 197(16) of the Act, as amended:
    In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) 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,as amended 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.

    iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in the consolidated financial statements

a. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

b. No interim dividend has been declared and paid by the Company during the year and until the date of this report.

c. The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

RAHUL NAREDI
Partner
Membership Number: 302632

UDIN: 22302632AJTWTH1059
Place: Mumbai
Date: 27th May, 2022

Annexure "A" to the Independent Auditors' Report

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, 2022, 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 subsidiariescovered 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 March 31st March, 2022, 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 tosubsidiaries, 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)

UDIN: 22302632AJTWTH1059
Place: Mumbai
Date: 27th May, 2022

RAHUL NAREDI
Partner
Membership Number: 302632

Consolidated Balance Sheet

as at March 31, 2022

(₹ in lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
I ASSETS			
1 Non-Current Assets			
Property, Plant & Equipments	3A	7,438.57	7,874.23
Capital Work- in- Progress	3B	781.41	-
Right of Use Assets	3C	363.56	103.43
Other Intangible Assets	3D	24.45	25.82
Financial Assets			
(i) Investments	4	0.02	0.02
(ii) Other Financial Assets	5	375.70	202.26
Deferred Tax Assets (Net)	6	-	271.65
Other Non-Current Assets	7	320.11	722.00
Total Non-Current Assets		**9,303.82**	**9,199.41**
2 Current Assets			
Inventories	8	4,730.53	4,324.31
Financial Assets			
(i) Investments	9	103.62	-
(ii) Trade Receivables	10	2,465.98	2,310.36
(iii) Cash and Cash Equivalents	11	137.20	624.20
(iv) Loans	12	335.57	-
(v) Other Financial Assets	13	204.73	257.38
Current Tax Assets (Net)	14	150.15	99.83
Other Current Assets	15	1,670.05	1,222.14
Assets held for sale	16	803.86	803.86
Total Current Assets		**10,601.69**	**9,642.08**
TOTAL ASSETS		**19,905.51**	**18,841.49**
II EQUITY AND LIABILITIES			
1 Equity			
Equity Share Capital	17	2,659.09	2,659.09
Other Equity	18	9,433.63	8,299.87
		12,092.72	**10,958.96**
Non Controlling Interest		83.55	85.91
Total Equity		**12,176.27**	**11,044.87**
2 Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	19	700.44	1,152.37
(ii) Lease Liabilities	20	310.80	35.54
Provisions	21	498.61	466.60
Deferred Tax Liabilities (Net)	6	158.90	-
Total Non-Current Liabilities		**1,668.75**	**1,654.51**
3 Current Liabilities			
Financial Liabilities			
(i) Borrowings	22	2,104.22	2,006.45
(ii) Lease Liabilities	23	33.86	50.31
(iii) Trade Payables	24		
a) Outstanding dues of Micro Enterprises and Small Enterprises		301.43	337.69
b) Outstanding dues other than Micro Enterprises and Small Enterprises		1,718.89	1,854.48
(iv) Other Financial Liabilities	25	657.90	696.50
Provisions	26	22.52	14.42
Other Current Liabilities	27	1,221.67	1,182.26
Total Current Liabilities		**6,060.49**	**6,142.11**
		19,905.51	**18,841.49**
Significant Accounting Policies and other Notes to the Consolidated Financial Statements.	1-51		

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: 27th May, 2022

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 Profit & Loss

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from Operations	28	29,216.47	22,596.96
Other Income	29	174.72	187.23
Total Income		**29,391.19**	**22,784.19**
Expenses			
Cost of Materials Consumed	30	16,872.21	11,128.94
Purchases of Stock-in-Trade		389.87	86.82
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	31	(912.38)	227.81
Employee Benefits Expenses	32	3,508.19	2,937.38
Finance Costs	33	320.44	447.07
Depreciation and Amortization Expenses	3	808.09	816.30
Other Expenses	34	6,883.04	5,548.77
Total Expenses		**27,869.46**	**21,193.09**
Profit before Exceptional and Extraordinary Items and Tax		**1,521.73**	**1,591.10**
Exceptional Items - Income/(Loss) (Net)		-	-
Profit before Tax		**1,521.73**	**1,591.10**
Tax Expenses			
Current Tax		-	-
Deferred Tax Charge / (Credit)	35	419.61	(285.60)
Profit for the year (A)		**1,102.12**	**1,876.70**
Other Comprehensive Income			
Items that will not reclassified to Profit or Loss			
Remeasurement of defined benefit plan		39.30	50.15
Income tax impact on above item		(10.93)	(13.95)
Other Comprehensive Income for the year (B)		**28.37**	**36.20**
Total Comprehensive Income for the year (A+B)		**1,130.49**	**1,912.90**
Profit / (Loss) for the year attributable to:			
Owners of the Company		1,104.48	1,925.83
Non controlling interests		(2.36)	(49.13)
Other Comprehensive Income attributable to:			
Owners of the Company		28.37	36.20
Non controlling interests		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		1,132.85	1,962.03
Non controlling interests		(2.36)	(49.13)
Earning per Equity Share of ₹10 each:	50		
(1) Basic (₹)		4.14	7.41
(2) Diluted (₹)		4.10	7.06
Significant Accounting Policies and other Notes to t he Consolidated Financial Statements.	1-51		

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: 27th May, 2022

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, 2022

(₹ in lakhs)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash Flow From Operating Activities :**		
	Net Profit before Extraordinary Items and Tax	1,521.73	1,591.10
	Adjustment for :		
	Depreciation and Amortisation Expense	808.09	816.30
	Loss/(Profit) on sale/discard of Property, Plant and Equipment (net)	(15.30)	(3.09)
	Interest Income	(51.81)	(18.75)
	Profit on Sale of Investments	(0.84)	-
	Finance Costs	320.44	447.07
	Employee ESOP Compensation	67.39	-
	Provision for Expected Credit Losses	16.68	43.23
	Operating Profit before Working Capital Changes	**2,666.38**	**2,875.86**
	Changes in Working Capital:		
	Adjustments for :		
	Decrease/(Increase) in Inventories	(406.22)	(563.67)
	Decrease/(Increase) in Trade and Other Receivables	(741.00)	(285.24)
	Increase/(Decrease) in Trade and Other Payables	(131.16)	(231.37)
	Cash generated from Operation	**1,388.00**	**1,795.58**
	Net Income Tax (paid) / refunds	(50.32)	21.01
	Net Cash from Operating Activities	**1,337.68**	**1,816.59**
B.	**Cash Flow From Investing Activities :**		
	Purchases of Property, Plant and Equipments and Intangible Assets (including capital advance)	(665.21)	(843.12)
	Proceeds from sales of Property, Plant & Equipments (net of Advance)	24.74	4.00
	Purchase of Investments	(102.78)	-
	Inter corporate deposit given	(335.57)	-
	Interest Received	51.81	18.75
	Net Cash from / (used) in Investing Activities	**(1,027.01)**	**(820.37)**
C.	**Cash Flow From Financing Activities :**		
	Proceeds from Issue of Equity Share Capital (including Share Premium)	-	396.06
	Proceeds from Non-Current Borrowing	255.47	757.96
	Repayment of Non-Current Borrowing	(862.96)	(733.95)
	Net increase / (decrease) in Current Borrowings	253.33	(415.84)
	Payment of Lease Liability	(56.79)	(49.79)
	Dividend Paid	(64.93)	-
	Finance Costs	(321.79)	(471.34)
	Net Cash used in Financing Activities	**(797.67)**	**(516.90)**
	Net increase / (decrease) in cash and Cash Equivalents (A+B+C)	**(487.00)**	**479.32**
	Add: Opening Cash and Cash Equivalent	624.20	144.88
	Closing Cash and Cash Equivalent	**137.20**	**624.20**

Note:

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 -Statement of Cash Flows.

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: 27th May, 2022

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 Change in Equity
for the year ended March 31, 2022

(₹ in lakhs)

(a) Equity Share Capital :

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	2,65,90,942	2,659.09	2,49,47,942	2,494.79
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	2,65,90,942	2,659.09	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**	**2,65,90,942**	**2,659.09**

(b) Other Equity :

Particulars	Reserves and Surplus				Non Controlling Interest	Total
	Security Premium Reserve	Revaluation Reserve	Retained Earnings	Share Based Payment Reserve		
Balance at April 01, 2020	**3,767.41**	**363.61**	**1,975.06**	**-**	**135.04**	**6,241.12**
Changes in Accounting Policy or prior period errors	-	-	-	-	-	-
Restated balance as at April 01, 2020	**3,767.41**	**363.61**	**1,975.06**	**-**	**135.04**	**6,241.12**
Profit 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**
Changes in Accounting Policy or prior period errors	-	-	-	-	-	-
Restated balance as at April 01, 2021	**3,999.17**	**363.61**	**3,937.09**	**-**	**85.91**	**8,385.78**
Profit / (Loss) for the year	-	-	1,104.48	-	(2.36)	1,102.12
Other Comprehensive Income for the year (net of tax)	-	-	28.37	-	-	28.37
Total Comprehensive Income for the year	**-**		**1,132.85**	**-**	**(2.36)**	**1,130.49**
Dividend Paid	-	-	(66.48)	-	-	(66.48)
Recognition of Share based payments	-	-	-	67.39	-	67.39
Balance at March 31, 2022	**3,999.17**	**363.61**	**5,003.46**	**67.39**	**83.55**	**9,517.18**

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: 27th May, 2022

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

Note to Consolidated Financial Statement

for the year ended March 31, 2022

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, 2022. 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 (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 27th May, 2022.

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.

Note to Consolidated Financial Statement
for the year ended March 31, 2022

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.

Note to Consolidated Financial Statement

for the year ended March 31, 2022

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

Note to Consolidated Financial Statement
for the year ended March 31, 2022

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.

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.

Note to Consolidated Financial Statement

for the year ended March 31, 2022

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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Note to Consolidated Financial Statement
for the year ended March 31, 2022

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

(₹ in lakhs)

3A. Property, Plant and Equipments

(₹ in lakhs)

Particulars	Tangible Assets								
	Freehold land	Buildings	Plant and Equipment	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Electrical Installations	Borewell	Total
Cost										
As at 1st April, 2020	**325.69**	**2,969.90**	**7,420.44**	**112.18**	**58.10**	**27.82**	**56.49**	**492.70**	**0.36**	**11,463.68**
Additions	-	-	257.49	9.88	0.35	3.36	4.66	5.91	-	281.65
Disposals	-	-	8.96	-	-	0.07	0.16	-	-	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**
Additions	-	-	234.09	40.57	-	8.14	8.50	24.47	5.01	320.78
Disposals	-	-	42.34	12.93	-	0.81	0.14	1.13	-	57.35
As at 31st March 2022	**325.69**	**2,969.90**	**7,860.72**	**149.70**	**58.45**	**38.44**	**69.35**	**521.95**	**5.37**	**11,999.57**
Depreciation										
As at 1st April, 2020	**-**	**522.91**	**2,154.57**	**38.80**	**38.98**	**18.57**	**37.26**	**299.78**	**0.14**	**3,111.01**
Additions	-	136.97	543.37	15.81	3.05	3.54	10.27	46.11	0.06	759.18
Disposals	-	-	8.13	-	-	0.07	0.08	-	-	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**
Additions	-	136.14	548.90	16.93	2.67	4.20	10.87	27.21	0.08	747.00
Disposals	-	-	38.31	8.13	-	0.69	0.14	0.64	-	47.91
As at 31st March 2022	**-**	**796.02**	**3,200.40**	**63.41**	**44.70**	**25.55**	**58.18**	**372.46**	**0.28**	**4,561.00**
Net block										
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**
As at 31st March 2022	**325.69**	**2,173.88**	**4,660.32**	**86.29**	**13.75**	**12.89**	**11.17**	**149.49**	**5.09**	**7,438.57**

3B. Capital Work-in-Progress

As at 31st March 2021	-
As at 31st March 2022	**781.41**

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

3C. Right of use Assets (Refer Note 37)

Particulars	Leasehold Land	Leased Property	Total
Cost	w		
As at 1st April, 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**
Additions	-	-	-
Additions as per IND AS 116 (Lease)	-	315.60	315.60
Disposals	-	80.08	80.08
As at 31st March 2022	**24.81**	**406.18**	**430.99**
Amortisa-tion			
As at 1st April, 2020	**1.19**	**47.24**	**48.43**
Additions	0.30	50.12	50.42
Deletions	-	6.81	6.81
As at 31st March 2021	**1.49**	**90.55**	**92.04**
Additions	0.29	55.18	55.47
Disposals	-	80.08	80.08
As at 31st March 2022	**1.78**	**65.65**	**67.43**
Net block			
As at 31st March 2021	23.32	80.11	103.43
As at 31st- March 2022	**23.03**	**340.53**	**363.56**

3D. Intangible Assets

Particulars	Computer Software	Hakoba Brand	Total
Cost			
As at 1st April, 2020	**68.00**	**0.05**	**68.05**
Additions	-	-	-
Disposals	-	-	-
As at 31st March 2021	**68.00**	**0.05**	**68.05**
Additions	4.25	-	4.25
Disposals	-	-	-
As at 31st March 2022	**72.25**	**0.05**	**72.30**
Depreciation			
As at 1st April, 2020	**35.53**	**-**	**19.50**
Additions	6.70	-	9.32
Disposals	-	-	-
As at 31st March 2021	**42.23**	**-**	**42.23**
Additions	5.62	-	5.62
Disposals	-	-	-
As at 31st March 2022	**47.85**	**-**	**47.85**
Net block			
As at 31st March 2021	25.77	0.05	25.82
As at 31st March 2022	**24.40**	**0.05**	**24.45**

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 borrow-ings (Refer note 19 & 22).

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

d) Capital Work in progress includes a sum of ₹780.53 spent for ongoing expansion at Kala-amb unit.

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

3.2 a) Capital work-in-progress ageing schedule for the year ended March 31, 2022:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	781.41	-	-	-	781.41
	781.41	**-**	**-**	**-**	**781.41**

b) Above project is not overdue and not exceeds its cost of orignal plan as at the reporting date.

4 Non- Current Investment

Particulars	As at March 31, 2022		As at March 31, 2021	
	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)				
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 investments		17.62		17.62

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

5 Other Non-Current Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security Deposits	155.49	155.62
Fixed Deposit and NSC in Banks with more than 12 months maturity	220.21	46.64
	375.70	**202.26**

6 Deferred Tax Assets (Net)

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
Business Losses including Unabsorbed Depreciation	40.80	472.79
Provision for allowances for credit losses	263.35	282.54
Expenses allowed in the year of payment	182.25	154.43
Lease Liabilities	95.89	25.48
Total Deferred Tax Assets (A)	**582.29**	**935.24**
Deferred Tax Liabilities in relation to:		
Property, Plant & Equipments and Intangible Assets	646.45	639.71
Right-of-use to assets	94.74	23.88
Total Deferred Tax Liabilities (B)	**741.19**	**663.59**
Total Deferred Tax Assets	**(158.90)**	**271.65**

6.1 Movement of Deferred Tax Assets / (Liability)

Particulars	As at March 31, 2021	Recognised in P&L	Recognised in OCI	As at March 31, 2022
Deferred Tax Assets in relation to:				
Business Losses including Unabsorbed Depreciation	472.79	(431.99)	-	40.80
Provision for allowances for credit losses	282.54	(19.19)	-	263.35
Expenses allowed in the year of payment	154.43	38.75	(10.93)	182.25
Lease Liabilities	25.48	70.41	-	95.89
Total Deferred Tax Assets (A)	**935.24**	**(342.02)**	**(10.93)**	**582.29**
Deferred Tax Liabilities in relation to:				
Property, Plant & Equipments and Intangible Assets	639.71	6.74	-	646.45
Right-of-use to assets	23.88	70.86	-	94.74

(₹ in lakhs)

Total Deferred Tax Liabilities (B)	**663.59**	**77.60**	**-**	**741.19**
Total Deferred Tax Assets (A - B)	**271.65**	**(419.62)**	**(10.93)**	**(158.90)**

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 In the Previous year, the Company has reassessed deferred tax recognition, accordingly deferred tax assets of ₹271.65 lakhs on unabsorbed depreciations and carried forward tax losses had 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.

7 Other Non-Current Assets

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Unsecured, considered good		
Capital Advances	320.11	722.00
	320.11	**722.00**

7.1 Capital advance of ₹16.00 has been given towards advance towards Building Construction and ₹304.11 to suppliers of plant & machineries for ongoing expansion at SPFY unit.

8 Inventories

(Valued at lower of cost or net realisable value as certified by Management)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Raw Materials	1,028.86	1,579.12
Work-in-Progress	719.31	684.23
Finished Goods	2,669.29	1,791.99
Store & Spares	247.04	206.12
Packing Material	66.03	62.85

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
	4,730.53	**4,324.31**
Inventories include Goods in transit as under:		
Finished Goods	698.31	174.93

8.1 Inventories are hypothecated to secure borrowings. (Refer Note 19 & 22)

9 Current Investment

Particulars	Number of shares	Amount	Number of shares	Amount
A Investment in Equity instruments				
Quoted, fully paid-up				
Hi-Tech Pipes Limited	947	5.37	-	-
(Equity shares of Face Value of ₹10 each)				
Unquoted, fully paid-up				
National Stock Exchange of India Ltd.*	3,000	98.25	-	-
(Equity shares of Face Value of ₹1 each)	**3,947**	**103.62**	-	-
* Pending transfer in the name of the Company				
Aggregate book value of quoted investments		5.37		-
Aggregate market value of quoted investments		4.77		-
Aggregate book value of unquoted investments		98.25		-
Aggregated amount of impairment in value of investments		-		-

10 Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered Good	2,469.71	2,303.88
Having significant increase in credit risks	194.17	201.83
Credit Impaired	771.89	843.41
	3,435.77	**3,349.12**
Less: Allowance for Credit Losses	(969.79)	(1,038.76)
	2,465.98	**2,310.36**

10.1 Trade receivables include outstanding from related party enterprise of ₹58.40 (₹35.15) and Associate Concern ₹ Nil (₹2.80).

10.2 Trade receivables are hypothecated to secure borrowings. (Refer Note 19 & 22)

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

Trade Receivables ageing schedule as at 31st March, 2022:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables -considered good	1,497.32	661.56	60.95	50.32	90.12	303.61	2,663.88
Undisputed Trade receivables -credit impaired	-	-	-	2.66	3.48	64.69	70.83
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	701.06	701.06
	1,497.32	**661.56**	**60.95**	**52.98**	**93.60**	**1,069.36**	**3,435.77**
Less: Allowance for Credit Losses							(969.79)
Total Trade Receivables							**2,465.98**

Trade Receivables ageing schedule as at 31st March, 2021:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables -considered good	1,348.82	545.83	126.39	135.93	35.61	313.13	2,505.71
Undisputed Trade receivables -credit impaired	-	-	-	-	2.89	139.46	142.35
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	701.06	701.06
	1,348.82	**545.83**	**126.39**	**135.93**	**38.50**	**1,153.65**	**3,349.12**
Less: Allowance for Credit Losses							(1,038.76)
Total Trade Receivables							**2,310.36**

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

11 Cash & Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks - In Current Accounts	107.81	593.59
Cash in hand	29.39	30.61
	137.20	624.20

12 Current Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Inter Corporate Deposits		
Others	335.57	-
	335.57	**-**

13 Other Current Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Other Loans and Advances		
Others		
Loan & Advances to Staff	30.32	27.97
Advances to Arcot Textile Mills Ltd. (Refer Note 13.1)	174.41	229.41
Insurance Claim Receivable	-	-
	204.73	**257.38**

13.1 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, ₹930.59 has been returned by ATML till March 31, 2022.

14 Current Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Income Tax Refund Receivable (net)	150.15	99.83
	150.15	**99.83**

15 Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances recoverable in cash or in kind	974.56	890.69
Prepaid Expenses	152.68	46.09
Accrued Export and Other Incentives	108.14	37.17
Other Advances and Balances	434.67	248.19
	1,670.05	**1,222.14**

15.1 Advance recoverable include outstanding from Associate Concern of ₹549.85 (₹549.85)

16 Assets held for sale

Particulars	As at March 31, 2022	As at March 31, 2021
Leasehold Land	695.66	695.66
Building	108.20	108.20
	803.86	803.86

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

17 Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	2,65,90,942	2,659.09
	2,65,90,942	**2,659.09**	**2,65,90,942**	**2,659.09**
Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:				
As at the beginning of the financial year	2,65,90,942	2,659.09	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	2,65,90,942	2,659.09

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:

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	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	55,36,492	20.82
Raj Kumar Sekhani	31,64,760	11.90	31,64,760	11.90
Anand Sekhani#	-	-	15,00,500	5.64
Amit Sekhani#	-	-	15,00,000	5.64

As at March 31, 2022, shareholding is less than 5%

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

Shareholding of Promoters:

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Pioneer E-Com Fashions LLP	55,36,492	20.82	No Change	55,36,492	20.82	2.78
Raj Kumar Sekhani	31,64,760	11.90	No Change	31,64,760	11.90	4.19
Bimladevi Sekhani	23,073	0.09	No Change	23,073	0.09	No Change
Manak Chand Baid Jt. Raj Kumar Sekhani	14,000	0.05	No Change	14,000	0.05	(0.01)

18 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Share Premium Reserve		
Opening Balance	3,999.17	3,767.41
Add: During the year	-	231.76
Balance as at the end of the year	**3,999.17**	**3,999.17**
Share Based Payment Reserve		
Opening Balance	-	-
Add: Recognition of Share based payments during the year (Refer Note 41)	67.39	-
Balance as at the end of the year	**67.39**	**-**
Revaluation Reserve		
Opening Balance	363.61	363.61
Add: During the year	-	-
Balance as at the end of the year	**363.61**	**363.61**
Retained Earnings		
Opening Balance	3,937.09	1,975.06
Add : Other Comprehensive Income (including tax thereon)	28.37	36.20
Add : Profit for the year	1,104.48	1,925.83
	5,069.94	**3,937.09**
Less : Dividend paid	(66.48)	-
Balance as at the end of the year	**5,003.46**	**3,937.09**
Non-Controlling Interest	83.55	85.91
	83.55	**85.91**
	9,517.18	**8,385.78**

(₹ 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.

Share Based Payment Reserve:
This reserve relates to stock options granted to employees under "Employee Stock Option Plan 2018 Scheme (ESOP)" and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options.

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

19 Non-Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured Loans		
Term Loans from Banks/Institutions	1,206.46	1,813.95
Loan from Others	-	-
Unsecured Loans		
Related Party	1.90	1.90
Others	180.00	180.00
	1,388.36	**1,995.85**
Current Maturity of Borrowings disclosed under the head "Other Financial Liabilities" (Refer Note 25)	687.92	843.48
	700.44	**1,152.37**

19.1 Term Loan from bank of ₹434.51 of Foreign Currency Term Loan is 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. This loan is repayable in monthly instalments ending December 2022 and presently carries interest @6.16% p.a..

19.2 Term Loans from banks of ₹585.28 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) ₹293.75 is repayable in monthly instalments ending October 2024 and carries interest @9.25% p.a..; ii) ₹225.53 is repayable in monthly instalments ending October 2024 and carries interest @7.5% p.a.. & iii) ₹66.00 is repayable in monthly instalments ending March 2027 and carries interest @6.8% p.a..

19.3 Term Loan from bank of ₹135.11 is secured by exclusive charge on certain plant & machinery purchased under ATUFS. This loan is repayable in monthly instalments ending November 2024 and carries interest @5.60% p.a..

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

19.4 Term Loan from Banks of ₹51.57 are secured by hypothecation of respective vehicles financed.

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

20 Lease Liability

Particulars	As at March 31, 2022	As at March 31, 2021
Finance lease obligations	344.66	85.85
	344.66	**85.85**
Current Maturity of Lease (Refer Note 23)	(33.86)	(50.31)
	310.80	**35.54**

21 Long Term Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits	498.61	466.60
	498.61	**466.60**

22 Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Loans Repayable on Demand		
Cash Credit from Bank	1,416.30	1,162.97
Current maturities of Long Term Debt (Refer note 19)	687.92	843.48
	687.92	**843.48**
	2,104.22	**2,006.45**

22.1 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.

23 Lease Liability

Particulars	As at March 31, 2022	As at March 31, 2021
Lease obligations	33.86	50.31
	33.86	**50.31**

24 Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises	301.43	337.69
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,718.89	1,854.48
	2,020.32	**2,192.17**

24.1 Trade Payables include outstanding to a related enterprise of ₹18.21 (₹16.73).

24.2 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:

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021
a.	Principal amount and Interest due thereon remaining unpaid to any supplier at the end of year	3.60	29.66
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	-	-

Trade Payables ageing schedule: As at 31st March, 2022

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	297.83	-	-	-	3.60	301.43
(ii) Others	1,303.27	239.01	36.28	25.16	115.17	1,718.89
Total Trade Payable	**1,601.10**	**239.01**	**36.28**	**25.16**	**118.77**	**2,020.32**

Trade Payables ageing schedule: As at 31st March, 2021

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	308.03	0.40	-	5.31	23.95	337.69
(ii) Others	1,370.01	161.31	72.53	55.41	195.22	1,854.48
Total Trade Payable	**1,678.04**	**161.71**	**72.53**	**60.72**	**219.17**	**2,192.17**

25 Other Current Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued	2.79	4.15
Unpaid Dividend	1.55	-
Capital Creditors	107.39	57.33
Employees Emoluments	456.67	552.06
Statutory Dues	43.06	38.54
Others	46.44	44.42
	657.90	**696.50**

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

26 Short Term Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision For Employee Benefits	22.52	14.42
	22.52	**14.42**

27 Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Customers' Credit Balances and Advances against orders	171.67	132.26
Advance Against Property	1,050.00	1,050.00
	1,221.67	**1,182.26**

28 Revenue From Operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products - Yarn, Embroidery Fabric & Laces		
Domestic Sales	25,397.15	18,155.05
Export Sales	3,678.51	4,322.52
Other Operating Revenue (Including Export Incentives)	140.81	119.39
	29,216.47	**22,596.96**

28.1 Sales include sales made to related enterprises ₹314.30 (₹21.31).

29 Other Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of Investments	0.84	-
Interest Income	51.81	18.75
Profit on disposal of Property, Plant and Equipment (Net)	15.30	3.09
Gain on Foreign Currency transactions and translation (Net)	64.33	57.42
Miscellaneous Income	42.44	107.97
	174.72	**187.23**

(₹ in lakhs)

30 Cost Of Material Consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cost of Raw Material Consumed		
Opening Stock	1,579.12	845.79
Purchases during the year	16,321.95	11,862.27
	17,901.07	**12,708.06**
Less:- Closing Stock	1,028.86	1,579.12
	16,872.21	**11,128.94**

30.1 Purchases includes from related enterprises ₹19.48 (₹54.12).

31 Change In Inventories

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Inventories		
Work-in-Progress	684.23	537.84
Finished Goods	1,791.99	2,166.19
	2,476.22	**2,704.03**
Less: Closing Inventories		
Work-in-Progress	719.31	684.23
Finished Goods	2,669.29	1,791.99
	3,388.60	2,476.22
	(912.38)	**227.81**

32 Employee Benefits Expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages and Incentives	3,232.57	2,713.09
Contribution to Funds	136.39	109.65
Staff Welfare Expenses	71.84	59.21
Employee ESOP Compensation (Refer Note 41)	67.39	55.43
	3,508.19	**2,937.38**

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

33 Finance Cost

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Interest expense	255.82	401.65
Interest on Lease Obligation	22.33	14.55
Other Borrowing Costs	27.79	30.87
Net Gain/Loss on Foreign Currency Transactions and Translation	14.50	-
(Considered as finance costs)		
	320.44	**447.07**

34 Other Expenses

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Stores & Spares Consumed	514.23	420.31
Repair & Maintenance	185.68	145.11
Power & Fuel	1,999.92	1,774.70
Insurance	52.08	47.42
Job Charges	605.13	325.15
Legal & Professional Fees	108.66	80.07
Packing Material Consumed	1,597.54	1,305.92
Payment to Auditors*	12.22	12.22
Rates & Taxes	22.30	38.42
Rent	23.94	16.59
Provision for Expected Credit Losses (Net off Bad Debts of ₹85.87 lakh)	16.68	43.23
Directors Sitting Fees	2.65	2.40
Donations	-	0.10
Expenditure incurred towards CSR activities	18.15	2.60
Selling Expenses	1,197.99	942.07
Miscellaneous Expenses	525.87	392.46
	6,883.04	**5,548.77**
*** 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**

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

35 Income Tax Expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Tax expense/(credit) recognized in the Statement of Profit and Loss		
Current tax	-	-
Deferred tax charge/(credit)	419.61	(285.60)
Income Tax expense reported in the Statement of Profit and Loss	**419.61**	**(285.60)**
Deferred tax impact on component of other comprehensive income (OCI)	10.93	13.95
Total Income Tax benefit recognized in Other Comprehensive Income	**10.93**	**13.95**
Total Income Tax expense recognised in the current year	**430.54**	**(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:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Enacted income tax rate in India applicable to the Company	27.82	27.82
Profit before tax	1,521.73	1,591.10
Income Tax Expense	423.35	442.64
Effect of:		
Expenses that are not deductible in determining taxable profit	6.73	6.57
Deferred Tax assets recognized on previous years loss and unabsorbed dereciation	-	(271.65)
Tax effect of items brought forward losses and other items	-	(448.35)
Others	0.46	(0.86)
	430.54	**(271.65)**

36 Contingent liabilities, contingent assets and commitments

	Particulars	As at March 31, 2022	As at March 31, 2021
A.	**Contingent liabilities (not provided for) in respect of:**		
1	Bank Guarantees Outstanding.	80.05	80.05
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*

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

	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]	1,602.68	723.00

37 Leases

As a Lessee

	Particulars	**As at March 31, 2022**	**As at March 31, 2021**
a)	The movement in lease liabilities during the years ended March 31, 2022 and March 31, 2021 is as follows:		
	Balance at the beginning	85.85	110.03
	Additions during the year	313.40	25.60
	Finance cost accrued during the year	22.33	14.55
	Deletions	(9.67)	(14.86)
	Payment of Lease Liabilities	(67.23)	(49.48)
	Balance at the end	**344.67**	**85.85**
b)	Total cash outflow for leases recognised in Statement of Cash Flows for the year ended March 31, 2022 was ₹56.79 (₹49.78).		
c)	Balance of Lease Liabilities :		
	Non-Current Lease Liabilities	310.80	35.54
	Current Lease Liabilities	33.86	50.31
		344.65	**85.86**
d)	The details of the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis are as follows:		
	Less than one year	64.38	58.20
	One to five years	152.03	39.09
	More than five years	1,073.25	-
	Total	**1,289.66**	**97.29**
e)	The Company has incurred rent expense of ₹23.94 (₹16.59) for the year ended March 31, 2022 towards expenses relating to short-term leases and leases of low-value assets.		

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

38 Foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Foreign Currency exposure not hedged by derivative instrument or otherwise :		
i. Receivable	632.42	160.35
ii. Payable	498.11	10.09
(b) Outstanding forward contracts to be hedge foreign currency exposure:	-	-

39 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 ₹104.79 (₹86.91).

(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, 2022. 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, 2022	March 31, 2021
Net defined benefit liability / (asset)	463.60	425.57
Liability for Gratuity		
Current	21.14	12.93
Non-Current	442.46	412.64

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

B. Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	March 31, 2022			March 31, 2021		
	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	425.57	-	425.57	400.58	-	400.58
Included in profit or loss						
Service costs	73.71	-	73.71	69.80	-	69.80
Interest cost / (income)	28.07	-	28.07	26.52	-	26.52
	101.78	**-**	**101.78**	**96.32**	**-**	**96.32**
Included in OCI						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	(19.15)	-	(19.15)	0.58	-	0.58
- experience adjustment	(20.15)	-	(20.15)	(50.73)	-	(50.73)
	(39.30)	**-**	**(39.30)**	**(50.15)**	**-**	**(50.15)**
Other						
Contributions paid by the employer			-			-
Benefits paid	(24.45)	-	(24.45)	(21.18)	-	(21.18)
	(24.45)	**-**	**(24.45)**	**(21.18)**	**-**	**(21.18)**
Balance as at 31 March	**463.60**	**-**	**463.60**	**425.57**	**-**	**425.57**

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).

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.10%	6.79%
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.

(₹ in lakhs)

Particulars	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(409.06)	529.82	(373.25)	489.36
Expected rate of future salary increase (1% movement)	526.79	(410.20)	486.16	(374.48)

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."

40 Related parties
A. Related parties and their relationships

i	**Key Managerial Personnel (KMP) and their relatives**	Mr. Raj Kumar Sekhani (Chairman) Mr. Harsh Vardhan Bassi (Managing Director) Mr. Gangadharan Kandam Rama Panicker (Executive Director) (upto December 11, 2021) Mr. Saurabh Maheshwari (Executive Director) (w.e.f. May 18, 2021)) Mr. Joginder Kumar Baweja (Independent Director) Mr. Gopalkrishnan Sivaraman (Independent Director) Ms. Sujata Chakravarthy (Independent Director) (upto May 04, 2021) Ms. Sushama Sunil Bhatt (Independent Director) (w.e.f. May 18, 2021) Mr. Devraj Mehta (Independent Director) (w.e.f. August 03, 2021 till December 11, 2021) 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 and Sons

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

iii. Associate Concerns	M/s J J Enterprises Kiran Industries Pvt. Ltd. Thakurdas & Co. Pvt. Ltd. Kiran Texpro Pvt. Ltd. Pioneer E-Com Fashions LLP (formerly known as Pioneer E-Com Fashions Ltd.) Reach Industries Pvt. Ltd.

B Transactions with the above in the ordinary course of business

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	5.78	2.76
M/s J J and Sons	9.39	-
M/s J J Enterprises	1.58	1.26
Kiran Industries Pvt. Ltd.	70.01	0.83
Kiran Texpro Pvt. Ltd.	227.54	16.46
	314.30	**21.31**
Purchases		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Enterprises	1.34	0.02
Kiran Industries Pvt. Ltd.	5.99	39.28
Kiran Texpro Pvt. Ltd.	12.15	14.82
	19.48	**54.12**
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)	84.00	67.00
Mr. Harsh Vardhan Bassi (Managing Director)	39.74	34.81
Mr. Gangadharan Kandam Rama Panicker (Executive Director)	14.32	20.99
Mr. Saurabh Maheshwari (Executive Director)	41.87	-
Mr. Aarav Sekhani	17.28	15.27
Mr. Vishal Sekhani	17.28	15.27
Mr. Ratanlal Sekhani	25.26	25.26
Ms. Prachi Sekhani	3.00	2.65
Ms. Priyani Sekhani	4.20	3.71
	246.95	**184.96**

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Director Sitting Fees		
Mr. Joginder Kumar Baweja (Independent Director)	1.00	0.97
Mr. Gopalkrishnan Sivaraman (Independent Director)	0.95	0.95
Ms. Sujata Chakravarthy (Independent Director)	-	0.48
Ms. Sushama Sunil Bhatt	0.50	-
Mr. Devraj Mehta	0.20	-
Dividend Paid		
Key Managerial Personnel (KMP) and their Relatives		
Mr. Raj Kumar Sekhani (Chairman)	7.91	-
Mr. Gangadharan Kandam Rama Panicker (Executive Director)	0.05	-
Mr. Saurabh Maheshwari (Executive Director)	0.06	-
Ms. Bimla Devi Sekhani	0.06	-
Mr. Ratanlal Sekhani	0.19	-
Associates Concerns		
Pioneer E-Com Fashions LLP	13.84	-
	22.11	**-**
Loans & Advances given /repaid		
Key Managerial Personnel (KMP) and their Relatives		
Mr. Raj Kumar Sekhani (Chairman)	-	12.75
Mr. Harsh Vardhan Bassi (Managing Director)	-	81.37
	-	**94.12**
Guarantee taken		
Associate Concerns		
Pioneer E-Com Fashions LLP	**330.00**	**-**
Outstanding balance at the year end		
Enterprises having significant influence by KMP & their Relatives		
Raj Kumar Sekhani (HUF)	1.90	1.90
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.	1.22	1.66

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Kiran Texpro Pvt. Ltd.	3.32	1.40
	18.21	**16.73**
Receivables		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	3.05	2.83
M/s J J and Sons	10.51	-
M/s J J Enterprises	15.83	16.86
Kiran Industries Pvt. Ltd.	12.46	7.30
Thakurdas & Co. Pvt. Ltd.	6.80	8.16
Kiran Texpro Pvt. Ltd.	9.75	-
	58.40	**35.15**
Associate Concerns		
Reach Industries Pvt. Ltd.	-	2.80
Pioneer E-Com Fashions LLP	549.85	549.85
	549.85	**552.65**

41 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 4,31,000 options on August 03, 2021. 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.

As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	431,000	@	-	-
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	431,000	@	-	-
Options exercisable at the end of the year	431,000	-	-	-

(₹ 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.

42 Financial instruments

I. Fair value measurements

A. Financial instruments by category

	As at March 31, 2022		As at March 31, 2021	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets				
Investments	0.02	103.62	0.02	-
Trade receivables	-	2,465.98	-	2,310.36
Cash and cash equivalents	-	137.20	-	624.20
Loans	-	335.57	-	-
Others				
Non Current	-	375.70	-	202.26
Current	-	204.73	-	257.38
	0.02	**3,622.80**	**0.02**	**3,394.20**
Financial liabilities				
Long term borrowings	-	700.44	-	1,152.37
Short terms borrowings	-	2,104.22	-	2,006.45
Trade payables	-	2,020.32	-	2,192.17
Lease Liabilities	-	344.66	-	85.85
Other current financial liabilities	-	657.90	-	696.50
	-	**5,827.54**	**-**	**6,133.34**

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."

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

Financial assets and liabilities measured at fair value - recurring fair value measurements:

	As at March 31, 2022 / March 31, 2021			
	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, 2022		As at March 31, 2021	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial assets				
Investments	-	103.62	-	-
Trade receivables	-	2,465.98	-	2,310.36
Cash and cash equivalents	-	137.20	-	624.20
Loans	-	335.57	-	-
Others				
Non Current	-	375.70	-	202.26
Current	-	204.73	-	257.38
	-	**3,622.80**	**-**	**3,394.20**
Financial liabilities				
Long term borrowings	-	700.44	-	1,152.37
Short terms borrowings	-	2,104.22	-	2,006.45
Trade payables	-	2,020.32	-	2,192.17

(₹ in lakhs)

Lease Liabilities	-	344.66	-	85.85
Other current financial liabilities	-	657.90	-	696.50
	-	**5,827.54**	**-**	**6,133.34**

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 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

(₹ in lakhs)

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 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 ₹2,465.98 (March 31, 2021 – ₹2,310.36).

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, 2022	March 31, 2021
Opening balance	(1,038.76)	(972.82)
Changes in loss allowance	68.97	(65.94)
Closing balance	**(969.79)**	**(1,038.76)**

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.

(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.

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Carrying Amounts March 31, 2022	Contractual cash flows				
		Total	0- 1 year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	1,388.36	1,388.36	687.92	664.93	34.67	0.85
Short term borrowings	1,416.30	1,416.30	1,416.30	-	-	-
Trade payables	2,020.32	2,020.32	2,020.32	-	-	-
Other non-current financial liabilities	310.80	310.80	-	33.09	20.45	257.26
Other current financial liabilities	691.76	691.76	691.76	-	-	-
Total non-derivative liabilities	**5,827.54**	**5,827.54**	**4,816.30**	**698.01**	**55.12**	**258.11**

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**

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.

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

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

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, 2022		As at March 31, 2021	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	4.47	2.81	1.77	-
Other payables	6.56	0.01	0.38	0.01
Net statement of financial position exposure	11.03	2.82	2.15	0.01

The following significant exchange rates have been applied:

	Average Rates		Year end spot rates	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
USD 1	75.75	74.17	74.17	70.67
EUR 1	86.14	84.65	84.65	86.92

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, 2022 and March 31, 2021, 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:

	Nominal Amount	
	March 31, 2022	March 31, 2021
Fixed-rate instruments		
Financial liabilities	1,388.37	1,995.86

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

	1,388.37	**1,995.86**
Variable-rate instruments		
Financial liabilities	1,416.30	1,162.97
	1,416.30	**1,162.97**

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, 2022				
Variable-rate instruments	7.08	(7.08)	7.08	(7.08)
Cash flow sensitivity	**7.08**	**(7.08)**	**7.08**	**(7.08)**
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)**

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.

43 a. Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

b. Realisable value of current assets, deposits, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.

c. Some of the fixed deposits and bank accounts are subject to confirmations though reconciled with available bank statements.

44 Corporate Social Responsibility (CSR)
As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed. The Group has incurred ₹18.15 expenditure on CSR during the year.

Particulars	March 31, 2022	March 31, 2021
i) Amount required to be spent by the company during the year	18.15	2.60
ii) Amount of expenditure incurred	18.15	2.60
iii) Shortfall at the end of the year	-	-
iv) Total of previous years shortfall	-	-
v) Reason for shortfall	NA	NA

Note to Consolidated Financial Statement

for the year ended March 31, 2022

(₹ in lakhs)

vi)	Nature of CSR activities	Promoting poor children education, upliftment of Eco-Socio backward society and save mangroves projects	
vii)	Details of related party transactions	-	2.60
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	NA	NA

45 Events Occurring after Balance Sheet Date

Proposed Dividend

The Board of Directors has recommended final dividend of ₹0.30 (₹0.25) per share on the face value of ₹10 each, aggregating to ₹79.77 (₹66.48), subject to approval by the Members at the forthcoming Annual General Meeting of the Company.

46 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.

47 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, 2022**	**March 31, 2021**
Equity Share Capital	2,659.09	2,659.09
Other Equity	9,433.63	8,299.87
Total Equity	**12,092.72**	**10,958.96**
Non-Current Borrowings	700.44	1,152.37
Current maturities of Non-Current Borrowings	687.92	843.48
Current Borrowings	1,416.30	1,162.97
Total Debts	**2,804.66**	**3,158.82**
Less: Cash & Cash Equivalents	137.20	624.20
Net Debts	**2,667.46**	**2,534.62**

Note to Consolidated Financial Statement
for the year ended March 31, 2022

(₹ in lakhs)

48 Ratios

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.75	1.57	11.4%	
Debt Equity Ratio	Total Borrowings + Lease Liabilities	Total Equity	0.26	0.30	-12.0%	
Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after Taxes + Non-cash Operating Expenses + Interest + Other adjustment like Profit on sale of assets	Debt Service = Interest + Lease Payments + Principal Repayments	1.79	2.55	-29.9%	Due to reduction in Net Profit as compared to last year
Return on Equity Ratio	Net Profit after Tax	Average Total Equity	9.6%	19.2%	-50.2%	Due to reduction in Net Profit as compared to last year
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	6.45	5.59	15.4%	
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	12.31	10.82	13.7%	
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	8.96	6.15	45.7%	Higher purchases on Revenue growth resulting in better ratio
Net Capital Turnover Ratio	Revenue from Operations	Working Capital = Current Assets-Current Liabilities	6.43	6.46	-0.4%	
Net Profit Ratio	Net Profit	Revenue from Operations	3.8%	8.3%	-54.6%	Due to reduction in Net Profit as compared to last year
Return on Capital Employed	Earning before Finance Cost & Tax (EBIT)	Capital Employed = Tangible Met Worth + Total Debt + Lease Liability + Deferred Tax Liability/(Assets)	12.0%	14.6%	-18.2%	
Return on Investment	Return/Profit/Earnings	Average Investment	Nil	Nil		

49 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, 2022	March 31, 2021
Hakoba Lifestyle Limited	India	100%	100%
Pioneer Realty Limited	India	100%	100%
Crystal Lace (I) Limited	India	45%	45%

50 Earning per Equity Share

Particulars	March 31, 2022	March 31, 2021
Net Profit for the year	1,102.12	1,876.70
Weighted Average Number of Equity Shares of ₹10 each (fully paid-up)	26,590,942	25,328,172
- Basic (₹)	4.14	7.41
- Diluted (₹)	4.10	7.06

Note to Consolidated Financial Statement
for the year ended March 31, 2022

51 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: 27th May, 2022

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	(97.74)	(8.13)	(836.31)
(e)	Total Assets	850.71	0.29	1,382.84
(f)	Total Liabilities	463.82	3.42	1,232.11
(g)	Investment other than Investment in Subsidiary	-	-	-
(h)	Turnover	-	-	6.34
(i)	Profit/(Loss) before Taxation	1.47	(0.18)	(4.27)
(j)	Provision for Taxation	-	-	-
(k)	Profit/(Loss) after Taxation	1.47	(0.18)	(4.27)
(l)	Proposed Dividend	-	-	-
(m)	% of shareholding	-	-	-

Notes

PIONEER EMBROIDERIES LIMITED

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