

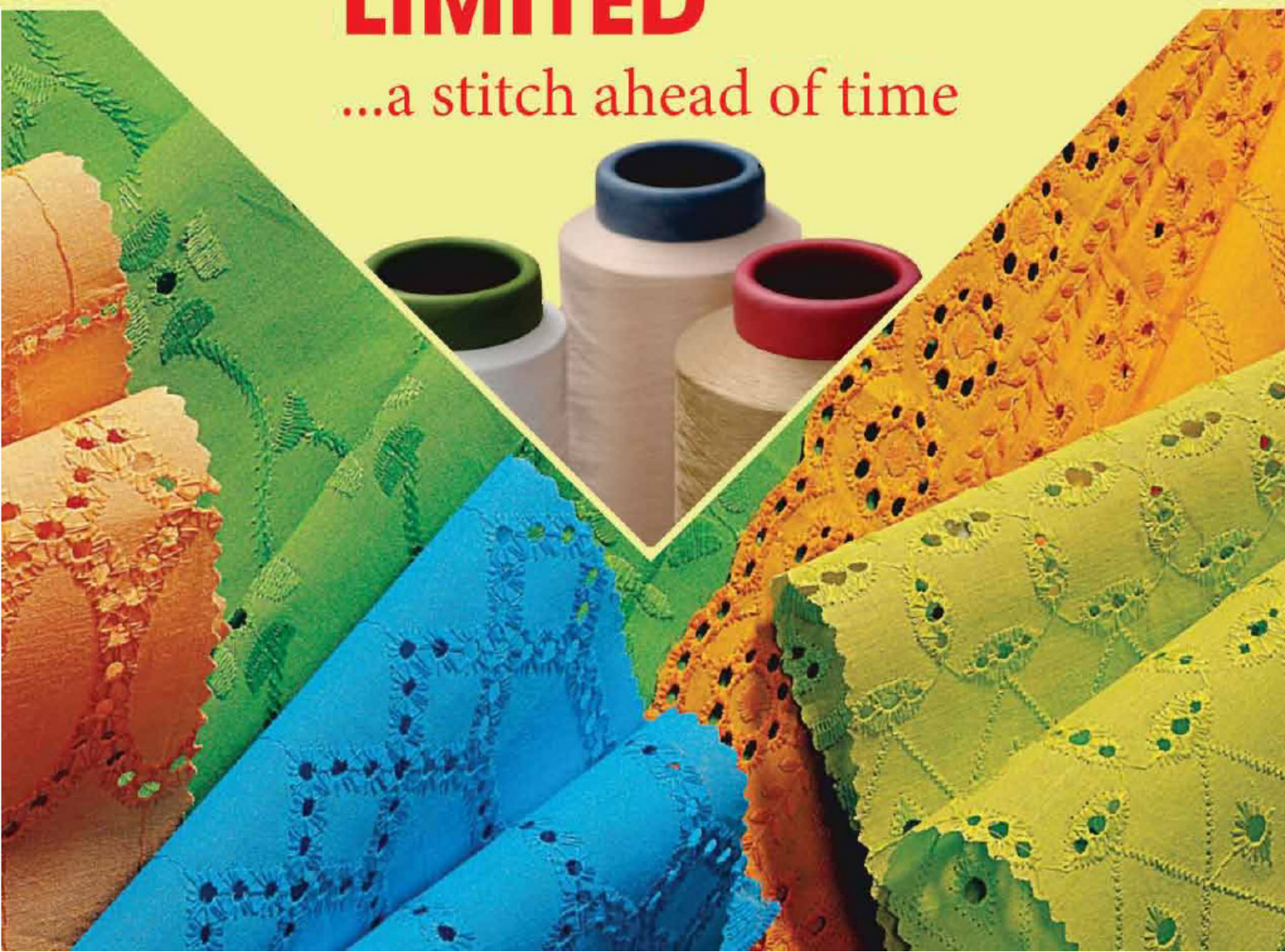


PIONEER GROUP

**23<sup>RD</sup> ANNUAL REPORT 2015**

# **PIONEER EMBROIDERIES LIMITED**

...a stitch ahead of time







## BOARD OF DIRECTORS AND OTHER INFORMATION

### BOARD OF DIRECTORS

RAJ KUMAR SEKHANI (DIN:00102843)	Chairman
HARSH VARDHAN BASSI (DIN:00102941)	Managing Director
JOGINDER KUMAR BAWEJA (DIN:01660198)	Independent Director
GOPALKRISHNAN SIVARAMAN (DIN:00457873)	Independent Director
RAMESHCHANDRA POKHRIYAL (DIN:06919521)	Independent Director
JYOTI NIRANJAN LEDWANI (DIN:07139094)	Independent Director

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#### BANKERS

UNION BANK OF INDIA  
STATE BANK OF INDIA

#### CFO

SHRIPRAKASH JAIN

#### COMPANY SECRETARY

BHARTI S GANDHI

#### COMPLIANCE OFFICER

UDAY NEMLEKAR

#### STATUTORY AUDITORS

M B A H & CO  
Chartered Accountants

#### Works

Embroidery & Bobbin Lace (ELD) :

- SARIGAM : 1637,1639, G.I.D.C. Sarigam, Dist. Valsad, Gujarat - 396 155
- NAROLI : Primer Industrial Estate, Survey No.678/1/2, Village Naroli, Silvassa, (U.T.)-396 203
- COIMBATORE : Mettupalaym Road, Chinnamaddampalayam, Billichchi Post, Coimbatore - 641 019
- THANE : Unit No.-1.Vimal House, Dhanji Udyog Nagar, Pankar Pada, Mira Road, Dist. Thane - 401 107

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

Dope Dyed Polyester Yarn (DDPY) : Village-Kheri, Trilokpur Road, Kala-Amb, Dist Sirmour, Himachal Pradesh -173 030

#### Offices

- Registered Office : Unit No. 101B, 1st Floor, Abishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai - 400 058
- Corporate Office : Unit No.21 to 25, 2nd Floor, Orient House, 3-A Udyog Nagar, Off S. V. Road, Goregaon (West), Mumbai - 400 062
- Chennai Office : 29 & 30, 3RD Floor, Kumbhat Complex, Rattan Bazar, Chennai - 600 003
- Delhi Office : 4986, 1st & 2nd Floor, Baratooti Chowk, Sadar Bazar, Delhi - 110 006
- Delhi Yarn Office (DDPY) : 807 & 808, ITL Twin Towers, Plot No. B-09, Netaji Subhash Place, Pitampura, New Delhi - 110 034
- NCR Office : Plot No. 583, Udyog Vihar, Phase 5, Gurgaon, Haryana - 122 016
- Kolkata Office : 14/2, Room No. 135, 2nd Floor, Old China Bazar Street, Kolkata - 700 001
- Bangaluru Office : 872, OTL Main Road, Nagrathpet, 1st Floor, Rajatha Hotel Building, Bangaluru -560 002
- Surat Office : Kiran Compound, Near A P Market, Udhna, Surat - 394 210
- Mumbai Sales Office : Godown No.1, Rajada Chawl No.2/4, Old Hanuman 2nd Cross Road, Kalbadevi, Mumbai - 400 002

Telephone No. : 91-22- 42232323

Fax No. : 91-22- 42232313

Website : www.pelhakoba.com

E-mail Address : mumbai@pelhakoba.com

CIN : L17291MH1991PLC063752

Listing : BSE Limited and National Stock Exchange of India Ltd.

ISIN for Dematerialisation : INE156C01018

Share Transfer Agent : LINK INTIME INDIA PRIVATE LIMITED

C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai - 400 078

## NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Shareholders of PIONEER EMBROIDERIES LIMITED will be held on Tuesday, the 21<sup>st</sup> July, 2015 at The Goregaon Sports Club, Ground Floor, West Hall 'A' Block, Link Road, Malad (West), Mumbai- 400064 at 9.30 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2015 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Harsh Vardhan Bassi (DIN 00102941) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. MBAH & CO (ICAI Regn. No. 121426W), Chartered Accountants as Statutory Auditors and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of section 139 to 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. MBAH & CO (ICAI Regn. No. 121426W), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of 26th Annual General Meeting of the Company i.e. for a period of 3 years, on such remuneration as may be agreed upon by the Board of Directors and the Auditors."

### SPECIAL BUSINESS

4. To appoint Mr. Rameshchandra Gunanand Pokhriyal (DIN: 06919521) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rameshchandra Gunanand Pokhriyal (DIN: 06919521), who was appointed as an Additional Director on 5<sup>th</sup> August, 2014 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and a notice in writing has been received by the Company from a member, proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2020."

5. To appoint Ms. Jyoti Niranjana Ledwani (DIN: 07139094) as an Independent Director and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Jyoti Niranjana Ledwani (DIN: 07139094), who was appointed as an Additional Director on 26<sup>th</sup> March, 2015 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and a notice in writing has been received by the Company from a member, proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2020."

6. To approve the appointment and payment of remuneration of the Cost Auditors for the financial year ending March 31, 2016 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), M/s. Vipul Bhardwaj & Co., Cost Accountants, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company be paid a remuneration, for the Financial Year ending March 31, 2016, amounting to ₹50,000 plus service tax as applicable and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit."

By order of the Board of Directors  
For PIONEER EMBROIDERIES LIMITED

Harsh Vardhan Bassi  
Managing Director  
DIN: 00102941

Place : Mumbai  
Date : May 21, 2015

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.



2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 wherever applicable is attached and forms part of this Notice.
4. Members are requested to affix their signature at the place provided on the Attendance Slip and hand over the slip at the entrance to the place of meeting for attending the Meeting.
5. Corporate Members intending to send their Authorised Representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their Representative to attend and vote at the Meeting on their behalf.
6. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their copies of Annual Report to the Meeting.
7. The Register of Members and Share Transfer Register of the Company will remain closed from 17<sup>th</sup> July, 2015 to 21<sup>st</sup> July, 2015 (both days inclusive).
8. 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.
9. Members wishing to claim Dividends of the previous years, which remain unclaimed, are requested to correspond with Mr. Uday Nemlekar Compliance Officer, at the Company's Registered Office. Members are requested to note that as per section 125(2)(a) of the Companies Act, 2013, Dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, be transferred to the Investor Education and Protection Fund.
10. Since financial year ending on March 31, 2008, the Company has not declared any Dividend and there is/are no unclaimed Dividend outstanding with the Company as on date.
11. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.
12. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready
13. The Ministry of Corporate Affairs ("MCA", Government of India, through its Circular No.17/2011 dated 21<sup>st</sup> April, 2011 and Circular No.18/2011 dated 29<sup>th</sup> April, 2011 has allowed companies to send Annual Report comprising of Balance sheet, Profit & Loss Account, Directors' Report, Auditors' Report and Explanatory statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view the underlying theme and circulars issued by MCA, we propose to send future communication in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communications through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transit.  
  
Members who hold shares in physical form and desire to receive the documents in electronic mode are requested to provide their details (name, folio no, e-mail id) on the Company's e-mail address viz. [mumbai@pelhakoba.com](mailto:mumbai@pelhakoba.com). Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.
14. The members are requested to:
  - a) Intimate changes, if any, in their Registered address to the Registrar and Transfer Agents of the Company M/s. Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (West), Mumbai- 400078.
  - b) Quote Ledger Folio/Client Id/DP ID numbers in all their correspondence.
15. **The instructions for shareholders voting electronically are as under:**
  - (i) The voting period begins on **17<sup>th</sup> July, 2015 (9.30 a.m. IST) and ends on 20<sup>th</sup> July, 2015 (5.00 p.m. IST)** During this period shareholders' of the Company, holding shares whether in physical form or in dematerialized form, as on the cut-off date 14<sup>th</sup> July, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 20<sup>th</sup> July, 2015.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



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

That following explanatory statement sets out the material facts referring to Item No. 4 to 6 of the Notice.

**ITEM NO. 4**

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, the Board of Directors of the Company had appointed Mr. Rameshchandra Gunanand Pokhriyal as an Additional Director of the Company with effect from August 5, 2014. In terms of the provisions of Section 161(1) of the Act, Mr. Pokhriyal would hold office up to the date of the ensuing Annual General Meeting.

Mr. Pokhriyal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a notice in writing from a member alongwith the deposit of the requisite amount under Section 160 of the Act proposing the candidature of Mr. Pokhriyal for the office of Director of the Company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Pokhriyal that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Mr. Pokhriyal possesses appropriate skills, experience and knowledge; *inter alia*, in the field of finance. In the opinion of the Board, Mr. Pokhriyal also fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement.

In view his vast expertise and knowledge, the appointment of Mr. Pokhriyal as an Independent Director will be in the interest of the Company.

Brief resume of Mr. Rameshchandra Gunanand Pokhriyal, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter of appointment of Mr. Pokhriyal as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Mr. Pokhriyal none of the other Directors / 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 commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

**ITEM NO. 5**

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, the Board of Directors of the Company had appointed Ms. Jyoti Niranjana Ledwani as an Additional Director of the Company with effect from March 26, 2015. In terms of the provisions of Section 161(1) of the Act, Ms. Ledwani would hold office up to the date of the ensuing Annual General Meeting.

Ms. Ledwani is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

The Company has received a notice in writing from a member alongwith the deposit of the requisite amount under Section 160 of the Act proposing the candidature of Ms. Ledwani for the office of Director of the Company.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Ledwani that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Ms. Ledwani possesses appropriate skills, experience and knowledge; *inter alia*, in the field of finance. In the opinion of the Board, Ms. Ledwani also fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement.

In view his vast expertise and knowledge, the appointment of Ms. Ledwani as an Independent Director will be in the interest of the Company.

Brief resume of Ms. Ledwani, nature of her expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the

## PIONEER EMBROIDERIES LIMITED

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Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter of appointment of Ms. Ledwani as an Independent Director setting out the terms and conditions is available for inspection by the members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save and except Ms. Ledwani none of the other Directors / 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 commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the shareholders.

### ITEM NO. 6

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Vipul Bhardwaj & Co., Cost Accountants, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2016.

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 March 31, 2016, as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

By order of the Board of Directors  
For PIONEER EMBROIDERIES LIMITED

Harsh Vardhan Bassi  
Managing Director  
DIN: 00102941

Place : Mumbai  
Date : May 21, 2015



**DIRECTOR'S REPORT**

To,  
The Members,  
PIONEER EMBROIDERIES LIMITED

Your Directors present the Twenty Third Annual Report of your Company on the business and operations for the year ended 31st March, 2015.

**FINANCIAL HIGHLIGHTS:**

(₹ in lacs)

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Turnover - Domestic	22,652.74	23,205.18
- Export	4,501.79	4,116.65
<b>Total</b>	<b>27,154.53</b>	<b>27,321.83</b>
Profit /(Loss) before Other Income, Financial Charges, Depreciation, Exceptional Items & Tax	2,519.69	1,899.13
Other Income	1,729.03	838.60
Profit /(Loss) before Financial Charges, Depreciation, Exceptional Items & Tax	4,248.72	2,737.73
Financial Charges (net)	1,201.13	1,667.37
Profit /(Loss) before Depreciation, Exceptional Items and Tax	3,047.59	1,070.36
Depreciation	1,730.39	1,098.91
Profit/(Loss) before Exceptional Items & Tax	1,317.20	(28.55)
Exceptional Items	1,105.55	663.30
Tax Expenses	-	-
Net Profit/(Loss)	211.65	(691.85)
Balance of net loss brought forward from previous year	(4,762.34)	(4,070.49)
<b>Balance of Profit/(Loss) carried forward</b>	<b>(4,550.69)</b>	<b>(4,762.34)</b>
<b>Per share data</b>		
Basic Earnings per Share (₹)	1.20	(3.91)
Book Value per Share (₹)	64.42	59.99

**YEAR IN RETROSPECT**

Profit before Other Income, Finance Costs, Depreciation, Tax and Exceptional Items for the year stood at ₹2,519.69 lacs (₹1,899.13 lacs). The net profit for the year is ₹211.65 as against a net loss of ₹691.85 lacs in the previous year. The Company has generated a cash profit of ₹1,318.56 lacs during the year under report (previous year ₹231.76 lacs).

During the year under review, the Dope Dyed Polyester Yarn (DDPY) business reported an increase in EBIDTA levels by 24%, despite a marginal fall in turnover. The turnover was ₹20,991 lacs (₹21,495 lacs), essentially owing to a steep fall in price of crude oil. The operating margins has improved as the fall in raw material price was more than that in realisation and share of value added products in sales has also increased. The share of value added items in the turnover has increased from 66% in the previous year to 71% during the year under report. The corresponding numbers in terms of quantity are 60% and 65%. The Operating margins has thus improved to 11.84% from 9.33% in the previous year and EBIDTA for the year stood at ₹2,486 lacs (₹1,998 lacs).

The operations of Embroidery and Laces division have shown marginal improvement with turnover at ₹5,875 lacs (₹5,290 lacs) and an EBIDTA of ₹680 lacs (₹376 lacs). The operations of Bobbin Lace Unit at Sarigam are yet to stabilize, resulting in a loss of production. Production at Naroli and Coimbatore has shown marginal improvement.

The efforts of your company towards higher production and more efficient operations are expected to bring better benefit all the stake holders. A sustained thrust on higher value addition and high margin products also continues towards this end.

**INDUSTRY OVERVIEW**

The textile industry outlook for 2015 is expected to be flat.

The demand will to be driven mainly from domestic consumption. Exports may not show high growth due to weak economic recovery in global markets with a string of disappointing growth outturns in the Euro Area, Japan, parts of emerging Europe (especially Russia) and Latin America. The recovery in the United States and the United Kingdom had, however, gained momentum during 2014 and China had continued on a path of gradual deceleration. Overall, global growth is expected to rise moderately, to 3.0 percent in 2015 from 2.6% in 2014.

# PIONEER EMBROIDERIES LIMITED

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Thus, the growth from USA and UK markets may offset losses in Euro area and emerging Europe. The growth may, however, come from Latin America.

The Government initiatives to support the industry may also contribute to the growth.

## YEAR IN PROSPECT:

PIONEER continues to offer end-to-end solutions to its DDPY customers in its niche Segment. The focus of the Company remains on inter-fibre replacements in particular. With polyester prices in the present range, there are many opportunities that remain to be tapped. The Company is planning to expand its capacity in order to meet the growing demand of value added yarns in non-apparel segment from the existing set of customers, in particular.

The operations at Embroideries and Laces division are still affected by low speed machines and man-power constraints. The efforts to improve performance within these constraints are continuing and are shown in the incremental improvements. However, any substantial improvement in the performance will require a complete up-gradation and modernization of the facilities.

A review of the performance during the year is given under the section - Management Discussion and Analysis Report.

## Bank Borrowings

As reported in the previous year, the bankers had opted out of CDR in January 2014. The Company has been successful in its efforts to resolve its accounts with the lenders individually, inasmuch as it has arrived at a "One Time Settlement (OTS)" with State Bank of India, a restructuring of its account with Edelweiss Asset Reconstruction Co. Ltd. (assignee EXIM Bank) and a settlement with Kotak Mahindra Bank Ltd. (assignee HDFC Bank Ltd.). Your company has also made full payment to State Bank of Patiala during the year in terms of One time settlement with that bank. Your company is hopeful to resolve its dues to other banks viz. Corporation Bank and SIDBI.

## LISTING

The Equity Shares of the Company are listed with the BSE, NSE, and the Company has paid listing fee for the year to BSE & NSE.

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

## DIVIDEND

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

## SHARE CAPITAL

The paid up equity share Capital of the Company stood at ₹17,69,90,940 comprising 1,76,99,094 equity shares of ₹10/- each as at March 31, 2015.

The Company has since issued 8,50,000 Equity shares of ₹10/- each at a premium of ₹25/- to Edelweiss Asset Reconstruction Company Ltd. Trustee of EARC Trust-SC 23 as approved by shareholders Through a resolution dated 12<sup>th</sup> March, 2015 passed by postal Ballot.

The information about ultimate beneficial owners of the above issue is as follow:-

### A. Edelweiss Asset Reconstruction Company Ltd. Trustee -EARC Trust - SC 23 - The proposed allottee -

Sr. No.	Name of Beneficiary	Constitution	% of interest
1.	Exim Bank	Scheduled Bank	95
2.	Edelweiss Asset Reconstruction Company Ltd. (EARC)	Unlisted Public Ltd. Company	5

### B. List of Shareholders of Edelweiss Asset Reconstruction Company Ltd. (EARC)

Sr. No	Name of the Shareholder	Constitution	% holding
1.	Edelweiss Custodial Services Ltd. (100% subsidiary of Edelweiss Securities Ltd.)	Unlisted Company	50
2.	Reeta Kuhad	Natural Person	14
3.	Alok Tandon	Natural Person	14
4.	Vineet Kashyap	Natural Person	10
5.	Preeta Balia	Natural Person	2
6.	Aakanksha Management Consultancy & Holdings (P) Ltd. (AMCHL)	Unlisted Company	10