



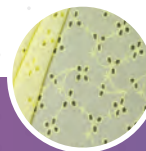
PIONEER  
EMBROIDERIES  
LIMITED

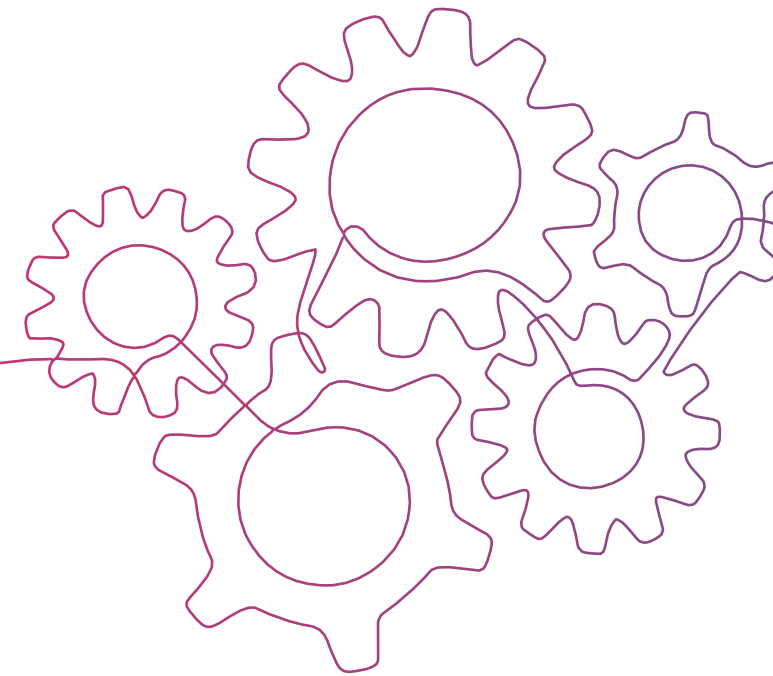
# Weaving Our future Expanding Our Horizon

30<sup>th</sup> Annual Report 2021-22

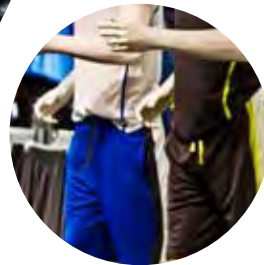
**SILKOLITE**  
Scale to Value....

**hakoba**  
Embroidery beyond your imagination





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This Annual Report can be downloaded from our website at

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

# Weaving Our Future Expanding Our Horizon

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

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

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



# Company Overview

Established in 1991 by Mr. Raj Kumar Sekhani, Pioneer Embroideries Limited ("PEL") is one of India's notable manufacturer and exporter of value-added Specialized Polyester Filament Yarn (SPFY) and Embroidery & Laces (EL).

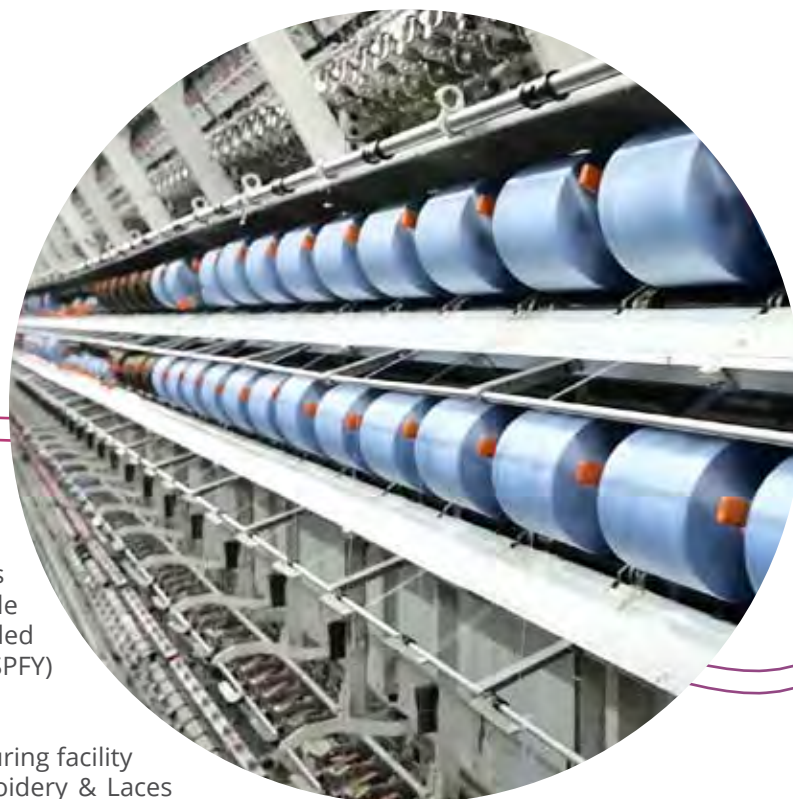
It has a state-of-the-art SPFY manufacturing facility at Himachal Pradesh, and three Embroidery & Laces manufacturing facilities in Gujarat, Dadra & Nagar Haveli and Tamil Nadu. Along with a wide marketing presence at all the major markets. Its Coimbatore facility is also certified as per **GOTS** (Global Organic Textile Standard), an internationally recognized standard.

Within a few years, PEL has carved a permanent niche for itself in the SPFY business worldwide, with best-in-class quality under the **SILKOLITE** brand. PEL has a yarn capacity of about 18,000 MT pa. The Company's products find application mainly in the non-apparel segment, used in carpets, bath mats, upholstery fabrics, and curtains. PEL became one of the first textile Company to create a brand in a highly commoditized yarn business.

PEL has a capacity of around 14 mn meters for braided laces and about 1,700 mn stitches of embroidery. PEL's products enjoy premium in the marketplace because of better quality, designing, and capacity. Owners of the heritage brand - **Hakoba** - PEL has over the years added strength to the brand by building upon an extensive library of embroidery designs, making Hakoba synonymous to high-quality embroidery across the world.

Pioneer Group has established an impeccable reputation and carved a permanent niche in the industry throughout the world.

The Company is listed on NSE (**PIONEEREMB**) and BSE (**514300**).



## Mission

Pioneer is dedicated to delivering products and services with integrity and accountability, using both proven and innovative methods



## Vision

To make Pioneer a place of choice to work and grow

### FY22 - Standalone

Revenue  
₹ 292.2 Cr.

EBITDA  
₹ 26.5 Cr.  
Margin 9.0%

PAT  
₹ 11.0 Cr.  
Margin 3.8%

Book Value  
₹ 47.28

# Key Facts & Figures



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



Footprints in  
25+ Countries



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



4 Manufacturing Facilities  
One Of SPFY  
Three Of EL



300,000+  
Designs In Library  
Embroidery & Laces



1200+ Colour Shades In  
Library  
Specialized Polyester Filament Yarn



1000+ Team Members  
Embracing Our Culture And  
Delivering Value



Integrated Manufacturing  
Operations

## Capacity Optimally Utilised Manufacturing Capacity

18,000+  
MTPA Of SPFY  
14+  
Million Meters Of Braided Laces  
1,700+  
Million Stitches Of Embroidery

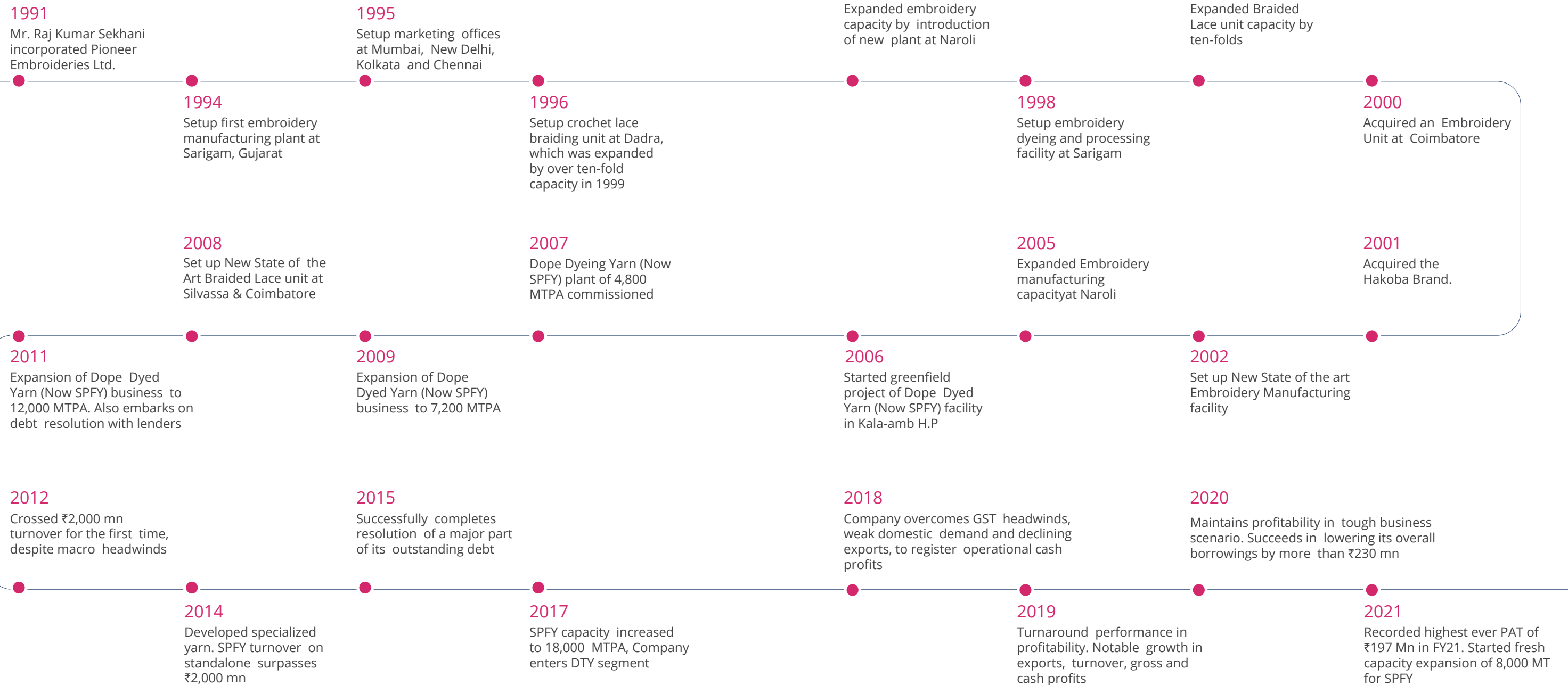
## Key Brands

**SILKOLITE**  
Scale to Value....

**hakoba**  
Embroidery beyond your imagination

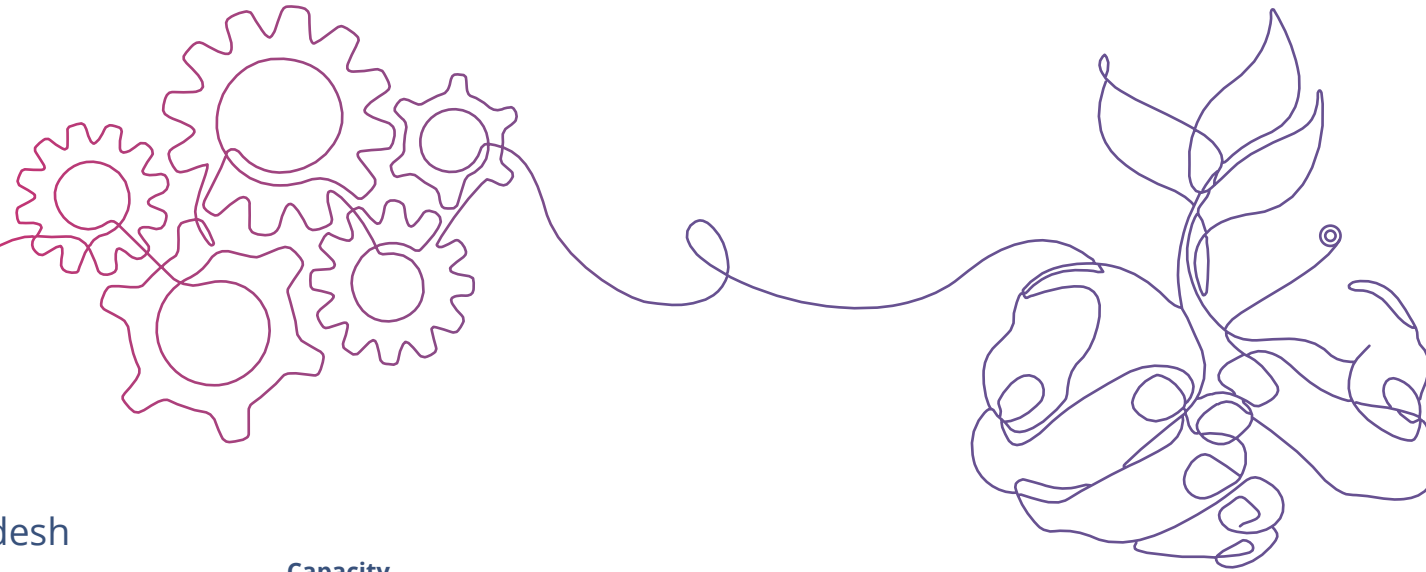


# Journey So Far





# Manufacturing Units



## Kala-Amb, Himachal Pradesh



State of the art plant makes **SPFY**

Latest technology using equipment for value added products

Capacity

**18,000 MTPA**



## Sarigam, Gujarat



**Embroidered - Fabric & Guipure, Embroidered material** (Schiffli machines)

**Braided Laces** (Bobbin Lace machines)

Capacity (Embroidery)

**385 mn stitches**

Capacity (Lace)

**7 mn metres**



## Coimbatore, Tamil Nadu



**Embroidered fabrics, Allover fabrics and Laces** (Schiffli machines)

**Braided Laces** (Bobbin Lace machines)

Capacity (Emb)

**496 mn stitches**

Capacity (Lace)

**7.14 mn metres**  
GOTS certificated plant



## Naroli, Dadra & Nagar Haveli



**Embroidered fabrics, Allover fabrics and Laces** (Schiffli machines)

Capacity

**830 mn stitches**

**Base for export orders**



## Assurance Of High Quality & Sustainable Future

Every kilogram of yarn consumes 35 litres of precious water to produce solution-dyed yarns. The Company's SPFY process is totally without water and generates zero effluents, making it a very ECO-FRIENDLY method. So in effect, a saving of 1.9 Million litres of water every day or 4.2 Million barrels per annum is equivalent to almost 260 full-size Olympic swimming pools. The primary focus is on R&D on Inter Fibre replacements, mainly targeting Natural Fibres and replacing Solution Dyed Yarns.



The Company has successfully achieved **Global Recycled Standard (GRS) 4.0** label (yarns made from PET bottles to capture sustainability tag) for its entire product range after due inspection and assessment by independent certification agency ONE CERT.



The Company is certified for **Oeko Tex standards**. The Standard 100 by Oeko-Tex is the product label for textiles tested for harmful substances with the largest prevalence worldwide. This certifies use of safe chemicals/dyes in the entire manufacturing process of making dyed yarns.



**GOTS** is a textile production certification that limits the use of toxic bleaches, dyes and other chemical inputs during the production process of textiles. PEL has a GOTS certified facility at Coimbatore.



**ISO 14001** is the international standard that specifies requirements for an effective environmental management system (EMS). PEL's Himanchal Pradesh facility is certified with ISO 14001



**ISO 9001** is defined as the international standard that specifies requirements for a quality management system (QMS). This demonstrates the ability of the Company to consistently provide products and services that meet customer and regulatory requirements.

# Business Verticals

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



## Specialty Polyester Filament Yarn

- Air Texturised Yarns
- Carpet Yarns
- Twisted Yarns
- Fully Drawn Yarn
- Draw Textured Yarns
- Partially Oriented Yarns



## Retail

- Embroidery Fabrics
- Salwar Kameez Dupatta (SKDs)
- Sarees
- Garments

## Embroidery & Laces

- Guipure All Over & Laces
- Fabric All Over & Laces
- Braided Laces
- Fancy Laces



## Creating A Niche For Its Eco-Friendly Product Portfolio

**Brand:** PEL is possibly the first Indian company to create a brand: "SILKOLITE" in a commodity product like yarn.

**Sustainable Business:** The Specialty Polyester Filament Yarn (SPFY) business has emerged as a profitable venture and a good diversification for the Company. In SPFY, the yarn is dyed at the polymer stage. Then, before the extrusion process, the polymer solution is mixed with a pigment and the extruded yarns are coloured with excellent colour variations and fastness.

**ECO-Friendly Production Process:** The Dope dyed process does not use water and generates zero effluents, making it a very ECO-FRIENDLY method. The Company saves around 1.9 Million litres of water every day

**Type of SPFY:** Air Texturised Yarns, Carpet Yarns, Twisted Yarns, Fully Drawn Yarn, Draw Textured Yarns, and Partially Oriented Yarns

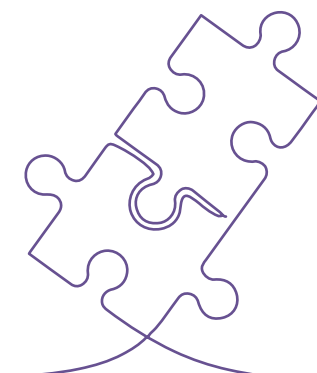
[www.silkolite.in](http://www.silkolite.in)

**SPFY End Use:** SPFY produced by PEL finds use in Technical textiles like Flame Retardants yarns, Recycled yarns, Anti-Microbial yarns, UV Stabilized yarns, Easy Dye-able and other Fancy Yarns, which are capable of replacing natural fibres like Cotton, Viscose and Wool.

**State-of-the-art Manufacturing:** PEL setup a Specialty Polyester Filament Yarn (SPFY) manufacturing facility in Kala-amb, Himachal Pradesh, in 2007, sensing that this niche industry will need manufacturers to supply a wide range of quality products at user-specific order sizes. PEL's SPFY plant at Kala Amb, Himachal Pradesh, is today one of the most unique (end to end solution) plants in India and probably in the whole of South-East Asia.

**Customer-centric Approach:** PEL has garnered a notable market presence in this vertical with over 1,200 shades and customised order quantities according to customer requirements, even as low as 500 Kilos; this ability sets PEL apart from the competition.





Exclusive, Affordable,  
Fashionable And Sustainable



**Heritage Brand:** "HAKOBA", a heritage brand since 1961, expresses the romanticism of the union of the needle and thread through its intricate creations of a wide range of luxury textile products. In 2001 Pioneer bought over the brand and relooked at the entire product portfolio.

**Organic Fabrics:** As part of strengthening its sustainability objectives, the Hakoba brand now offers organic textile products manufactured by PEL, which holds the GOTS certification, certifying conformance to organic production materials and methodologies.

**www.hakoba.in:** PEL has revamped and relaunched its website www.hakoba.in with a wide range of premium textile products, including organic variety and designs that expand its demographic presence beyond its traditional and online marketplace (Like Amazon etc.).

**Product Offerings:** Currently, the retail outlets are selling Sarees, Salwar Kameez Dupatta, Fashion Fabrics. Hakoba also added men's wear in its portfolio, such as Unstitched and

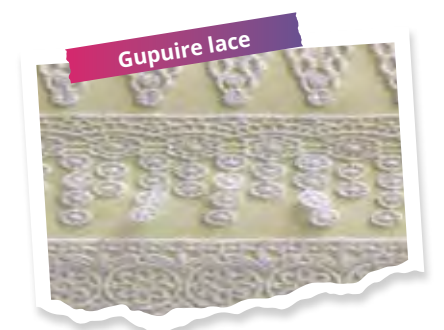
Stitched Kurta Pyjama. Besides cotton, other base fabrics like silks, man-made blends, net, etc., were also incorporated. In addition, Hakoba retail has expanded its reach by adding private labels under the Hakoba umbrella to add fashion and home furnishing allied products in its offerings.

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

**Going Upward:** Hakoba - the word itself conjures up images of embroidery. The brand is positioned as a store brand rather than a product brand. Hakoba offers something for everyone. Already, Hakoba occupies a unique mind pace among its customers, and the recall is exceptionally high. What was needed was a new avatar, which Pioneer is now providing, keeping the current market dynamics in mind. When the fashion history for Generation Z is written, Hakoba would be a preferred brand.

## Embroidery & Laces

Striving For Growth Through Continuous Enhancement



**PAN India Presence:** The Company has multiple embroidery and lace manufacturing facilities across the country in Sarigam (GJ), Naroli (D&NH) and Coimbatore (TN), along with a marketing presence at all the major markets, including Delhi NCR, Tirupur, Chennai, Mumbai, Kolkata.

**Pricing Power:** PEL's embroidery products enjoy a premium in the marketplace because of better quality, design, and capacity.

**GOTS Certified Plant:** In pursuance of its sustainability objectives, PEL enjoys GOTS certification for its Coimbatore

manufacturing facility. This has helped PEL's manufacturing facility become an approved vendor to Inditex (Zara retail) for embroidery.

**Product Development:** The Company has a highly talented & skilled design development team, which constantly works towards creating new designs to fulfil the ever-evolving expectations in sync with global fashion trends.

**Design Library:** PEL's Design Library consists of over 3,00,000 plus embroidery designs, rooted and inspired by the Indian culture.

## SPFY Capacity Expansion

**Planned Capacity expansion of SPFY by 8000 MT**

**Location: Kala-Amb, Himachal Pradesh**

**CAPEX budget of around ₹ 58 Cr.**

**Additional revenue potential ₹ 100 Cr.**

**12 High Speed Embroidery Machine with capacity of 2000+ million stitches**

**Location: Dhule, Maharashtra**

**CAPEX budget of around ₹ 45 Cr.**

**Additional revenue potential ₹ 54 Cr.**

### Timeline

**January 2023**

Commencement of commercial production

**December 2022**

Arrival of machines

**July 2022**

Building completion

**October 2021**

Procurement of Land



### Equipment supplier

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

### Himson Engineering Private Limited:

Leading supplier in India for all kinds of Texturing and winding machines

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

In the year 2005, Pioneer Embroideries Limited planned to foray into specialty yarns and envisioned a one-of-a-kind state-of-the-art infrastructure to supply dope/melt dyed polyester filament, full drawn Yarns with end-to-end tailor-made solutions for niche

markets. In order to cater to a small batch size of 500 kgs, it planned to build its own Master batch (colourant) manufacturing factory, allowing it to shorten lead times and create even the tiniest quantities of colourants with no leftovers. The goal became a reality in 2007, when the company launched operations with a limited capacity of 15 MT/day. In 2017, it successfully introduced POY-based product line, and now has a strong market presence in both the Domestic & Export Markets.

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

### Equipment supplier

➤ **Lasser AG, Switzerland,**  
Leading player for high-speed shuttle embroidery machines

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

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

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

### Setting up building infrastructure in a Textile Park

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

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

Additionally State Government offers the following financial benefits:

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

### Timeline

**Expected commercial production**

90 days from arrivals of machines

**Arrival of machines**

Sets of 4 machines every subsequent quarter

**Building completion**

Q3 FY2023

**Procurement of Land**

Tied up with the textile park



# Corporate Information

## BOARD OF DIRECTORS

**MR. RAJ KUMAR SEKHANI**  
Chairman  
(DIN:00102843)

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

**MR. SAURABH MAHESWARI**  
Executive Director  
(DIN:00283903)

**MR. JOGINDER KUMAR BAWEJA**  
Independent Director  
(DIN:01660198)

**MR. GOPALKRISHNAN SIVARAMAN**  
Independent Director  
(DIN:00457873)

**MS. SUSHAMA BHATT**  
Independent Director  
(DIN:09168896)

## BANKERS

UNION BANK OF INDIA  
KOTAK MAHINDRA BANK LTD

## CFO

MR. DEEPAK SIPANI

## COMPANY SECRETARY & COMPLIANCE OFFICER

MS. AMI THAKKAR

## STATUTORY AUDITORS

S. K. Naredi & Co.  
Chartered Accountants

## MANUFACTURING UNITS

1. 1637-1639, G.I.D.C. Sarigam, Dist. Valsad, Gujarat – 396 155
2. Primer Industrial Estate, Survey No.678/1/2, Village Naroli, Silvassa, (U.T.) – 396 203
3. Mettupalaym Road, Chinnamaddampalayam, Billichy Post, Coimbatore – 641 019
4. Village-Kheri, Trilokpur Road, Kala-Amb, Dist Sirmour, Himachal Pradesh – 173 030

## OFFICES

**Registered Office:**  
Unit No, 101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai - 400 058

**Corporate Office:**  
Unit No.21 to 25, 2nd Floor, Orient House, 3-A Udyog Nagar, Off S. V. Road, Goregaon (West), Mumbai – 400 062

**Chennai Office:**  
29 & 30, 3RD Floor, Kumbhat Complex, Rattan Bazar, Chennai – 600 003

**Delhi Office:**  
4986, 1st & 2nd Floor, Baratooti Chowk, Sadar Bazar, Delhi – 110 006

**Delhi Yarn Office (SPFY):**  
807 & 808, ITL Twin Towers, Plot No. B-09, Netaji Subhash Place, Pitampura, New Delhi – 110 034

**Mumbai Marketing Office:**  
Navyug House Building, Room #26, 1st Floor, Old Hanuman Lane, Kalbadevi, Mumbai-400002

**NCR Office:**  
Plot No – 828, Udyog Vihar, Phase -5 , Gurgaon, Haryana, Pin- 122016 | Tel - 0124 - 4365400,03

**Surat Office:**  
Kiran Compound, Near A P Market, Udhna, Surat – 394 210

**Tirupur Office:**  
Door No 6(1)/25, Duraisampuram, 1st street, PN Road, Tirupur-641602

Telephone No. : 91-22- 4223 2323  
Fax No. : 91-22- 4223 2313  
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 Demat : INE156C01018

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd., C101, 247 Park, L.B. S. Marg, Vikhroli (West), Mumbai- 400083  
Telephone No. : 91-22- 4918 6000 / 4918 6270  
Fax No. : 91-22- 4918 6060

# Core Team



The right blend of experience and expertise



**Mr. Raj Kumar Sekhani**

Chairman | Age: 62 Years

A Commerce Graduate from Calcutta University. He is the Promoter-Director and Executive Chairman of the Company. He has been involved in the activities of manufacturing and trading in garment accessories, including embroidery fabrics, laces and knitted fabrics, for more than two decades, much before he promoted the Company. His niche area of expertise and contribution has been formulating the overall Company policies and taking care of the domestic as well as global marketing of the Company's products.



**Mr. Harsh Vardhan Bassi**

Managing Director | Age: 47 Years

A Graduate in Commerce Stream from Punjab University, and took to business at a very young age. Delving into manufacturing, business development, marketing and other business verticals, he has gained tremendous experience in International marketing of textiles, having successfully interacted with renowned labels worldwide. Mr Bassi has been on board of Pioneer Embroideries Limited since 2003 and elevated as Managing Director in May 2014.

**Mr. Gangadharan K R Panicker** | *President Corporate & Head of Business (South India)*

Age: 67 Years | Experience: 43+Years

Qualification: Diploma - Textile Technology

**Mr. Deepak Sipani** | *CFO*

Age: 48 Years | Experience: 23+Years

Qualification: CA

**Mr. Sandeep Sharma** | *President, Head Marketing-EL*

Age: 47 Years | Experience: 21+Years

Qualification: B.Com

**Mr. Manoj Pillay** | *Sr. VP - International Trade-EL*

Age: 49 Years | Experience: 27+Years

Qualification: B.Com

**Mr. Aarav Sekhani** | *VP - Marketing*

Age: 37 Years | Experience: 13+Years

Qualification: MBA

**Mr. Saurabh Maheshwari** | *Executive Director*

Age: 43 Years | Experience: 22+Years

Qualification: CA

**Mr. DNN Rao** | *CEO SPFY*

Age: 57 Years | Experience: 33+Years

Qualification: B.Tech - Textiles

**Mr. Kuntal Kumar Pandit** | *Sr. VP – Corporate Affairs*

Age: 53 Years | Experience: 33+Years

Qualification: Engineer - Elec. & Industrial Elec.

**Mr. B S Khulbe** | *Marketing Head SPFY*

Age: 55 Years | Experience: 31+Years

Qualification: MBA - Marketing, B Tech - Textiles

**Mr. Vishal Sekhani** | *VP - Finance and Retail*

Age: 33 Years | Experience: 9+Years

Qualification: CA

## Letter From Chairman



### Dear Shareholders,

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

Your organisation has demonstrated incredible resilience and adaptation in the face of massive upheaval, emerging stronger than ever after devastating catastrophes such as the global financial crisis or the pandemic. Unexpected events like these illustrate an organization's strength and the principles it represents. All of our employees and service providers' health, safety, and

well-being are top priorities for us. Your business is dedicated to continuing to provide a safe working environment for its employees. Simultaneously, we continue to operate our factories, attempting to contribute to the restoration of economic activity and providing wages to labour and staff.

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

During the year, Company's financial performance was affected by the increasing raw material prices,

increasing global shipping costs & inflation. In FY2021-22 the Company delivered a Revenue of ₹29,217 lakhs, EBITDA stood at ₹2,653 and PAT at ₹1,105 lakhs.

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

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

With Warm Regards  
**Raj Kumar Sekhani**

## Letter From Managing Director



### My Dear Pioneer Family Members,

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

Mitigating the consequences necessitated strategic focus, agility, and quick action. We broadened our reach while driving growth enterprises, maintaining the speed of innovation, and expanding out into new areas. Internal change is another lens through which we should measure our performance throughout the course of the year. At all levels, we strengthened our talents and personnel, and the

organisation is bubbling with energy and ideas. As we work toward our goal of being a market leader, our sustainability agenda is becoming more defined.

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

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

raw material costs & higher freight costs than in previous years.

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

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

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

With Warm regards  
**Harsh Vardhan Bassi**