



# SANJAY DHOLAKIA & ASSOCIATES

BCOM LLB FCS

## COMPANY SECRETARIES

GP 15, 2nd Floor, Raghuleela Mall, Behind Poinsur Bus Depot, Kandivali (West), Mumbai - 400 067.  
☎ : 2807 3233 / 62363233 / 98700 31365 • E-mail : sanjayrd65@gmail.com

Form No. MR-3

### SECRETARIEAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2018

[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 31<sup>st</sup> March,2018 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 31<sup>st</sup> March,2018 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);





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- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period);
- (i) As per Management representation letter following are laws applicable specifically to Company:
1. Factories Act, 1948;
  2. Industries (Development & Regulation) Act, 1951;
  3. Labour Laws and other incidental laws related to labour and employees appointed by the company either on its payroll or on contractual basis as related to wages, gratuity, bonus, provident fund, ESIC, compensation etc.;
  4. Acts prescribed under prevention and control of pollution;
  5. Acts prescribed under Environmental protection;
  6. Acts as prescribed under Direct Tax and Indirect Tax;
  7. Land Revenue laws of respective States;
  8. Labour Welfare Act to respective States;
  9. Trade Marks Act 1999 & Copy Right Act 1957;
  10. The Legal Metrology Act, 2009;







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11. Acts as prescribed under Shop and Establishment Act of various local authorities.
12. Local Laws as applicable to various offices and plants;

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

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

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

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

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

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

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

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

- The Company has allotted 23,72,113 Equity Shares of face value of Rs. 10/- each pursuant to the conversion of Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) to Bank/Financial institution, and





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- The Company has issued and allotted on Preferential basis 1,96,078 Equity Shares of face value Rs. 10/- each to Kotak Mahindra Bank Limited.

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

*Dholakia Sanjay*

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



Date: 28<sup>th</sup> May, 2018  
Place: Mumbai





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## 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

*Dholakia Sajay*

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



Date: 28<sup>th</sup> May, 2018  
Place: Mumbai