



PIONEER GROUP

Date: 30th September, 2013.

To
Dept. of Corporate Services,
BOMBAY STOCK EXCHANGE LIMITED
P. J. Towers,
Dalal Street, Mumbai – 400 001

Code:-514300

Dear Sir,

FORM B

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	PINEER EMBROIDERIES LIMITED
2.	Annual financial statements for the quarter Ended	31 st March, 2013
3.	Type of Audit observation	Qualified - : Note 35 relating to exchange difference arising in relation to fixed assets, which are purchased out of the Foreign Currency Term Loans, is charged to the carrying cost of the assets, which is not in accordance with the Accounting Standard 11, otherwise loss would have been higher by Rs.34.11 lacs.
4.	Frequency of observation	Repetitive appearing since September, 2008
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Appearing at Page No.22 at Para 6 under the heading Auditors Report of the Company. And The company has decided to stop the practice from current year i.e. Financial Year 2013-2014
	Additional comments from the board/audit committee chair:	The company has decided to stop the practice from current year i.e. Financial Year 2013-2014

PIONEER EMBROIDERIES LIMITED

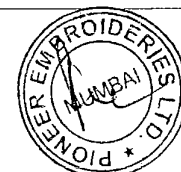
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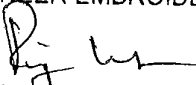
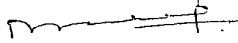

Corp. Off.: Unit No 21 to 25, 2nd Floor Orient House, 3-A Udyog Nagar, Off S. V. Road, Goregaon (West), Mumbai - 400062
Tel.: 022-4223 2323 • Fax : 022-4223 2313 • E-mail : mumbai@pelhakoba.com • Website : www.pelhakoba.com

Regd. Off.: 101-B, Abhishek Premises, Plot No. C 5-6, Dalia Industrial Estate, Off New Link Road,
Andheri (West), Mumbai - 400 058.

hakoba

Embroidery beyond *your* imagination



5.	To be signed by-	Affix Rubber Stamp of each authority
	<ul style="list-style-type: none"> CEO/Managing Director 	<p>For PIONEER EMBROIDERIES LTD.</p>  <p>Chairman & Managing Director</p>
	<ul style="list-style-type: none"> CFO 	<p>—</p> <p>For M B A H & CO Chartered Accountants</p>
	<ul style="list-style-type: none"> Auditor of the company 	 <p>Mahesh Bhageria Partner M. No. 034499</p>
	<ul style="list-style-type: none"> Audit Committee Chairman 	<p>For Pioneer Embroideries Limited</p>  <p>Chairman</p>

Please find herewith six copies of Annual Report for the year ended 31st March, 2013.

For PIONEER EMBROIDERIES LIMITED



DIRECTOR

ENCL: - As Above



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21st ANNUAL REPORT 2013



hakoba
SINCE 1960

Dope Dyed Polyester Yarn Unit, Kala-amb, Himachal Pradesh





BOARD OF DIRECTORS AND OTHER INFORMATION

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BANKERS

STATE BANK OF INDIA
UNION BANK OF INDIA

COMPANY SECRETARY

BHARTI S GANDHI

COMPLIANCE OFFICER

UDAY NEMLEKAR

STATUTORY AUDITORS

M B A H & CO
Chartered Accountants

Works

Embroidery Plants:

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

Bobbin Lace Plants:

- 1) KARAD : Survey No. 150/4, Village Karad, Madhuban Dam Road, Rakholi, Silvassa, Dadra & Nagar Haveli (U.T.)-396 230
 - 2) COIMBATORE : Mettupalaym Road, Chinnamaddampalayam, Billichi Post, Coimbatore-641 019
- Process House : 1638, G.I.D.C., Sarigam, Dist. Valsad, Gujarat -396 155
- Dope Dyed Plant : 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, 8th Floor, 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-122 061
- 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 AP 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
- Listing : Stock Exchanges: Bombay Stock Exchange 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 First Annual General Meeting of the Members of Pioneer Embroideries Limited will be held on Saturday, 10th August, 2013 at The Green Village, Malavani Church, Opp. Akashwani Kendra, Marve Road, Malad (West), Mumbai - 400 095 at 9:30 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Arvind Ratan Sinha, who retires from office by rotation, and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

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

By Order of the Board of Directors
For PIONEER EMBROIDERIES LTD.

Harsh Vardhan Bassi
Executive Director

Place: Mumbai

Date : June 4, 2013

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. Under the Companies Act, 1956, voting is by show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least ₹50,000. A proxy may not vote except on poll.
2. Proxy Forms duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the Meeting.
3. 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.
4. 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.
5. 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.
6. 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.
7. The Register of Members and Share Transfer books of the Company will remain closed from August, 6, 2013 to August 10, 2013 (both days inclusive).
8. 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 Dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per section 205C of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
9. Dividend for the Financial year March 31, 2006 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to Investor Education and Protection Fund (IEPF). Members who have not so far encashed Dividend Warrant(s) for the aforesaid years are requested to seek issue of Duplicate Warrants(s) by writing to the Company immediately. **Members are requested to note that NO CLAIMS shall lie against the Company or IEPF in respect of any amounts that were unclaimed and unpaid for a period of 7 years from the dates they first became due for payment and no payment shall be made in respect of any such claims.**
10. Members are requested to notify any change in their address to the Registrar & Transfer Agent of the Company M/s. Link Intime Share Registry Limited.

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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 21st April, 2011 and Circular No.18/2011 dated 29th 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. Members who hold shares in electronic form are requested to get their details updated with the respective Depositories.



DIRECTOR'S REPORT

To,
The Members,
PIONEER EMBROIDERIES LIMITED

Your Directors present their Twenty First Report on the business and operations of your Company for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS:

(₹ in lacs)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Turnover - Domestic	22,379.37	17,690.87
- Export	1,669.32	3,039.21
Total	24,048.69	20,730.08
Profit / (Loss) before Other Income, Financial Charges, Depreciation, Exceptional Items & Tax	1,489.32	860.82
Other Income	683.68	2,246.61
Profit / (Loss) before Financial Charges, Depreciation, Exceptional Items & Tax	2,173.00	3,107.43
Financial Charges (net)	1,532.19	1,540.13
Profit / (Loss) before Depreciation, Exceptional Items and Tax	640.81	1,567.30
Depreciation	1,266.18	1,213.48
Profit / (Loss) before Exceptional Items & Tax	(625.37)	353.82
Exceptional Items (net)	861.80	764.27
Provision for Deferred Tax Liability / (Asset)	1,851.00	(38.20)
Net Profit / (Loss)	(3,338.18)	(372.25)
Balance of net loss brought forward from previous year	(732.31)	(360.06)
Balance of Profit / (Loss) carried forward	(4,070.49)	(732.31)
Per share data		
Basic Earnings per Share (₹)	(25.41)	(2.88)
Book Value per Share (₹)	37.50	68.98

YEAR IN RETROSPECT

Profit before Other Income, Finance Costs, Depreciation, Tax and Exceptional Items for the year stood at ₹1,489.32 lacs (₹860.82 lacs). However, due to high finance costs and depreciation and lower other income compared to previous year, the Loss before Tax and Exceptional Items for the Company stood at ₹625.37 lacs (Profit of ₹353.82 lacs). The Net Loss after providing deferred tax, stood at ₹3,338.18 lacs (₹372.25 lacs).

During the year under review, the Dope Dyed Polyester Yarn (DDPY) business reported increase in turnover and EBIDTA levels. The turnover has grown to ₹17,809 lacs (₹15,613 lacs), an increase of 14%. The operating margins also improved marginally, and EBIDTA for the year stood at ₹1,289 lacs (₹1,121 lacs). The growth in turnover was driven by higher capacity utilization and continued thrust on value-added sales. The Company was able to establish its Micro Denier High Bulk Yarns in the market as a substitute to Nylon and Cotton Yarns, thus mainly targeting the Bath Mats and Carpets industry segments. The higher realizations from these segments enabled the division to maintain the margins despite increase in cost of inputs viz. raw material, labour and power, as also the adverse movement in Rupee vis-à-vis the US Dollar. Paucity of working capital has also impacted profitability as share of exports in the total turnover came down.

The Embroidery and Laces division continued to show improved performance with an increased turnover of ₹5,385 lacs (₹4,031 lacs) and an EBIDTA of ₹660 lacs (₹142 lacs).

The improved performance was achieved despite old machineries, higher raw material costs and stiff competition from unorganized sector. Focused attention on building operating efficiencies, optimum utilization and regular maintenance of available equipment, improved marketing efforts have aided the performance. Pioneer has also relied on its designing capabilities to lower costs and offer a product-mix which helped in maximizing the contribution.

R&D efforts, specially in the DDPY segment remain central to the operations of your Company. A varied product range and flexible infrastructure are enabling tools in these efforts. Inter-Fibre replacements usage particularly in the Non-Apparel industries like Furnishing, Carpets, and other Niche segments has been the focus of these efforts presently. Your Company aims to meet increasing market demand and to achieve strong earning growth by focusing more on high-margin product mix. The operating performance is thus expected to improve further in the coming years.

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INDUSTRY OVERVIEW

The external environment has been hostile for Textile Industry and particularly Filament Yarn Industry as a whole on account of rising Raw material prices and oversupply situation in the industry. PIONEER is able to distinguish itself due to its established position as a Value-Added Yarn Supplier having been able to cater to end-to-end solutions and Niche Segments. This is only possible due to a vast product range and an infrastructure which facilitates flexible production planning.

However, due to a phased implementation of the expanded capacity and deferment of value-added machinery corresponding to the FDY capacity enhanced, there has been a delay in expanding margins. Although the market for Dope Dyed Yarns has increased multifold, almost every Filament Spinning Plant has been forced to diversify in this segment due to reduced margin in Normal Commodity Yarns. On account of increase in suppliers and competition, the margins in direct sale of FDY have been declining. Following factors are mainly responsible for the pressure on EBITDA margins:

1. Higher Raw Material Prices;
2. Increased Competition for Sale of FDY directly;
3. Steep rise in Labour & Power Cost and intermittent disturbances due to labour absenteeism.

YEAR IN PROSPECT:

The Company plans to consolidate its position as a value-added yarn producer providing end-to-end solutions. With better value-added capacity utilization, we are confident to achieve value-added sales component of 65%-70% in place of 53% currently, which should lead to improvement in the overall margins.

Further the Company plans to expand its spinning capacity as well in the short run to keep its overhead per unit at a sustainable level. The building required for the spinning capacity addition is already in place.

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

CORPORATE DEBT RESTRUCTURING

As reported in the last year, your Company had approached its lenders to rework the restructuring scheme. However, the lenders are yet to approve the reworked package. The Company had in the mean time put in place the TRA mechanism and a sum of ₹800 lac was cut back from the operations and retained by the bankers during the year in the TRA Account. Your Company has also offered a "One Time Settlement (OTS)" to the lenders and has successfully negotiated OTS with Axis Bank and ICICI Bank. The payment to Axis Bank under OTS was completed during the reporting year itself, while payments to ICICI Bank are in progress. Efforts to reach some sort of debt restructuring, in line with the current business operating scenario, with other lenders are also being pursued.

The formal agreement for settlement of outstanding FCCBs of USD 11 million, which are already matured for payment in the reporting year, was delayed due to change in the Administrators, thereof. The new Administrators have now approached the Company and the settlement is expected to be formalized during the current fiscal.

LISTING

The Equity Shares of the Company are listed with the BSE, NSE, Delhi and Kolkata. The Company had applied for delisting the Company's Equity Shares from the Stock Exchanges at Delhi and Kolkata but has not yet to receive the permission for delisting from these Stock Exchanges.

The Company has paid the listing fees for the year to all the stock exchanges, where the shares of the Company are listed.

DIVIDEND

In view of accumulated losses, the Directors have not recommended any dividend for the year.

CONSOLIDATED FINANCIAL STATEMENTS

The Ministry of Corporate Affairs (MCA) by General Circular No.2/2011 dated 8th February, 2011, issued a direction under Section 212(8) of the Companies Act, 1956 that the provisions of Section 212 shall not apply to companies in relation to their subsidiaries, subject to fulfilling certain conditions mentioned in the said circular with immediate effect. The Board of Directors of your Company at its meeting held on June 4, 2013, approved the Audited Consolidated Financial Statements for the financial year 2012-13 in accordance with the Accounting Standard (AS-21) and other Accounting Standards issued by the Institute of Chartered Accountants of India as well as Clause 32 of the Listing Agreement, which include financial information of its subsidiary, and forms part of this report. The Consolidated Financial Statements of your Company for the financial year 2012-13, are prepared in compliance with applicable Accounting Standards and where applicable Listing Agreement as prescribed by the Securities and Exchange Board of India.

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The annual accounts and financial statements of the subsidiaries of your Company and related detailed information shall be made available to members on request and are open for inspection at the Registered Office of your Company. Your Company has not attached the financial statements of its subsidiaries for the financial year 2012-13. A statement of summarized financials of the subsidiary of your Company including capital, reserves, total assets, total liabilities, details of investment, turnover, etc., pursuant to the General Circular issued by Ministry of Corporate Office, forms part of this report.

SUBSIDIARY COMPANIES

The gross sales of the Hakoba Lifestyle Limited in current year stood at ₹79 lacs as compared to ₹586 lacs during previous year. Loss after tax and exceptional item stood at ₹1,005 lacs as compared to ₹713 lacs during previous year.

The gross sales of Mas Embroideries Private Limited in current year stood at ₹Nil (₹9 lacs). The Company has incurred a net loss of ₹0.72 lac as compared to net profit of ₹163 lacs (basically on account of exceptional income in previous year).

Pioneer Realty Ltd. had no activity during the year.

S.R Investments Limited has investment holding as a principal activity and has incurred net loss of ₹ Nil (₹5 lacs) excluding service charges payable to the Company.

The statement of subsidiaries pursuant to section 212 of the Companies Act, 1956 is attached and forms part of this report.

DEPOSITORY SYSTEM

The trading in the equity shares of your Company are under compulsory dematerialisation mode. As on date, shares representing 97.91% of the share capital are in dematerialised form. As the Depository System offers numerous advantages, Members are requested to take advantage of the same and avail of the facility of dematerialisation of the Company's shares.

FIXED DEPOSITS

During the year under review, the Company has not accepted any Deposits within the meaning of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 and as such no amount of principal or interest was outstanding as on the Balance Sheet date.

SAFETY, HEALTH & ENVIRONMENT

As hitherto, all efforts were taken to ensure safety in the operation of the Plants, promote health and protect the environment. The health of the Employees is being continuously monitored and environment improvement measures in and around the Plant area are being given due care and attention.

HUMAN RESOURCE

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of businesses. The Company takes various HR initiatives to align the HR policy to the growing requirements of business.

Your company regularly conducts technical and safety training programmes.

PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be furnished in terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

DIRECTORS

Mr. Arvind Ratan Sinha retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured against risk of fire and other risks.

ACCOUNTING STANDARDS AND CONSOLIDATED FINANCIAL STATEMENTS

A company, whose securities are listed on the Stock Exchanges, is compulsorily required to follow the Accountings Standards prescribed by the Institute of Chartered Accountants of India. As a consequence, the Company is obliged to make a provision for deferred tax assets net of deferred tax liability in the accounts the Company has reversed deferred tax assets of ₹1,851 lacs, in the year under review in view of continuous losses in the recent years. The deferred tax assets shall be created again on turnaround of the company.

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In accordance with the Accounting Standard -21 on Consolidated Financial Statement read with Accounting Standard -27 on Financial Reporting of Interest in Joint Venture, your Directors provide the Audited Consolidated Financial Statements in the Annual Report.

AUDITORS

M/s M B A H & CO, Chartered Accountants are to be appointed as Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

AUDITOR'S REPORT

The observations made in the Auditor's Report to the shareholders are self-explanatory. The qualifications by auditors, are either self-explanatory or are explained in notes to accounts.

DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that:

- (i) In the preparation of the Annual Accounts for the year 2012-13, the applicable Accounting Standards have been followed, except otherwise stated in Notes to Accounts and Accounting Policies;
- (ii) The accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the loss of the Company for the year;
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance with Auditors Certificate on Compliance with the conditions of Corporate Governance and a Management Discussion & Analysis Report has been attached to form part of the Annual Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are attached as Annexure to this report.

ACKNOWLEDGEMENT

The Management of your Company is grateful to the CDR-Cell, Government authorities, Shareholders, Valued Customers, Company's Bankers, Financial Institutions, Raw Material Suppliers, and other Business Associates for their continued support and co-operation.

The Directors also wish to place on record their appreciation of the co-operation, active involvement and dedication of the employees, which enabled the Management to contribute to the growth of your Company.

For and on behalf of the Board of Directors

Place : Mumbai.
Date : June 4, 2013.

RAJ KUMAR SEKHANI
Chairman



ANNEXURE TO THE DIRECTORS' REPORT

- I. Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31.03.2013.

A) CONSERVATION OF ENERGY:

The manufacturing processes of the Company are not energy intensive, therefore impact of energy saving devices are insignificant.

B) TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

The Company has not imported any technology at any time during the last five periods except erection of modern technology based machines.

RESEARCH AND DEVELOPMENT:

- | | |
|---|--|
| a) Specific areas in which R & D has carried out by the Company | The Company has carried out R & D in the area of product development & cost reduction. |
| b) Benefit derived as a result of R & D. | Sales and quality of the products of the Company has improved substantially. |
| c) Future Plan of action | The Company plans to strengthen its R & D activity and intensify its cost reduction programme. |
| d) Expenditure on R & D | Expenditure has been incurred but no separate account is kept. |
| i) Capital | |
| ii) Recurring | |
| iii) Total | |
| iv) Total R & D Expenditure | |

As a Percentage of total turnover.

C) FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ in lacs)

	2012-13	2011-12
Total Foreign Exchange Used (Payment Basis)	350.09	531.54
Total Foreign Exchange Earned	1,786.21	3,095.47

For and on behalf of the Board of Directors

Place : Mumbai.
Date : June 4, 2013

RAJ KUMAR SEKHANI
Chairman



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARIES

(₹ in lacs)

Name of Subsidiaries	Financial year ending of subsidiary	Holding - %	For financial year of the subsidiary		For previous financial years since it became a subsidiary	
			Aggregate profits / losses not dealt with in the company's accounts	Aggregate profits/ losses dealt with in the company's accounts	Aggregate profits / losses not dealt with in the company's accounts	Aggregate profits/ losses dealt with in the company's accounts
1 Hakoba Lifestyle Limited	31.03.2013	85%	(854.56)	Nil	(5,385.66)	Nil
2 Mas Embroideries Private Limited	31.03.2013	100%	(0.72)	Nil	(40.60)	Nil
3 Pioneer Realty Limited	31.03.2013	100%	(0.25)	Nil	(5.88)	Nil
4 S.R Investments Limited	30.06.2012	100%	Nil	Nil	(266.30)	Nil

For and on behalf of the Board of Directors

Place : Mumbai.
Date : June 4, 2013

RAJ KUMAR SEKHANI
Chairman

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

While the regulatory environment in the country has done well to have relevant structures, code and practices in place for ensuring better standards of corporate governance, we, at Pioneer, believe that compliance of the same should be both in letter and in spirit. Even before the framework was in place, your Company has always imbibed the spirit of good governance in its corporate philosophy and has created an enabling environment for nurturing good management practices. Apart from efficiency and competitiveness, other traits like transparency, accountability and ethical values have come to dominate our corporate culture.

The Board of Directors at Pioneer is committed to ensure that the affairs of your Company are governed in the best interests of the shareholders, and that all endeavors would be made to maintain transparency and fairness in all facets of its operations. Emphasis is on maintaining integrity of internal control systems and accountability and compliance with all statutory/ regulatory requirements. Your Company is also conscious of its responsibility as a good Corporate Citizen, and assures that its' operations would be guided by ethics and social values. Moreover, efforts are made to have such values well-defined and explicit, and have them filter down from the top brass to the lower levels of the organisation. We acknowledge the fact that quality of governance is a critical success factor for brand building, resource mobilisation, market penetration and overall business competitiveness.

In accordance with clause 49 of the Listing Agreement with the domestic stock exchanges and best practices followed internationally on Corporate Governance, the details of compliance by the Company are as under:

2. Board of Directors

The Board of the Company comprises four Directors, out of which two are Executive Directors, and two are Independent Non-Executive Directors. The Non-Executive Directors of the Company are highly experienced professionals in their fields and in the corporate world. The Board is headed by Executive Chairman.

The Composition of Directors on the Board of the Company is as under:

Category	No. of Directors
Executive Directors	2
Non-Executive Independent Directors	1
Non-Executive Director (Nominee of EXIM Bank)	1
Total	4

The Category of Directors on the Board of the Company is as under:

Name of the Director	Category	No. of other Directorships@	No. of Board Committee in which Director is@@	
			Member	Chairman
Mr. Raj Kumar Sekhani	Executive Chairman & Promoter	4	---	---
Mr. Harsh Vardhan Bassi	Executive Director	3	---	---
Mr. Chandrasekara Venkata Ramana*	Independent Non-Executive Director	1	---	2
Mr. Sudatta Mandal	Independent Non-Executive Director	1	2	---
Mr. Arvind Ratan Sinha**	Independent Non-Executive Director	1	2	---

* Expired on:- 27th October, 2012

**Appointed w.e.f. :16th October, 2012

@ Does not include Directorships in Private Companies

@@ As per Clause 49 of the Listing Agreement, only Membership in Audit Committee / Shareholders Grievance Committee is taken into consideration.

None of the Directors of the Company holds membership of more than 10 Board Committees or holds Chairmanships of more than 5 Board Committees.

Attendance of Directors at Board Meetings and at the last Annual General Meeting.

The Board of the Company met Seven times during the year ended March 31, 2013 on the following dates:
15-05-2012, 11-08-2012, 16-10-2012, 03-11-2012, 09-11-2012, 14-02-2013 and 15-03-2013

The Board discussed the operating plans, performance of various units and various other informations, including those specified under Annexure I to Clause 49 of the Listing Agreement, from time to time.



<i>Name of the Director</i>	<i>Board Meetings held during the tenure of the Director</i>	<i>Board Meeting Attended</i>	<i>Attendance at the last AGM held on December 21, 2012</i>
Mr. Raj Kumar Sekhani	7	7	Present
Mr. Harsh Vardhan Bassi	7	6	Present
*Mr. Chandrasekara Venkata Ramana	3	2	Absent
Mr. Sudatta Mandal	7	7	Absent
**Mr. Arvind Ratan Sinha	5	4	Absent

* Expired on:- 27th October, 2012

**Appointed w.e.f. : 16th October, 2012

Directors seeking reappointment

A brief resume of Directors appointed/re-appointed at the Annual General Meeting, the nature of his expertise in specific functional areas, and the names of the companies in which he holds directorship and membership of the Committees of the Board are furnished hereunder:

MR. ARVIND RATAN SINHA

Mr. Arvind Ratan Sinha, aged 57, is B.Tech from Bhiwani and MMS from Bombay University have been involved with various industries in India and abroad for last thirty years. He has been very actively involved with World Bank and IMF for last many years for various projects and received many Appreciations and merit Certificates for his involvement his studies and project work. He is also a Specialist on Chinese matter and involved internationally with various Institutions for studies on China and Far East. He is also a speaker on Chinese matter, Chinese Economics and Chinese model for success. He is also actively involved in promoting and implementing Food Safety Management System under USFDA guidelines. He is currently Chief Advisor and CEO of Business Advisors Group which is a leading sourcing company for Relief Supplies globally and also the content creator and provider for critical studies and management issues. His study on human rights in jails, widely appreciated and heading for a Doctorate consideration by leading UK Management Institute. He has presented more than 150 papers so far in various leading conference all over the world and more than 11 subjects including Art History, Defense Forces, Critical Management, Disaster Management, effective Relief supplies etc. He is also deals in Camouflage Fabrics and very actively involved in developing and designing and procuring Camouflage Fabrics for various defense forces all over the world.

He is an Art and Antique collector and three of his records are listed in Guinness World Record.

He also holds Directorship of Rajat Consultancy Service Private Limited and Nakoda Limited. He is the Member of Shareholder's Grievance Committee of your Company

3. Audit Committee

Brief description of Terms of Reference

The following terms of reference stipulated by the Board of Directors to the Audit Committee covers all the matters specified under the Listing Agreement as well as the provisions of Section 292A of the Companies Act, 1956.

1. Oversee the Company's financial reporting process.
2. Oversee the Company's disclosures of financial information.
3. Recommend appointment / removal of statutory auditors and fixation of their fees.
4. Review of the quarterly/half yearly financial results and annual financial statements with the management, internal auditor and the statutory auditor.
5. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary.
6. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems.
7. Review major accounting policies and compliance with accounting standards and listing agreement entered into with the stock exchange and other legal requirements concerning financial statements.
8. Look into the reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.
9. Review of any related party transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives that may have potential conflict with the interests of the Company at large.
10. Authority to investigate into any matter covered by Section 292A of the Companies Act, 1956.

11. Reviewing the Company's financial and risk management policies.

Composition, Name of Members and Chairman and the attendance details are as under:

During the year ended March 31, 2013, Five Meetings of the Audit Committee were held on 15-05-2012, 11-08-2012, 03-11-2012, 09-11-2012, and 14-02-2013.

Name of the Director	Designation	Status	Committee Meetings held during the tenure of Director on the Committee	Committee Meetings Attended
Mr. Chandrasekara Venkata Ramana*	Member	Non-Executive Independent Director	2	2
Mr. Arvind Ratan Sinha**	Member	Non-Executive Independent Director	3	3
Mr. Harsh Vardhan Bassi	Member	Executive Director	5	4
Mr. Sudatta Mandal	Member	Non-Executive Independent Director	5	5

* Expired on:- 27th October, 2012

**Appointed w.e.f. 16th October, 2012

4. Remuneration Committee

Brief description of terms of reference:

The Committee comprises of two Independent Non-Executive Directors. The terms of reference of the Committee is to deal with the matters related to remuneration by way of salary, perquisites, benefits, etc. for the Executive and Whole-time Directors of the Company.

The Committee comprises of following Members:

Name of the Director	Designation	Status
Mr. Chandrasekara Venkata Ramana*	Chairman	Non-Executive Independent Director
Mr. Sudatta Mandal	Director	Non-Executive Independent Director
Mr. Arvind Ratan Sinha**	Chairman	Non-Executive Independent Director

* Expired on:- 27th October, 2012

**Appointed w.e.f. :- 16th October, 2012

The Committee is authorised, inter alia to deal with the matters related to remuneration by way of salary, perquisites, benefits etc. for the Executive Director of the Company and set guidelines for salary, performance pay and perquisites to other senior employees.

During the year ended March 31, 2013, one meeting of the Remuneration Committee was held on 11-08-2012.

The remuneration of the employees consists of fixed pay i.e. Basic pay, Allowances, perquisites etc., which is related to Industry pattern, qualification, experience and responsibilities handled by the employee etc. The objectives of the remuneration policy are to motivate employees and recognize their contribution, reward merit and to attract and retain talent in the organization.

Details of Remuneration paid / payable to the Directors for the year ended March 31, 2013 are as follows:

(Amount in ₹)

Name of the Director	Position	Sitting Fees	Salary & Perquisites	Total
Mr. Raj Kumar Sekhani	Chairman & Managing Director	NIL	48,00,000	48,00,000
Mr. Harsh Vardhan Bassi	Executive Director	NIL	32,46,335	32,46,335
*Mr. Chandrasekara Venkata Ramana	Independent Director	5,000	NIL	5,000
Mr. Sudatta Mandal	Nominee Director	17,500	NIL	17,500
**Mr. Arvind Ratan Sinha	Independent Director	10,000	NIL	10,000
	TOTAL	32,500	80,46,335	80,78,835

* Expired on:- 27th October, 2012

**Appointed w.e.f. :- 16th October, 2012

5. Shareholder's Grievance Committee

The broad functions of Shareholder's Grievance Committee includes redressal of investor's complaints like share transfers, non-receipt of Annual Reports, dividend payment, issue of duplicate share certificates, transfer and transmission of shares and other allied transactions. Its scope also includes delegating the powers to the executives of Company / Share Transfer Agents to process share transfer etc.

The composition of Shareholder's Grievance Committee is as under:

<i>Name of the Director</i>	<i>Designation</i>	<i>Status</i>
Mr. Raj Kumar Sekhani	Chairman	Executive Chairman
Mr. Harsh Vardhan Bassi	Member	Executive Director
Mr. Chandrasekara Venkata Ramana*	Member	Non Executive independent Director
Mr. Arvind Ratan Sinha**	Member	Non Executive independent Director

* Expired on:- 27th October, 2012

**Appointed w.e.f. :- 16th October, 2012

The Company has appointed Link Intime India Pvt. Limited, Mumbai, as its Registrar & Share Transfer Agents to expedite the process of share transfers. The share transfers lodged are being processed and Memorandum of Transfers is generated on a fortnightly basis.

During the year ended March 31, 2013 an aggregate of 318 shares were transferred. The details of the complaints and other correspondences received and attended during the year ended March 31, 2013 are given hereunder:

<i>Nature of Complaints</i>	<i>Received</i>	<i>Attended to</i>	<i>Pending</i>
Non-receipt of Dividend Warrants	6	6	0
Non-receipt of Annual Report	1	1	0
Others	0	0	0
Total	7	7	0

6. General Body Meetings

The venue and time of the Annual General Meetings held during the last three years are as follows:

<i>Year</i>	<i>Date</i>	<i>Time</i>	<i>Venue</i>	<i>No. of Special Resolutions passed</i>
2009-2010	28th September, 2010	9.30 A.M	The Green Village, Malavani Church, Opp. Akashwani Kendra, Marve Road, Malad (West), Mumbai - 400 095	01
2010-2011	28th September, 2011	9.30 A.M	The Green Village, Malavani Church, Opp. Akashwani Kendra, Marve Road, Malad (West), Mumbai - 400 095	Nil
2011-2012	21st December, 2012	9.30 A.M	The Green Village, Malavani Church, Opp. Akashwani Kendra, Marve Road, Malad (West), Mumbai - 400 095	02

All the Resolutions set out in the Notices were passed by the Shareholders.

During the year under review, the Company has passed Special Resolution through postal ballot on 3rd December, 2012 after complying with the various provisions of the Companies Act and listing guidelines.

At this meeting also there are no Ordinary or Special Resolution requiring passing by way of Postal Ballot.

7. Disclosures

There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

There were no instances of non-compliance by the Company nor have any penalties, strictures been imposed by the Stock Exchanges or SEBI or any other Statutory Authority for the last three years on any matter related to capital markets.

8. Means of Communication

The Unaudited Quarterly and Half Yearly Results are sent to all the Stock Exchanges where the shares of the Company are listed. The Results are normally published in 'Business Standard' & 'Tarun Bharat'. The results are displayed on the Company's Website www.pelhakoba.com.

The "Management Discussion and Analysis Report" forms part of this Annual Report.

General Shareholder Information

- i) **AGM**
 Date and Time : 10th of August, 2013 at 9.30 a.m.
 Venue : The Green Village, Malavani Church, Opp. Akashwani Kendra, Marve Road, Malad (West), Mumbai - 400 095



ii) Financial Calendar 2013-14 (tentative)

Financial Reporting for		
Quarter ending June 30, 2013	:	By Second Week of August, 2013
Half year ending September, 2013	:	By Second Week of November, 2013
Quarter ending December, 2013	:	By Second Week of February, 2014
Year ending March 31, 2014	:	By Last Week of May, 2014
Annual General Meeting (2013-14)	:	By end of September, 2014

iii) Date of Book Closure : 6th August, 2013 to 10th August, 2013 (both days inclusive)

iv) Listing on Stock Exchanges :

- National Stock Exchange of India Limited (Code: PIONEEREMB)
- Bombay Stock Exchange Limited (Code: 514300)
- The Calcutta Stock Exchange Association* (Code: 26033)
- The Delhi Stock Exchange Association Ltd* (Code: 16158)

*The Company has already applied for the voluntary delisting of Equity Shares of the Company from the Stock Exchanges at: Delhi and Calcutta.

v) Listing Fees : Annual Listing Fees for the Financial Year 2013-2014 have been paid to the above Stock Exchanges.

vi) Demat ISIN No. : INE156C01018

vii) Stock Market Data

The month-wise movement (High & Low) of the shares of the Company at the Mumbai Stock Exchange during each month for the year ended March 31, 2013 is as under:

PEL SHARE PRICE - BSE

Month	High Price (Rs.)	Low Price (Rs.)	Volume
April, 2012	12.29	9.65	30,850
May, 2012	10.25	7.70	28,505
June, 2012	10.00	8.25	65,091
July, 2012	9.50	7.16	1,90,865
August, 2012	8.28	5.82	2,57,440
September, 2012	8.68	5.55	1,17,532
October, 2012	10.94	8.50	1,29,123
November, 2012	10.40	8.45	56,502
December, 2012	9.88	8.30	58,682
January, 2013	9.24	7.71	67,747
February, 2013	8.60	6.40	58,166
March, 2013	7.85	5.50	81,853

viii) Share Transfer System

Presently, the share transfers, which are received in physical form, are processed and the share certificates returned within a year of 15 to 20 days from the date of receipt, subject to the documents being valid and complete in all respects.

ix) Dividend Payment Procedure

Members who have so far not encashed their dividend warrants or have not received the dividend warrants are requested to seek issue of duplicate warrants. Such members may write to the Company at the Registered Office of the Company for payment of such dividend warrant. It may kindly be noted by the Shareholders of the Company that the Dividend declared by the Company, if remains unclaimed or unpaid for the year of 7 years will be transferred to the Investor Education & Protection Fund.

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- x) **Registrar & Share Transfer Agent** : Link Intime India Pvt. Limited.,
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400 078.

- xi) **Distribution of Shareholding as on March 31, 2013**

Slab of No. of Shareholding (Rs.)	No. of Shareholders	% to No. of Shareholders	Amount (Rs.)	% to paid-up capital
Upto 5000	20183	91.96	12542770	7.09
5001 - 10000	780	3.55	6447670	3.64
10001 - 20000	449	2.05	6930510	3.92
20001 - 30000	188	0.86	4858250	2.74
30001 - 40000	88	0.40	3143510	1.78
40001 - 50000	72	0.33	3382500	1.91
50001 - 100000	100	0.46	7213810	4.08
> 100001	87	0.40	132471920	74.85
Total	21947	100.00	176990940	100.00

- xii) **Categories of Shareholding Pattern as on March 31, 2013**

Category	No. of Shareholders	% to No. of Shareholders	No. of Shares held	% of Shareholding
Promoters	8	0.04	8581929	48.49
Mutual Funds & UTI	2	0.01	900	0.00
Banks/Financial Institutions/Ins/Govt.	2	0.01	999594	5.65
Corporates	277	1.26	1926597	10.88
Individuals	21140	96.32	5923649	33.47
NRIs/OCBs	465	2.12	200441	1.13
Others	53	0.24	65984	0.38
Total	21947	100.00	17699094	100.00

- xiii) **Dematerialisation of Shares**

The Company shares are compulsory traded in dematerialized form. As on March 31, 2013 the details of the shares of the Company held in physical and demat form are given below:

	No. of Shares	% to the Capital
Shares held in Physical Form	51,53,570	29.12
Shares held in Demat Form	1,25,45,524	70.88
Total	1,76,99,094	100.00

- xiv) **Outstanding GDRs / Warrants and Convertible Instruments**

The Company had issued FCCBs for US\$ 30 million, which are convertible into equity shares of the Company and have converted FCCBs for US\$ 2.00 million into the equity shares on 29th January, 2008 & US\$ 0.75 million into the equity shares on 14th April, 2010. The Company has also bought back US\$ 16.25 million aggregate face value of FCCBs for a sum of US \$ 4.50 million. The outstanding FCCBs as at 31st March, 2013 are US\$ 11 million.

- xv) **Plant Locations** :
- i) Sarigam, Gujarat
 - ii) Naroли, Dadra & Nagar Haveli
 - iii) Karad, Dadra & Nagar Haveli
 - iv) Mira Road, Thane, Maharashtra
 - v) Coimbatore, Tamilnadu
 - vi) Kala-amb, Himachal Pradesh

- xvi) **Address for Correspondence** : Shareholder correspondence should be addressed to the Company's Registrar and Transfer Agents:
Link Intime India Pvt. Ltd.,
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai - 400 078
Tel No. : (022) 25963838

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Investors may also write or contact Mr. Uday Nemlekar,
Compliance officer at the Corporate Office of the Company at:
Unit No 21 To 25, 2nd Floor Orient House,
3A Udyog Nagar, Off S V Road,
Lane Opp. MTNL Goregaon (West),
Mumbai - 400 062.
Tel.: (022) 42232323
Fax: (022) 42232313

Non-Mandatory Requirements

- a) Chairman of the Board
- b) Remuneration Committee
- c) Shareholder's Rights
- d) Postal Ballot

Mr. Raj Kumar Sekhani

The Company has formed a Remuneration Committee

The Company's Quarterly and Half yearly results are published in English and Marathi Newspapers. Hence the same are not sent to the shareholders.

The Company has passed Special Resolution through postal ballot on 3rd December, 2012 after complying with the various provisions of the Companies Act and listing guidelines.

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Management Certificate on clause 49 (1D) of the Listing Agreement

To,
The Members,
Pioneer Embroideries Limited

This is to affirm that the Board of Directors of Pioneer Embroideries Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provisions of Clause 49 (1D) of the Listing Agreement with the Stock Exchange and Board of Members and Senior Management Personnel of the Company have confirmed the compliance of provisions of the said code for the financial year ended 31st March, 2013.

Place : Mumbai
Date : June 4, 2013

RAJ KUMAR SEKHANI
Chairman & Managing Director



CERTIFICATE FROM THE AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of Pioneer Embroideries Limited

We have examined the compliance of conditions of Corporate Governance by Pioneer Embroideries Limited for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances are pending for a year exceeding one month against the Company as per the records maintained by the Shareholders/ Investors grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For **M B A H & CO**
Chartered Accountants
(Firm Regn No.121426W)

MAHESH BHAGERIA
Partner
Membership No.034499
Place : Mumbai
Date : June 4, 2013

Management Discussion and Analysis

Disclaimer:

Statements made in the Management Discussion and Analysis and relating to Company's objectives, projections, outlook, expectations, estimates, etc., may constitute forward-looking statements within the meaning of applicable securities laws and regulations. These statements are based on certain assumptions, which cannot be guaranteed by the Company. Several factors, over which the Company may not have any direct control, could make a significant difference to the Company's operations. As such, actual results may differ materially from such projections, whether expressed or implied, since it would be beyond Company's ability to successfully implement its growth strategy. The Company undertakes no obligation or responsibility to update forward-looking statements and to publicly amend, modify or revise to reflect events or circumstances, after the date thereof, on the basis of any subsequent development, information or events.

The Management of Pioneer Embroideries Ltd. (Pioneer, or the Company) presents below an analysis of its performance during the year under review, i.e. Accounting Year ended 31st March, 2013 (for the period April '12 up to March '13).

Economic Overview with specific reference to Textile Industry:

The Indian Textiles Industry is one of the largest in the world. A mainstay of the national economy, it contributes 14% of total industrial production which constitutes around 4% of the GDP. The Textiles sector is the second largest provider of employment after agriculture and provides direct employment to nearly 45 million people. It is also one of the largest contributors towards India's exports worldwide. The exports of textiles and clothing have increased from US\$ 14 billion in 2004-05 to US\$ 32 billion, at present. India's exports are further envisaged at US\$ 64.11 billion by end-2017 and US\$ 80 billion by 2020. The industry contributes 11% to the country's export earnings.

In the liberalized post-quota period, India has emerged as a major sourcing destination for buyers from all over the globe. It ranked as third largest exporter of textiles and clothing in 2010, as per WTO Report 2011. As a measure of growing interest in the Indian textiles and clothing sector, a number of reputed houses opened their sourcing / liaison office in India. Commercially the buoyant retailers across the world are looking for options of increasing their sourcing from the Indian markets. Indian manufacturers are also pro-actively working towards enhancing their capacities to fulfill this increased demand.

The Indian Textile Industry continues to remain competitive in the global market vis-à-vis all global players, although China remains a tough adversary despite its own economic pressures impacting its competitiveness. As per WTO data - 2010, India was the sixth largest exporter of clothing, trailing Turkey, Bangladesh, Hong Kong, EU-27 and China where as In the global exports of Textiles, India was ranked as the third, trailing EU-27 and China.

The organized sector of the Industry continues to grow more vis-à-vis the unorganized sector and this has improved the overall productivity. However, even within the organized segment, several companies have been facing tough operating environment resulting in lower financial performance.

The Government continues to support the industry in surmounting the challenges and imperatives concerning continual modernization & technological up gradation, Product development and R&D, Cost effectiveness & efficiency to face the ever increasing competition emerging out of WTO policies

The Ministry of Textiles has taken various policy initiatives in the last few years to improve the competitiveness of the Indian Textile industry. Various schemes such as Technology Upgradation Fund Scheme (TUFS), Scheme for Integrated Textile Parks, Development of Mega Cluster, Integrated Skill Development Scheme, Technology Mission of Technical Textiles etc. have been launched with the objective of accelerating growth in exports and investment in the textile sector. The Ministry has also embarked on a Plan Scheme namely the Common Compliance Code to prepare and orient the Indian Garment & Apparel Industry towards more socially and environmentally compliant Industrial environment of globally acceptable standard.

The industry may also benefit if the opportunity for increase inflow of FDI in the textile and the retail sector is realized, however there is a need for more policy initiatives by the government, particularly in the area of labour policies, availability of trained man power and availability of power at that too at competitive price.

Source : Ministry of Textiles, and others.

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Our performance review:

Your Company operates across multiple products and businesses making it an integrated Textile player in the industry today, as is evident from the product portfolio of the Company as summarized in the chart below:

Business	Major Products	Location
Embroidery	Fabrics, Laces, etc. (made from Schiffli and multi-head machines) & Process house for Variety of Cotton & Synthetic Fabrics, Laces etc.	Five manufacturing units located at Sarigam-Gujarat, Naroli-Silvassa, Coimbatore-Tamil Nadu and Thane-Maharashtra besides a product development centre in Gurgaon-Haryana and Process house at Sarigam-Gujarat.
Braided Laces	Variety of laces	Two units located at Karad-Silvassa and Coimbatore-Tamil Nadu. The Karad unit has been since been relocated to Sarigam to reap efficiencies of consolidation.
Polyester Dope Dyed Yarn	Dyed Filament Yarns	Kalamb, Himachal Pradesh
Spun Yarn	Blended Spun Yarns	Kallakurichi, Tamil Nadu

Embroidery Business:

As you are well aware, your Company, which entered the business in 1991-92, continues to be one of the largest organized players in the embroideries & laces segment in India, and has many firsts to its credit. It currently is,

- one of the largest manufacturers for embroidered fabrics in India.
- the largest manufacturer of Braided Laces in the India.
- a pioneer in bringing branding to an ancillary business like embroidery.

The Indian embroidery market continues to be dominated by a large number of unorganized players in view of low entry barriers. However, your company is well-entrenched because of its strengths of product development, quality and manufacturing capability.

Broad classification of Embroidery products and their usage are given below:

All over fabric	These are marketed as ladies dress material, kurtas, sheeting and sarees and find key usage by the Garment manufacturerers. These are also used in home furnishings.
Laces/Edgings	Widely used for dresses, gown, children's garments and ladies undergarments. Cotton & guipure laces are popular in the fashion industry. These are also used in home furnishings.
Motifs, Guipure, Collars	These are used for ladies dresses, gown and children's garments. These are mostly preferred in the international markets but the last one year has witnessed a surge in domestic consumption as well, giving rise to new opportunities at better value realisation.
Quilts	These are decorative made of two layers of cloth filled with cotton, wool, etc. and stitched together in lines or patterns to keep the filling in place. These find high usage in beddings in the home textile segment.

Your Company's product range includes the above products except Quilts.

During the year ended 31st March, 2013 products like embroidered fabrics witnessed healthy growth in demand, however with increase in unorganized players in the sector, the competition is now more severe, resulting in pressure on prices. The early part of year saw falling demand from Western Europe and USA, one of the largest consumers of garments in the world, due to their domestic economic scenario resulting in Indian garment exporters facing tremendous competitive pressure on pricing. This in turn affected the embroidery market and focus further shifted to lower cost - lower realization products. However the depreciating rupee has made Indian export more competitive and with further revival in the international markets, the Company is confident of recouping the lost opportunities.

Your Company's embroidery sales fell short by about 10% of the projected sales as envisaged for the year, primarily due to pressure in the domestic market arising out of increased price of yarn and fabric, which translated into increased product cost. This is apparent from the fact that while the gap in sales for the year was about 10%, the production fell short of target by nearly 30%. Liquidity pressure and shortage of working capital were also the factors that impacted capacity utilization as well as margins, since the Company had to resort to outsourced production. Also, the Company needs to modernize its embroidery equipment, as the low speed, low capacity utilization, high labor requirement and high maintenance of older machines are affecting both production and efficiencies of the segment.

PIONEER EMBROIDERIES LIMITED

... a stitch ahead of time



PIONEER GROUP

Braided Laces:

The Braided laces segment, also being driven by fashion trends as in case of embroidery, and rather more significantly aligned to the fortunes of the Garment exports, continued to remain under pressure due to the slowdown in international consumption of garments. Thus the capacity utilization was quite lower than planned, falling short by over 69% and resulting in underachievement of sales target by about 27%. The company is putting together a reorganization plan for this business which will include scrapping old machines and consolidating capacities at fewer locations to reduce overheads and improve profitability.

Polyester Dope Dyed Yarn:

Dope Dyed Polyester Yarn (DDPY) was severely impacted in the early phase of the project in view of the oil crisis, but has subsequently emerged as a star performer over the years, running beyond its target capacity. The business has also now got a firm foot hold in the lucrative export markets including the highly quality-conscious European market. The projected sales have been surpassed by a astounding 181%, and YOY sales has grown by 14%, although the PBIDT margin has been under pressure due to high raw material costs and shortage of working capital from the lenders on the expanded capacity.

However, the unit has not reached its true potential for the value-added products like twisting, doubling and air texturing of yarns, as some more investments are yet to be made in installing need-based value-add equipment. On making such investments, the unit's profitability is expected to increase notably.

Restructuring Scheme :

As reported in last year, the Company has approached its CDR lenders to rework the earlier restructuring scheme, considering the unfavorable macro environment for the Textile business in India. The reworked scheme proposed by your Company, is still under negotiation. In the mean time the company has also offered One Time Settlement (OTS) to some of the lenders. Axis bank and ICICI Bank have accepted the OTS proposal of the Company. While Axis Bank has been fully paid off as per the OTS, payments to ICICI Bank are expected to continue in F.Y.14.

Financial Overview:

Revenue of your Company, for the year ended 31st March, 2013 was ₹24,049 lacs. This represents about 16% increase over the revenue for the previous financial year. This increase has been due to a growth in all the businesses of the Company.

Operating Expenses:

Operating expenses for the period ended 31st March, 2013 stood at ₹22,683 lacs.

Raw material costs were also on the higher side due to increase in price of cotton yarn & fabric as also the price of chips used in polyester yarn business.

Profits:

The Company has earned a profit of ₹1,489.32 lacs during the year as against ₹860.82 lacs during the previous financial year, before other income, finance costs, depreciation, tax and exceptional items. The Net loss after tax was ₹3,338.18 lacs as against a net loss of ₹372.25 lacs during the previous financial year. The post-tax loss is mainly on account of interest and write down of the deferred tax assets of ₹3,383.19 lacs during the year.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Pioneer Embroideries Limited,

Report on the Financial Statements

1. We have audited the accompanying financial statements of Pioneer Embroideries Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

6. Note 35 relating to exchange difference arising in relation to fixed assets, which are purchased out of the Foreign Currency Term Loans, is charged to the carrying cost of the assets, which is not in accordance with the Accounting Standard 11, otherwise loss would have been higher by ₹34.11 lacs.

Qualified Opinion

7. In our opinion, and to the best of our information and according to the explanations given to us, except for the effect of the matter described in paragraph 6, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

8. We draw attention to following Notes having impact on the Financial Statements:
 - a) Note 19.1 & 19.2 relating to treatment of investments in subsidiaries aggregating to ₹2,214.55 lacs as long term and non provision of erosion in values, though the net worth of all subsidiaries have been fully eroded.
 - b) Note 19.3 relating to investment in Subsidiary S. R Investments Limited, Mauritius, whereof the accounts are unaudited which is not in accordance with Accounting Standard 21 and consideration of loan of ₹845.07 lacs as doubtful. The company has provided ₹815.04 lacs as bad debts as per the general permission given by RBI.
 - c) Note 19.4 relating to investment in overseas Joint Venture M/s Super Industries DMCC, Dubai and conversion of stake into loans on jointly controlled JV basis and consideration of entire loan of ₹4,027.02 lacs (USD 4.96 million plus service charge) as good of recovery even though no recovery neither confirmation is available.
 - d) Note 19.6 relating to advance payment for acquisition of machineries of ₹1,534.00 lacs to Crystal Lace (India) Ltd. out of Foreign Currency Convertible Bonds (FCCB) funds and conversion of same into loan and investment, which is deemed non-compliance under FCCB utilization rules and non -provision of interest income of ₹883.33 lacs, otherwise loss would have been lower by that extent.



- e) Note 31 treatment of FCCB Liabilities as non-monetary liabilities otherwise loss would have been higher by ₹3,465.17 lacs on account of non provision for premium / interest on outstanding FCCB of USD 11 million and ₹1,483.52 lacs for foreign exchange losses on account of non revaluation at year end outstanding.
- f) Note 37(f) relating to non assessment of effect on waiver of principal & interest as the Company has defaulted in repayment to Banks & Financial Institutions under CDR scheme.
- g) Note 13.2, 19.4, 33 & 40 relating to non confirmation of balances, the effect of which is not known. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 9. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 10. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) Except for the effects of the matter described in paragraph 6, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For M B A H & CO
Chartered Accountants
(Firm Registration Number: 121426W)

Place: Mumbai
Date: June 4, 2013

MAHESH BHAGERIA
Partner
Membership Number: 034499

Annexure to Auditors' Report

Referred to in paragraph 9 of the Auditors' Report of even date to the members of Pioneer Embroideries Limited on the financial statements for the year ended March 31, 2013.

- i. a. The fixed assets register of the Company is under preparation for the current year updation. It has generally maintained records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management in accordance with the phased verification programme, which, in our opinion, is reasonable having regards to the size of the Company and the nature of its fixed assets. No material discrepancies have been noticed on such verification.
- c. The Company has not disposed off any substantial part of its fixed assets so as to affect its status of going concern.
- ii. a. As explained to us the inventories have been physically verified during the year by the management at reasonable intervals and in case of stock lying with outside parties, they have substantially confirmed the same.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- c. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory and there were no material discrepancies noticed on physical verification.
- iii. a. As per the information and explanation given to us and the records produced to us for our verification, the Company has granted loans secured or unsecured, to seven such company, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 (Act). The maximum balance outstanding during the year is ₹9,656.17 lacs and the closing balance as on year ending was ₹8,510.68 lacs.
- b. Except the Interest free loan and advances, granted by the Company secured or unsecured loans, the terms and conditions of the loans granted are not prejudicial to the interest of the Company.
- c. As explained to us, payment of principal amount and interest, if any, are on demand basis and there is no repayment schedule.
- d. There is no overdue amount more than ₹1 lac as loans and advances are on demand basis.
- e. As per the information and explanation given to us and the records produced to us for our verification, the Company has not taken any loans and advances, secured or unsecured, from such companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. a. According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business, but needs further strengthening.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of section 209 of the Act, and are of the opinion that, prime facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. a. According to the information and explanations given to us, the Company is generally not regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Wealth-tax, Service-tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Wealth-tax, Service-tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable except Income tax of ₹60.31 lacs for A.Y 2007-08 and Fringe benefit tax of ₹5.73 lacs for the A.Y. 2007-08, of ₹4.66 lacs for the A.Y. 2008-09, of ₹9.89 lacs for the A.Y. 2009-10.
- c. According to the information and explanations given to us, details of dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess, which have not been deposited as on 31st March, 2013 on account of any dispute are given below:

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Particulars	Year to which the matter pertains	Forum where matter is pending	Amount (₹ in lacs)
Custom Duty	F.Y. 1997 -98	H'ble Supreme Court	40.90
Excise Duty	F.Y. 2001 -02	Commissioner Appeal	46.14
Income Tax	Block A.Y. 1999 -00 to 2004 -05	CIT (Appeals)	43.32
Income Tax	A.Y. 2002 -03	CIT (Appeals)	13.33

- x. The Company has accumulated losses as at the end of the financial year and has incurred cash losses in the financial year ended on that date. There was no cash loss in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of dues to financial institutions and banks as at the balance sheet date. The Company had entered in to Corporate Debts Restructuring agreement and also has entered in to agreement with other unsecured lenders including FCCB holders.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, provisions of Clause 4(xii) of the Order are not applicable to the Company.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. The Company has maintained proper records of the transactions and all the investments have been held by the Company in its own name.
- xv. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by its subsidiary from banks are not prima facie prejudicial to the interest of the Company, except that in view of substantial losses in the subsidiary Hakoba Lifestyle Ltd., the Company might be asked to honor guarantee.
- xvi. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii. The Company has made preferential allotment of shares to companies covered in the register maintained under Section 301 of the Act during the year and in our opinion the price at which the shares have been issued are as per SEBI guidelines and is not prejudicial to the interest of the Company.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any money by public issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For M B A H & CO
Chartered Accountants
(Firm Registration Number: 121426W)

MAHESH BHAGERIA
Partner
Membership Number: 034499

Place: Mumbai
Date: June 4, 2013



BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in lacs)

Particulars	Note	As at 31.03.2013	As at 31.03.2012
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	4,443.99	4,046.88
(b) Reserves and Surplus	3	4,867.70	7,617.46
2 Share Application Money pending Allotment	4	-	968.00
3 Non-Current Liabilities			
Long Term Borrowings	5	10,022.55	12,125.03
4 Current Liabilities			
(a) Short Term Borrowings	6	4,578.69	4,516.21
(b) Trade Payables	7	2,127.66	2,027.82
(c) Other Current Liabilities	8	6,651.21	4,515.65
(d) Short Term Provisions	9	378.21	291.21
		<u>33,070.01</u>	<u>36,108.26</u>
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		10,240.86	10,985.38
(ii) Intangible Assets		50.45	56.42
(iii) Capital Work- in- Progress		595.54	520.13
(b) Non-Current Investments	11	2,659.74	2,219.80
(c) Deferred Tax Assets	12	-	1,851.00
(d) Long Term Loans and Advances	13	2,313.93	2,482.95
(e) Other Non Current Assets	14	29.19	39.02
2 Current Assets			
(a) Current Investments	15	-	30.00
(b) Inventories	16	3,356.93	3,325.14
(c) Trade Receivables	17	4,616.52	4,715.11
(d) Cash & Cash Equivalents	18	336.98	131.08
(e) Short Term Loans & Advances	19	8,790.64	9,575.59
(f) Other Current Assets	20	79.23	176.64
		<u>33,070.01</u>	<u>36,108.26</u>

Significant Accounting Policies 1

Notes referred from 1 to 47 above form an integral part of the Financial Statements

As per our Report of even date attached herewith

For **M B A H & CO**

Chartered Accountants

(Firm Regn No. 121426W)

For & on behalf of the Board

MAHESH BHAGERIA

Partner

Membership No. 034499

Place: Mumbai

Date: June 4, 2013

RAJ KUMAR SEKHANI

Chairman & Managing Director

HARSH VARDHAN BASSI

Executive Director



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

				(₹ in lacs)	
Particulars	Note	Year Ended 31.03.2013	Year Ended 31.03.2012		
I	Gross Revenue from Operations	21	24,048.89	20,730.74	
	Less: Excise Duty		0.20	0.66	
	Net Revenue from Operations		<u>24,048.69</u>	<u>20,730.08</u>	
II	Other Income	22	<u>683.69</u>	<u>2,246.61</u>	
III	Total Revenue (I + II)		<u><u>24,732.38</u></u>	<u><u>22,976.69</u></u>	
IV	Expenses:				
	Cost of Raw Materials Consumed	23	15,337.26	13,463.13	
	Purchases of Stock-in-Trade		257.70	202.97	
	Changes in Inventories	24	(123.87)	86.67	
	Employee Benefits Expense	25	2,115.54	1,877.58	
	Finance Costs	26	1,532.19	1,540.13	
	Depreciation and Amortization Expenses		1,266.18	1,213.48	
	Other Expenses	27	4,972.75	4,238.91	
	Total Expenses		<u><u>25,357.75</u></u>	<u><u>22,622.87</u></u>	
V	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		(625.37)	353.82	
VI	Exceptional Items	28	861.81	764.27	
VII	Profit/(Loss) before Tax (V-VI)		(1,487.18)	(410.45)	
VIII	Tax Expenses				
	Current Tax		-	-	
	Deferred Tax		1,851.00	(38.20)	
IX	Profit/(Loss) for the year (VII-VIII)		<u><u>(3,338.18)</u></u>	<u><u>(372.25)</u></u>	
X	Earning per Equity Share				
	(1) Basic		(25.41)	(2.88)	
	(2) Diluted		(25.41)	(2.88)	

Significant Accounting Policies 1

Notes referred from 1 to 47 above form an integral part of the Financial Statements

As per our Report of even date attached herewith

For **M B A H & CO**

Chartered Accountants

(Firm Regn No. 121426W)

For & on behalf of the Board

MAHESH BHAGERIA

Partner

Membership No. 034499

Place: Mumbai

Date: June 4, 2013

RAJ KUMAR SEKHANI

Chairman & Managing Director

HARSH VARDHAN BASSI

Executive Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ in lacs)

	Year Ended 31ST MARCH, 2013	Year Ended 31ST MARCH, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before extraordinary items and tax	(1,487.18)	(410.45)
Adjustment for :		
Depreciation and Amortisation	1,266.18	1,213.48
(Profit)/Loss on Sale of Assets (net)	(4.26)	(1,153.87)
Interest Income	(248.17)	(305.69)
Finance Costs	1,532.19	1,540.13
Doubtful Advances written off	861.81	-
Bad Debts W/off	-	708.12
Duty Drawback W/off	-	56.15
Provision for Erosion in Investments	0.06	-
Excess Interest provided w/back	(49.22)	-
Net unrealised exchange (gain) / loss	(328.36)	-
Operating Profit / (Loss) before Working Capital Changes	<u>3,030.23</u>	<u>(551.62)</u>
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(31.79)	505.12
Trade Receivables	98.59	(572.36)
Short Term Loans and Advances	494.97	641.99
Long Term Loans and Advances	180.27	258.13
Other Currents Assets	97.41	(119.54)
Other Non Current Assets	9.83	24.58
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	99.84	179.51
Other Current Liabilities	2,172.35	1,733.00
Short Term Provisions	87.00	7.63
Cash generated from operation	<u>4,751.52</u>	<u>2,658.06</u>
Net income tax (paid) / refunds	(11.25)	(19.07)
Net Cash from Operating Activities	<u>4,740.27</u>	<u>3,735.24</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Capital Expenditure on Fixed Assets, including capital advances	(612.04)	(1,498.44)
Proceeds from Sale of Fixed Assets (net of advance)	25.20	688.64
Purchase of Long Term Investments - Subsidiaries	-	(91.95)
Purchase of Long Term Investments - Others	(440.00)	-
Proceeds from sale of Current Investments	30.00	-
Interest received - Others	4.71	11.55
Net cash from / (used) in Investing Activities	<u>(992.13)</u>	<u>(890.20)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Equity Share Capital (including Share Premium)	968.00	-
Share application money received / (refunded)	(968.00)	-
Proceeds from / (Repayment) of Long Term Borrowing (Net)	(2,066.66)	(1,624.64)
Net increase / (decrease) in Working Capital Borrowings	79.97	417.19
Repayment of other Short Term Borrowings	(17.49)	(130.54)
Finance Costs	(1,534.64)	(1,523.41)
Unpaid Dividend Account	(3.42)	(3.15)
Net cash used in Financing Activities	<u>(3,542.24)</u>	<u>(2,864.55)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	205.90	(19.51)
Cash and Cash Equivalent (Opening balances) as on 31-03-2012	131.08	150.59
Cash and Cash Equivalent (Closing balances) as on 31-03-2013	336.98	131.08

As per our Report of even date attached herewith

For **M B A H & CO**
Chartered Accountants
(Firm Regn No. 121426W)

MAHESH BHAGERIA
Partner
Membership No. 034499
Place: Mumbai
Date: June 4, 2013

For & on behalf of the Board

RAJ KUMAR SEKHANI
Chairman & Managing Director

HARSH VARDHAN BASSI
Executive Director

NOTES ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2013**Note -1 : SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis of preparation of Financial Statements**

The Financial statements are prepared under the historical cost convention, on accrual basis, in compliance with all material aspects of the notified Accounting Standards by Companies (Accounting Standards) Amendment Rules, 2008 and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.2 Revenue Recognition

Sales Revenue is recognized on transfer of significant risk and rewards of the ownership of the goods to the buyer. Sales is exclusive of Inter Division Sales and Sales Tax, but inclusive of Excise Duty and Export Incentives.

All revenues, costs, assets and liabilities are accounted for on accrual basis, except where there is no reasonable certainty.

Insurance claims are accounted for on reasonable certainty of the admission of the claim and shortfall / excess, if any, is accounted for in the year of final settlement.

1.3 Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimated are recognized in the period in which the results are known / materialized. This is in conformity with generally accepted accounting principles.

1.4 Fixed assets and Capital work-in-progress

Fixed Assets are stated at cost of acquisition or construction after reducing accumulated depreciation. Cost is inclusive of freight, duties, levies, interest, installation charges and other incidental expenses incurred for bringing the assets to their working conditions for intended use or till the commencement of commercial production as the case may be. Incidental expenses include establishment expenses, administration expenses, labour charges and salaries.

In the case of new projects and in case of substantial modernization / expansion at existing units of the Company, all pre-operating expenditures specifically for the project, incurred upto the date of production, is capitalized and added pro-rata to the cost of fixed assets.

Capital work-in-progress includes incidental expenses pending allocation / apportionment in respect of the uninstalled / incomplete fixed assets.

CENVAT credit availed, if any, on capital goods are deducted from the cost of the fixed assets.

1.5 Impairment of assets

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful life of the assets. An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been an improvement in recoverable amount.

1.6 Depreciation and Amortization

Depreciation is provided on fixed assets on Straight Line Method at the rates and in the manner provided in Schedule XIV of the Companies Act, 1956. In case of assets acquired during the year, depreciation is charged on pro-rata basis from the date assets have been put to use.

Depreciation on intangible assets is accounted on straight line basis over its 10 years useful life on prorata basis as per Accounting Standard - 6. The lease premium on leasehold land is amortized over the period of lease agreement as per Accounting Standard - 6.

1.7 Exceptional Items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is of such nature that disclosure of which improves the understanding of performance of the company. Such income or expense is classified as an exceptional item and accordingly disclosed in the financial statements.

1.8 Investments

The Investments are carried at cost and necessary provision for erosion is made if called for. The provision for diminution in the value of long term investment is made only if such a decline is other than temporary in nature. The investments in subsidiaries are treated as long term with no diminution in values.

1.9 Inventories

The inventories are valued at cost or net realizable value, whichever is lower and the cost is arrived as follows:

Raw materials and bought out items cost is at landing cost inclusive of all attributable expenses and is computed on First In First Out basis. CENVAT credit availed, if any, is reduced from the cost of raw material and the unutilized CENVAT credit is carried forward though Excise is currently not applicable to Embroidery and Yarn.

Work-in-progress cost includes material cost, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

NOTES ON FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2013

Finished goods cost include material cost, cost of conversion and other costs incurred in bringing the inventories to their present location and condition and excise duty, wherever applicable.

Excise duty though applicable on the manufacturing of yarn manufactured at Kala-amb, Himachal Pradesh, but is exempted till the year 2017 as per the notification no. 49/50/2003-CE dated 10.06.2003.

1.10 Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

1.11 Borrowing Cost

Interest and other cost in connection with the borrowing of the funds to the extent related/attributed to the acquisition/construction of qualifying fixed assets are capitalized up to the date when such assets are ready for its intended use and other borrowing cost are charged to Statement of Profit & Loss.

1.12 Foreign Currency Transactions

Import and export sales transactions are accounted for at the rates of exchange prevalent on the date of transaction.

Gains and losses arising out of subsequent fluctuation in exchange rate are accounted for on the basis of actual payments and realizations and exchange difference arising there from is transferred to Statement of Profit and Loss. Exchange Difference in relation to Fixed Assets, however, is adjusted in the carrying cost of the assets, which is not in accordance with the Accounting Standard - 11. Adjustment of exchange difference is not given in the carrying cost of the assets in case of Fixed Assets acquired out of Foreign Currency Convertible Bonds (FCCBs) proceeds, since FCCBs are considered as non-monetary item.

Current Assets and Liabilities balances denominated in foreign currency at the year-end are translated at the year-end exchange rates, except in cases where borrowings are covered by forward exchange contracts, and the resulting exchange difference is recognized in the Statement of Profit and Loss. In case of liabilities related to the acquisition of fixed assets, the exchange difference is adjusted to the carrying cost of such assets.

1.13 Joint Venture

The interest in Joint Venture / jointly controlled operations are disclosed as per Accounting Standard-27, with no effect of the profits or losses and assets and liabilities thereof in the financial statements.

1.14 Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. For calculating the diluted earning per shares, the net profit or loss for the year attributable to equity shareholders is divided by the average weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.15 Taxation

Income-tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the basis of the assessable income at tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax asset arising mainly on account of unabsorbed depreciation and carry forward losses under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. In view of the uncertainty to have taxable income in immediate future as a prudent, no deferred tax assets are recognized for the year.

1.16 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimates can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet Date. These are reviewed at each Balance Sheet Date and adjusted to reflect the current best estimates.

All known liabilities are provided for and liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty are treated as Contingent and disclosed by way Notes on Accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

1.17 Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard-3 on Cash Flow Statements and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and demand deposits with banks.

NOTE -2 SHARE CAPITAL

a) Details of authorised, issued and subscribed share capital:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
Authorised				
Equity Shares of ₹10 each	20,000,000	2,000.00	20,000,000	2,000.00
Preference Shares of ₹10/- each	30,000,000	3,000.00	30,000,000	3,000.00
	50,000,000	5,000.00	50,000,000	5,000.00
Issued				
Equity Shares of ₹10 each	17,699,094	1,769.91	12,915,165	1,291.52
9% Optionally Convertible Cumulative Redeemable Preference Shares of ₹10/- each	26,740,830	2,674.08	27,553,610	2,755.36
	44,439,924	4,443.99	40,468,775	4,046.88
Subscribed & Paid up				
Equity Shares of ₹10 each	17,699,094	1,769.91	12,915,165	1,291.52
9% Optionally Convertible Cumulative Redeemable Preference Shares of ₹10/- each	26,740,830	2,674.08	27,553,610	2,755.36
	44,439,924	4,443.99	40,468,775	4,046.88

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
Equity Shares				
As at the beginning of the financial year	12,915,165	1,291.52	12,915,165	1,291.52
Add: Issued during the year (refer Note 4.1)	4,783,929	-	-	-
As at the end of the financial year	17,699,094	1,291.52	12,915,165	1,291.52
Preference Shares				
As at the beginning of the financial year	27,553,610	2,755.36	27,553,610	2,755.36
Add: Issued/(Surrendered) during the year (refer Note 37(g))	(812,780)	(81.28)	-	-
As at the end of the financial year	26,740,830	2,674.08	27,553,610	2,755.36

Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Rights, preferences and restrictions attached to Preference Shares:

The Company has one class of Optionally Convertible Cumulative Redeemable Preference Shares having a par value of ₹10 fully paid up per share issued subsequent to Corporate Debt Restructuring mechanism. The preference shares do not carry voting rights, but carry right to a preference dividend at 9% p.a. effective October 2008. The preference shares are redeemable in 4 annual installments from September 30, 2015. Preference shares are convertible as per the guidelines of SEBI.

c) Details of Equity Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Promoters				
Raj Kumar Sekhani	2,045,718	11.56	2,424,506	18.77
Promoters Group				
Pioneer E Com Fashions Ltd.	6,481,726	36.62	1,697,797	13.15

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d) Details of Preference Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Others				
State Bank of India	6,325,000	23.65	6,325,000	22.96
Union Bank of India	5,126,360	19.17	5,126,360	18.60
EXIM Bank	4,998,700	18.69	4,998,700	18.14
HDFC Bank	4,263,000	15.94	4,263,000	15.47
State Bank of Patiala Corporation Bank	3,750,000	14.02	3,750,000	13.61
	1,822,770	6.82	1,822,770	6.62

NOTE -3 RESERVE & SURPLUS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Capital Reserve		
Opening Balance	7,485.74	7,485.74
Add: Consequent to Settlement of Loans	98.81	-
Balance as at the end of the year	<u>7,584.55</u>	<u>7,485.74</u>
Share Premium		
Opening Balance	864.03	864.03
Add: During the year	489.61	-
Balance as at the end of the year	<u>1,353.64</u>	<u>864.03</u>
Statement of Profit and Loss		
Opening Balance	(732.31)	(360.06)
Add: Profit/(Loss) for the year	(3,338.18)	(372.25)
Balance as at the end of the year	<u>(4,070.49)</u>	<u>(732.31)</u>
	<u>4,867.70</u>	<u>7,617.46</u>

NOTE -4 SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Share Application Money pending allotment		
From Pioneer E-com Fashions Ltd.	-	968.00
	<u>-</u>	<u>968.00</u>

NOTE -4.1

During the year, the Company has allotted 47,83,929 equity shares to promoters against share application received earlier pursuant to Corporate Debt Restructuring Scheme (CDR) vide their letter no CDR/(ABP)/No1072/2008-09 dated 17th February, 2009 in accordance with Chapter VII of the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009 (ICDR Regulation) on preferential allotment basis at a price of ₹21.11 per share (including a premium of ₹11.11 per share) and ₹19.77 (including a premium of ₹9.77 per share) for 16,57,981 and 31,25,948 equity shares respectively as per the guidelines.



NOTE -5 LONG TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Secured Loans		
(i) Term Loans from Banks	2,362.68	3,261.34
(ii) Funded Interest Term Loans from Banks	157.57	525.05
(iii) Working Capital Term Loans from Banks	1,455.19	1,778.56
(iv) Foreign Currency Term Loans from Banks	1496.26	1738.74
(v) Vehicle Loan from Banks (Secured by hypothecation of respective vehicle - Terms of Repayment - Equated monthly installment)	0.99	3.12
(vi) Other Loans Life Insurance Corporation of India (LIC)	50.56	50.56
Unsecured Loans		
From Bank	-	268.36
From Others		
- Foreign Currency Convertible Bonds (FCCBs) (refer Note 31)	4,499.30	4,499.30
	<u>10,022.55</u>	<u>12,125.03</u>

NOTE -5.1

All above Secured Loans of except Vehicle and LIC Loans are secured by first pari passu charge over fixed assets of the Company both present & future with each other, except machineries imported from Barmag of Germany for Dope Dyed Polyester Yarn Unit, which has exclusive charge of Landes Bank Baden Wurttemberg, and further secured by second charge over current assets of the Company & by personal guarantee of Chairman of the Company. Loan from LIC is secured by assignment of Keyman Insurance Policy.

Terms of Repayment : These secured loans were restructured under CDR Scheme w.e.f. 01.10.2008. Above Term Loans except loans from Union Bank of India, Corporation Bank, Funded Interest Term Loan are repayable in 32 quarterly/16 half yearly installments and Working Capital Term Loans are repayable in 32 quarterly installments commenced from 01.10.2010 after a moratorium period of 2 years. Term Loans from Union Bank of India and Corporation Bank are payable in 24 and 28 quarterly installments respectively. Interest at 3% to 10% p.a. is charged. Funded Interest Term Loans are repayable in 16 quarterly installments commenced from 01.10.2010. Interest at 8% p.a. is charged. Loan from LIC has not stipulated any repayment period.

Unsecured loan from Bank is secured by personal guarantee of Chairman of the Company, post dated cheques and pledge of shares by him in his individual capacity.

NOTE -6 SHORT TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Secured		
Loans Repayable on Demand		
Cash Credit from Banks	4,543.36	4,463.39
	<u>4,543.36</u>	<u>4,463.39</u>
Unsecured		
Short Term Loans Repayable on Demand		
Inter Corporate Deposits	35.33	52.82
	<u>35.33</u>	<u>52.82</u>
	<u>4,578.69</u>	<u>4,516.21</u>

NOTE -6.1

Cash Credit is secured by first pari passu charge by hypothecation of stocks, book debts and second charge on all fixed assets, both present and future and further secured by corporate guarantee of Subsidiary Hakoba Lifestyle Limited and personal guarantee of Chairman of the Company.



NOTE -7 TRADE PAYABLES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Trade Payables		
For Goods	1,373.90	1,320.07
For Services / Others	753.76	707.75
	<u>2,127.66</u>	<u>2,027.82</u>

NOTE -8 OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Current maturities of Long Term Debt - Secured		
(i) Term Loans from Banks	2,009.46	1,324.30
(ii) Funded Interest Term Loans from Banks	949.17	621.09
(iii) Working Capital Term Loans from Banks	910.84	587.47
(iv) Foreign Currency Term Loans from Banks	680.68	523.99
(v) Vehicle Loans from Bank	3.39	2.64
b) Current maturities of Long Term Debt - Unsecured		
From Bank (refer Note 32)	283.95	94.82
c) Interest provided		
(I) Term Loans from Banks	480.88	286.80
(ii) Funded Interest Term Loans from Banks	125.54	51.83
(iii) Working Capital Term Loans from Banks	415.41	150.80
(iv) Foreign Currency Term Loans from Banks	139.24	68.29
(v) Vehicle Loans from Bank	0.13	0.09
(vi) Other Loans		
Life Insurance Corporation of India (LIC)	5.71	1.16
d) Provision for Interest on Secured & Unsecured Bank Loans	14.27	16.72
e) Unpaid Dividends	6.57	9.98
f) Advance from Customers	270.05	341.55
g) Liability for Capital Expenditure	43.30	61.94
h) Book Overdraft	8.12	41.28
i) Statutory Dues	77.72	85.28
j) Remuneration payable to Directors	21.26	38.89
k) To Others	205.52	206.73
	<u>6,651.21</u>	<u>4,515.65</u>

NOTE - 8.1

Advance from customers includes advance of ₹62.54 lacs (₹153.70 lacs) received from Kiran Industries Limited, a related enterprise.

NOTE -9 SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Provision For Employee Benefits		
Salary/Wages Payable	243.58	211.98
Contribution to Funds	14.05	7.59
Gratuity Premium	120.58	71.64
	<u>378.21</u>	<u>291.21</u>

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NOTE -10 FIXED ASSETS

(₹ in lacs)

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2012	ADDITION	DEDUCTION/ ADJUSTMENTS	As at 31.03.2013	As at 01.04.2012	ADDITION	DEDUCTION/ ADJUSTMENTS	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Tangible Assets:										
1	Land - Owned	468.46	-	-	468.46	-	-	-	-	468.46	468.46
	- Leasehold	29.82	-	-	29.82	3.78	0.31	-	4.09	25.73	26.04
2	Buildings	3,405.04	62.59	-	3,467.63	710.99	114.60	-	825.59	2,642.04	2,694.05
	- Lift	31.46	2.61	-	34.07	5.82	1.51	-	7.33	26.74	25.64
3	Plant & Machineries	13,732.01	440.29	418.81	13,753.49	6,900.28	1,054.50	397.87	7,556.91	6,196.58	6,831.73
4	Furniture & Fixtures	281.06	0.25	-	281.31	143.26	16.61	-	159.87	121.44	137.80
5	Vehicles	200.58	11.40	-	211.98	125.22	19.44	-	144.66	67.32	75.36
6	Office Equipments	110.50	4.58	-	115.08	48.84	4.94	-	53.78	61.30	61.66
7	Computers	216.52	4.57	-	221.09	193.50	8.00	-	201.50	19.59	23.02
8	Electrical Installations	808.01	8.30	-	816.31	178.51	37.99	-	216.50	599.81	629.50
9	Borewell	13.60	0.23	-	13.83	1.48	0.50	-	1.98	11.85	12.12
	Sub Total	19,297.06	534.82	418.81	19,413.07	8,311.68	1,258.40	397.87	9,172.21	10,240.86	10,985.38
	Intangible Assets:										
10	Computer Softwares	76.43	1.81	-	78.24	20.01	7.78	-	27.79	50.45	56.42
	Sub Total	76.43	1.81	-	78.24	20.01	7.78	-	27.79	50.45	56.42
	Total	19,373.49	536.63	418.81	19,491.31	8,331.69	1,266.18	397.87	9,200.00	10,291.31	11,041.80
	Previous Year	20,095.87	1,631.67	2,354.05	19,373.49	9,022.50	1,213.48	1,904.29	8,331.69	11,041.80	
	Capital Work-in-progress									595.54	520.13
										10,886.85	11,561.93

NOTE 10.1

Capital Work in progress includes:

- a sum of ₹297.05 lacs for renovation of machines at Kallakruchi till the assets of Arcot Textile Mill Limited are transferred in favor of the Company.
- a sum of ₹298.48 lacs spent for ongoing expansion at Kala-amb and Sarigam unit.

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NOTE -11 NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
Quoted Investments				
In Other Entities				
RLF Limited (listing suspended) (Equity shares of Face Value of ₹10/- each) (Cost ₹5,566/- less provision made ₹5,565/-)	1,000	-	1,000	0.06
Padmini Technologies Limited (listing suspended) (Equity shares of Face Value of ₹10/- each) (Cost ₹1,756,253/- less provision made ₹1,756,252/-)	68,939	-	68,939	-
Unquoted Investments				
a) Investment in Subsidiaries				
Hakoba Lifestyle Limited (Refer Note 19.1) (Equity shares of Face Value of ₹10/- each)	11,470,000	1,147.00	11,470,000	1,147.00
Mas Embroideries Private Limited (Refer Note 19.2) (Equity shares of Face Value of ₹10/- each)	2,225,200	37.88	2,225,200	37.88
S.R Investments Limited (Refer Note 19.3) (Equity shares of Face Value of USD 1 each)	100,000	1,029.66	1,00,000	1,029.66
Pioneer Realty Limited (Equity shares of Face Value of ₹10/- each)	50,000	5.00	50,000	5.00
b) In Other Entities				
The Greater Bombay Co-op. Bank Limited (Equity shares of Face Value of ₹25/- each)	40	0.01	40	0.01
Crystal Lace India Limited (Equity shares of Face Value of ₹10/- each)	4,400,000	440.00	-	-
c) In Government Securities				
National Saving Certificates (Lodged with Sales Tax Department)	-	0.19	-	0.19
	18,315,179	2,659.74	13,915,179	2,219.80

NOTE - 12 DEFERRED TAX ASSETS (NET)

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liabilities		
Depreciation	-	811.73
	-	811.73
Deferred Tax Assets		
Carry Forward Losses	-	2,034.33
Other Disallowances	-	628.40
	-	2,662.73
	-	1,851.00



NOTE -13 LONG TERM LOANS & ADVANCES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Capital Advances (unsecured, considered good)	152.32	339.27
b) Security Deposits (unsecured, considered good) Deposit for Others	154.04	122.36
c) Advance Income Tax Paid (net)	71.69	60.44
d) Other Loans and Advances (unsecured, considered good)		
Advances to Arcot Textile Mills Ltd.	1,080.00	1,105.00
Other Advances for Various Properties	855.88	855.88
	<u>2,313.93</u>	<u>2,482.95</u>

NOTE - 13.1

- a) Capital advance of ₹152 lacs has been given for expansion project of Dope Dyed Yarn unit at Kala-amb, mainly to building contractors and to suppliers of plant & machineries, software etc.
- b) Advances to Arcot Textile Mills Limited (BIFR Company) was given for purchase of movable and immovable assets situated at Kallakurichi, Tamilnadu for a total consideration of ₹1,105.00 lacs on lump sum sale basis out of FCCBs funds pursuant to MOU dated 20th September, 2007. The transfer of assets in favour of the Company is pending for deregistration from BIFR. Subsequently due to inordinate delay for deregistration from BIFR, it has been agreed that Arcot will return the above advance within reasonable time period vide their confirmation letter dated 5th October, 2012 and accordingly ₹25.00 lacs are returned by them.

NOTE - 13.2

Other advances of ₹855.88 lacs (₹855.88 lacs) given to six parties for various properties for which necessary settlements are being made with them as the expected land or properties in all cases may not be conveyed in favour of the Company, however as per the management, said amounts are considered good and fully recoverable. These balances are subject to confirmation from the parties.

NOTE -14 OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Fixed Deposit		
Fixed Deposit in Banks with more than 12 months maturity	29.19	39.02
	<u>29.19</u>	<u>39.02</u>

NOTE -15 CURRENT INVESTMENTS

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of units	₹ in lacs	Number of units	₹ in lacs
Investments in Mutual Funds				
SBI Infrastructure Bond (Unit of ₹10/- each)	-	-	100,000	10.00
SBI One India Fund (Unit of ₹10/- each)	-	-	200,000	20.00
	-	-	300,000	30.00

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NOTE -16 INVENTORIES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
(As certified by Management)		
a) Raw Materials	552.44	648.74
b) Work-in-progress	359.01	303.35
c) Finished goods	2,387.58	2,319.37
d) Store & Spares	27.93	24.13
e) Packing Material	29.97	29.55
	<u>3,356.93</u>	<u>3,325.14</u>

NOTE -17 TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured		
Outstanding for a period more than six months from the date they are due for payment		
Considered Good	2,595.17	2,114.81
Considered Doubtful/Bad	-	481.10
Less: Provision for Doubtful Trade Receivables	-	(481.10)
	<u>2,595.17</u>	<u>2,114.81</u>
Others		
Considered Good	2,021.35	2,600.30
	<u>4,616.52</u>	<u>4,715.11</u>

NOTE -17.1

Trade receivable includes:

- Outstanding from subsidiary Hakoba Lifestyle Ltd of ₹1,546.97 lacs (₹1,546.97 lacs) since long time.
- Outstanding from associate company Crystal Lace (I) Ltd of ₹44.53 lacs (₹113.24 lacs) since long time.
- Outstanding from related enterprise Kiran Industries Ltd. of ₹3.87 lacs (₹7.67 lacs).
- Outstanding from related enterprise Thakurdas & Co. Pvt. Ltd. of ₹21.88 lacs (₹ 13.82 lacs).

NOTE -18 CASH & CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Balances with Banks		
In Current Accounts	299.57	104.48
b) Cash in hand	37.41	26.60
	<u>336.98</u>	<u>131.08</u>



NOTE -19 SHORT TERM LOANS & ADVANCES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Short Term Loan & Advances to Related Parties		
Loans and Advances to Subsidiaries/JV (unsecured, considered good)		
Hakoba Lifestyle Ltd.	1,291.04	1,270.62
Mas Embroideries Pvt. Ltd.	81.01	84.99
Pioneer Realty Ltd.	51.09	50.71
S.R Investments Ltd. (considered doubtful)	845.07	1,556.01
Super Industries DMCC (JV)	4,027.02	3,559.30
Loans and Advances to Related Parties (unsecured, considered good)		
Pioneer E-com Fashion Ltd.	1,075.47	1,076.37
Crystal Lace (I) Ltd.	1,139.98	1,569.65
Short Term Loan & Advances to Other Parties		
Advances recoverable in cash or in kind	156.70	281.53
Loan & Advance to Staff	63.93	71.16
Prepaid Expenses	17.93	11.27
Other Advances and Balances	41.40	43.98
	<u>8,790.64</u>	<u>9,575.59</u>

NOTE - 19.1

The Company has an investment of ₹1,147.00 lacs (₹1,147.00 lacs), a trade receivable of ₹1,546.97 lacs (₹1,546.97 lacs) and loans and advances of ₹1,291.04 lacs (₹1,270.62 lacs) from Hakoba Lifestyle Limited, a subsidiary of the Company. The accumulated losses as at 31st March, 2013 amounting to ₹7,343.45 lacs has exceeded the net worth of the said Company. However, having regard to the long term strategic investment, the diminution in the value of investments is considered to be temporary and accordingly no provision has been made.

NOTE - 19.2

The Company has an investment of ₹37.88 lacs (₹37.88 lacs) and has given loans and advances of ₹81.01 lacs (₹84.99 lacs) to Mas Embroideries Private Limited, a wholly owned subsidiary of the Company. The accumulated losses as at 31st March, 2013 amounting to ₹327.43 lacs has exceeded the net worth of the said company. However, having regard to the long term strategic investment, the diminution in the value of investments is considered to be temporary and accordingly no provision has been made.

NOTE - 19.3

- The Company had invested USD 2.585 mn. (₹1,029.67 lacs) in its wholly owned overseas subsidiary S.R Investments Limited (SRIL). The accounting year of SRIL closes on 30th June every year. The accounts have been consolidated based on unaudited accounts of SRIL, which is not in compliance with Accounting Standard - 21.
- The Company had advanced an optionally convertible loan of USD 2.20 mn. (₹1,196.66 lacs) (USD 2.20 mn. (₹1,125.44 lacs)) to SRIL out of FCCBs funds. The loan carried a service charge @ 9% p.a. until conversion or repayment. The Company has provided for USD 1.49 mn. including service charge of USD 0.84 mn. as bad debts as per general permission given by RBI as SRIL has no resources / income to repay the same. The outstanding loan as at the year end is ₹845.07 lacs (₹1,556.01 lacs).

NOTE - 19.4

- The Company had invested USD 1.26 mn. (₹509.92 lacs) in overseas Joint Venture M/s Super Industries DMCC, Dubai to acquire 10% stake thereof and further advanced an optionally convertible loan of USD 3.70 mn. (₹2,012.40 lacs) (USD 3.70 mn. (₹1,892.79 lacs)) out of FCCBs funds in the October-November 2007, with a service charge @ 9% p.a. until conversion or repayment. In September, 2008, the said investment given for 10% stake was treated as loan by the Company and the outstanding loan amount including interest/service at the year end is ₹4,027.02 lacs (₹3,559.30 lacs). Since, the Company doesn't hold any stake in the said Joint Venture and therefore, no consolidation is made except disclosure of loan and service charges in the Joint Venture in compliance with Accounting Standard - 27 'Financial Reporting of Interest in Joint Venture' issued by the Institute of Chartered Accountants of India.

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- b) The loan as aforesaid of ₹4,027.02 lacs (USD 4.96 mn. plus service charges) advanced to M/s Super Industries, DMCC is considered good and as per the management the said amount is fully recoverable and good in recovery though neither principal nor service charges are paid yet. This outstanding balance is subject to confirmation.

NOTE - 19.5

Interest free unsecured loans and advances of ₹1,075.47 lacs (₹1,076.37 lacs) to Pioneer E-com Fashion Ltd, an associate company is considered good of recovery as per the management of the Company.

NOTE - 19.6

- a) Loans and advances of ₹1,534.00 lacs to Crystal Lace (India) Ltd in the period 2007-08 against Plant & Machineries, the title of which could not be transferred due to technical reasons and the said advance and obligation to buy Plant & Machineries was converted into loan bearing interest @15% p.a. vide agreement dated 20th March 2009 and has been further secured by charge on the factory Plot No. 27, at TTC Indl Area, MIDC, Mahape, Navi Mumbai, Dist Thane (admeasuring about 10687.32 sq mtrs) in favor of the Company. The front portion of the smaller plot (admeasuring 3167.20 sq mtrs) has been given for development, of which 25% of the proposed constructed area shall belong to Crystal Lace (India) Limited. The Company has registered the charge with ROC. In July 2012, the Company has got converted ₹440.00 lacs into 44 lacs equity shares of ₹10 each of Crystal Lace (I) Ltd. Outstanding at year end is ₹1,139.98 lacs (₹1,569.65 lacs).
- b) The aforesaid conversion of advance into loan though strictly not in compliance with FCCBs utilization rules of RBI, however the Company shall redeposit the same on repayment by the said Crystal Lace (India) Limited into FCCB account to comply the same.
- c) The Company has not provided the accumulated interest of ₹883.33 lacs (₹697.23 lacs) on the aforesaid loan and income is understated to that extent in the current year.
- d) ₹44.53 lacs (₹113.24 lacs) amount is recoverable from Crystal Lace (India) Limited as trade receivable since long time, but as per the management the amount is considered as good and recoverable.

NOTE -20 OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
(Unsecured, considered good)		
Other Loans and Advances		
Accrued Export and Other Incentives	58.65	48.83
Insurance Claim Receivables	-	97.78
Interest Receivables (TUF)	20.58	30.03
	<u>79.23</u>	<u>176.64</u>

NOTE -21 REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Sale of Products - Yarn, Embroidery Fabric & Laces*		
Domestic Sales	22,379.57	17,691.53
Export Sales	1,542.75	2,801.33
Other Operating Revenue (Export Incentives)	126.57	237.88
Gross Revenue from Operations	<u>24,048.89</u>	<u>20,730.74</u>
Less: Excise duty	0.20	0.66
	<u>24,048.69</u>	<u>20,730.08</u>

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*Detail of Sale of Products

(₹ in lacs)

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
Manufactured Goods		
Dope Dyed Polyester Yarn	17,688.74	15,378.74
Embroidered Fabric & Laces	5,121.59	3,781.74
Spun Yarn	854.29	1,085.54
	<u>23,664.62</u>	<u>20,246.02</u>
Traded Goods		
Embroidered Fabric & Laces	257.69	246.84
	<u>257.69</u>	<u>246.84</u>
	<u>23,922.31</u>	<u>20,492.86</u>

NOTE -21.1

Sales includes Sales made to related enterprises M/s J J Sons, Thakurdas & Co. Ltd. and Kiran Industries Ltd. ₹111.29 lacs (₹92.94 lacs), ₹16.25 lacs (Nil) and ₹0.01 lac (₹120.44 lacs) respectively.

NOTE -22 OTHER INCOME

(₹ in lacs)

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
Interest on Loans to Subsidiary/JV	243.46	294.14
Interest on Others	4.71	11.55
Adjustments to Carrying Amount of Loan given to Subsidiary/JV(Net)	328.36	622.40
Profit on Fixed Assets sold (Net)	4.26	1,153.87
Liabilities/Provisions no longer required written back	49.22	-
Misc. Non Operating Income (Net)	6.39	3.29
Gain on Exchange Rate Difference (Net)	47.29	161.36
	<u>683.69</u>	<u>2,246.61</u>

NOTE -23 COST OF MATERIAL CONSUMED

(₹ in lacs)

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
Cost of Raw Material Consumed		
Opening Stock	648.74	1,066.72
Purchases during the year	15,240.96	13,045.15
	<u>15,889.70</u>	<u>14,111.87</u>
Less:- Closing Stock	552.44	648.74
	<u>15,337.26</u>	<u>13,463.13</u>

NOTE -23.1

Trade Purchases includes purchases made from related enterprises M/s J J Sons ₹1.30 lacs (₹2.95 lacs) and Kiran Industries Ltd. ₹4.04 lacs (₹9.47 lacs).

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NOTE -24 CHANGE IN INVENTORIES

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Opening Inventories		
Work-in-Progress	303.35	359.02
Finished Goods	2,319.37	2,350.37
	<u>2,622.72</u>	<u>2,709.39</u>
Less: Closing Inventories		
Work-in-Progress	359.01	303.35
Finished Goods	2,387.58	2,319.37
	<u>2,746.59</u>	<u>2,622.72</u>
	<u>(123.87)</u>	<u>86.67</u>

NOTE -25 EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
a) Salaries, Wages and Incentives	1,948.36	1,736.20
b) Contribution to Funds	58.98	49.49
c) Staff Welfare Expenses	108.20	91.89
	<u>2,115.54</u>	<u>1,877.58</u>

NOTE -26 FINANCE COSTS

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Interest expense		
a) Interest on Borrowings	1,449.26	1,406.94
b) Interest on late payment of Taxes	9.46	4.57
c) Other Borrowing Costs	35.65	57.84
d) Applicable Net Gain/Loss on Foreign Currency Transactions and Translation	37.82	70.78
	<u>1,532.19</u>	<u>1,540.13</u>

NOTE -27 OTHER EXPENSES

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Director Remuneration	80.47	80.28
Directors Sitting Fees	0.33	0.25
Donations	0.46	0.04
Insurance	27.64	17.06
Job Charges	388.67	176.32
Legal & Professionals Fees	96.35	132.51
Miscellaneous Expenses	517.77	463.06
Packing Material Consumed	793.31	766.97
Payment to Auditors*	14.49	13.23
Power & Fuel	1,662.54	1,357.27
Prior Period Items	0.61	15.47
Rates & Taxes	30.63	35.70
Rent	97.66	90.27
Repair & Maintenance Buildings	12.74	11.63
Repair & Maintenance Others	53.92	48.95
Repair & Maintenance Plant & Machinery	73.78	52.57
Selling Expenses	876.08	788.27
Store & Spares Consumed	245.30	189.06
	<u>4,972.75</u>	<u>4,238.91</u>

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* Details of payment to Auditors

(₹ in lacs)

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
a) for Statutory Audit	12.92	8.99
b) for Taxation Matter	1.12	3.65
c) for Other Services	0.45	0.59
	<u>14.49</u>	<u>13.23</u>

NOTE -28 EXCEPTIONAL ITEMS

(₹ in lacs)

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
Bad Trade Receivables written off	-	708.12
Doubtful Advances written off	861.81	-
Duty Drawback written off	-	56.15
	<u>861.81</u>	<u>764.27</u>

NOTE -28.1

Company has written off advances to subsidiary S R Investments Ltd of ₹815.04 lacs as per general permission given by RBI as management find it non recoverable.

NOTE - 29 CONTINGENT LIABILITIES

(₹ in lacs)

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
a) Bank Guarantees Outstanding.	29.98	39.37
b) Corporate Guarantees on behalf of Subsidiary to Banks.	3,050.00	3,050.00
c) Estimated amount of contracts remaining to be executed on Capital Accounts (Net of advances).	142.34	166.96
d) Assessment Order of Customs Duty for Import of second hand computerised embroidery machines for which appeal has been filed with Honorable Supreme Court (Net of advances)	40.90	46.90
e) Demand raised by Excise Department in respect of which appeal has been filed.	46.14	46.14
f) Demand raised by Income-tax Department in Block Assessment order U/s 158A for the period from FY 1998-99 to FY 2003-04 in respect of which appeal has been filed with CIT (Appeal).	43.32	43.32
g) Other Income Tax matters pending in appeal.	13.33	13.33
h) Premium/Interest on Foreign Currency Convertible Bond.	3,465.17	2,588.74
i) Unpaid Dividend on 9% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS).	1,083.01	867.94
j) Custom Duty on Capital Goods and Raw Materials imported under Advance Licence / EPCG Scheme, against which export obligation is to be fulfilled.	345.24	771.98
k) Service Tax Liability	128.08	-
l) Demand raised by Bennet Coleman & Co Ltd for converting equity options into debt of subsidiary for which arbitration proceedings are pending.	1,059.00	1,059.00
m) There are some Labour Cases in Labour Court and Industrial Court regarding overtime, backwages and reinstatement to which the Company is contesting. Quantum is not ascertainable.	N A	N A

There is no contingent liability other than stated above and adequate provision have been made for all known liabilities, except interests and penalties as may arise

NOTE 30 Loans and Advances includes amount due from Subsidiaries / JV:

(₹ in lacs)

	Particulars	Current Year 31-03-2013		Previous Period 31-03-2012	
		Closing Balance	Maximum due	Closing Balance	Maximum due
a)	Hakoba Lifestyle Limited	1,291.04	1,291.04	1,270.62	1,371.93
b)	Mas Embroideries Private Limited	81.01	84.99	84.99	425.96
c)	S.R Investments Limited	845.07	1,556.01	1,125.44 (Loan) 430.57 (Service charges)	1,556.01
d)	Pioneer Realty Limited	51.09	51.09	50.71	50.71
e)	Super Industries DMCC, (JV)	2,697.71 (Loan) 1,329.31 (Service Charges)	4,027.02	2,537.36 (Loan) 1,021.94 (Service Charges)	3,559.30

NOTE 31 Foreign Currency Convertible Bonds (FCCBs) :

- The outstanding FCCBs as at 31st March, 2013 is US\$ 11 million and had matured on 28th April, 2012, the effect of which will be given in the year of maturity. These balance FCCBs of value of US\$ 11 million were settled at US\$ 2.40 million as per the terms and conditions being agreed upon and the treatment thereof will be given as and when these are extinguished and paid.
- In view of the above settlement, the Company is no longer liable for interest payable on FCCBs worth USD 11 million.
- For the balance FCCBs value of USD 11 million, though the Company had entered in to settlement terms but it has exceeded the reasonable time period. The Company is further under re-negotiation for settlement. In view of this no provision has been made for premium/interest aggregating to ₹3,465.17 lacs (₹2,588.74 lacs) on the outstanding FCCBs up to 31st March, 2013 calculated in terms of offer circular dated 27-04-2007 and the same has been considered as contingent liability. Had it not been treated so, current year profit would have been lower by ₹876.43 lacs (₹857.97 lacs).
- There is a foreign exchange loss of ₹1,483.52 lacs (₹1,127.92 lacs) on outstanding FCCBs as on 31st March, 2013 arising out of revaluation, which has not been accounted for since FCCBs has been considered as Non-Monetary liability by the management.
- In accordance with Accounting Standard - 11 'The Effect of Changes in Foreign Exchange Rates' prescribed in the Company (Accounting Standard) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standard, the Company should have provided foreign exchange loss on FCCBs and had the said liability been considered as a monetary liability, the accumulated losses would be higher by ₹1,483.52 lacs (₹1,127.92 lacs) on account of exchange difference.

NOTE 32 An amount of ₹195.59 lacs is payable as on 31st March, 2013 to Development Credit Bank Ltd., an unsecured lender, under a negotiated settlement. The bank has agreed to waive the interest on its outstanding, hence no interest has been provided on its balance in the books. The principal amount will be reversed after the compliance of the terms and conditions.

The bank is holding 705,582 equity shares of the Company pledged by the promoter as security, for the said loan.

NOTE 33 Few of the fixed deposits, overdraft balances and bank accounts are subject to confirmations though reconciled with available bank statements. Few of the secured and unsecured loans are subject to confirmations though reconciled with bank statements.

NOTE 34 The Company has charged exchange difference arising in relation to Fixed Assets, which are purchased out of the Foreign Currency Term Loans, in the carrying cost of the assets which is not in accordance with the Accounting Standard 11. Had the Company followed Accounting Standard 11, loss would have been higher by ₹34.11 lacs (₹131.54 lacs).

NOTE 35 In accordance with the FEMA guidelines and applicable rules and regulations and as supported by the Lawyer's Certificate in the earlier years for end use of FCCBs proceeds, these have been used towards expansion of business, overseas acquisition and towards other permitted use as per the ECB guidelines except ₹563.36 lacs, which has been appropriated by Union Bank of India towards irregularity in cash credit account, which is not a permissible end use as per the ECB guidelines, to which the Company has made an objection and represented for reversal of transactions in the period 2007-08 and the matter is still pending. The balance unutilized amount of US\$ 1824 has been retained overseas with Axis Bank, Hong Kong.

NOTE 36 In the opinion of the management, there is no impairment of assets as on Balance Sheet date.

NOTE 37 a) As per the Corporate Debt Restructuring scheme (CDR scheme) entered during the earlier years, the Company had after the necessary approvals in extra ordinary general meeting held on 26th June, 2010 and from other authorities and in the board meeting held on 27th August, 2010, the Company had allotted 27,553,610, 9% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of ₹10/- each aggregating to ₹2,755.36 lacs to all the secured lenders, except to ICICI Bank Ltd for want of RBI approval to its restructured ECB, redeemable from 30th Sept, 2015 in four annual equal installments.

The dividend will accrue at the end of each year with effect from 1st October, 2008 as per the Appointed Date under the CDR scheme.

- b) In the event of any default/ breach/ violation of any of the terms & conditions of the Financial Restructuring Package, the lenders with approval of CDR-EG shall have a right to revoke the CDR package and to reverse the waivers/ sacrifices.
- c) In the event of default in compliance with the restructured package, the lenders shall have the right to convert entire/ part of defaulted interest and entire/ part of defaulted principal into equity as per SEBI pricing formula.
- d) In case of debt outstanding beyond Seven years from the date of CDR LOA, the CDR lenders shall have a right to convert into equity up to 20% of such outstanding (as on the date of conversion) as per SEBI guidelines / loan covenants, whichever is applicable.
- e) CDR Lenders shall have the right to recompense the relief/ sacrifices/ waivers extended by respective CDR lenders (as per CDR guidelines).
- f) The Company has been unable to meet its commitments to lenders under CDR Scheme since second quarter of FY 2011-12. The Company has submitted revised CDR Scheme to the lenders for their consideration.
- g) In terms of a One Time Settlement entered into with Axis Bank Ltd., one of the CDR lenders, the Company has paid a sum of ₹155.00 lacs, in full and final settlement of the Bank's dues, including the OCCRPS. Accordingly the Company has reversed the interest liability of ₹49.21 lacs and the principal amount of ₹17.52 lacs. The OCCRPS allotted to the Bank has, accordingly, been surrendered by them and are cancelled. As per the legal expert opinion the Company has treated the interest reversal as monetary item and has credited to statement of profit and loss and has treated the principal amount including OCCRPS reversal as non- monetary item and has credited to Capital Reserve.
- h) In terms of a One Time Settlement entered into with ICICI Bank Ltd., one of the CDR lenders, the Company has to pay a sum of ₹500.00 lacs, in full and final settlement of the Bank's dues on or before August 31, 2013. The Company has already paid a sum of ₹125.00 lacs out of the said amount. The necessary adjustment in the books will be done after the compliance of the terms and conditions.

NOTE 38 During the year, the Company has paid a sum of ₹7.20 lacs (₹4.32 lacs) as premium towards the Key man Insurance policy taken for Mr. Raj Kumar Sekhani, Chairman & Managing Director of the Company.

NOTE 39 As per management, value of realization of current assets, deposits, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.

NOTE 40 The sundry debit and credit balances including receivables, payables and advances to suppliers, advances from customers either debit or credit and deposits are subject to confirmation and reconciliations, the effect of which is not known.

NOTE 41 Dues to Small Scale Industries undertakings and dues to Micro Enterprises and Small Enterprises:
The Company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since, the relevant information is not readily available; no disclosures have been made in the Accounts. However, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

NOTE 42 The Company operates in a single segment of Textiles.



NOTE 43 Disclosures pursuant to Accounting Standard-15 "Employee Benefits"

- a) The Company has recognized ₹88.04 lacs in the statement of Profit and Loss for the year ended 31st March, 2013 under Defined Contribution Plan

- b) Details of Defined Benefit Plan

(₹ in lacs)

Particulars	31st March, 2013	
	Gratuity	Leave Encashment
I Changes in Present Value of Obligations		
a) Present Value of Obligation as at the beginning of the year*	71.00	-
b) Interest Cost	5.72	-
c) Current Service Cost	24.68	20.60
d) Benefits Paid	-	(8.09)
e) Actuarial (Gain)/Loss on Obligation	16.86	20.18
f) Present Value of Obligation as at the end of the year	118.25	32.70
II Changes in Fair Value of Plan Assets		
a) Fair Value of Plan Assets at beginning of the year	-	-
b) Adjustment to Opening Fair Value of Plan Assets	-	-
c) Expected Return on Plan Assets	-	-
d) Contributions	-	8.09
e) Benefit Paid	-	(8.09)
f) Actuarial Gain/(Loss) on Plan Assets	-	-
g) Fair Value of Plan Assets as at the end of the year	-	-
III Amounts to be recognized in the Balance Sheet		
a) Present Value of Obligation at end of the year	118.25	32.70
b) Fair Value of Plan Assets at end of the year	-	-
c) Funded Status	(118.25)	(32.70)
d) Unrecognized Actuarial Gain/(Loss)	-	-
e) Net Asset/(Liability) recognized in the Balance Sheet	(118.25)	(32.70)
IV Expense recognized in the statement of P & L A/C		
a) Current Service Cost	24.68	20.60
b) Interest cost	5.72	-
c) Expected Return on Plan Assets	-	-
d) Net Actuarial (Gain)/Loss recognized for the period	16.86	20.18
e) Expense recognized in the statement of P & L A/C	47.25	40.79
V Actuarial Assumptions		
a) Discount Rate (%)	8.05	8.05
b) Rate of Increase in Compensation (%)	7.50	7.50
c) Expected Rate of Return on Plan Assets (%)	7.50	7.50

* The Liability of Present Value of Obligation at beginning of the year is taken based upon the provision made by the Company.

NOTE 44 Earning per Equity Share

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
Net Profit/(Loss) for the year attributable to Equity Shareholders (₹ in lacs)	(3,338.18)	(372.25)
Weighted Average Number of Equity Shares of ₹10/- each (fully paid-up)	13,137,978	12,915,165
Earning per Share- Basic & Diluted (₹)	(25.41)	(2.88)

NOTE 45 Related Party Disclosures :

a) Names of Related Parties and Nature of Relationships

i	Subsidiaries	Hakoba Lifestyle Ltd. Mas Embroideries Pvt. Ltd. Pioneer Realty Ltd. S.R Investments Ltd, Mauritius
ii	Associate Concerns	Pioneer E-Com Fashions Ltd. Reach Industries Pvt. Ltd. Crystal Lace (I) Ltd
iii	Joint Venture	M/s Super Industries, DMCC, Dubai
iv	Key Management Personnel	Shri Raj Kumar Sekhani Shri Harsh Vardhan Bassi
v	Relative of Key Management Personnel & their Enterprises	Shri Vishal Sekhani M/s J J Sons Kiran Industries Ltd. Thakurdas & Co. Pvt Ltd.

b) Transactions during the year

Particulars	(₹ in lacs)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
i) Sales		
Subsidiaries	--	--
Relative of Key Management Personnel & their enterprises	127.56	213.38
ii) Purchases		
Subsidiaries	--	9.22
Relative of Key Management Personnel & their enterprises	8.66	5.34
iii) Income from Service Charges/Interest on Loans		
Subsidiaries	--	73.08
Joint Venture	243.46	221.07
iv) Payment for Other Services		
Associate Concerns (Rent)	1.35	3.00
Key Management Personnel (Remuneration to Whole Time Directors)	80.47	80.28
Relative of Key Management Personnel & their Enterprises	4.73	0.83
v) Share Application Money Received/(adjusted)		
Associate Concerns	(968.00)	51.52
Key Management Personnel	--	(51.52)
vi) Equity Share Issued		
Associate Concerns	968.00	--
vii) Balance outstanding as at the year end		
Subsidiaries	3,815.18 Dr	4,507.42 Dr
Associate Concerns	2,275.85 Dr	2,756.07 Dr
Joint Venture	4,027.02 Dr	3,559.30 Dr
Key Management Personnel	21.26 Cr	38.89 Cr
Relative of Key Management Personnel & their enterprises	14.97 Cr	95.30 Cr

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NOTE - 46 Additional Information

a) Value of imported and indigenous Raw Material and Spare Parts consumed:

Particulars	31-03-2013		31-03-2012	
	%	₹ in lacs	%	₹ in lacs
Raw Material/Purchases:Imported	1.56	243.86	1.34	182.95
Indigenous	98.44	15,351.09	98.66	13,483.16
Store & Spares:				
Imported	3.29	8.06	11.38	21.52
Indigenous	96.71	237.24	88.62	167.54

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
	₹ in lacs	₹ in lacs

b) Value of Imports on CIF Basis:

Raw Materials	285.43	243.13
Capital Goods	10.57	692.10
Stores & Spares	14.05	24.49

c) Expenditure in Foreign Currency (On Payment basis) :

Travelling	4.98	7.42
Professional & Technical Services	12.15	3.38
Interest Paid	12.69	112.98
Bank Charges	0.01	0.13
Selling Expenses	10.21	5.03

d) Earnings in Foreign Currency :

Export Turnover (Net)	1,542.75	2,801.33
Interest/Service Charges	243.46	294.14

NOTE - 47 The previous year's figure have been regrouped and reclassified to confirm to current year's classification.

As per our Report of even date attached herewith

For M B A H & CO

Chartered Accountants

(Firm Regn No. 121426W)

MAHESH BHAGERIA

Partner

Membership No. 034499

Place: Mumbai

Date: June 4, 2013

For & on behalf of the Board

RAJ KUMAR SEKHANI

Chairman & Managing Director

HARSH VARDHAN BASSI

Executive Director



SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY

(₹ in lacs)

Sr. No.	Particulars	Name of Subsidiary			
		Hakoba Lifestyle Ltd.	Mas Embroideries Pvt. Ltd.	Pioneer Reality Ltd.	S.R Investments Ltd @
(a)	Capital	1,349.41	222.52	5.00	54.39
(b)	Reserve	(6,489.31)	(296.25)	(6.12)	(1,308.71)
(c)	Total Assets	3,114.69	4.94	50.32	428.48
(d)	Total Liabilities	3,114.69	4.94	50.32	428.48
(e)	Investment other than Investment in Subsidiary	-	-	-	438.12
(f)	Turnover	78.69	-	-	-
(g)	Profit before Taxation	(1,005.36)	(0.72)	(0.25)	-
(h)	Provision for Taxation	-	-	-	-
(i)	Profit after Taxation	(1,005.36)	(0.72)	(0.25)	-
(j)	Proposed Dividend	-	-	-	-

@ Balance Sheet and Profit/(Loss) items are translated at closing exchange rate of ₹54.3893 and are unaudited.

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

To,
The Board of Directors of Pioneer Embroideries Limited,

1. We have audited the accompanying consolidated financial statements (the "consolidated financial statements") of Pioneer Embroideries Limited (the "Company") and its subsidiaries; hereinafter referred to as the "Group" which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit & Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.
5. a) We have relied on un-audited financial statements of foreign subsidiary namely S.R Investments Limited, included in the consolidated financial statements, which constitute total assets of ₹(794.23) lacs as at March 31, 2013, total revenue of ₹ nil, net profit of ₹ nil and net cash outflows amounting to ₹ nil for the year then ended. These un-audited financial statements have been furnished to us by the management and we are unable to comment on the same since it remains un-audited.
b) We did not audit the financial statements of one subsidiary Mas Embroideries Limited, included in the consolidated financial statements, which constitute total assets of ₹(73.73) lacs as at March 31, 2013, total revenue of ₹ nil, net profit of ₹(0.72) lac and net cash outflows amounting to ₹ nil for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

7. a) Note 35 relating to exchange difference arising in relation to fixed assets, which are purchased out of the Foreign Currency Term Loans, is charged to the carrying cost of the assets, which is not in accordance with the Accounting Standard 11, otherwise loss would have been higher by ₹ 34.11 lacs.
b) The accounts have been consolidated based on unaudited accounts of S.R Investment Limited, which is not in compliance with Accounting Standard - 21.

Qualified Opinion

8. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, notified under Section 211(3C) of the Companies Act, 1956 except for the effects of the matter described in paragraph 7(b).
9. In our opinion, and to the best of our information and according to the explanations given to us, except for the effects of the matters described in paragraph 5 & 7, the accompanying consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

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- (b) in the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

10. We draw attention to following Notes having impact on the consolidated Financial Statements:

- a) Note 20.1 relating to investment in overseas Joint Venture M/s Super Industries DMCC, Dubai and conversion of stake into loans on jointly controlled JV basis and consideration of entire loan of ₹4,027.02 lacs (USD 4.96 million plus service charge) as good of recovery even though no recovery neither confirmation is available.
- b) Note 20.3 relating to advance payment for acquisition of machineries of ₹1,534.00 lacs to Crystal Lace (India) Ltd. out of Foreign Currency Convertible Bonds (FCCB) funds and conversion of same into loan and investment, which is deemed non-compliance under FCCB utilization rules and non-provision of interest income of ₹883.33 lacs, otherwise loss would have been lower by that extent.
- c) Note 20.5 relating to lapsed advertising expenses of ₹506.18 lacs and non compliance of equity treaty with Bennett Coleman & Co. Ltd.
- d) Note 32 treatment of FCCB Liabilities as non-monetary liabilities otherwise loss would have been higher by ₹3,465.17 lacs on account of non provision for premium / interest on outstanding FCCB of USD 11 million and ₹1,483.52 lacs for foreign exchange losses on account of non revaluation at year end outstanding.
- e) Note 38(f) relating to non assessment of effect on waiver of principal & interest as the Company has defaulted in repayment to Banks & Financial Institutions under CDR scheme.
- f) Note 14.2, 14.3, 20.4, 34 & 41 relating to non confirmation of balances, the effect of which is not known.

Our opinion is not qualified in respect of these matters.

For M B A H & CO
Chartered Accountants
(Firm Registration Number: 121426W)

MAHESH BHAGERIA
Partner
Membership Number: 034499

Place: Mumbai
Date: June 4, 2013



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

(₹ in lacs)

Particulars	Note	As at 31.03.2013	As at 31.03.2012
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	4,443.99	4,046.88
(b) Reserves and Surplus	3	(946.58)	1,849.44
2 Share Application Money pending Allotment	4	-	968.00
3 Non-Current Liabilities			
(a) Long Term Borrowings	5	10,240.16	12,342.92
(b) Other Long Term Liabilities	6	7.56	7.59
4 Current Liabilities			
(a) Short Term Borrowings	7	9,629.61	8,873.13
(b) Trade Payables	8	2,227.89	2,319.50
(c) Other Current Liabilities	9	6,728.77	4,597.13
(d) Short Term Provisions	10	378.21	291.21
		<u>32,709.61</u>	<u>35,295.80</u>
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		10,435.76	11,205.63
(ii) Intangible Assets		107.23	131.26
iii) Capital Work- in- Progress		595.54	520.12
(b) Goodwill (on consolidation)		1,067.13	1,067.13
(c) Non-Current Investments	12	818.31	378.37
(d) Deferred Tax Assets	13	-	1,851.00
(e) Long Term Loans and Advances	14	2,533.07	2,710.94
(f) Other Non Current Assets	15	41.90	50.84
2 Minority Interest		770.98	620.18
3 Foreign Currency Translation Reserve		286.96	186.36
4 Current Assets			
(a) Current Investments	16	-	30.00
(b) Inventories	17	3,434.02	3,699.98
(c) Trade Receivables	18	4,119.85	4,345.58
(d) Cash & Cash Equivalents	19	361.61	165.42
(e) Short Term Loans & Advances	20	8,058.02	8,156.35
(f) Other Current Assets	21	79.23	176.64
		<u>32,709.61</u>	<u>35,295.80</u>

Significant Accounting Policies 1

Notes referred from 1 to 46 above form an integral part of the Financial Statements

As per our Report of even date attached herewith

For **M B A H & CO**

Chartered Accountants

(Firm Regn No. 121426W)

For & on behalf of the Board

MAHESH BHAGERIA

Partner

Membership No. 034499

Place: Mumbai

Date: June 4, 2013

RAJ KUMAR SEKHANI

Chairman & Managing Director

HARSH VARDHAN BASSI

Executive Director



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

				(₹ in lacs)	
Particulars	Note	Year Ended 31.03.2013	Year Ended 31.03.2012		
I	Gross Revenue from Operations	22	24,127.59	21,317.43	
	Less: Excise Duty		0.20	0.67	
	Net Revenue from Operations		24,127.39	21,316.76	
II	Other Income	23	678.79	2,355.23	
III	Total Revenue (I + II)		24,806.18	23,671.99	
IV	Expenses:				
	Cost of Raw Materials Consumed	24	15,577.17	13,455.08	
	Purchases of Stock-in-Trade		257.69	490.13	
	Changes in Inventories	25	(66.03)	347.57	
	Employee Benefits Expense	26	2,116.38	1,888.38	
	Finance Costs	27	2,234.56	2,155.13	
	Depreciation and Amortization Expenses		1,309.59	1,262.98	
	Other Expenses	28	5,014.11	4,376.25	
	Total Expenses		26,443.47	23,975.52	
V	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		(1,637.29)	(303.53)	
VI	Exceptional Items (Expense/(Income))	29	46.76	764.26	
VII	Profit/(Loss) before Tax (V-VI)		(1,684.05)	(1,067.79)	
VIII	Tax Expenses				
	Current Tax		-	-	
	Deferred Tax		1,851.00	(38.20)	
	Short provision relating earlier year tax		0.19	-	
IX	Net Profit/(Loss) before Minority Interest (VII-VIII)		(3,535.24)	(1,029.59)	
X	Minority Interest		(150.80)	(106.95)	
XI	Profit/(Loss) for the year (IX-X)		(3,384.44)	(922.64)	
XII	Earning per Equity Share				
	(1) Basic		(25.76)	(7.14)	
	(2) Diluted		(25.76)	(7.14)	

Significant Accounting Policies 1

Notes referred from 1 to 46 above form an integral part of the Financial Statements

As per our Report of even date attached herewith

For **M B A H & CO**

Chartered Accountants

(Firm Regn No. 121426W)

For & on behalf of the Board

MAHESH BHAGERIA

Partner

Membership No. 034499

Place: Mumbai

Date: June 4, 2013

RAJ KUMAR SEKHANI

Chairman & Managing Director

HARSH VARDHAN BASSI

Executive Director

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013 (₹ in lacs)

	Year Ended 31ST MARCH, 2013	Year Ended 31ST MARCH, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before extraordinary items and tax	(1,684.05)	(1,067.79)
Adjustment for :		
Depreciation and Amortisation	1,309.59	1,262.98
(Profit) on Sale of Assets (net)	(4.26)	(1,337.86)
Interest Income	(249.06)	(230.18)
Finance Costs	2,234.56	2,155.13
Doubtful Advances written off	46.76	-
Bad Trade Receivables written off	-	708.11
Duty Drawback written off	-	56.15
Provision for Erosion in Investments	0.06	-
Excess Interest provided w/back	(49.21)	-
Net unrealised exchange (gain)	(322.59)	-
Operating Profit / (Loss) before Working Capital Changes	<u>2,965.85</u>	<u>(551.63)</u>
Changes in Working Capital:	<u>1,281.80</u>	<u>2,062.70</u>
Adjustments for (increase) / decrease in operating assets:		
Inventories	265.96	767.44
Trade Receivables	225.73	(584.88)
Short Term Loans and Advances	617.62	421.79
Long Term Loans and Advances	189.12	267.54
Other Currents Assets	97.41	(119.54)
Other Non Current Assets	8.94	28.44
Adjustments for increase / (decrease) in operating liabilities:		
Trade Payables	(91.61)	88.99
Other Current Liabilities	2,166.92	1,694.44
Other Long Term Liabilities	(0.03)	(55.06)
Short Term Provisions	<u>87.00</u>	<u>5.36</u>
Cash generated from operation	<u>4,848.86</u>	<u>2,514.52</u>
Net income tax (paid) / refunds	(11.44)	(12.20)
Net Cash from Operating Activities	<u>4,837.42</u>	<u>3,497.23</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Capital Expenditure on Fixed Assets, including capital advances	(612.05)	(1,498.44)
Proceeds from Sale of Fixed Assets (net of advance)	25.20	1,074.74
Purchase of Long Term Investments - Others	(440.00)	-
Proceeds from sale of Current Investments	30.00	-
Interest received - Others	5.59	12.36
Goodwill on Investment of Subsidiary	-	(564.03)
Change in Minority Interest on investment in subsidiary	-	485.51
Foreign Currency Translation Reserve	(100.59)	(205.59)
Net cash from / (used) in Investing Activities	<u>(1,091.85)</u>	<u>(695.45)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from Issue of Equity Share Capital (including Share Premium)	968.00	-
Share Application Money received / (refunded)	(968.00)	-
Proceeds from / (Repayment) of Long Term Borrowing (Net)	(2,066.95)	(1,623.83)
Net increase / (decrease) in Working Capital Borrowings	751.71	1,015.32
Repayment of Other Short Term Borrowings	4.77	(130.53)
Buyback of FCCBs (net of Capital Reserve)	-	-
Finance Costs	(2,235.50)	(2,137.39)
Unpaid Dividend Account	(3.41)	(3.15)
Net cash used in Financing Activities	<u>(3,549.38)</u>	<u>(2,879.58)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	196.19	(77.80)
Cash and Cash Equivalent	165.42	243.22
(Opening balances) as on 31-03-2012		
Cash and Cash Equivalent	361.61	165.42
(Closing balances) as on 31-03-2013		

As per our Report of even date attached herewith

For M B A H & CO
Chartered Accountants
(Firm Regn No. 121426W)

MAHESH BHAGERIA
Partner
Membership No. 034499
Place: Mumbai
Date: June 4, 2013

For & on behalf of the Board

RAJ KUMAR SEKHANI
Chairman & Managing Director

HARSH VARDHAN BASSI
Executive Director

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2013

Note -1 : SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

- a) The financial statement of the subsidiaries used in the consolidation is drawn on the same reporting date as that of parent company, i.e. year ended 31st March, 2013. The financial statements of S.R Investments Limited, which is a foreign subsidiary, are un-audited, which is not in accordance with the Accounting Standard 21- Consolidated Financial Statements.
- b) The financial statements are set out and prepared under significant accounting policies of Pioneer Embroideries Limited and its subsidiaries. Mostly the accounting policies of the holding company and subsidiaries (except where mentioned) are in similar lines, but where ever there is a difference than it is specifically mentioned in the below notes. We cannot comment on the accounting policies adopted for the subsidiary, whose figures are un-audited as on 31st March, 2013, but relied upon the management, since as per them the un-audited accounts are prepared on the same guideline of the holding company.

1.2 Principles of Consolidation

- a) The Financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances, intra-group transactions in accordance with Accounting Standard (AS)-21 - Consolidated Financial Statements.
- b) The Financial statements of the Parent Company and its Subsidiaries have been consolidated using uniform accounting policies for like transactions and other event in similar circumstances.
- c) The excess of the share of equity of the Parent Company in its subsidiaries over its cost of investment, if any, on the date of acquisition date is recognized as Capital Reserve.
- d) The shortfall of the share of equity of the Parent Company in its subsidiaries over its cost of Investments, if any, is recognized in the financial statements as Goodwill.
- e) The subsidiaries considered in consolidated financial statements are as under:

Name of Company	Country of Incorporation	Extent of Company's Interest	
		As at 31.03.13	As at 31.03.12
Hakoba Lifestyle Limited	India	85%	85%
Mas Embroideries Private Limited	India	100%	100%
Pioneer Realty Limited	India	100%	100%
S.R Investments Limited	Mauritius	100%	100%

1.3 Consolidation of Foreign Subsidiary

Foreign Subsidiary accounts viz S.R Investments Limited has not been audited including its opening balances. For the purpose of the consolidation, the accounts have been prepared by the management as on 31st March, 2013, on the basis of unaudited accounts. Financial Statements figures are converted into rupees on the basis of closing rate of foreign currency as on 31st March, 2013.

1.4 SIGNIFICANT ACCOUNTING POLICIES

Most of the accounting policies of the holding company and that of the subsidiaries are similar.

NOTE -2 SHARE CAPITAL

a) Details of authorised, issued and subscribed share capital:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
Authorised				
Equity Shares of ₹10 each	20,000,000	2,000.00	20,000,000	2,000.00
Preference Shares of ₹10/- each	30,000,000	3,000.00	30,000,000	3,000.00
	50,000,000	5,000.00	50,000,000	5,000.00
Issued				
Equity Shares of ₹10 each	17,699,094	1,769.91	12,915,165	1,291.52
9% Optionally Convertible Cumulative Redeemable Preference Shares of ₹10/- each	26,740,830	2,674.08	27,553,610	2,755.36
	44,439,924	4,443.99	40,468,775	4,046.88
Subscribed & Paid up				
Equity Shares of ₹10 each	17,699,094	1,769.91	12,915,165	1,291.52
9% Optionally Convertible Cumulative Redeemable Preference Shares of ₹10/- each	26,740,830	2,674.08	27,553,610	2,755.36
	44,439,924	4,443.99	40,468,775	4,046.88

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the financial year:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
Equity Shares				
As at the beginning of the financial year	12,915,165	1,291.52	12,915,165	1,291.52
Add: Issued during the year (refer Note 4.1)	4,783,929	478.39	-	-
As at the end of the financial year	17,699,094	1,769.91	12,915,165	1,291.52
Preference Shares				
As at the beginning of the financial year	27,553,610	2,755.36	27,553,610	2,755.36
Add: Issued/(Surrendered) during the year (refer Note 38(g))	(812,780)	(81.28)	-	-
As at the end of the financial year	26,740,830	2,674.08	27,553,610	2,755.36

Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of Equity Shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Rights, preferences and restrictions attached to Preference Shares:

The Company has one class of Optionally Convertible Cumulative Redeemable Preference Shares having a par value of ₹10 fully paid up per share issued subsequent to Corporate Debt Restructuring mechanism. The preference shares do not carry voting rights, but carry right to a preference dividend at 9% p.a. effective October 2008. The preference shares are redeemable in 4 annual installments from September 30, 2015. Preference shares are convertible as per the guidelines of SEBI.

c) Details of Equity Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Promoters				
Raj Kumar Sekhani	2,045,718	11.56	2,424,506	18.77
Promoters Group				
Pioneer E Com Fashions Ltd.	6,481,726	36.62	1,697,797	13.15

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d) Details of Preference Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Others				
State Bank of India	6,325,000	23.65	6,325,000	22.96
Union Bank of India	5,126,360	19.17	5,126,360	18.60
EXIM Bank	4,998,700	18.69	4,998,700	18.14
HDFC Bank	4,263,000	15.94	4,263,000	15.47
State Bank of Patiala	3,750,000	14.02	3,750,000	13.61
Corporation Bank	1,822,770	6.82	1,822,770	6.62

NOTE -3 RESERVE & SURPLUS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Capital Reserve		
Opening Balance	7,485.74	7,485.74
Add: Consequent to Settlement of Loans	98.80	-
Balance as at the end of the year	<u>7,584.54</u>	<u>7,485.74</u>
Share Premium		
Opening Balance	864.03	864.03
Add: During the year	489.61	-
Balance as at the end of the year	<u>1,353.64</u>	<u>864.03</u>
Statement of Profit and Loss		
Opening Balance	(6,500.33)	(5,577.69)
Add: Profit/(Loss) for the year	(3,384.43)	(922.64)
Balance as at the end of the year	<u>(9,884.76)</u>	<u>(6,500.33)</u>
	<u>(946.58)</u>	<u>1,849.44</u>

NOTE -4 SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Share Application Money pending allotment		
From Pioneer E-com Fashions Ltd.	-	968.00
	<u>-</u>	<u>968.00</u>

NOTE -4.1

During the year, the Company has allotted 47,83,929 equity shares to promoters against share application received earlier pursuant to Corporate Debt Restructuring Scheme (CDR) vide their letter no CDR/(ABP)/No1072/2008-09 dated 17th February, 2009 in accordance with Chapter VII of the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulation, 2009 (ICDR Regulation) on preferential allotment basis at a price of ₹21.11 per share (including a premium of ₹11.11 per share) and ₹19.77 (Including a premium of ₹9.77 per share) for 16,57,981 and 31,25,948 equity shares respectively as per the guidelines.



NOTE -5 LONG TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Secured Loans		
(i) Term Loans from Banks	2369.33	3267.99
(ii) Funded Interest Term Loans from Banks	157.57	525.05
(iii) Working Capital Term Loans from Banks	1455.19	1778.56
(iv) Foreign Currency Term Loans from Banks	1496.26	1738.74
(v) Vehicle Loans from Banks (Secured by hypothecation of respective vehicles - Terms of Repayment - Equated monthly installment)	0.99	5.09
(vi) Other Loans Life Insurance Corporation of India (LIC)	50.56	50.56
Unsecured Loans		
From Bank	-	268.36
From Others		
Foreign Currency Convertible Bonds (FCCBs) (refer Note 32)	4,499.30	4,499.30
Raj Kumar Sekhani (HUF) (Related Party)	2.50	2.50
Pooja Equiresearch Pvt. Ltd.	100.00	100.00
Yamini Suppliers Pvt. Ltd.	80.00	80.00
Others	28.46	26.77
	<u>10,240.16</u>	<u>12,342.92</u>

NOTE -5.1

All above Secured Loans except Term Loan from State Bank of India (SBI) for subsidiary, Vehicle Loan and LIC Loan are secured by first pari passu charge over fixed assets of the Company both present & future with each other, except machineries imported from Barmag of Germany for Dope Dyed Polyester Yarn Unit, which has exclusive charge of Landes Bank Baden Wurttemberg, and further secured by second charge over current assets of the Company & by personal irrevocable guarantee of Chairman of the Company.

Term loan from SBI is Secured by hypothecation of moveable assets and further secured by personal guarantee of Chairman and corporate guarantee of Pioneer Embroideries Ltd. Said term loan has become Non Performing Assets (NPA) and bank has filed the case in Debt Recovery Tribunal.

Loan from LIC is secured by assignment of Keyman Insurance Policy.

Terms of Repayment : These secured loans were restructured under CDR Scheme w.e.f. 01.10.2008. Above Term Loans except loans from Union Bank of India, Corporation Bank, Funded Interest Term Loan are repayable in 32 quarterly/16 half yearly installments and Working Capital Term Loans are repayable in 32 quarterly installments commenced from 01.10.2010 after a moratorium period of 2 years. Term Loans from Union Bank of India and Corporation Bank are payable in 24 and 28 quarterly installments respectively. Interest at 3% to 10% p.a. is charged. Funded Interest Term Loans are repayable in 16 quarterly installments commenced from 01.10.2010. Interest at 8% p.a. is charged. Loan from LIC has not stipulated any repayment period.

Unsecured loan from Bank is secured by personal guarantee of Chairman of the Company, post dated cheques and pledge of shares by him in his individual capacity.

All unsecured loans except from Bank and FCCBs are interest free and carry no repayment schedule. These loans are subject to confirmation and reconciliation.

NOTE -6 OTHER LONG TERM LIABILITIES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Franchisee & Distributors Deposits	7.56	7.59
	<u>7.56</u>	<u>7.59</u>

PIONEER EMBROIDERIES LIMITED

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NOTE -7 SHORT TERM BORROWINGS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Secured		
Loans Repayable on Demand		
Cash Credit from Banks	9,572.01	8,820.30
	<u>9,572.01</u>	<u>8,820.30</u>
Unsecured		
a) Short Term Loans Repayable on Demand		
Inter Corporate Deposits	35.33	52.83
b) Loans From Related Party		
Raj Kumar Sekhani (Director)	22.27	-
	<u>57.60</u>	<u>52.83</u>
	<u>9,629.61</u>	<u>8,873.13</u>

NOTE -7.1

Cash Credit is secured by first pari passu charge by hypothecation of stocks, book debts and second charge on all fixed assets, both present and future and further secured by corporate guarantee of Pioneer Embroideries and Subsidiary Hakoba Lifestyle Limited each other and personal irrevocable guarantee of Chairman of the Company.

Cash Credit taken by Subsidiary Hakoba Lifestyle Ltd. has become NPA.

NOTE -8 TRADE PAYABLES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Trade Payables		
For Goods	1,420.00	1,482.21
For Services	807.89	837.29
	<u>2,227.89</u>	<u>2,319.50</u>

NOTE -9 OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Current maturities of Long Term Debt - Secured		
(i) Term Loans from Banks	2,009.46	1,324.30
(ii) Funded Interest Term Loans from Banks	949.17	621.09
(iii) Working Capital Term Loans from Banks	910.84	587.47
(iv) Foreign Currency Term Loans from Banks	680.68	523.99
(v) Vehicle Loans from Banks	3.39	2.64
b) Current maturities of Long Term Debt - Unsecured		
From Bank (refer Note 33)	283.95	94.82
c) Interest provided		
(i) Term Loans from Banks	480.88	286.80
(ii) Funded Interest Term Loans from Banks	125.54	51.83
(iii) Working Capital Term Loans from Banks	415.41	150.80
(iv) Foreign Currency Term Loans from Banks	139.24	68.29
(v) Vehicle Loans from Banks	0.13	0.09
(vi) Other Loans		
Life Insurance Corporation of India (LIC)	5.71	1.16
d) Provision for Interest on Secured & Unsecured Bank loans	18.71	19.65
e) Unpaid Dividends	6.57	9.98
f) Advance from Customers	270.05	341.55
g) Liability for Capital Expenditure	43.30	62.70
h) Book Overdraft	8.14	41.30
i) Statutory Dues	147.89	157.35
j) Remuneration payable to Directors	21.26	38.89
k) To Others	208.45	212.43
	<u>6,728.77</u>	<u>4,597.13</u>

PIONEER EMBROIDERIES LIMITED

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NOTE - 9.1

Advance from customers includes advance of ₹62.54 lacs (₹153.70 lacs) received from Kiran Industries Limited, a related enterprise.

NOTE -10 SHORT TERM PROVISIONS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Provision For Employee Benefits		
Salary/Wages Payable	243.58	211.98
Contribution to Funds	14.05	7.59
Gratuity Premium	120.58	71.64
	<u>378.21</u>	<u>291.21</u>

NOTE -11 FIXED ASSETS

(₹ in lacs)

SR. NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2012	ADDITION	DEDUCTION/ADJUSTMENTS	As at 31.03.2013	As at 01.04.2012	ADDITION	DEDUCTION/ADJUSTMENTS	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
	Tangible Assets:										
1	Land - Owned	468.46	-	-	468.46	-	-	-	-	468.46	468.46
	- Leasehold	29.82	-	-	29.82	3.78	0.31	-	4.09	25.73	26.04
2	Buildings	3,405.04	62.59	-	3,467.63	711.00	114.60	-	825.60	2,642.03	2,694.04
	- Lift	31.46	2.61	-	34.07	5.82	1.52	-	7.34	26.73	25.64
3	Plant & Machineries	13,755.72	440.29	418.81	13,777.20	6,908.06	1,055.62	397.87	7,565.81	6,211.39	6,847.66
4	Furniture & Fixtures	581.37	0.25	-	581.62	269.13	35.62	-	304.75	276.87	312.24
5	Vehicles	212.59	11.40	-	223.99	130.16	20.58	-	150.74	73.25	82.43
6	Office Equipments	129.88	4.58	-	134.46	55.29	5.86	-	61.15	73.31	74.59
7	Computers	266.24	4.57	-	270.81	240.61	10.60	-	251.21	19.60	25.63
8	Electrical Installations	819.54	8.30	-	827.84	182.76	38.54	-	221.30	606.54	636.78
9	Borewell	13.60	0.23	-	13.83	1.48	0.50	-	1.98	11.85	12.12
	Sub Total	19,713.72	534.82	418.81	19,829.73	8,508.09	1,283.75	397.87	9,393.97	10,435.76	11,205.63
	Intangible Assets:										
10	Computer Softwares	86.54	1.81	-	88.35	23.55	8.78	-	32.33	56.02	62.99
11	Hakoba Brand	170.55	-	-	170.55	102.28	17.06	-	119.34	51.21	68.27
	Sub Total	257.09	1.81	-	258.90	125.83	25.84	-	151.67	107.23	131.26
	Total	19,970.81	536.63	418.81	20,088.63	8,633.92	1,309.59	397.87	9,545.64	10,542.99	11,336.89
	Previous Year	21,110.07	1,631.67	2,770.93	19,970.81	9,489.99	1,262.98	2,119.05	8,633.92	11,336.89	
	Capital Work-in-progress									595.54	520.12
										11,138.53	11,857.01

NOTE 11.1

Capital Work in progress includes:

- a) a sum of ₹297.05 lacs for renovation of machines at Kallakruchi till the assets of Arcot Textile Mill Limited are transferred in favor of the Company.
- b) a sum of ₹298.48 lacs spent for ongoing expansion at Kala-amb and Sarigam unit.



NOTE -12 NON-CURRENT INVESTMENTS

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	₹ in lacs	Number of shares	₹ in lacs
Quoted Investments				
In Other Entities				
RLF Limited (listing suspended) (Equity shares of Face Value of ₹10/- each) (Cost ₹5,566/- less provision made ₹5,565/-)	1,000	-	1,000	0.06
Padmini Technologies Limited (listing suspended) (Equity shares of Face Value of ₹10/- each) (Cost ₹1,756,253/- less provision made ₹1,756,252/-)	68,939	-	68,939	-
Unquoted Investments				
a) In Other Entities				
The Greater Bombay Co-op. Bank Limited (Equity shares of Face Value of ₹25/- each)	40	0.01	40	0.01
Crystal Lace India Limited (Equity shares of Face Value of ₹10/- each)	4,903,940	818.11	503,940	378.11
b) In Government Securities				
National Saving Certificates (Lodged with Sales Tax Department)	-	0.19	-	0.19
	9,439,440	818.31	5,039,440	378.37

NOTE - 13 DEFERRED TAX ASSETS (NET)

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Deferred Tax Liabilities		
Depreciation	-	811.73
	-	811.73
Deferred Tax Assets		
Carry Forward Losses	-	2,034.33
Other Disallowances	-	628.40
	-	2,662.73
	-	1,851.00

NOTE -14 LONG TERM LOANS & ADVANCES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Capital Advances (unsecured, considered good)	152.33	339.27
b) Security Deposits (unsecured, considered good)		
Deposit for Others	239.96	211.68
c) Advance Income Tax Paid (net)	74.90	63.65
d) Other Loans and Advances (unsecured, considered good)		
Advances to Arcot Textile Mills Ltd.	1,080.00	1,105.00
Other Advances for Various Properties	905.88	905.88
Advances to Employees	-	5.46
Other Loans and Advances	80.00	80.00
	2,533.07	2,710.94

NOTE - 14.1

- a) Capital advance of ₹152 lacs has been given for expansion project of Dope Dyed Yarn unit at Kala-amb, mainly to building contractors and to suppliers of plant & machineries, software etc.
- b) Advances to Arcot Textile Mills Limited (BIFR Company) was given for purchase of movable and immovable assets situated at Kallakurichi, Tamilnadu for a total consideration of ₹1,105.00 lacs on lump sum sale basis out of FCCBs funds pursuant to MOU dated 20th September, 2007. The transfer of assets in favour of the Company is pending for deregistration from BIFR. Subsequently due to inordinate delay for deregistration from BIFR, it has been agreed that Arcot will return the above advance within reasonable time period vide their confirmation letter dated 5th October, 2012 and accordingly ₹25.00 lacs are returned by them.

NOTE - 14.2

Other advances of ₹905.88 lacs (₹940.58 lacs) given to seven parties for various properties for which necessary settlements are being made with them as the expected land or properties in all cases may not be conveyanced in favour of the Company, however as per the management, said amounts are considered good and fully recoverable. These balances are subject to confirmation from the parties.

NOTE - 14.3

Other advances of ₹80 lacs (₹80 lacs) given to two parties as advance against orders and are outstanding more than 4 years. These balances are subject to confirmation from the parties.

NOTE -15 OTHER NON CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Fixed Deposit		
Fixed Deposit in Banks with more than 12 months maturity	41.90	50.84
	<u>41.90</u>	<u>50.84</u>

NOTE -16 CURRENT INVESTMENTS

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of units	₹ in lacs	Number of units	₹ in lacs
Investments in Mutual Funds				
SBI Infrastructure Bond (Unit of ₹10/- each)	-	-	100,000	10.00
SBI One India Fund (Unit of ₹10/- each)	-	-	200,000	20.00
	-	-	<u>300,000</u>	<u>30.00</u>

NOTE -17 INVENTORIES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
(As certified by Management)		
a) Raw Materials	629.54	965.75
b) Work-in-progress	359.01	303.35
c) Finished goods	2,387.58	2,377.21
d) Store & Spares	27.93	24.12
e) Packing Material	29.96	29.55
	<u>3,434.02</u>	<u>3,699.98</u>



NOTE -18 TRADE RECEIVABLES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Unsecured		
Outstanding for a period more than six months from the date they are due for payment		
Considered Good	2,098.51	1,745.28
Considered Doubtful	337.99	819.09
Less: Provision for Doubtful Trade Receivables	<u>(337.99)</u>	<u>(819.09)</u>
	2,098.51	1,745.28
Others		
Considered Good	2,021.34	2,600.30
	<u>4,119.85</u>	<u>4,345.58</u>

NOTE -18.1

Trade receivable includes:

- a) Outstanding from associate company Crystal Lace (I) Ltd of ₹44.53 lacs (₹113.24 lacs) since long time.
- b) Outstanding from related enterprise Kiran Industries Ltd. of ₹3.87 lacs (₹7.67 lacs).
- c) Outstanding from related enterprise Thakurdas & Co. Pvt. Ltd. of ₹145.87 lacs (₹ 137.81 lacs).

NOTE -19 CASH & CASH EQUIVALENTS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Balances with Banks		
In Current Accounts	304.00	115.21
b) Cash in hand	57.61	50.21
	<u>361.61</u>	<u>165.42</u>

NOTE -20 SHORT TERM LOANS & ADVANCES

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
Short Term Loan & Advances to Related Parties		
Loans and Advances to JV (unsecured, considered good)		
Super Industries DMCC	4,027.02	3,559.30
Loans and Advances to Related Parties (unsecured, considered good)		
Pioneer E-com Fashion Ltd. (unsecured, considered good)	1,075.47	1,076.37
Crystal Lace (I) Ltd. (unsecured, considered good)	1,139.98	1,569.65
Short Term Loan & Advances to Other Parties		
Advances recoverable in cash or in kind	567.62	692.44
Loan & Advance to Staff	63.93	71.16
Prepaid Expenses	17.92	11.27
Other Advances and Balances	41.40	43.98
Advance Advertisement Expenses	506.18	506.18
Claim against Rental Premise Agreement	618.50	626.00
	<u>8,058.02</u>	<u>8,156.35</u>

NOTE - 20.1

- a) The Company had invested USD 1.26 mn. (₹509.92 lacs) in overseas Joint Venture M/s Super Industries DMCC, Dubai to acquire 10% stake thereof and further advanced an optionally convertible loan of USD 3.70 mn. (₹2,012.40 lacs) (USD 3.70 mn. (₹1,892.79 lacs)) out of FCCBs funds in the October-November 2007, with a service charge @ 9% p.a. until conversion or repayment. In September, 2008, the said investment given for 10% stake was treated as loan by the Company and the outstanding loan amount including interest/service at the year end is ₹4,027.02 lacs (₹3,559.30 lacs). Since, the Company doesn't hold any stake in the said Joint Venture and therefore, no consolidation is made except disclosure of loan and service charges in the Joint Venture in compliance with Accounting Standard - 27 'Financial Reporting of Interest in Joint Venture' issued by the Institute of Chartered Accountants of India.
- b) The loan as aforesaid of ₹4,027.02 lacs (USD 4.96 mn. plus service charges) advanced to M/s Super Industries, DMCC is considered good and as per the management the said amount is fully recoverable and good in recovery though neither principal nor service charges are paid yet. This outstanding balance is subject to confirmation.

NOTE - 20.2

Interest free unsecured loans and advances of ₹1,075.47 lacs (₹1,076.37 lacs) to Pioneer E-com Fashion Ltd, an associate company is considered good of recovery as per the management of the Company.

NOTE - 20.3

- a) Loans and advances of ₹1,534.00 lacs to Crystal Lace (India) Ltd in the period 2007-08 against Plant & Machineries, the title of which could not be transferred due to technical reasons and the said advance and obligation to buy Plant & Machineries was converted into loan bearing interest @15% p.a. vide agreement dated 20th March 2009 and has been further secured by charge on the factory Plot No. 27, at TTC Indl Area, MIDC, Mahape, Navi Mumbai, Dist Thane (admeasuring about 10687.32 sq mtrs) in favor of the Company. The front portion of the smaller plot (admeasuring 3167.20 sq mtrs) has been given for development, of which 25% of the proposed constructed area shall belong to Crystal Lace (India) Limited. The Company has registered the charge with ROC. In July 2012, the Company has got converted ₹440.00 lacs into 44 lacs equity shares of ₹10 each of Crystal Lace (I) Ltd. Outstanding at year end is ₹1,139.98 lacs (₹1,569.65 lacs).
- b) The aforesaid conversion of advance into loan though strictly not in compliance with FCCBs utilization rules of RBI, however the Company shall redeposit the same on repayment by the said Crystal Lace (India) Limited into FCCB account to comply the same.
- c) The Company has not provided the accumulated interest of ₹883.33 lacs (₹697.23 lacs) on the aforesaid loan and income is understated to that extent in the current year.
- d) ₹44.53 lacs (₹113.24 lacs) amount is recoverable from Crystal Lace (India) Limited as trade receivable since long time, but as per the management the amount is considered as good and recoverable.

NOTE -20.4

Advance to suppliers includes two parties of Subsidiary Hakoba Lifestyle Ltd, which are outstanding for more than 4 years. However management consider it recoverable. These balances are subject to confirmation and reconciliation.

NOTE -20.5

Advance advertisement expenses was given as advance against advertising to Bennett Coleman & Co. Ltd. (BCCL) on 14th July, 2005 for a period of 3 years, which is not utilized during aforesaid prescribed period and have not been provided for in the financial statements, otherwise the accumulated loss would have been higher by ₹506.18 lacs.

As per the treaty with BCCL, the Company had to give the exit to BCCL by way of Initial Public Offer. BCCL has issued notice to Hakoba Lifestyle Limited (HLL) Promoters on 3rd August, 2010 for converting ₹1,059 lacs into debt and have raised the demand for ₹1,059 lacs from HLL Promoters, for which arbitration proceedings are pending.

NOTE -20.6

Claim against premise agreement was claimed as claim against termination of rental premise agreement with Pioneer E-com Fashions Ltd. The Company had entered into agreement for rental of premises with them, the terms of which was not complied by them and the Company has made a claim and settled the damages / compensation for ₹725.00 lacs. The balance amount of ₹618.50 lacs is yet to be recovered. As per the management same is fully recoverable.

PIONEER EMBROIDERIES LIMITED

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NOTE -21 OTHER CURRENT ASSETS

(₹ in lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
(Unsecured, considered good)		
Other Loans and Advances		
Accrued Export and Other Incentives	58.65	48.83
Insurance Claim Receivables	-	97.78
Interest Receivables (TUF)	20.58	30.03
	<u>79.23</u>	<u>176.64</u>

NOTE -22 REVENUE FROM OPERATIONS

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Sale of Products - Yarn, Embroidery Fabric & Laces		
Domestic Sales	22,458.27	18,278.22
Export Sales	1,542.75	2,801.33
Other Operating Revenue (Export Incentives)	126.57	237.88
Gross Revenue from Operations	<u>24,127.59</u>	<u>21,317.43</u>
Less: Excise duty	0.20	0.67
	<u>24,127.39</u>	<u>21,316.76</u>

NOTE -22.1

Sales includes Sales made to related enterprises M/s J J Sons, Thakurdas & Co. Ltd. and Kiran Industries Ltd. ₹111.29 lacs (₹92.94 lacs), ₹16.25 lacs (Nil) and ₹0.01 lac (₹120.44 lacs) respectively.

NOTE -23 OTHER INCOME

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Interest on Loans to Subsidiary/JV	243.46	217.82
Interest on Others	5.59	12.36
Adjustments to Carrying Amount of Loan given to Subsidiary/JV(Net)	322.59	622.40
Profit on Fixed Assets sold (Net)	4.26	1,337.86
Liabilities/Provisions no longer required written back	49.21	-
Misc. Non Operating Income (Net)	6.39	3.42
Gain on Exchange Rate Difference (Net)	47.29	161.37
	<u>678.79</u>	<u>2,355.23</u>

NOTE -24 COST OF MATERIAL CONSUMED

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Cost of Raw Material Consumed		
Opening Stock	965.75	1,385.13
Purchases during the year	15,240.96	13,035.70
	<u>16,206.71</u>	<u>14,420.83</u>
Less:- Closing Stock	629.54	965.75
	<u>15,577.17</u>	<u>13,455.08</u>

NOTE -24.1

Trade Purchases includes purchases made from related enterprises M/s J J Sons ₹1.30 lacs (₹2.95 lacs) and Kiran Industries Ltd. ₹4.04 lacs (₹9.47 lacs).



NOTE -25 CHANGE IN INVENTORIES

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Opening Inventories		
Work-in-Progress	303.35	360.24
Finished Goods	2,377.21	2,667.89
	2,680.56	3,028.13
Less: Closing Inventories		
Work-in-Progress	359.01	303.35
Finished Goods	2,387.58	2,377.21
	2,746.59	2,680.56
	(66.03)	347.57

NOTE -26 EMPLOYEE BENEFITS EXPENSE

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
a) Salaries, Wages and Incentives	1,949.20	1,746.79
b) Contribution to Funds	58.98	49.49
c) Staff Welfare Expenses	108.20	92.10
	2,116.38	1,888.38

NOTE -27 FINANCE COSTS

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Interest expense		
a) Interest on Borrowings	2,151.29	2,019.56
b) Interest on late payment of Taxes	9.46	4.57
c) Other Borrowing Costs	35.99	60.23
d) Applicable Net Gain/Loss on Foreign Currency Transactions and Translation	37.82	70.77
	2,234.56	2,155.13



NOTE -28 OTHER EXPENSES

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Director Remuneration	80.47	80.28
Directors Sitting Fees	0.33	0.25
Donations	0.46	0.67
Insurance	27.76	17.36
Job Charges	388.67	176.32
Legal & Professionals Fees	97.01	135.18
Miscellaneous Expenses	517.88	517.09
Packing Material Consumed	793.31	766.97
Payment to Auditors*	15.77	15.28
Power & Fuel	1,662.54	1,364.67
Prior Period Items	0.61	15.47
Rates & Taxes	30.68	36.24
Rent	97.66	121.67
Repair & Maintenance Buildings	12.74	11.63
Repair & Maintenance Others	53.92	49.17
Repair & Maintenance Plant & Machinery	73.78	53.48
Selling Expenses	876.21	820.83
Store & Spares Consumed	245.30	189.06
Sundry Balance W/off	39.01	-
Miscellaneous Expenses written off	-	4.63
	5,014.11	4,376.25

*** Details of payment to Auditors**

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
a) for Statutory Audit	14.20	11.04
b) for Taxation Matter	1.12	3.65
c) for Other Services	0.45	0.59
	15.77	15.28

NOTE -29 EXCEPTIONAL ITEMS

(₹ in lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Bad Trade Receivables written off	-	708.11
Doubtful Advances written off	46.76	-
Duty Drawback written off	-	56.15
	46.76	764.26



NOTE - 30 CONTINGENT LIABILITIES

(₹ in lacs)

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
a) Bank Guarantees Outstanding.	29.98	39.37
b) Estimated amount of contracts remaining to be executed on Capital Accounts (Net of advances).	142.34	166.96
c) Assessment Order of Customs Duty for Import of second hand computerised embroidery machines for which appeal has been filed with Honorable Supreme Court.	40.90	46.90
d) Demand raised by Excise Department in respect of which appeal has been filed.	46.14	46.14
e) Demand raised by Income-tax Department in Block Assessment order U/s 158A for the period from FY 1998-99 to FY 2003-04 in respect of which appeal has been filed with CIT (Appeal).	43.32	43.32
f) Other Income Tax matters pending in appeal.	13.33	13.33
g) Premium/Interest on Foreign Currency Convertible Bond.	3,465.17	2,588.74
h) Unpaid Dividend on 9% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS).	1,083.01	867.94
i) Custom Duty on Capital Goods and Raw Materials imported under Advance Licence / EPCG Scheme, against which export obligation is to be fulfilled.	345.24	771.98
j) Service Tax demand raised by the Service Tax Department	128.08	-
k) Legal case for which the Company has not acknowledge the claim	3.57	3.57
l) Demand raised by Bennet Coleman & Co Ltd for converting equity options into debt of subsidiary for which arbitration proceedings are pending.	1,059.00	1,059.00
m) There are some Labour Cases in Labour Court and Industrial Court regarding overtime, backwages and reinstatement to which the Company is contesting. Quantum is not ascertainable.	N A	N A

There is no contingent liability other than stated above and adequate provision have been made for all known liabilities, except interests and penalties as may arise.

NOTE 31 Loans and Advances includes amount due from JV:

(₹ in lacs)

Particulars	Current Year 31-03-2013		Previous Period 31-03-2012	
	Closing Balance	Maximum due	Closing Balance	Maximum due
Super Industries DMCC, (JV)	2,697.71 (Loan) 1,329.31 (Service Charges)	3559.30	2,537.36 (Loan) 1,021.94 (Service Charges)	3,559.30

NOTE 32 Foreign Currency Convertible Bonds (FCCBs) :

- The outstanding FCCBs as at 31st March, 2013 is US\$ 11 million and had matured on 28th April, 2012, the effect of which will be given in the year of maturity. These balance FCCBs of value of US\$ 11 million were settled at US\$ 2.40 million as per the terms and conditions being agreed upon and the treatment thereof will be given as and when these are extinguished and paid.
- In view of the above settlement, the Company is no longer liable for interest payable on FCCBs worth USD 11 million.
- For the balance FCCBs value of USD 11 million, though the Company had entered in to settlement terms but it has exceeded the reasonable time period. The Company is further under re-negotiation for settlement. In view of this no provision has been made for premium/interest aggregating to ₹3,465.17 lacs (₹2,588.74 lacs) on the outstanding FCCBs up to 31st March, 2013 calculated in terms of offer circular dated 27-04-2007 and the same has been considered as contingent liability. Had it not been treated so, current year profit would have been lower by ₹876.43 lacs (₹857.97 lacs).
- There is a foreign exchange loss of ₹1,483.52 lacs (₹1,127.92 lacs) on outstanding FCCBs as on 31st March, 2013 arising out of revaluation, which has not been accounted for since FCCBs has been considered as Non-Monetary liability by the management.
- In accordance with Accounting Standard - 11 'The Effect of Changes in Foreign Exchange Rates' prescribed in the Company (Accounting Standard) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standard, the Company should have provided foreign exchange loss on FCCBs and had the said liability been considered as a monetary liability, the accumulated losses would be higher by ₹1,483.52 lacs (₹1,127.92 lacs) on account of exchange difference.

NOTE 33 An amount of ₹195.59 lacs is payable as on 31st March, 2013 to Development Credit Bank Ltd., an unsecured lender, under a negotiated settlement. The bank has agreed to waive the interest on its outstanding, hence no interest has been provided on its balance in the books. The principal amount will be reversed after the compliance of the terms and conditions.

The bank is holding 705,582 equity shares of the Company pledged by the promoter as security, for the said loan.

NOTE 34 Few of the fixed deposits, overdraft balances and bank accounts are subject to confirmations though reconciled with available bank statements. Few of the secured and unsecured loans are subject to confirmations though reconciled with bank statements.

NOTE 35 The Company has charged exchange difference arising in relation to Fixed Assets, which are purchased out of the Foreign Currency Term Loans, in the carrying cost of the assets which is not in accordance with the Accounting Standard 11. Had the Company followed Accounting Standard 11, loss would have been higher by ₹34.11 lacs (₹131.54 lacs).

NOTE 36 In accordance with the FEMA guidelines and applicable rules and regulations and as supported by the Lawyer's Certificate in the earlier years for end use of FCCBs proceeds, these have been used towards expansion of business, overseas acquisition and towards other permitted use as per the ECB guidelines except ₹563.36 lacs, which has been appropriated by Union Bank of India towards irregularity in cash credit account, which is not a permissible end use as per the ECB guidelines, to which the Company has made an objection and represented for reversal of transactions in the period 2007-08 and the matter is still pending. The balance unutilized amount of US\$ 1824 has been retained overseas with Axis Bank, Hong Kong.

NOTE 37 In the opinion of the management, there is no impairment of assets as on Balance Sheet date.

NOTE 38 a) As per the Corporate Debt Restructuring scheme (CDR scheme) entered during the earlier years, the Company had after the necessary approvals in extra ordinary general meeting held on 26th June, 2010 and from other authorities and in the board meeting held on 27th August, 2010, the Company had allotted 27,553,610, 9% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of ₹10/- each aggregating to ₹2,755.36 lacs to all the secured lenders, except to ICICI Bank Ltd for want of RBI approval to its restructured ECB, redeemable from 30th September, 2015 in four annual equal installments.

The dividend will accrue at the end of each year with effect from 1st October, 2008 as per the Appointed Date under the CDR scheme.

- b) In the event of any default/ breach/ violation of any of the terms & conditions of the Financial Restructuring Package, the lenders with approval of CDR-EG shall have a right to revoke the CDR package and to reverse the waivers/ sacrifices.
- c) In the event of default in compliance with the restructured package, the lenders shall have the right to convert entire/ part of defaulted interest and entire/ part of defaulted principal into equity as per SEBI pricing formula.
- d) In case of debt outstanding beyond Seven years from the date of CDR LOA, the CDR lenders shall have a right to convert into equity up to 20% of such outstanding (as on the date of conversion) as per SEBI guidelines / loan covenants, whichever is applicable.
- e) CDR Lenders shall have the right to recompense the relief/ sacrifices/ waivers extended by respective CDR lenders (as per CDR guidelines).
- f) The Company has been unable to meet its commitments to lenders under CDR Scheme since second quarter of FY 2011-12. The Company has submitted revised CDR Scheme to the lenders for their consideration.
- g) In terms of a One Time Settlement entered into with Axis Bank Ltd., one of the CDR lenders, the Company has paid a sum of ₹155.00 lacs, in full and final settlement of the Bank's dues, including the OCCRPS. Accordingly the Company has reversed the interest liability of ₹49.21 lacs and the principal amount of ₹17.52 lacs. The OCCRPS allotted to the Bank has, accordingly, been surrendered by them and are cancelled. As per the legal expert opinion the Company has treated the interest reversal as monetary item and has credited to statement of profit and loss and has treated the principal amount including OCCRPS reversal as non- monetary item and has credited to Capital Reserve.
- h) In terms of a One Time Settlement entered into with ICICI Bank Ltd., one of the CDR lenders, the Company has to pay a sum of ₹500.00 lacs, in full and final settlement of the Bank's dues on or before August 31, 2013. The Company has already paid a sum of ₹125.00 lacs out of the said amount. The necessary adjustment in the books will be done after the compliance of the terms and conditions.

NOTE 39 During the year, the Company has paid a sum of ₹7.20 lacs (₹4.32 lacs) as premium towards the Key man Insurance policy taken for Mr. Raj Kumar Sekhani, Chairman & Managing Director of the Company.

NOTE 40 As per management, value of realization of current assets, deposits, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.

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NOTE 41 The sundry debit and credit balances including receivables, payables and advances to suppliers, advances from customers either debit or credit and deposits are subject to confirmation and reconciliations, the effect of which is not known.

NOTE 42 Dues to Small Scale Industries undertakings and dues to Micro Enterprises and Small Enterprises:

The Company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since, the relevant information is not readily available; no disclosures have been made in the Accounts. However, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

NOTE 43 The Company operates in a single segment of Textiles.

NOTE 44 Earning per Equity Share

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
Net Profit/(Loss) for the year attributable to Equity Shareholders (₹ in lacs)	(3,384.43)	(922.64)
Weighted Average Number of Equity Shares of ₹10/- each (fully paid-up)	13,137,978	12,915,165
Earning per Share- Basic & Diluted (₹)	(25.76)	(7.14)

NOTE 45 Related Party Disclosures :

a) Names of Related Parties and Nature of Relationships

i	Associate Concerns Pioneer E-Com Fashions Ltd.	Reach Industries Pvt. Ltd. Crystal Lace (I) Ltd
ii	Joint Venture	M/s Super Industries, DMCC, Dubai
iii	Key Management Personnel	Shri Raj Kumar Sekhani Shri Harsh Vardhan Bassi
iv	Relative of Key Management Personnel & their Enterprises	Shri Vishal Sekhani Shri Aarav Sekhani Smt. Bimla Devi Sekhani M/s J J Sons Raj Kumar Sekhani (HUF) Kiran Industries Ltd. Thakurdas & Co. Pvt. Ltd.

b) Transactions during the year

(₹ in lacs)

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
Nature of Transaction		
i) Sales		
Relative of Key Management Personnel & their enterprises	127.56	438.31
ii) Purchases		
Relative of Key Management Personnel & their enterprises	8.66	5.34
iii) Income from Service Charges/Interest on Loans		
Joint Venture	243.46	221.07
iv) Payment for Other Services		
Associate Concerns (Rent)	1.35	3.00
Key Management Personnel (Remuneration to Whole Time Directors)	80.47	80.28
Relative of Key Management Personnel & their Enterprises	4.73	5.08
v) Share Application Money Received/(adjusted)		
Associate Concerns	(968.00)	51.52
Key Management Personnel	-	(51.52)

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(₹ in lacs)

Particulars	Year Ended	Year Ended
	31.03.2013	31.03.2012
vi) Equity Share Issued Associate Concerns	968.00	-
vii) Balance outstanding as at the year end		
Associate Concerns	2,894.35 Dr	3,382.07 Dr
Joint Venture	4,027.02 Dr	3,559.30 Dr
Key Management Personnel	43.53 Cr	38.09 Cr
Relative of Key Management Personnel & their enterprises	16.87 Cr	282.28 Cr

NOTE - 46 The previous year's figure have been regrouped and reclassified to confirm to current year's classification.

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm Regn No. 121426W)

MAHESH BHAGERIA
Partner
Membership No. 034499
Place: Mumbai
Date: June 4, 2013

For & on behalf of the Board

RAJ KUMAR SEKHANI
Chairman & Managing Director

HARSH VARDHAN BASSI
Executive Director

Notes



Notes



PIONEER EMBROIDERIES LIMITED

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL.

I hereby record my presence at the 21st Annual General Meeting to be held on the Saturday, 10th August, 2013 at The Green Village, Malavani Church, Opp. Akashwani Kendra, Marve Road, Malad (West), Mumbai - 400 095 at 9.30 A.M.

NAME OF THE MEMBER (in Block letters)

SIGNATURE OF THE MEMBER OR PROXY

Folio No.	No. of Shares held	Client ID	DP ID

TEAR HERE

----- ✂ ----- TEAR HERE ----- ✂ -----

PIONEER EMBROIDERIES LIMITED

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

PROXY FORM

I / We _____
of _____ being a member/
members of PIONEER EMBROIDERIES LTD. hereby appoint Shri / Smt. _____ of
_____ (or failing him/her) _____
of _____ (or failing him/her)
_____ of _____ as my/our Proxy to attend and vote for
me/us on my/our behalf at the 21st Annual General Meeting to be held on the Saturday, 10th August, 2013 at The Green Village, Malavani Church, Opp. Akashwani Kendra, Marve Road, Malad (West), Mumbai - 400 095 at 9.30 A.M.

AS WITNESS my hand/our hands this _____ day of _____ 2013.

Note: The proxy must be deposited at the Registered office of the company not less than 48 hours before the time for holding the meeting. Proxy need not be a member of the Company.

Signature

Affix
Re. 1
Revenue
Stamp

of Member

Folio No.	No. of Shares held	Client ID	DP ID

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



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



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Dalla Industrial Estate, Off. New Link Road, Andheri (West), Mumbai - 400 058
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E-mail : mumbai@pethakoba.com • Website : www.pethakoba.com