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BOARD OF DIRECTORS AND OTHER INFORMATION**Board of Directors**

RAJ KUMAR SEKHANI	Chairman
HARSH VARDHAN BASSI	Executive Director
AJAY KUMAR AGRAWAL	Executive Director
MAHESH SINGHI	Non-Executive Director
BABULAL CHORARIA	Independent Professional Director
DEV RAJ MEHTA	Independent Professional Director
RAJEEV JAGDEESH PURI	Independent Professional Director

CONTENTS**Page**

Notice	2
Director's Report	18
Corporate Governance Report	24
Management Discussion & Analysis Report	32
Auditor's Report	37
Balance Sheet	40
Profit & Loss Account	41
Schedules	42
Accounting Policies	48
Cash Flow Statement	54
Auditors Report on Consolidated Accounts	55
Consolidated Accounts & Notes	56
Consolidated Cash Flow Statement	69
Subsidiaries	70
Attendance Slip & Proxy Form	

Bankers

STATE BANK OF INDIA
UNION BANK OF INDIA
ING VYSYA BANK LTD.

Company Secretary & Compliance Officer

ARVIND BAJPAI

Statutory Auditors

BHAGERIA NAREDI & ASSOCIATES
Chartered Accountants

Works**Embroidery Plants:**

- 1) SARIGAM : 1637, 1638-1639, G.I.D.C. Sarigam, Dist. Valsad, Gujarat
- 2) NAROLI : Primer Industrial Estate, Survey No.678/1/2, Village Naroli, Dadra & Nagar Haveli (U.T.)
- 3) MUMBAI : Hakoba Compound, Western Express Highway, Borivali (East), Mumbai - 400 066.
- 4) COIMBATORE : Chinnamaddampalayam, Billichchi Village, Coimbatore 641 019

Bobbin Lace Plants:

- 1) DADRA : Ankur, Plot No. 1, Sheetal Industrial Estate, Demni, Dadra & Nagar Haveli (U.T.)
- 2) KARAD : Survey No. 150/4, Village Karad, Silvassa, Dadra & Nagar Haveli (U.T.)

Process House

1638-1639, G.I.D.C., Sarigam, Dist. Valsad, Gujarat

Offices

- Registered Office : Hakoba Compound, Western Express Highway, Borivali (East), Mumbai - 400 066
- Chennai Office : Kumbhat Complex, 29 & 30, Ralan Bazar, 3rd Floor, Chennai - 600 003
- Delhi Office : 4986, Baratooti Sadar Bazar, 1st Floor, Delhi - 110 006.
- Jaipur Office : Plot No. 1, Durga Vihar, Dalda Factory Road, Near Durgapur Bus Stand, Jaipur - 302 018
- Kolkata Office : 14/2, Old China Bazar Street, 2nd Floor, Room No. 135, Kolkata - 700 001
- Bangalore Office : 37/115, 2ndMain Road, Gangadara Layout, 2ndFloor,Vijaya Nagar, Bangalore-560 040.
- Surat Office : Adarsh Market - 2, Shop No. 546 & 547, Ring Road, Surat - 395 002
Mughat Dying Lane, Near A.P. Market, Udhana, Surat - 394 210
- Mumbai Sales Office : Godown No.1, Rajada Chawl No.2/4, Old Hanuman 2ndCross Road, Mumbai - 400 002
- Telephone No. : 91-22-6699 7888
- Fax No. : 91-22-2854 6819
- Website : www.pelhakoba.com
- E-mail Address : mumbai@pelhakoba.com
- Listing : Stock Exchanges at : Mumbai, Delhi, Kolkata, Ahmedabad and National Stock Exchange of India Ltd.
- ISIN for dematerialisation : INE156C01018
- Share Transfer Agent : INTIME SPECTRUM REGISTRY LIMITED
C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai - 400 078.

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NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Pioneer Embroideries Limited will be held on **Friday, the December 29, 2006 at The Avenue, Thakur Complex, Western Express Highway, Kandivali (East), Mumbai - 400101 at 4:00 P.M.** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2006 and the Profit and Loss Account for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To declare Dividend on ordinary shares for the financial year ending on 31st March 2006.
3. To appoint Director in place of Mr. Ajay Kumar Agrawal who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. Harsh Vardhan Bassi who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

APPOINTMENT OF MR. RAJEEV JAGDEESH PURI AS A DIRECTOR OF THE COMPANY

"RESOLVED THAT Mr. Rajeev Jagdeesh Puri who was appointed as an Additional Director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for appointment as a Director of the Company be and is hereby appointed a Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

VOLUNTARY DELISTING OF EQUITY SHARES OF THE COMPANY FROM STOCK EXCHANGES AT DELHI, AHMEDABAD AND KOLKATA

"RESOLVED THAT pursuant to the applicable provisions of the Securities Exchange Board of India (Delisting of Securities) Guidelines 2003 (hereinafter referred to as the "Delisting Guidelines") and subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities Contracts (Regulations), Act, 1956 and the Rules framed thereunder, Listing Agreement, and all other applicable rules, regulations and guidelines and subject to the approval of Stock Exchanges where the shares of the Company are listed and any other appropriate authority, institutions, regulators as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to delist the Equity Shares of the Company from the Ahmedabad Stock Exchange Limited (ASE), The Calcutta Stock Exchange Association Limited (CSE) and The Delhi Stock Exchange Association Limited (DSE) at such time as the Board may decide."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee thereof be authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company."

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

APPOINTMENT OF MR. AJAY KUMAR AGRAWAL AS THE WHOLE-TIME DIRECTOR OF THE COMPANY DESIGNATED AS EXECUTIVE DIRECTOR

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-

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enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Ajay Kumar Agrawal, as a Whole-time Director, designated as Executive Director of the Company, for a period of 5(five) years with effect from April 27, 2006, on the terms and conditions including remuneration as set out in the Agreement dated 2nd May 2006 entered into between the Company and Mr. Ajay Kumar Agrawal and Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution) to alter and vary the terms and conditions and / or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

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

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

INCREASE IN REMUNERATION PAYABLE TO MR. HARSH VARDHAN BASSI, EXECUTIVE DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the approval of the Company be and is hereby accorded for revision in the terms and conditions of the remuneration payable to Mr. Harsh Vardhan Bassi, Executive Director of the Company, with effect from April 1, 2006 till the expiry of his present term of office, as detailed in the Explanatory Statement attached hereto and Variation Deed / Supplement Agreement dated December 5, 2006, subject to the overall ceiling of the total managerial remuneration for each year as provided under section 309 of the Companies Act, 1956, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution) to alter and vary the terms and conditions and / or remuneration, subject to the same, not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

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

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

PAYMENT OF REMUNERATION BY WAY OF COMMISSION ON NET PROFITS OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, a sum not exceeding 1% per annum of the net profits of the Company calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and the Executive Directors), for payment of remuneration by way of commission on the net profits of the Company, in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall deemed to include any Committee of the Board constituted to exercise its powers, including powers conferred by this Resolution) till March 31, 2010, and such payments shall be made out of the profits of the Company for each corresponding year."

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

11. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

INCREASE IN BORROWING POWERS OF THE BOARD U/S 293 (1) (d) OF THE COMPANIES ACT, 1956.

"RESOLVED THAT in modification of the resolution passed at the 12th Annual General Meeting of the Company held on 30th September, 2004, consent of the company pursuant to the provisions of Section 293(1)(d) and other applicable provisions of the Companies Act, 1956, be and is hereby accorded to the Board of Directors of the Company, (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute) to borrow from time to time such sums of money as it may consider fit and proper for the purpose of the business of the Company,

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notwithstanding that the monies to be so borrowed together with monies already borrowed by the Company (apart from temporary loans) obtained or to be obtained from the Company's Bankers in the ordinary course of business, may exceed the aggregate of the paid-up capital of the Company and its free reserves, that the total amount so borrowed by the Board and outstanding at any time, shall not exceed the sum of Rs. 500.00 Crores (Rupees Five Hundred Crores Only)."

12. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

TO INCREASE THE POWERS OF THE BOARD OF DIRECTORS TO MORTGAGE / CREATE CHARGE U/S 293 (1) (a) OF THE COMPANIES ACT, 1956.

"RESOLVED THAT in modification of the resolution passed at the 12th Annual General Meeting of the Company held on 30th September, 2004, consent of the Company be and is hereby accorded, pursuant to Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers conferred by this resolution) to mortgage and/or to create charge on such terms and conditions and at such time or times, in such form and manner as it may deem fit and proper, the whole or substantially the whole or any one or more undertaking or all of the undertakings of the Company, wheresoever situated, present and/or future including the present and/or future properties, whether moveable or immoveable, comprised in any undertaking or undertakings of the Company, as the case may be, to or in favour of lenders/creditors, including all or any Bank(s), Financial Institution(s), declared or as may be declared as Public Financial Institution(s) under Section 4A of the Companies Act, 1956, Investment or Development Corporations or Agencies of the Central or any State Government, and also foreign agencies/banks/financial agencies and institutions, trustees and/or agents for the lender and/or debenture holders of the Company including any financial institution, bank, body corporate incorporated under any statute holding debenture of the Company or any other secured lender to the Company of all and every description (hereinafter collectively referred to as "the lenders") to secure rupee term loans, foreign currency loans, bonds, debentures, convertible notes and other securities issued against foreign and / or Indian currency and any other loan (hereinafter referred to as "the said loans") obtained or to be obtained from the lenders not exceeding an aggregate amount of Rs. 500.00 Crores (Rupees Five Hundred Crores Only) or the aggregate of the paid-up capital of the company and its free reserves (i.e. reserves not set apart for any specific purpose), whichever is greater, with powers to the lenders as agents and trustees or otherwise in terms of respective loan agreements/heads of agreement / hypothecation agreement / trust deeds / trustee agreements / letter of sanction / memorandum of terms and conditions/other documents (hereinafter referred to as "the said agreements") to take over the management of the business and concern of the company and/or enforce and/or sell the mortgaged securities in certain events and upon the other terms and conditions as may be decided upon by the Board in accordance with the relevant statutory provisions and the guidelines issued thereunder together with interest thereon at the respective agreed rates, additional interests, cumulative interests, remuneration of trustees, liquidated damages, commitment charges, premia, if any, on repayment or redemption, costs, charges and other monies payable by the Company to the lenders and/or their agents and/or trustees and to the holders of the debentures, convertible bonds, notes and other securities of the Company in terms of the said agreements entered/to be entered into by the Company for obtaining the said loans."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the said agreements and other documents and execute all such deeds, documents, instruments and to do all such acts, deeds, matters and things as may be necessary, requisite and expedient for giving full and final effect to this resolution."

13. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of section 94(1)(a) of the Companies Act, 1956, and other applicable provisions, if any, the authorised share capital of the company be and is hereby increased from Rs. 21,00,00,000/- (Rupees Twenty One Crore only) divided into 2,10,00,000 (Two Crore Ten lac) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 25,00,00,000/- (Rupees Twenty Five Crore only) divided into 2,50,00,000 (Two Crore Fifty lac) equity shares of Rs. 10/- (Rupees Ten only) each."

"RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company be deleted and the following new Clause be substituted in place thereof:

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'V. The Authorised Share Capital of the company is Rs.25,00,00,000 (Rupees Twenty Five crores only) divided into 2,50,00,000 equity shares of Rs. 10/- each with rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital of the Company and to divide the shares in capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Companies Act, 1956, or provided by the Articles of Association of the Company for the time being.'

14. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

AMENDMENT IN THE ARTICLES OF ASSOCIATION OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of section 31(1) of the Companies Act, 1956, the existing Article 3 of the Articles of Association of the Company be and is hereby deleted and in its place the following article 3 be substituted in place thereof :

'3. The Authorised Share Capital of the Company is Rs. 25,00,00,000 (Rupees Twenty five crores only) divided into 2,50,00,000 equity shares of Rs.10/- each with power to increase, reduce or to divide the same into several classes and to attach thereto any right and to consolidate or sub-divide or re-organise the shares or otherwise alter its share capital from time to time subject to the provisions of the Companies Act, 1956.'

15. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

ISSUE OF SHARE WARRANTS TO PROMOTERS:

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the rules/regulations / guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GOI), the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and/or prescribed by the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed, or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to create, issue, offer and allot 18,00,000 Share Warrants with right to subscribe to Equity Shares and/or other Securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, either in registered or bearer forms, for cash to Promoter, Pioneer E-Com Fashions Limited on preferential / private placement basis, at such time or times, in one or more tranches, at such price or prices, in such manner and where necessary in consultation with Advisor(s) (if any), or otherwise and on such terms and conditions including the pricing of the securities, number of securities, conversion period and matters incidental thereto as the Board or Committee thereof may in its absolute discretion decide at the time of issue of Securities."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, including but not limited to terms and conditions relating to payment of interest, dividend, premium on redemption at the option of the Company and/or holders of any Securities, or variation of the price or period of conversion of Securities into Equity Shares or issue of Equity Shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares upon conversion / exercise of right attached to the Warrants referred to above or as may be necessary in accordance with the terms of the offer(s), all such shares ranking pari passu with the then existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for

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such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of Securities issued, such as depository, custodian, registrars, stabilizing agents, paying and conversion agent, trustee and to issue any offer document(s), including but not limited to prospectus, and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power to settle any question, difficulty or doubt that may arise in regard to the offer / issue / allotment and utilisation of the proceeds as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee or any one or more Directors of the Company."

16. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

ISSUE OF SHARE WARRANTS TO PERSONS OTHER THAN PROMOTERS:

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the rules/ regulations / guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GOI), the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and/ or prescribed by the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed, or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to create, issue, offer and allot 10,00,000 Share Warrants with right to subscribe to Equity Shares and/or other Securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, either in registered or bearer forms, for cash to non-Promoter, Jaldhar Agencies Private Limited on preferential / private placement basis, at such time or times, in one or more tranches, at such price or prices, in such manner and where necessary in consultation with Advisor(s) (if any), or otherwise and on such terms and conditions including the pricing of the securities, number of securities, conversion period and matters incidental thereto as the Board or Committee thereof may in its absolute discretion decide at the time of issue of Securities."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, including but not limited to terms and conditions relating to payment of interest, dividend, premium on redemption at the option of the Company and/or holders of any Securities, or variation of the price or period of conversion of Securities into Equity Shares or issue of Equity Shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares upon conversion / exercise of right attached to the Warrants referred to above or as may be necessary in accordance with the terms of the offer(s), all such shares ranking pari passu with the then existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of Securities issued, such as depository, custodian, registrars, stabilizing agents, paying and conversion agent, trustee and to issue any offer document(s), including but not limited to prospectus, and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power to settle any question, difficulty or doubt that may arise in regard to the offer / issue / allotment and utilisation of the proceeds as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee or any one or more Directors of the Company."

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17. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

ISSUE OF SHARE WARRANTS TO PERSONS OTHER THAN PROMOTERS:

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the rules/regulations / guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GOI), the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and/or prescribed by the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed, or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to create, issue, offer and allot 8,50,000 Share Warrants with right to subscribe to Equity Shares and/or other Securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, either in registered or bearer forms, for cash to non-Promoter, M2K Infrastructure Private Limited on preferential / private placement basis, at such time or times, in one or more tranches, at such price or prices, in such manner and where necessary in consultation with Advisor(s) (if any), or otherwise and on such terms and conditions including the pricing of the securities, number of securities, conversion period and matters incidental thereto as the Board or Committee thereof may in its absolute discretion decide at the time of issue of Securities."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, including but not limited to terms and conditions relating to payment of interest, dividend, premium on redemption at the option of the Company and/or holders of any Securities, or variation of the price or period of conversion of Securities into Equity Shares or issue of Equity Shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares upon conversion / exercise of right attached to the Warrants referred to above or as may be necessary in accordance with the terms of the offer(s), all such shares ranking pari passu with the then existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of Securities issued, such as depository, custodian, registrars, stabilizing agents, paying and conversion agent, trustee and to issue any offer document(s), including but not limited to prospectus, and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power to settle any question, difficulty or doubt that may arise in regard to the offer / issue / allotment and utilisation of the proceeds as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee or any one or more Directors of the Company."

18. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

ISSUE OF SHARE WARRANTS TO PERSONS OTHER THAN PROMOTERS:

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the rules/regulations / guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GOI), the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and / or prescribed by the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed, or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter

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referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to create, issue, offer and allot 8,50,000 Share Warrants with right to subscribe to Equity Shares and/or other Securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, either in registered or bearer forms, for cash to non-Promoter, M2K Entertainment Private Limited on preferential / private placement basis, at such time or times, in one or more tranches, at such price or prices, in such manner and where necessary in consultation with Advisor(s) (if any), or otherwise and on such terms and conditions including the pricing of the securities, number of securities, conversion period and matters incidental thereto as the Board or Committee thereof may in its absolute discretion decide at the time of issue of Securities."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, including but not limited to terms and conditions relating to payment of interest, dividend, premium on redemption at the option of the Company and/or holders of any Securities, or variation of the price or period of conversion of Securities into Equity Shares or issue of Equity Shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares upon conversion / exercise of right attached to the Warrants referred to above or as may be necessary in accordance with the terms of the offer(s), all such shares ranking *pari passu* with the then existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of Securities issued, such as depository, custodian, registrars, stabilizing agents, paying and conversion agent, trustee and to issue any offer document(s), including but not limited to prospectus, and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power to settle any question, difficulty or doubt that may arise in regard to the offer / issue / allotment and utilisation of the proceeds as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee or any one or more Directors of the Company."

19. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

ISSUE OF FCCB / ADR / GDR / OTHER SECURITIES LINKED TO EQUITY SHARES:

"RESOLVED THAT pursuant to the provisions of Section 81 and all other applicable provisions if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the rules / regulations / guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (GOI), the Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and / or prescribed by the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed, or any other relevant authority from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions, which the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the powers conferred by this resolution) is hereby authorized to create, issue, offer and allot (including with provisions for reservation on firm and / or competitive basis, of such part of issue and for such categories of persons as may be permitted), in the course of one or more public or private offerings in domestic and / or one or more International market(s), with or without a Green Shoe Option, Equity Shares and/or Equity Shares through Depository Receipts and/or Convertible Bonds and/or other Securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities and/or securities linked to Equity Shares and/or Securities with or without detachable / non-detachable warrants and/or Warrants with a right exercisable by the Warrant holder to subscribe to the Equity Shares, and/or any instruments or securities representing either Equity Share and/or convertible securities linked to Equity Shares including the issue and allotment of Equity Shares pursuant to a Green Shoe Option, if any, (all of which are hereinafter collectively referred to as "Securities"), secured or unsecured, or any



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PIONEER EMBROIDERIES LIMITED

... a stitch ahead of time

combination thereof, either in registered or bearer forms, so however that the total amount raised through the aforesaid securities shall not exceed US \$ 50 million or rupees equivalent thereto, including a right to retain for additional allotment as incremental funds for the Company, for cash to eligible Investors, (Promoters and/or Institutions/Banks and/or Incorporated Bodies, Mutual Funds and / or Individuals and/or Trustees and/or Stabilizing Agents or otherwise, whether residents or non-residents, and whether or not such Investors are Members of the Company), as the Board or Committee may at its sole discretion decide, through prospectus and/or letter of offer and/or circular and/or information memorandum and/or on public issue, right issue, preferential issue, private placement, conversion of loans or a combination thereof, at such time or times, in one or more tranches, at such price or prices, in such manner and where necessary in consultation with Book Running Lead managers and/or other Advisor(s) (if any), or otherwise and on such terms and conditions including the pricing of the securities, number of securities, rate of interest, conversion period and matters incidental thereto as the Board or Committee thereof may in its absolute discretion decide at the time of issue of Securities."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of the Securities may have all or any terms or conditions or combination of terms in accordance with applicable regulations, prevalent market practices, including but not limited to terms and conditions relating to payment of interest, dividend, premium on redemption at the option of the Company and/or holders of any Securities, or variation of the price or period of conversion of Securities into Equity Shares or issue of Equity Shares during the period of the Securities or terms pertaining to voting rights or option(s) for early redemption of Securities."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion / exercise of right attached to the Securities referred to above or as may be necessary in accordance with the terms of the offer(s), all such shares ranking *pari passu* with the then existing Equity Shares of the Company in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Equity Shares or Securities or instruments representing the same, as described above, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the entering into arrangements for appointment of agencies for managing, underwriting, marketing, listing, trading of Securities in India or Overseas, such as depository, custodian, registrars, stabilizing agents, paying and conversion agent, trustee and to issue any offer document(s), including but not limited to prospectus, and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power to settle any question, difficulty or doubt that may arise in regard to the offer / issue / allotment and utilisation of the proceeds as it may, in its absolute discretion, deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee or any one or more Directors of the Company."

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

ARVIND BAJPAI
Company Secretary

Registered Office :
Hakoba Compound,
Western Express Highway,
Borivali (East),
Mumbai - 400 066.

Place : Mumbai.
Date : 5th December 2006

NOTES:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect to the businesses under Item Nos. 6 to 19 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Under the Companies Act, 1956, voting is by show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy may not vote except on poll.