



PIONEER GROUP



27<sup>th</sup>

ANNUAL REPORT  
2018-19



**PIONEER EMBROIDERIES LIMITED**

**hakoba**  
SINCE 1960  
*Embroidery beyond your imagination*

**SILKOLITE**  
Scale to Value...



**Embroidery & Bobbin Lace Unit  
Sarigam, Gujarat**



**Embroidery & Bobbin Lace Unit  
Coimbatore, Tamilnadu**





## BOARD OF DIRECTORS AND OTHER INFORMATION

### BOARD OF DIRECTORS

RAJ KUMAR SEKHANI (DIN:00102843)	Chairman
HARSH VARDHAN BASSI (DIN:00102941)	Managing Director
GANGADHARAN KANDAM RAMA PANICKER (DIN:07735379)	Executive Director
JOGINDER KUMAR BAWEJA (DIN:01660198)	Independent Director
GOPALKRISHNAN SIVARAMAN (DIN:00457873)	Independent Director
MRS. SUJATA CHAKRAVARTY (DIN:07584280)	Independent Director

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#### BANKERS

UNION BANK OF INDIA  
KOTAK MAHINDRA BANK LTD.

#### CFO

DEEPAK SIPANI

#### COMPANY SECRETARY & COMPLIANCE OFFICER

AMI THAKKAR

#### STATUTORY AUDITORS

S. K. Naredi & 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 : Mettupalayam Road, Chinnamaddampalayam, Billichchi Post, Coimbatore - 641 019
- Dope Dyed Polyester Yarn (DDPY) : Village-Kheri, Trilokpur Road, Kala-Amb, Dist Sirmour, Himachal Pradesh - 173 030

#### Offices:

- Registered Office : Unit No. 101B, 1<sup>st</sup> 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, 2<sup>nd</sup> Floor, Orient House, 3-A Udyog Nagar, Off S. V. Road, Goregaon (West), Mumbai - 400 062
- Chennai Office : 29 & 30, 3<sup>rd</sup> Floor, Kumbhat Complex, Rattan Bazar, Chennai - 600 003
- Delhi Office : 4986, 1<sup>st</sup> & 2<sup>nd</sup> Floor, Baratooti Chowk, Sadar Bazar, Delhi - 110 006
- Delhi Yarn Office (DDPY) : 807 & 808, IITL 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, 2<sup>nd</sup> Floor, Old China Bazar Street, Kolkata - 700 001
- Surat Office : Kiran Compound, Near AP Market, Udhna, Surat - 394 210
- Telephone No. : 91-22- 42232323
- Fax No. : 91-22- 42232313
- Website : www.pelhakoba.com; www.silkolite.com
- E-mail Address : mumbai@pelhakoba.com
- CIN : L17291MH1991PLC063752
- Listing : BSE Limited and National Stock Exchange of India Limited
- ISIN for Dematerialisation : INE156C01018
- Share Transfer Agent : Link Intime India Pvt. Ltd., C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083
- Telephone No. : 91-22- 49186000 / 49186270
- Fax No. : 91-22- 49186060



## NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Shareholders of **PIONEER EMBROIDERIES LIMITED** will be held on Monday, 26<sup>th</sup> August, 2019 at 10.00 a.m. at The Goregaon Sports Club, Ground Floor, East Banquet Hall, Link Road, Malad (West), Mumbai- 400064 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 31<sup>st</sup> March, 2019 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Gangadharan Kandam Rama Panicker (DIN: 07735379) who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

3. To approve re-appointment of Mr. Joginder Kumar Baweja (DIN: 01660198), as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special 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 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the members be and is hereby accorded for re-appointment of Mr. Joginder Kumar Baweja (DIN:01660198) as an Independent Director of the Company to hold office for second consecutive term of 5 (five) years for a term up to 31<sup>st</sup> March, 2024 and he shall not be liable to retire by rotation."

**"RESOLVED FURTHER THAT** Mr. Harsh Vardhan Bassi, Managing Director of the Company be and is hereby authorized to do all the act, deeds and things which are necessary for the aforesaid re-appointment."

4. To approve re-appointment of Mr. Gopalkrishnan Sivaraman (DIN: 00457873), as an Independent Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special 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 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for re-appointment of Mr. Gopalkrishnan Sivaraman (DIN:00457873), who was appointed as an Independent Director of the Company to hold office for second consecutive term of 5 (five) years for a term up to 16<sup>th</sup> April, 2024 and he shall not be liable to retire by rotation."

**"RESOLVED FURTHER THAT** Mr. Harsh Vardhan Bassi, Managing Director of the Company be and is hereby authorized to do all the act, deeds and things which are necessary for the aforesaid re-appointment."

5. To approve the re-appointment and payment of remuneration of the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020 at a remuneration, amounting to ₹50,000 plus GST as applicable and re-imbursment of out of pocket expenses incurred by them in connection with the aforesaid audit."

6. To approve reclassification of authorised share capital of the Company and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** consent of the members be and is hereby accorded and pursuant to the provisions of Section 64 and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company, the Authorized Share Capital of the Company be re-classified from the existing ₹50,00,00,000/- (Rupees Fifty Crores Only) divided into 3,30,00,000 (Three Crores Thirty Lakhs) Equity Shares of ₹10/- (Rupees Ten Only) each and 1,70,00,000 (One Crore Seventy Lakhs) Preference Shares of ₹10/- (Rupees Ten only) each to ₹50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹10/- (Rupees Ten Only) each."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Section 13 of the Companies Act, 2013 and clause V of the Memorandum of Association of the Company be substituted with the following new clause V:

- V. The Authorized Share Capital of the Company is ₹50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹10/- (Rupees Ten Only) 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, 2013, or provided by the Articles of Association of the Company for the time being.”

**“RESOLVED FURTHER THAT** any of the Directors of the Company be and is hereby authorized to do such necessary acts, deeds, things, and take all such actions as may be required in relation to the same.”

7. To approve “Pioneer Embroideries Limited Employee Stock Option Plan 2018” and in this regard, to consider and if thought fit, to pass the following resolution as an Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as “SEBI SBEB Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee thereof including the Nomination and Remuneration Committee (“NRC”) duly authorised by the Board), approval and consent of the Members of the Company be and are hereby accorded to the ‘Pioneer Embroideries Limited Employee Stock Option Plan 2018 (hereinafter referred to as the “PEL ESOP 2018”/ “Plan”) and to authorize the Board to create, offer and grant from time to time upto 12,05,864 (Twelve Lakhs Five Thousand Eight Hundred and Sixty Four) Employee Stock Options (“ESOPs”) being not exceeding 5% (Five percent) of the paid-up equity share capital of the Company as on the date of passing the resolution to the permanent employees (excluding promoters) and/or Directors (including whole-time directors but excluding non-executive independent directors) of the Company, whether working in India or outside India, as may be decided by the Board under the Plan (hereinafter referred to as an “employees” or “eligible employees”), convertible into equivalent number of equity shares of ₹10/- (Rupees Ten) each, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the Act and provisions of PEL ESOP 2018; through Nomination and Remuneration Committee (hereinafter referred to as “NRC”) and on such terms and conditions, as may be determined by the Board under PEL ESOP 2018.”

**“RESOLVED FURTHER THAT** the Board be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Plan and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.”

**“RESOLVED FURTHER THAT** as is required, the Company shall confirm to the accounting policies as applicable to the Company, from time to time.”

**“RESOLVED FURTHER THAT** the number of ESOPs that may be granted to any eligible employee including any Director of the Company (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), in any financial year and in aggregate under the Plan shall be less than 1% (One percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.”

**“RESOLVED FURTHER THAT** the aforesaid ceiling of 12,05,864 (Twelve Lakhs Five Thousand Eight Hundred and Sixty Four) ESOPs convertible into equivalent number of equity shares of ₹10/- (Rupees Ten) each shall be appropriately adjusted, in case of any corporate action(s) such as rights issues, bonus issues, sub-division, split or consolidation of shares, any change in capital structure, merger and/or sale of division/undertaking or any other re-organisation / restructuring of the Company, without affecting any other rights or obligations of the option grantees.”

**“RESOLVED FURTHER THAT** the Board be and is hereby empowered:

- i) to administer, implement and supervise the PEL ESOP 2018 either directly by itself or through NRC;
- ii) to formulate, approve, evolve, modify, change, vary, alter, amend, suspend or terminate the PEL ESOP 2018 and determine and bring into effect such terms and conditions and procedures for grantor vesting of Share(s)/Option(s) under PEL ESOP 2018 either directly by itself or through NRC;
- iii) to grant, issue, re-issue, recall, surrender, cancel and withdraw stock options from time to time and to determine the terms and conditions therefore;
- iv) to re-price the options as it deems fit but not below the face value of equity shares of the Company, which are not exercised, whether or not they have been vested, if the exercise price of the options is rendered unattractive due to fall in price of the share in the market and such re-pricing is not detrimental to the interest of the employees who have been granted stock options under PEL ESOP 2018;
- v) to take necessary steps for listing of the equity shares allotted under the PEL ESOP 2018 as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, where the equity shares of the Company are listed;
- vi) to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors, Director, Officer or Authorised Representative of the Company;

to do all such acts, deeds, things and matters as may be considered necessary or expedient and 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.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to settle all questions, difficulties or doubts and to do all such acts, deeds, matters and things as may be required, to give full effect to the aforesaid Resolution(s).”



8. To approve "Pioneer Embroideries Limited Employee Stock Option Plan 2018" - Holding Company and/or Subsidiary Company(ies) and in this regard, to consider and if thought fit, to pass the following resolution as an Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 62(1)(b) and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as "SEBI SBEB Regulations") and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be imposed or prescribed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof including the Nomination and Remuneration Committee ("NRC") duly authorised by the Board), approval and consent of the Members of the Company be and are hereby accorded to the 'Pioneer Embroideries Limited Employee Stock Option Plan 2018 (hereinafter referred to as the "PEL ESOP 2018" / "Plan") and to authorize the Board to create, offer and grant from time to time upto 12,05,864 (Twelve Lakhs Five Thousand Eight Hundred and Sixty Four) Employee Stock Options ("ESOPs") being not exceeding 5% (Five percent) of the paid-up equity share capital of the Company as on the date of passing the resolution to the permanent employees (excluding promoters) and/or Directors (including whole-time directors but excluding non-executive independent directors) of the Subsidiary Company, whether working in India or outside India, and/or to the permanent employees (excluding promoters) and/or Directors (including whole-time directors but excluding non-executive independent directors) of the Holding Company, whether working in India or outside India, as may be decided by the Board under the Plan (hereinafter referred to as an "employees" or "eligible employees"), convertible into equivalent number of equity shares of ₹10/- (Rupees Ten) each, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the Act and provisions of PEL ESOP 2018; through Nomination and Remuneration Committee (hereinafter referred to as "NRC") and on such terms and conditions, as may be determined by the Board under PEL ESOP 2018".

**"RESOLVED FURTHER THAT** the Board be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Plan and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company."

**"RESOLVED FURTHER THAT** as is required, the Company shall confirm to the accounting policies as applicable to the Company, from time to time."

**"RESOLVED FURTHER THAT** the number of ESOPs that may be granted to any eligible employee including any Director of the Company (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), in any financial year and in aggregate under the Plan shall be less than 1% (One percent) of the issued equity share capital (excluding outstanding warrants and conversions) of the Company."

**"RESOLVED FURTHER THAT** the aforesaid ceiling of 12,05,864 (Twelve Lakhs Five Thousand Eight Hundred and Sixty Four) ESOPs convertible into equivalent number of equity shares of ₹10/- (Rupees Ten) each shall be appropriately adjusted, in case of any corporate action(s) such as rights issues, bonus issues, sub-division, split or consolidation of shares, any change in capital structure, merger and/or sale of division/undertaking or any other re-organisation / restructuring of the Company, without affecting any other rights or obligations of the option grantees."

**"RESOLVED FURTHER THAT** the Board be and is hereby empowered:

- i) to administer, implement and supervise the PEL ESOP 2018 either directly by itself or through NRC;
- ii) to formulate, approve, evolve, modify, change, vary, alter, amend, suspend or terminate the PEL ESOP 2018 and determine and bring into effect such terms and conditions and procedures for grantor vesting of Share(s)/Option(s) under PEL ESOP 2018 either directly by itself or through NRC;
- iii) to grant, issue, re-issue, recall, surrender, cancel and withdraw stock options from time to time and to determine the terms and conditions therefore;
- iv) to re-price the options as it deems fit but not below the face value of equity shares of the Company, which are not exercised, whether or not they have been vested, if the exercise price of the options is rendered unattractive due to fall in price of the share in the market and such re-pricing is not detrimental to the interest of the employees who have been granted stock options under PEL ESOP 2018;
- v) to take necessary steps for listing of the equity shares allotted under the PEL ESOP 2018 as per the terms and conditions of the listing agreement with the concerned Stock Exchanges, where the equity shares of the Company are listed;
- vi) to delegate all or any of the powers herein conferred by this resolution to any Committee of Directors, Director, Officer or Authorised Representative of the Company; to do all such acts, deeds, things and matters as may be considered necessary or expedient and 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."

By order of the Board of Directors  
For PIONEER EMBROIDERIES LIMITED

Place: Mumbai  
Date : 27<sup>th</sup> May, 2019

Harsh Vardhan Bassi  
Managing Director  
DIN:00102941



**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.**

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.

A person can act as a proxy on behalf of members not exceeding fifty, and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 wherever applicable is attached and forms part of this Notice.
3. Members of the Company had approved the appointment of M/s. S. K. Naredi & Co. Chartered Accountants (Registration No. 003333C) as the Statutory Auditors at the 25<sup>th</sup> Annual General Meeting of the Company to hold office for a period of 5 (five) consecutive years i.e. from the conclusion of the 25<sup>th</sup> Annual General Meeting until the conclusion of the 30<sup>th</sup> Annual General Meeting of the Company. In accordance with the Companies (Amendment) Act, 2017, enforced w.e.f. 7<sup>th</sup> May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.
4. Mr. Gangadharan Kandan Rama Panicker (DIN: 07735379) 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. 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.
6. 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.
7. In case of joint holders, the vote of only such joint holder who is higher in the order of names, whether in person or proxy, shall be accepted to the exclusion of the votes of other joint holders.
8. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members/Proxies/Authorized Representatives should bring their copy of the Annual Report and Attendance Slip sent herein for attending the Meeting. Proxy/Authorized Representatives of Members should state on the Attendance Slip as 'Proxy' or 'Authorized Representative', as the case may be. Further, those who hold shares in demat form are requested to write their Client Id and DP Id and those who hold shares in physical forms are requested to write their folio number on the attendance slip for easy identification at the meeting.
9. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, 23<sup>rd</sup> August, 2019 to Monday 26<sup>th</sup> August, 2019 (both days inclusive).
10. 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.
11. Since, financial year ending on 31<sup>st</sup> March, 2008, the Company has not declared any Dividend and there is/are no unclaimed Dividend outstanding with the Company as on date.
12. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.
13. 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.
14. Statutory registers and all other documents relevant to the business as stated in the Notice convening the AGM are open for inspection by the Members at the Registered Office of the Company upto and including the date of the ensuing Annual General Meeting of the Company during business hours on any working day of the Company without payment of fee and will also be available at the AGM.
15. 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.
16. 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, Statement of 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.

17. The members are requested to:

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

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

**EVENT NUMBER:- 190132**

- The voting period begins on **Friday, 23<sup>rd</sup> August, 2019 (9.00 a.m. IST) to Sunday, 25<sup>th</sup> August, 2019 (5.00 p.m. IST)** During this period shareholder's of the Company, holding shares whether in physical form or in dematerialized form, as on the cut-off date **Monday, 19<sup>th</sup> August, 2019**, may cast their vote electronically. The e-voting module shall be disabled by LINKINTIME for voting after 25<sup>th</sup> August, 2019 at 5.00 p.m.
- Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- Click on "Login" tab, available under 'Shareholders' section.
- Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- Your User ID details are given below:

**a. Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID

**b. Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID

**c. Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No. + Folio Number registered with the Company

- Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (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).

For Shareholders holding shares in Demat Form or 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). • Members who have not updated their PAN with depository Participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB / DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details (last 4 Digit) as recorded in your demat account or in the Company records for the said demat account or folio number. • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (v).

- If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

- If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".
- In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (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).

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the Company in which they are a shareholder and eligible to vote, provided that the Company opts for e-voting platform of LIPL.



- For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) Cast your vote electronically

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of Pioneer Embroideries Limited. you choose to vote.
- On the voting page, you will see “Resolution Description” and against the same the option “Favour / Against” for voting.
- 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’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour / Against’.
- If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
- After selecting the appropriate option i.e. Favour / Against as desired and you have decided to vote, 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.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

**General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <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.
  - During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
  - Shareholders holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.
  - In case the shareholders have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.
- (x) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Monday, 19<sup>th</sup> August, 2019.
- (xi) Any person who acquires shares of the Company and become Members of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Monday, 19<sup>th</sup> August, 2019, may obtain the login id and password by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or to the Company at [mumbai@pelhakoba.com](mailto:mumbai@pelhakoba.com).
- (xii) However, if you are already registered with LIPL for remote e-voting then you can use your existing user ID and Password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details/Password” option available on <http://instavote.linkintime.co.in>, or contact LIPL at the toll free no i.e. 1800-222-990.
- (xiii) 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.
- (xiv) The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the e-Voting facility.
- (xv) The Scrutinizer shall after conclusion of voting at the Annual General Meeting, will count the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and 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.
- (xvi) The Results of the voting with the report of the Scrutinizer shall be placed on the website of the Company [www.pelhakoba.com](http://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.
- (xvii) Your default PAN / Sequence Number has been printed on the address sticker on right side in bold, which is to be used for E-voting purpose as you have not updated your PAN details.

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

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

**ITEM NO. 3 & 4**

Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) were appointed as an Independent Director of the Company for a period of five years up to 31<sup>st</sup> March 2019 and 16<sup>th</sup> April 2019 respectively. Considering the expertise and experience of Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) and their valuable contributions to the Company, the Nomination and Remuneration Committee and the Board at their meetings held on 04<sup>th</sup> February, 2019 have recommended the re-appointment of Mr. Joginder Kumar Baweja (DIN: 01660198), as Independent Director of the Company for a second consecutive term from 1<sup>st</sup> April, 2019 till 31<sup>st</sup> March, 2024 and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) as Independent Director of the Company for a second consecutive term from 17<sup>th</sup> April, 2019 till 16<sup>th</sup> April, 2024.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given their background, experiences and contributions made by them during their tenure, the continued association of Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873), would be beneficial to the Company and it is desirable to continue to avail their services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873), as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term.

Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) are not disqualified from being appointed as a Director in terms of Section 164 of the Act and have given their consent to act as a Director. The Company has also received declaration from Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) stating that they meet the criteria of independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) fulfils the conditions as specified under the Act and the Listing Regulations and they are independent of the promoter/promoter group/management for appointment as an Independent Director.

Details of Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873), are provided in the “Annexure” to the Notice. They shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act. Copy of draft letter of appointment to Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873), setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Mr. Joginder Kumar Baweja (DIN: 01660198) and Mr. Gopalkrishnan Sivaraman (DIN: 00457873) are interested in this resolution with regard to his re-appointment. Save and except the above, 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.

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

The Board of Directors recommends Special Resolution set out at Item No. 3 and 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 31<sup>st</sup> March, 2020.

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 31<sup>st</sup> March, 2020, 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. 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.

**ITEM NO: 6**

The Company proposes to reclassify its authorised share capital of the Company, as all the preference shares of the Company has been converted into Equity Shares, so there is no use in keeping preference shares as part of its authorised capital and the Company can now utilise these preference shares and re-classify the entire preference share capital in to equity shares.

Pursuant to the provisions of Section 64 and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company, the Authorized Share Capital of the Company be re-classified from the existing ₹50,00,00,000/- (Rupees Fifty Crores Only) divided into 3,30,00,000 (Three Crores Thirty Lakhs) Equity Shares of ₹10/- (Rupees Ten Only) each and 1,70,00,000 (One Crore Seventy Lakhs) Preference Shares of ₹10/- (Rupees Ten only) each to ₹50,00,00,000/- (Rupees Fifty Crores Only) divided into 5,00,00,000 (Five Crores) Equity Shares of ₹10/- (Rupees Ten Only) each, subject to the consent of members.

Further, pursuant to the provisions of Section 13 of the Companies Act, 2013 and the rules made there under the Company also need to amend clause V of the Memorandum of Association of the Company by the following new clause V: