PIONEER GROUP

Date : 29th July, 2026
Ref. : BSE/NSE/18/2026-2027.

To,
Dept. of Corporate Services,
Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.
Company Code: 514300
Company ISIN: INE156C01018

To,
The Listing Department,
National Stock Exchange of India Ltd,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400051.
Company Code: PIONEEREMB
Company ISIN: INE156C01018

Dear Sir,

Sub. : SUBMISSION OF NOTICE AND ANNUAL REPORT OF 34TH ANNUAL GENERAL MEETING OF THE COMPANY FOR THE FINANCIAL YEAR 2025-2026.

Pursuant to Regulation 34(1) and Regulation 30(2) read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the Financial Year 2025-2026 along with the Notice of 34th Annual General Meeting. The Annual Report for the Financial Year 2025-2026 is also available on the website of the Company i.e. www.pelhakoba.com.

The Company has provided its members the facility to cast their vote(s) on all resolutions set out in the Notice by electronic means ('e-voting'). The detailed process to join meeting through VC /OAVM and e-voting, is set out in Notice.

Kindly take the above information on record.

Thanking you,
Yours faithfully,
For PIONEER EMBROIDERIES LIMITED

AMI SAMIR THAKKAR
Digitally signed by AMI SAMIR THAKKAR
Date: 2026.07.29 17:02:19 +05'30'

AMI THAKKAR)
Company Secretary & Compliance Officer
Membership No.: FCS 9196
Encl: As Above

34th
Annual Report
2025-26

PIONEER EMBROIDERIES LIMITED

PIONEER GROUP

Resilient Threads, Enduring Purpose

SILKOLITE
Scale to Value....

hakoba
SINCE 1960
Embroidery beyond your imagination

Index

Corporate Overview

Statutory Reports

Financial Statements

This Annual Report can be downloaded from our website at

https://www.pelhakoba.com/wp-content/uploads/2026/07/Annual-Report-FY-2025-2026.pdf

PIONEER GROUP

Threading Through Headwinds

FY26 was a year that tested Pioneer Embroideries Limited's ("PEL") resilience in ways few could have anticipated. Within days of the year's beginning, the United States government announced sweeping "Liberation Day" tariffs in April 2025, sending ripples through global textile supply chains and causing a near-complete freeze in direct and indirect export enquiries for PEL's business. Simultaneously, the ongoing Russia-Ukraine conflict suppressed European demand and elevated freight costs. These were not challenges of the Company's making — yet they demanded a clear-eyed, disciplined response.

In textiles, a thread under tension does not break — it strengthens. "Threading Through Headwinds" captures this spirit precisely. PEL's management used the year of external turbulence to complete its internal restructuring: consolidating the Embroidery & Laces footprint at Degaon; completing its green energy infrastructure in May 2026; reducing long-term debt by 29%; and deepening the value-added product portfolio. These are deliberate steps toward a more competitive, efficient, and financially resilient organisation.

"A thread under tension does not break — it strengthens. Threading through headwinds, we have emerged a leaner, more purposeful Pioneer."

Saurabh Maheshwari,
Managing Director

Company Overview

Established in 1991 by Mr. Raj Kumar Sekhani, Pioneer Embroideries Limited is one of India's leading manufacturers and exporters of value-added Specialised Polyester Filament Yarn (SPFY) and Embroidery & Laces (EL). From a single embroidery plant, PEL has grown over 34 years into a diversified textile enterprise with two complementary business verticals, a world-class manufacturing footprint, and two nationally recognised brands — SILKOLITE (yarn) and HAKOBA (embroidery retail).

PEL's SPFY manufacturing facility at Kala-Amb, Himachal Pradesh, is one of the most unique and specialised yarn plants in India and South-East Asia, producing the full spectrum of yarns, ranging from standard DTY/FDY to dope-dyed, air-texturised, biodegradable, recycled, camouflage, thermal and carpet yarns, at a single integrated manufacturing facility. PEL became one of the first textile companies to create a brand in a highly commoditised yarn business. On the EL side, manufacturing is now fully consolidated at Degaon, Dhule (Maharashtra) and Sarigam, Gujarat, with over 300,000 embroidery designs in its library and the heritage Hakoba brand serving customers across India and 25+ export markets.

Our Mission

Pioneer is dedicated to delivering products and services with integrity and accountability, using both proven and innovative methods — creating sustainable value for customers, communities, and shareholders.

Our Vision

To make Pioneer the preferred partner for specialty polyester yarns and embroidery solutions globally — a place of choice to work, grow, and create lasting impact in the textile industry.

₹335.95 Cr Revenue from Operations (FY26)	₹20.48 Cr EBITDA (FY26)	6.1% EBITDA Margin (FY26)	6.4% ROCE (FY26)
₹52.39 Book Value Per Share (FY26)	0.56x Debt / Equity Ratio (FY26)	₹15.47 Cr Cash Profit (FY26)	29% Reduction in Long-Term Debt (FY26)

Pioneer Group

At a Glance

FY26 Highlights

Manufacturing	Products & Brands	Reach & Team
26,000 MTPA SPFY Capacity at Kala-Amb, HP	**300,000+** Embroidery & Laces Designs in Library	**25+ Countries** Direct & Indirect Export Footprint
14+ Mn Metres Braided Lace Capacity	**1,200+ Shades** Colour Shades in SILKOLITE Library	**1,000+ Members** Team Across Locations
800 Mn Stitches Embroidery	**2 Key Brands** SILKOLITE (Yarn) • HAKOBA (Retail)	**34+ Years** Of Manufacturing Excellence

FY26 Financial Performance Highlights

- **Revenue from Operations:** ₹335.95 Crore (standalone) | FY25: ₹375.06 Crore — decline attributable to Trump tariff-driven export slowdown and EL consolidation transition
- **EBITDA:** ₹20.48 Crore at 6.1% margin — impacted by export slowdown and EL consolidation transition
- **Cash Profit:** ₹15.47 Crore reflecting healthy underlying cash generation
- **Maharashtra State Textile Policy Subsidy:** Capital subsidy of ₹17.79 crore was sanctioned under the Maharashtra State Textile Policy in FY26, with receipt of the subsidy expected in due course
- **Long-Term Debt reduced by 29%:** from ₹35.88 Crore (FY25) to ₹25.48 Crore (FY26) | Total Debt: ₹82.77 Crore vs ₹87.25 Crore in FY25
- **Net Worth:** ₹161.44 Crore | Book Value Per Share: ₹52.39 (FY22: ₹47.28) — steadily growing over 4 years
- **Debt-to-Equity:** 0.56x (FY25: 0.59x) | Current Ratio: 1.35x (FY25: 1.27x) — balance sheet quality improving

FY26 Operational Highlights

- **SPFY (Specialized Polyester Filament Yarn):** Domestic revenues resilient at ₹280.57 Crore; exports declined 61.8% to ₹11.44 Crore due to US tariff headwinds — export enquiries showing signs of revival as US-India trade negotiations progress
- **Value-Added Products:** 67.5% of SPFY revenues from air texturised, carpet, dope-dyed, thermal, camouflage, biodegradable — driving premium realisations
- **EL Consolidation Complete:** Naroli unit sold; embroidery now mostly concentrated at Degaon, Dhule replacing 32 legacy machines across multiple locations
- **Lace Segment:** Bobbin lace revenues grew 9.9% YoY to ₹8.46 Crore
- **New Products Introduced:** Thermal yarns for cold-weather apparel; enhanced camouflage yarns for defence applications; continued development of biodegradable yarn range
- **Certifications Maintained:** GRS 4.0 (Global Recycled Standard), Oeko-Tex Standard 100, ISO 14001 (Environmental Management), ISO 9001 (Quality Certification), ISO 45001 for SPFY, GOTS & BCI Certified (Degaon, Dhule Plant),

Journey So Far

34 Years of Building Pioneer

From a single embroidery plant in 1991 to a diversified textile organisation with ₹335 Crore in revenues, 26,000 MTPA yarn capacity, and a nationally recognised retail brand — Pioneer's journey reflects entrepreneurial resilience, disciplined capital allocation, and an unwavering commitment to long-term value.

1991

Mr. Raj Kumar Sekhani incorporates Pioneer Embroideries Ltd. in Mumbai. First embroidery operations commence.

1994-2000

Embroidery plant set up at Sarigam, Gujarat. Crochet lace braiding unit established at Dadra — expanded ten-fold by 1999. Marketing offices opened across Mumbai, New Delhi, Kolkata, and Chennai.

2001-04

Acquires the iconic heritage brand Hakoba — established 1961 — adding a strong consumer-facing identity to the EL business.

2005-11

Greenfield Dope-Dyed Yarn (SPFY) plant commissioned at Kala-Amb, Himachal Pradesh at 4,800 MTPA. Expands to 7,200 MTPA (2007) and 12,000 MTPA (2008).

2012-17

SPFY turnover crosses ₹200 Crore. SPFY capacity reaches 18,000 MTPA. Enters DTY segment. Company successfully completes a major debt resolution exercise — a landmark demonstration of financial discipline and lender trust.

2018-21

Achieves highest-ever PAT of ₹19.7 Crore in FY21. Navigates GST disruption, weak domestic demand, and pandemic with maintained profitability.
Fresh 8,000 MT SPFY capacity expansion initiated.

FY22-23

Coimbatore EL unit sold to focus and consolidate EL portfolio. Commits to transformative ₹105+ Crore capex: 8,000 MT SPFY expansion at Kala-Amb; greenfield EL plant at Degaon, Dhule (Maharashtra).

FY24

SPFY capacity expansion commissioned — total capacity 26,000 MTPA. Greenfield EL plant at Degaon commences commercial production. 8 state-of-the-art machines replace 32 legacy units across multiple locations.

FY25

Operating revenues reach ₹375 Crore — highest in Company history. Long-term borrowings begin meaningful reduction.

FY26

EL consolidation complete — Naroli unit sold; embroidery fully concentrated at Degaon. Long-term debt reduced 29% to ₹25.48 Crore.

Business Verticals

Silkolite

- Draw Texturised Yarn (DTY) & Speciality Fancy Yarn
- Value-added portfolio including dyed, air-texturised, carpet, thermal & camouflage yarns
- Green energy-enabled manufacturing infrastructure
- Serves apparel, home textiles, automotive and technical textile applications
- Strong domestic presence with exports across global markets
- Plant: Kala-Amb, Himachal Pradesh

Embroidery Fabrics & Laces

- Schiffli Embroidery
- 14+ Mn Metres capacity
- Fabric Allover & Laces
- Guipure Allover & Laces
- Braided Laces (Bobbin Laces)
- Fancy Laces
- 300,000+ designs in library
- Plant: Degaon, Dhule (Maharashtra) — The 8 state-of-art machines
- Bobbin Lace Plant : Sarigam, Gujarat

Retail — Hakoba Brand

- Heritage brand since 1961, acquired 2001
- Sarees, SKDs, fashion fabrics, men's ethnic wear
- Embroidered fabrics
- Online + offline

SILKOLITE Brand

Specialised Polyester Filament Yarn (SPFY)

PEL's yarn business, anchored at the 26,000 MTPA Kala-Amb, Himachal Pradesh facility, contributes approximately 87% of the Company's consolidated revenue. The plant is one of the most unique SPFY facilities in India and South-East Asia — offering end-to-end solutions from polymer to finished yarn across an extraordinarily wide product range, entirely without water and generating zero effluents.

Standard Range

- Draw Texturised Yarn (DTY)
- Fully Drawn Yarn (FDY)
- Partially Oriented Yarn (POY)
- Twisted Yarns

Specialty / Value-Added

- Air Texturised Yarns
- Carpet Yarns
- Dope-Dyed / Solution-Dyed Yarns
- Thermal Yarns
- Camouflage Yarns (Defence)

Sustainable / New Products

- Biodegradable Yarns (corn fibre)
- Recycled Yarns (GRS 4.0 certified)
- Flame Retardant Yarns
- Anti-Microbial / UV-Stabilised Yarns

FY26 dynamics: Domestic revenues remained resilient at ₹280.57 crore, while export revenues stood at ₹11.44 crore (down 61.8% due to US tariff headwinds). Value-added and specialty products comprised 67.5% of SPFY revenues. Power & Fuel costs declined meaningfully on a full-year basis, with HPERC continuing to provide electricity duty rebate benefits through adjustments against monthly electricity bills, recognising the Company's investment in energy infrastructure.

SPFY: Sustainability Credentials

GRS 4.0
Global Recycled Standard — yarns made from PET bottles across entire product range

Oeko-Tex Std 100
Safe chemicals/dyes certified across entire manufacturing process

ISO 14001
Environmental Management System — HP facility certified

ISO 9001 & ISO 45001
Occupational Health & Safety Management System — ensuring workplace safety & regulatory compliance

The SPFY process generates zero effluents and saves approximately 2.8 million litres of water daily (equivalent to ~390 Olympic swimming pools per year) compared to conventional solution-dyed yarn processes — making it among the most eco-friendly yarn production methods in the world.

For More Information
Silkolite Website: www.silkolite.com

Embroidery & Laces

PEL is a leading name in premium embroidery and lace solutions, known for its quality craftsmanship, innovative designs, and high-volume production capacity.

The in-house Design Library hosts over 300,000 embroidery patterns, deeply inspired by Indian art and fashion trends.

PEL operates a state-of-the-art Schiffli embroidery manufacturing facility at Degaon, Dhule (Maharashtra), housing 8 computerised embroidery machines, and a Bobbin Lace manufacturing facility at Sarigam, Gujarat.

PEL has a pan-India market presence in Delhi NCR, Tirupur, Chennai, Mumbai, Kolkata, Surat, and Bangalore.

The Degaon plant — operational since August 2023 — houses 8 computerised embroidery machines that have replaced 32 legacy machines spread across multiple locations, delivering step-change improvements in quality consistency, productivity, and cost efficiency. Revenue in FY26 reflects the transitional phase of building the order book for this new facility, with improving momentum as the year progressed. Lace revenues grew 9.9%, demonstrating resilient demand for PEL's braided and bobbin lace products.

PEL's embroidery business is powered by technology, driven by design, and aligned with modern fashion dynamics.

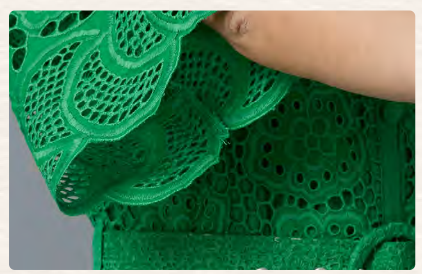
Focus Areas

- Rapid delivery cycles to meet evolving market demand.
- Continued investment in design innovation and digital integration.
- Leadership position in domestic and export embroidery segments.

BCI Certified

GOTS Certified



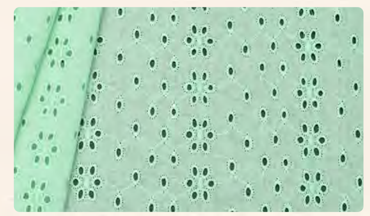



Heritage Brand

HAKOBA Brand

Founded in 1961 and acquired by Pioneer in 2001, Hakoba blends cultural legacy with modern retail appeal.





Retail Format
Wide selection across sarees, salwar kameez, SKDs, fashion fabrics, apparels and men's ethnic wear.

Product Range:
Uses premium cottons, silk blends, and net-based fabrics.

Market Positioning
Caters to Gen-Z with trend-forward styling and strong heritage branding. Omnichannel Presence: Available across offline stores and online marketplaces including Amazon, and Hakoba's own platform.

Hakoba stands for premium embroidery, versatile fashion, and deep-rooted trust—making it a preferred choice in ethnic and home furnishing segments.

Hakoba Website:
www.hakobastudio.com
www.hakoba.in

Manufacturing Facilities

Kala-Amb, Himachal Pradesh

SPFY — DTY, FDY, Air Texturised, Dope-Dyed, Biodegradable, Recycled Yarns (SILKOLITE brand)

26,000 MTPA
Energy-Efficient Operations

Degaon, Dhule, Maharashtra

Embroidery fabrics, allover embroidery, guipure laces (HAKOBA brand)

8
State-of-the-art machines

Sarigam, Gujarat

Braided laces, bobbin laces

14+ Mn
Metres lace capacity

Naroli, Dadra & Nagar Haveli

Previously embroidery manufacturing

Sold in FY26
Consolidated at Degaon

Environmental & ESG Impact

Zero effluent SPFY process: saves ~2.8 million litres of water daily vs conventional solution-dyed yarn methods

Solar power reduces dependence on coal-dominated grid electricity, lowering carbon intensity per kg of yarn

GRS 4.0 certification: entire recycled yarn product range certified for global sustainability standards

Oeko-Tex Standard 100: safe chemicals and dyes across entire manufacturing chain

ISO 14001 Environmental Management System: HP facility certified — ongoing environmental compliance

GOTS & BCI certifications: supporting responsible sourcing and globally recognised textile standards

Core Team

Mr. Raj Kumar Sekhani

Chairman | Age: 66 Years

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

Mr. Saurabh Maheshwari

Managing Director | Age: 47 Years

He is a Chartered Accountant by qualification. He has over 21 years of experience in the field of Textiles sector mainly in the field of manufacturing as well as processing of various yarns. He is instrumental in setting up of Greenfield speciality polyester yarn project at Kala Amb, Himachal Pradesh from selection of land, manufacturing technology, team building, distribution channel particularly for international business and selection of appropriate Product mix. His rich and varied experience in the industry and on account of the way he has led the yarn project over the last 14 years.

Mr. Vishal Sekhani
Executive Director
Age: 37 Years | Experience: 13+Years
Qualification: CA

Mr. Deepak Sipani
CFO
Age: 52 Years | Experience: 27+Years
Qualification: CA

Mr. DNN Rao
CEO SPFY
Age: 61 Years
Experience: 37+Years
Qualification: B.Tech - Textiles

Mr. Sandeep Sharma
President, Head Marketing-EL
Age: 51 Years | Experience: 25+Years
Qualification: B.Com

Mr. Kuntal Kumar Pandit
Sr. VP – Corporate Affairs
Age: 57 Years | Experience: 37+Years
Qualification: Engineer - Elec. and Industrial Elec.

Mr. B S Khulbe
Marketing Head SPFY
Age: 59 Years | Experience: 35+Years
Qualification: MBA - Marketing, B Tech - Textiles

Mr. Manoj Pillay
Sr. VP - International Trade-EL
Age: 53 Years | Experience: 31+Years
Qualification: B.Com

Mr. Aarav Sekhani
VP - Marketing
Age: 41 Years | Experience: 17+Years
Qualification: MBA

Pioneer Group

Financial Highlights

The following presents Pioneer Embroideries Limited's financial performance over five years on a standalone basis, enabling shareholders to assess both near-term FY26 performance and the longer-term trajectory of the Company's financial health.

₹335.95 Cr	6.1%	₹52.39	0.56	6.4%
FY26 Revenue	EBITDA Margin	Book Value/Share	Debt/Equity	ROCE (FY26)

P&L Summary — 5 Years (Standalone, ₹ in Lakh)

Particular	FY22	FY23	FY24	FY25	FY26
Net Revenue from Operations	29,217	29,664	33,619	37,506	33,595
Other Income	173	312	398	630	682
Total Income	29,390	29,976	34,016	38,136	34,277
EBITDA	2,653	1,531	2,639	3,161	2,048
EBITDA Margin (%)	9.0%	5.1%	7.8%	8.4%	6.1%
Finance Costs	320	364	926	960	929
Depreciation	808	846	1,254	1,565	1,482
PBT (before exceptional)	1,525	321	458	637	(363)
Exceptional Items (Net)	—	912	—	—	442
PAT	1,105	871	388	456	66
Cash Profit	1,913	1,717	1,642	1,984	1,547
Basic EPS (₹)	4.16	3.27	1.43	1.50	0.21

Balance Sheet Summary — 5 Years (Standalone, ₹ in Lakh)

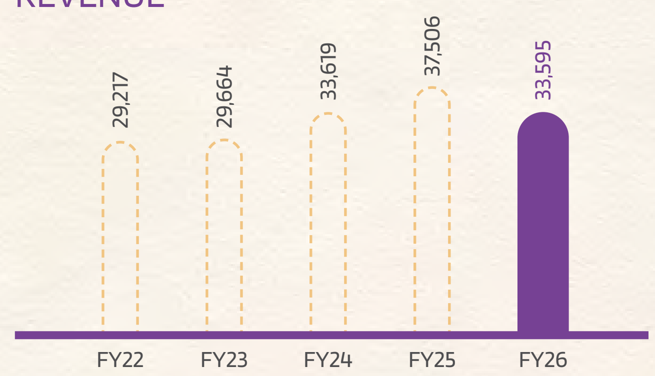
Particular	FY22	FY23	FY24	FY25	FY26
Equity Share Capital	2,659	2,659	2,948	3,082	3,082
Net Worth (Total Equity)	12,571	13,376	15,070	16,012	16,144
Long-Term Borrowings	519	5,707	5,346	3,588	2,548
Short-Term Borrowings	2,104	3,430	5,114	5,137	5,729
Total Debt	2,623	9,137	10,460	8,725	8,277
Fixed Assets (Net)	8,608	14,674	18,573	18,223	16,248
Total Assets	18,995	28,486	32,402	31,362	31,832
Book Value / Share (₹)	47.28	50.30	50.64	51.96	52.39

Key Ratios — FY26 vs FY25

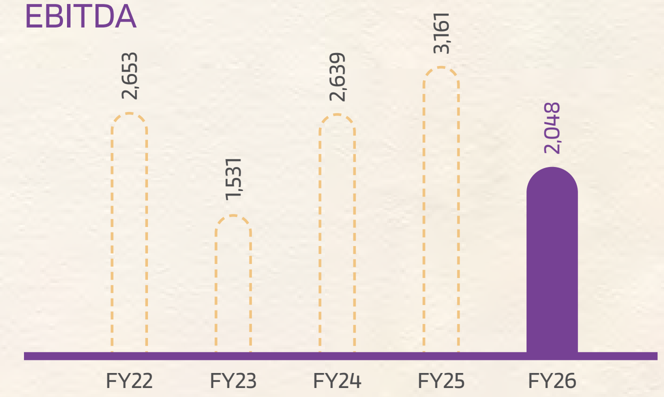
Ratio	FY25	FY26
Debt-Equity Ratio	0.59x	0.56x
Current Ratio	1.27x	1.35x
EBITDA Margin	8.4%	6.1%
Cash Profit (₹ Lakh)	1,984	1,547
Operating Cash Flow (₹ Lakh)	3,290	1,883
Long-Term Borrowings (₹ Lakh)	3,588	2,548

Key Performance Indicators

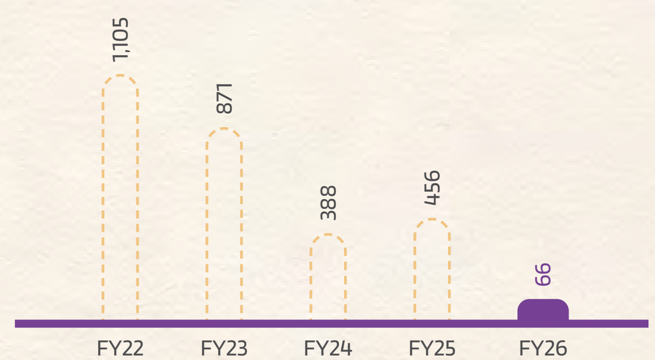
REVENUE



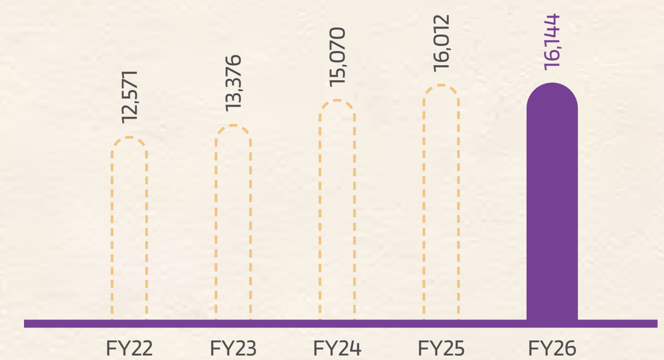
EBITDA



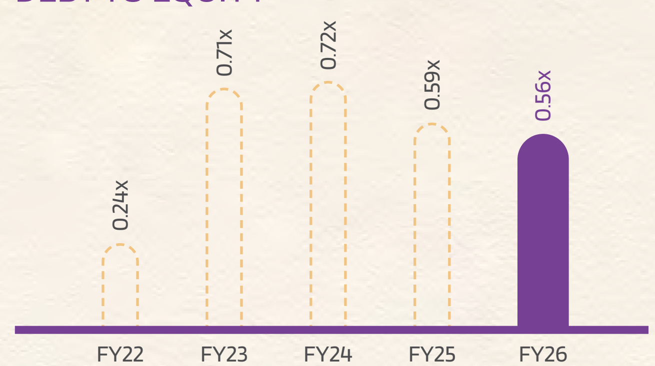
PAT



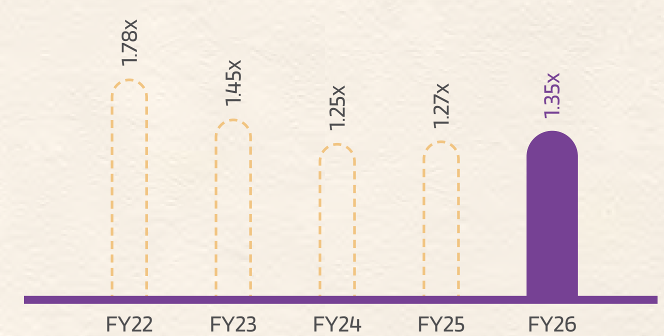
NET WORTH



DEBT TO EQUITY



CURRENT RATIO



Letter from the Chairman

> Every global disruption eventually gives way to a new equilibrium. Our responsibility is to ensure that Pioneer is prepared to lead when that moment arrives.

Dear Shareholders,

Thirty-four years ago, Pioneer Embroideries Limited was founded on a belief — that disciplined entrepreneurship, pursued with patience and integrity, would create lasting value. That belief has been tested many times across three decades of Indian economic history. The GST disruption. The pandemic. The global inflationary shock. And now, in FY26, an unprecedented combination of geopolitical turbulence and trade policy upheaval. Each time, Pioneer has emerged from the test with a stronger foundation than it entered. I believe FY26 will prove no different.

Macro Context: Tariffs, War, and the Path Forward

The world in which we operate became significantly more uncertain in the opening weeks of FY26. The United States government's sweeping import tariff announcements in April 2025 created immediate disruption for textile exporters and manufacturers across Asia. Simultaneously, the prolonged Russia-Ukraine war continued to depress European demand and elevate global freight costs — headwinds that had to be navigated through, not around.

The Russia-Ukraine conflict, now in its fourth year, continues to suppress European textile demand and elevate freight costs. However, the conflict is simultaneously accelerating European sourcing diversification away from Eastern European suppliers, positioning Indian manufacturers with strong quality credentials and ESG compliance to capture this shift. On the US tariff front, negotiations between India and the United States are progressing, and the partial reversal of some tariff categories in late 2025 and early 2026 has already generated renewed export enquiries.

India's Textile Opportunity: The Tide is Turning

India's textile and apparel sector is at an inflection point. The structural shift in global sourcing away from China — driven by geopolitical caution, rising labour costs, and supply chain diversification mandates — is creating a generational opportunity for Indian manufacturers. Government support through PLI schemes, state textile policies, and infrastructure investments is creating a more enabling ecosystem than at any prior point. The window ahead is an exceptional one.

A Word to Our Shareholders

Our direction is clear, our foundations are strong, and our resolve is undiminished. Thank you for your continued faith. With deep gratitude and renewed purpose,

Raj Kumar Sekhani
Chairman,
Pioneer Embroideries Limited

Letter from the Managing Director

> Two decades of experience have taught us that resilience is not about avoiding challenges—it's about using them to build a more efficient, competitive and financially stronger Pioneer for the future.

Dear Shareholders,

In my first year as Managing Director of Pioneer Embroideries Limited, FY26 presented significant challenges. Weak export demand, subdued domestic consumption and cost pressures impacted our performance. However, the year also marked the completion of key strategic initiatives that have strengthened our long-term foundation.

FY26 Financial Performance: The Numbers in Full

Standalone revenue from operations stood at ₹335.95 crore, compared to ₹375.06 crore in FY25. EBITDA was ₹20.48 crore with a margin of 6.1%, while Profit after Tax stood at ₹0.66 crore.

Cash profit remained healthy at ₹15.47 crore, reflecting strong operating cash flows despite higher depreciation on recently commissioned assets. The Company also received approval for the Maharashtra State Textile Policy capital subsidy for the Degaon facility, with the amount yet to be received, while continuing to benefit from electricity duty incentives under the applicable Himachal Pradesh policy.

Balance Sheet: The Most Enduring Measure of Progress

Our focus has remained on strengthening the balance sheet while investing for future growth. During FY26, total debt reduced to ₹82.77 crore, debt-to-equity improved to 0.56x, and book value per share increased to ₹52.39. These improvements reflect disciplined capital allocation and reinforce our long-term financial resilience.

The Strategic Programme: Why We Invested and Why It Was Right

Over the past few years, Pioneer has undertaken one of its largest investment programmes to expand SPFY capacity, modernise its Embroidery & Laces business and improve long-term cost competitiveness. These investments required patience and financial discipline but have created a stronger operational platform.

The consolidation of the Embroidery & Laces business into the modern Degaon facility has improved quality, productivity and delivery reliability.

Green Energy: Building Long-Term Cost Competitiveness

The completion of our green energy infrastructure at the Kala-Amb facility in May 2026 marks a significant step in strengthening Pioneer's long-term cost competitiveness and sustainability. While the project did not materially contribute to FY26, it is expected to generate approximately 28 lakh units of solar power annually, reducing dependence on grid electricity and delivering recurring energy cost savings from FY27 onwards. In addition, the Company continues to avail electricity duty benefits under the applicable Himachal Pradesh policy, supporting lower power costs and reinforcing the long-term value of our investment in energy-efficient manufacturing.

FY27 Priorities

Our priorities for FY27 are clear: drive domestic growth in SPFY, improve export performance, increase utilisation at the Degaon facility, strengthen the Hakoba brand, realise the benefits of our green energy investments, and continue our focus on cost optimisation, working capital discipline and debt reduction.

I sincerely thank our employees, customers, suppliers, banking partners and shareholders for their continued trust and support. We remain committed to creating sustainable long-term value through operational excellence, financial discipline and responsible growth.

With Warm Regards,
Saurabh Maheshwari
Managing Director,
Pioneer Embroideries Limited

Corporate Information

BOARD OF DIRECTORS

Mr. Raj Kumar Sekhani
Chairman
(DIN: 00102843)

Mr. Saurabh Maheshwari
Managing Director
(DIN: 00283903)

Mr. Vishal Sekhani
Executive Director
(DIN: 02358110)

Ms. Sushama Bhatt
Independent Director
(DIN: 09168896)

Mr. Mahesh Kumar Gupta
Independent Director
(DIN: 01821446)

Mr. Varun Kathuria
Independent Director
(DIN: 00027987)

KEY MANAGERIAL PERSONNEL

Mr. Deepak Sipani
Chief Financial Officer

Ms. Ami Thakkar
Company Secretary & Compliance Officer

STATUTORY AUDITORS

M B A H & CO. Chartered Accountants

MANUFACTURING UNITS

1638-1639, G.I.D.C. Sarigam, Dist. Valsad, Gujarat – 396 155

Gut No 35/3, at Shree Ganesh Integrated Textile Park, Taluka, Degaon, Sindkheda, Maharashtra – 425 407

Village-Kheri, Trilokpur Road, Kala-Amb, Dist-Sirmour, Himachal Pradesh – 173 030

BANKERS

Union Bank of India

REGISTRAR & SHARE TRANSFER AGENT

Mufg Intime India Private Limited. (Formerly Link Intime India Private Limited). C-101, Embassy 247, L B S Marg, Vikhroli (West), Mumbai – 400083

OFFICES

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

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

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

Delhi Yarn Office (SPFY):
409, ITL Twin Towers, Plot No B-09, D-Mall, Netaji Subash Place, Pitampura, New Delhi – 110 034

Mumbai Marketing Office:
Navyug House Building, Room #18, 1'st Floor, Old Hanuman Lane, Kalbadevi, Mumbai-400 002

NCR Office:
Plot No – 612, Udyog Vihar, Phase -5, Gurgaon, Haryana, Pin- 122016

Surat Office:
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1st Floor, Building No. Z-325-327, Laxmi Narayan Estate, Udhna, Surat – 394 210

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Listing: BSE Limited and National Stock Exchange of India Limited
ISIN for Demat: INE156C01018

Management Discussion And Analysis

Management Discussion And Analysis

Global Economic Overview

The global economy entered FY26 navigating a complex and rapidly shifting landscape. What had been a period of relative resilience, underpinned by a technology investment boom, moderating inflation, accommodative financial conditions, and a gradual easing of trade tensions, was abruptly interrupted by the outbreak of war in the Middle East at the end of February 2026. This conflict, centred around the closure of the Strait of Hormuz and damage to critical energy infrastructure, introduced a severe negative supply shock that disrupted global energy markets, elevated freight costs, and tightened financial conditions across advanced and emerging economies alike.

Before the onset of hostilities, global growth was tracking near 3.4% for calendar year 2025, broadly in line with the pace achieved in 2024 and supported by robust corporate earnings, sustained AI-related capital expenditure by large technology companies, and a meaningful moderation in US tariff levels from their April 2025 peaks. The US economy expanded by approximately 2.1% in 2025, China grew at 5.0%, and India maintained its position as the world's fastest-growing major economy at 7.6%. Global inflation had broadly continued its post-pandemic descent, with headline rates in advanced economies declining toward central bank targets.

The IMF's April 2026 World Economic Outlook, however, reflects a materially downgraded baseline. Under the reference forecast, which assumes a relatively short-lived conflict, global growth is now projected at 3.1% for 2026, with global headline inflation expected to rise from 4.1% in 2025 to 4.4% in 2026. Oil prices, which had been on a declining trend, are expected to surge by approximately 21% on average in 2026, driven by supply disruptions in the Gulf region. Under more adverse scenarios, involving a protracted conflict and persistent energy market dislocation, global growth could slow to as little as 2.0–2.5%, with inflation potentially reaching 5.4–6.0%.

The first half of FY26 (April–September 2025), however, predated the Middle East escalation and was shaped primarily by the residual effects of the April 2025 US tariff announcements. The sweeping "Liberation Day" tariff regime imposed by the US in April 2025 sent immediate shockwaves through global textile and apparel supply chains, triggering a near-complete freeze in export enquiries from US-bound customers across Asia, including India. While tariff levels were subsequently moderated, with the US effective statutory tariff rate declining from the April 2025 peak of approximately 25% to around 13.5% by end-March 2026, following bilateral negotiations and exemptions, significant uncertainty persisted across the forecast horizon. The Russia-Ukraine conflict, now in its fourth year, continued to suppress European demand, elevate global freight costs, and disrupt Red Sea shipping lanes, further complicating the operating environment for Indian exporters.

Despite these headwinds, several structural tailwinds remained constructive: the "China Plus One" diversification strategy among global buyers continued to generate incremental sourcing interest in India; US-India trade negotiations progressed meaningfully through the second half of FY26, producing early signs of a recovery in export enquiries; and India's domestic macroeconomic framework remained among the most stable of any major emerging market, providing a solid foundation for long-term value creation.

Indian Economic Overview

India's economic performance in FY26 was a compelling testament to the resilience of domestic-demand-driven growth. At a time when global headwinds, from geopolitical conflict to trade policy disruption, weighed on peer economies, India maintained its position as the world's fastest-growing major economy.

As per IBEF, Real GDP is estimated to have grown by 7.6% in FY26, with nominal GDP projected to reach approximately ₹3,45,47,000 crore (approximately US$ 3.91 trillion), representing nominal growth of 8.6% over the prior year. On the production side, Real Gross Value Added (GVA) expanded by 7.7%, reflecting broad-based momentum across manufacturing, services, and infrastructure. The IMF's April 2026 World Economic Outlook projects India's GDP growth at 6.5% for CY2026, the highest among major economies, underpinned by fiscal policy support, strong domestic investment pipelines, and continued structural reform momentum.

Domestic consumption and investment together accounted for approximately 70% of economic activity, providing a powerful insulation against external volatility. Industrial production (as measured by the Index of Industrial Production) grew 4.1% year-on-year in March 2026, with manufacturing expanding 4.3%. India's Manufacturing PMI registered 53.9 in March 2026, marking sustained expansion above the neutral 50-mark and reflecting healthy new order growth, employment gains, and inventory building.

On the external front, India's foreign exchange reserves stood at approximately US$ 688 billion as of March 2026, providing ample buffer against potential external shocks.

For the textile sector specifically, India's operating environment presented a nuanced picture. The manufacturing sector for textiles registered mixed signals through FY26, with the IIP textile sub-index showing month-to-month volatility, reflecting the competing effects of US tariff uncertainty (negative for exports) and the structural shift of global buyers toward India as an alternative to China (positive for medium-term order pipelines). The government's sustained focus on textile sector development, through PM MITRA Parks, the National Technical Textiles Mission, PLI incentives, and the recently announced Cotton Mission, continued to reinforce the sector's long-term growth foundations.

Textile Industry Overview

India's textile and apparel industry stands at a pivotal juncture, poised to capture a disproportionate share of a structurally shifting global order, even as near-term trade and geopolitical headwinds test its resilience.

As per IBEF, India is the world's second-largest producer of textiles and garments, and the sixth-largest exporter, commanding approximately 4.6% of global trade in textiles and apparel. The sector contributes approximately 2.3% to India's GDP, accounts for 13% of industrial production, and represents approximately 12% of the country's total merchandise exports. The domestic textile and apparel market is estimated at approximately US$157 billion in FY25-26, growing at a CAGR of approximately 7%.

On the global stage, the textile and apparel trade is expected to reach US$1.2 trillion by 2030, driven by rising disposable incomes in emerging markets, the casualwear and athleisure trend, and the accelerating shift to e-commerce channels. India's textile exports target of tripling from the current ₹3 lakh crore (approximately US$35 billion) to ₹9 lakh crore (approximately US$105 billion) by 2030 reflects the government's confidence in the sector's structural growth potential.

Within the specialised yarn segment, the primary business of Pioneer Embroideries Limited, several dynamics are particularly relevant. The global shift of apparel and textile sourcing away from China, driven by geopolitical caution, rising Chinese costs, and supply chain diversification mandates among US and European buyers, has structurally expanded the opportunity set for Indian yarn manufacturers. Indian cotton yarn exporters are expected to see revenue growth of 9–11% in FY26, per ICRA, driven by higher volumes and the "China Plus One" strategy. Crisil Ratings has forecast 7–9% revenue growth for India's cotton yarn sector in FY26.

The Specialised Polyester Filament Yarn (SPFY) sub-segment, Pioneer's primary revenue driver, occupies a particularly attractive position within the global specialty yarn landscape. SPFY's intrinsic advantages over conventional solution-dyed yarns (zero effluents, significant water savings, a cleaner manufacturing process, and the ability to produce a wide range of functional and aesthetic end-products) align well with the growing ESG mandates of global textile buyers, particularly in Europe and North America. The increasing share of value-added specialty yarns in the overall SPFY market mix, flame retardant, thermal, camouflage, anti-microbial etc and sustainable range including biodegradable and recycled versions in every quality, eflects a deliberate industry shift toward differentiated products with superior margins and customer stickiness.

In the Embroidery and Laces segment, India's domestic market for garments, fashion fabrics and home textiles continues to expand, supported by rising incomes, urbanisation, and evolving consumer preferences. The global home textile market is projected to grow at a CAGR of approximately 7% through 2031, and India's positioning as a cost-effective, quality-conscious manufacturer is being reinforced through modernised, consolidated production infrastructure, precisely the transformation that Pioneer executed through its Degaon investment.

The policy landscape continued to strengthen through initiatives such as PM MITRA Parks, the PLI Scheme, and the India-UK Free Trade Agreement. The FTA, signed in July 2025, grants duty-free access to 99% of India's textile exports, enhancing the global competitiveness of Indian textile manufacturers.

Company Overview

Pioneer Embroideries Limited (PEL) was incorporated in 1991 by Mr. Raj Kumar Sekhani and has grown over 34 years from a single embroidery facility into one of India's leading manufacturers and exporters of value-added Specialised Polyester Filament Yarn (SPFY) and Embroidery & Laces (EL). The Company operates across two distinct but complementary business verticals, underpinned by two nationally recognised brands, SILKOLITE for its yarn portfolio and HAKOBA for its embroidery retail business.

PEL's manufacturing footprint spans three active facilities as at end-FY26:

- **Kala-Amb, Himachal Pradesh:** The Company's flagship SPFY manufacturing facility, with an installed capacity of 26,000 MTPA. This facility is one of the most unique and specialised SPFY plants in India and South-East Asia, producing a comprehensive range from standard POY/FDY to Draw Textured, Air Textured, Carpet Yarns, Twisted Yarns and Fancy Yarns. The facility operates with zero liquid effluents, generates solar power through a dedicated power plant and rooftop solar installation, and holds certifications under GRS 4.0, Oeko-Tex Standard 100, ISO 14001, ISO 45001 and ISO 9001.

- **Degaon, Dhule, Maharashtra:** The Company's greenfield Embroidery & Laces facility, commissioned in August 2023. Housing 8 state-of-the-art computerised embroidery machines, the Degaon plant has replaced 32 legacy machines spread across multiple locations, delivering step-change improvements in quality consistency, productivity, and cost efficiency. The facility is fully operational and progressively building its order book.

- **Sarigam, Gujarat:** The Company's braided and bobbin lace manufacturing facility, with a capacity of over 14 million metres, producing speciality laces for domestic and export markets.

FY26 marked a significant milestone in PEL's transformation journey, following investments of over ₹116 crore in capacity expansion and manufacturing modernisation between FY22 and FY25. During the year, the Company completed the consolidation of its Embroidery & Laces operations at Degaon, including the sale of the legacy Naroli facility, while continuing its deleveraging efforts. The green energy infrastructure project at Kala-Amb, involving an investment of approximately ₹4.72 crore, was completed in May 2026 and is expected to strengthen the Company's long-term cost competitiveness.

Business Performance Review

FY26 – Threading Through Headwinds

FY26 was a year defined by acute external challenges, disciplined internal execution, and the foundational strengthening of Pioneer's competitive infrastructure. The Company's standalone revenue from operations for FY26 stood at ₹33,595 lakh compared with ₹37,506 lakh in FY25, a decline of 10.4%. This moderation was principally attributable to two distinct headwinds: the near-complete freeze in US-bound export enquiries following the US "Liberation Day" tariff announcements of April 2025, and the transitional revenue profile of the EL segment as the Degaon facility progressively built its order book through the year.

Despite these pressures, the Company's performance through the year was characterised by an improving either YoY comparison or QoQ comparison trajectory. Q4 FY26 (January–March 2026) demonstrated a meaningful recovery, with revenue from operations reaching ₹8,593 lakh, down only 3.2% from Q4 FY25's ₹8,875 lakh, reflecting the easing of tariff pressures through US-India trade negotiations in the second half of the year and improving order flows across both SPFY and EL segments.

Revenue Composition

SPFY Business (approximately 87% of revenues)

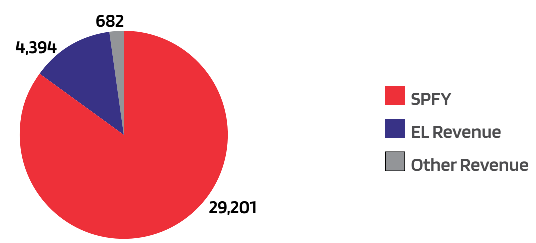
The yarn business delivered revenues of ₹29,201 lakh in FY26, compared to ₹31,560 lakh in FY25, a decline of 7.5%. The performance reflected a sharply bifurcated picture between domestic and export operations.

Domestic revenues of the SPFY segment demonstrated meaningful resilience, declining only 1.8% year-on-year to ₹28,057 lakh, supported by strong relationships with customers across India's major textile clusters, Panipat, Surat, Ludhiana, Varanasi and Delhi. Volume performance was encouraging, with total SPFY production reaching 21,479 MT in FY26, up 2.5% from 20,957 MT in FY25. FDY production grew 5.9% year-on-year to 10,319 MT, while POY production was broadly stable at 11,160 MT. Within the sales mix, value-added products, including draw textured, air textured, twisted yarns, carpet yarns, other specialty yarns, constituted 67.5% of SPFY revenues, reflecting the Company's deliberate strategy of deepening its value-added portfolio.

Export revenues, however, fell sharply by 61.8% from ₹2,997 lakh in FY25 to ₹1,144 lakh in FY26, as the Trump Administration's April 2025 tariff announcements triggered an immediate and severe freeze in orders from US-bound customers across Asia. The Company made a deliberate decision not to pursue export volumes at economically irrational prices solely to defend topline numbers, choosing instead to protect credit quality, maintain domestic market relationships, and await tariff clarity. This decision, while impacting short-term revenues, was strategically sound. Signs of recovery emerged through the second half of FY26 as US-India trade negotiations progressed, with export enquiries showing meaningful improvement heading into FY27.

In Q4 FY26, SPFY revenues reached ₹7,464 lakh, up 4.7% from Q4 FY25's ₹7,128 lakh, driven by both volume recovery (Q4 FY26 volumes of 5,644 MT vs. 5,331 MT in Q4 FY25, a 5.9% increase) and a stabilisation of domestic realisations.

Revenue Mix in FY26 (in ₹ lakh)



Embroidery & Laces Business (approximately 13% of revenues)

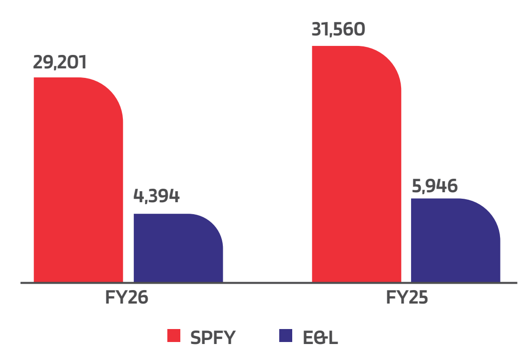
The EL business reported consolidated revenues of ₹4,394 lakh in FY26, compared to ₹5,946 lakh in FY25, a decline of 26.1%. This decline was primarily structural, reflecting the transitional phase of the Degaon facility building its order book, the wind-down and sale of the legacy Naroli operation, and a challenging domestic retail environment for embroidered fabrics.

Within the EL segment, performance was markedly differentiated:

- **Embroidery Fabrics & Laces:** Revenues of ₹3,180 lakh in FY26, down 31.2% from ₹4,620 lakh in FY25. This reflects the transitional nature of the year, as the Degaon plant, operational since August 2023, was progressively ramping up because of the lower market demand. Q4 FY26 embroidery revenues of ₹767 lakh, however, showed meaningful improvement over prior-year quarters, indicative of the recovery in order momentum as the Degaon facility's capabilities became better known in the market.

- **Bobbin/Braided Lace:** Revenues of ₹846 lakh in FY26, up 9.9% from ₹770 lakh in FY25, a standout performer within the EL segment, demonstrating that demand for PEL's lace products remains intact and growing. Q4 FY26 lace revenues of ₹244 lakh were up 26.6% year-on-year, further validating the resilience of this sub-segment.

Revenue Split (FY26 vs FY25) (in ₹ lakh)



Operational Initiatives

- PEL completed the consolidation of its Embroidery & Laces manufacturing at Degaon, Dhule, following the sale of the legacy Naroli facility. The modern, integrated plant, equipped with eight state-of-the-art computerised machines, has significantly enhanced product quality, operational efficiency, cost competitiveness and delivery reliability, while replacing the capabilities of 32 legacy machines across multiple locations. As the facility moves towards fuller utilisation in FY27, the Company expects the embedded operating leverage to further support margin expansion and scalable future growth.

- PEL completed its rooftop solar project at the Kala-Amb facility in May 2026. The integrated green energy infrastructure is expected to deliver sustained long-term energy cost savings, enhance operational resilience and reduce dependence on grid power. The Company also continues to benefit from the HPERC electricity duty rebate through adjustments against monthly electricity bills, recognising its investment in solar power capacity.

- PEL reinforced its sustainability credentials through its zero-effluent SPFY manufacturing process, which conserves approximately 2.8 million litres of water every day compared with conventional solution-dyed yarn manufacturing. Supported by globally recognised certifications including GRS 4.0, Oeko-Tex Standard 100, ISO 14001, ISO 45001 and ISO 9001, the Company is well positioned to meet the growing demand for sustainable and responsible sourcing from global customers.

Financial Review

Revenue from Operations: ₹33,595 lakh in FY26 versus ₹37,506 lakh in FY25, a decline of 10.4%. The moderation reflects the dual impact of US tariff-driven export volume contraction in SPFY and the transitional revenue profile of the EL segment through the Degaon ramp-up phase.

Other Income: ₹682 lakh in FY26 versus ₹630 lakh in FY25. Other income benefited from the HPERC electricity duty rebate of ₹454 lakh in FY26.

Total Income: ₹34,277 lakh in FY26 versus ₹38,136 lakh in FY25.

EBITDA: EBITDA stood at ₹2,048 lakh in FY26, compared with ₹3,161 lakh in FY25, representing a decline of 35.2%. EBITDA margin moderated from 8.4% to 6.1% during the year, primarily reflecting lower revenues and the impact of fixed cost absorption during the Embroidery & Laces transition. In Q4 FY26, EBITDA improved to ₹1,101 lakh, translating into an EBITDA margin of approximately 12.8%. The quarterly performance was supported by the recognition of the HPERC electricity duty rebate pertaining to an earlier year, along with the Company's ongoing operational improvement initiatives.

Finance Costs: Finance costs stood at ₹929 lakh in FY26, broadly in line with ₹960 lakh in FY25, as higher working capital borrowings during the year offset the benefits of the Company's ongoing deleveraging. Working capital utilisation increased to ₹3,895 lakh as at March 31, 2026, from ₹3,129 lakh a year earlier.

Depreciation and Amortisation: Depreciation expense stood at ₹1,482 lakh in FY26 compared with ₹1,565 lakh in FY25, primarily reflecting the recognition of the ₹1,779 lakh capital subsidy, which reduced the carrying cost of the related assets, along with the impact of the Naroli asset disposal.

Exceptional Items (Net): A net income of ₹442 lakh in FY26, largely on account of profit on disposal of the Naroli land and building of ₹649 lakh, partially offset by recognition of full and final liability towards lender pertaining to earlier year of ₹208 lakh.

PAT: ₹66 lakh in FY26, compared with ₹456 lakh in FY25. The reported PAT figure significantly understates underlying business health, as it is burdened by ₹1,482 lakh of non-cash depreciation on assets commissioned in the recent investment cycle.

Management Discussion And Analysis

Management Discussion And Analysis

Cash Profit: ₹1,547 lakh in FY26 versus ₹1,984 lakh in FY25. Cash profit, the truest measure of the Company's operating cash generation, remained robust at ₹1,547 lakh, demonstrating that the underlying business continues to generate substantial cash.

Diluted EPS: ₹0.21 per share in FY26 versus ₹1.50 per share in FY25.

Expense Analysis

Cost of materials consumed stood at ₹20,964 lakh in FY26 versus ₹22,719 lakh in FY25, declining 7.7%, broadly in proportion with the revenue decline, reflecting stable raw material management. Employee benefit expenses declined 7.3% from ₹4,269 lakh to ₹3,959 lakh, partially reflecting the rationalisation of EL headcount following the Naroli closure. Power and fuel costs declined meaningfully from ₹3,140 lakh to ₹2,925 lakh, a decline of 6.9%, supported by ongoing energy efficiency initiative, due to electricity duty rebate and the Company's continued focus on optimising energy costs. Selling expenses decreased 17.3% from ₹996 lakh to ₹824 lakh, reflecting the lower export volumes and a disciplined approach to discretionary marketing expenditure.

Key Financial Ratios

Particulars	FY25	FY26
Book Value per Share (₹)	51.96	52.39
Net Worth (in ₹ lakh)	16,012	16,144
Total Debt (in ₹ lakh)	8,725	8,277
Debt / Equity Ratio (x)	0.59	0.56
Debt Service Coverage Ratio	1.00	0.78
Current Ratio (x)	1.27	1.35

The improvement in the Current Ratio from 1.27x to 1.35x and the decline in Debt/Equity from 0.59x to 0.56x reflects the Company's continued financial strengthening despite the pressure on the income statement. Book value per share has grown steadily, from ₹47.28 in FY22 to ₹52.39 in FY26, in a quiet but meaningful pace through the investment and absorption phases.

Capital Allocation And Financial Strength

Deleveraging on Track

The Company's total debt at the end of FY26 stood at ₹8,277 lakh, compared with ₹8,725 lakh at end-FY25, a reduction of approximately ₹448 lakh. More significantly, long-term borrowings declined by 29% from ₹3,588 lakh to ₹2,548 lakh, demonstrating the Company's commitment to reducing its longer-dated debt obligations as the capex programme winds down and free cash generation resumes.

From the debt peak of ₹9,137 lakh in FY23 (when the transformative capex programme was in full execution), the Company has reduced total debt by over ₹860 lakh approximately 9.4% in three years. Crucially, this deleveraging has been funded through operating cash flows and asset monetisation (including the Naroli land sale).

Working Capital Management

The current ratio improved from 1.27x in FY25 to 1.35x in FY26, reflecting disciplined working capital management. The Company maintained prudent inventory levels and credit management practices through a year characterised by revenue uncertainty, ensuring that cash generation remained positive and operational flexibility was preserved.

Opportunities And Threats

Opportunities

1. **US-India Trade Normalisation:** The progressive moderation of US tariff pressures through FY26, and the ongoing bilateral trade negotiations between India and the United States, represent a material opportunity for PEL's SPFY export business. As tariff clarity improves, the Company is strategically positioned to recover and expand its US-bound volumes, having deliberately preserved customer relationships and credit quality through the period of uncertainty. Export enquiries showed clear signs of recovery through the second half of FY26, providing visibility into the FY27 order pipeline.

2. **China Plus One — Structural Tailwind:** The global diversification of textile sourcing away from China is a multi-year structural trend that benefits Indian manufacturers across yarn, fabric, and garment categories. PEL's Kala-Amb facility, one of the most technically sophisticated SPFY plants in Asia, is well positioned to capture incremental business from buyers seeking high-quality, certifiable, sustainable yarn alternatives to Chinese supply.

3. **Value-Added Product Mix Expansion:** With 67.5% of SPFY revenues already derived from value-added specialty products in FY26, there is meaningful runway to further increase this share. New product categories like thermal, camouflage, biodegradable, flame retardant, anti-microbial, are growing segments with premium realisations and more defensive margin profiles. As the Company deepens these capabilities, the blended realisation per kg is expected to improve and the margin profile will strengthen.

4. **EL Operating Leverage at Degaon:** The Degaon facility is now fully commissioned and the EL consolidation is complete. The eight state-of-the-art machines at Degaon are designed to operate at significantly higher efficiency levels than the legacy configuration they replaced. As utilisation at Degaon improves through FY27, the operating leverage inherent in this fixed-cost structure will become increasingly visible in segment EBITDA, offering a meaningful recovery from the FY26 transitional levels.

5. **ESG-Driven Demand from Global Buyers:** PEL's zero-effluent SPFY process, captive green power, GRS-certified recycled yarn range, and Oeko-Tex certified chemical management place it among the most ESG-compliant SPFY manufacturers in the region. As European and US buyers increasingly integrate supplier sustainability credentials into sourcing decisions, PEL's certified green manufacturing profile becomes a commercial asset and a source of competitive differentiation.

6. **India-UK Free Trade Agreement:** The India-UK FTA, signed in July 2025 and providing duty-free access to 99% of Indian textile exports, removes a meaningful tariff disadvantage for Indian exporters to the UK market. While PEL's direct UK exposure is currently limited, the broader FTA framework strengthens the operating environment for Indian textile manufacturers and supports the government's target of US$100 billion in textile exports by FY30.

Threats

1. **Global Trade Policy Uncertainty:** The period of elevated US tariff uncertainty demonstrated the vulnerability of PEL's export revenues to exogenous trade policy shifts. While tariff levels have moderated and negotiations are progressing, the risk of policy reversal or the imposition of new trade restrictions, particularly in the context of an evolving geopolitical landscape, remains a material threat to export volume stability.

2. **Middle East Conflict and Energy Prices:** The escalation of the Middle East conflict in late February 2026 introduced a significant inflationary risk through higher energy prices. While PEL's infrastructure at Kala-Amb provides meaningful insulation from grid tariff increases, the broader inflationary impact on freight, chemical inputs, and packaging materials could compress margins if sustained. Additionally, the dampening effect on European demand, through the conflict's impact on consumer confidence and economic activity in key markets, poses a risk to the EL segment's export recovery trajectory.

3. **Competition from Other Low-Cost Producers:** Indian yarn manufacturers face competitive pressure from manufacturers in Vietnam, Bangladesh, and other Asian economies, particularly for commodity-grade products. PEL's strategic response, deepening its value-added portfolio, maintaining best-in-class certifications, and operating at the frontier of specialty SPFY manufacturing, is the correct long-term approach, but requires continuous product development investment and commercial agility.

4. **Raw Material Price Volatility:** Polyester chips (the primary raw material for SPFY production) are crude oil derivatives and subject to significant price volatility. While PEL has demonstrated an ability to manage raw material costs, sustained input cost inflation could compress contribution margins if realisations do not move commensurately. The Company actively manages raw material procurement through strategic inventory planning and supplier relationships.

Risk Management

Pioneer Embroideries Limited operates a structured risk management framework designed to identify, assess, monitor, and mitigate risks across strategic, operational, financial, and compliance dimensions. The Board and senior management review key risks and their mitigation status on a periodic basis.

Strategic Risks: The Company's concentration of SPFY revenues (~87% of total) in a single product category and a limited number of geographic markets (India domestic + select exports) creates concentration risk. Management mitigates this through deliberate portfolio expansion, deepening the value-added product range, diversifying into non-US export markets, and continuing to invest in the EL segment as a complementary revenue pillar. The retention of the Degaon EL platform as a strategic asset, despite its transitional challenges in FY26, reflects a long-term commitment to revenue diversification.

Operational Risks: The concentration of SPFY production at the Kala-Amb facility exposes the Company to operational continuity risks in the event of unforeseen disruptions. To mitigate these risks, the Company follows robust preventive maintenance practices, maintains diversified supplier relationships, preserves outsourcing capabilities to support business continuity, and continues to strengthen its engineering infrastructure. The recently completed rooftop solar project further enhances long-term energy resilience, while the facility's ISO 14001 certification reflects its commitment to environmental management and regulatory compliance.

Financial Risks: Interest rate risk, currency risk, and raw material price risk are the primary financial exposures. The Company's progressive deleveraging reduces interest rate sensitivity.

Management Discussion And Analysis

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Currency risk on export revenues is managed through natural hedging (export proceeds denominating payments to raw material suppliers where applicable) and prudent working capital management. Raw material price risk is managed through strategic inventory optimisation and price pass-through mechanisms embedded in customer pricing discussions.

Compliance and Regulatory Risk: PEL operates across multiple regulatory frameworks including SEBI listing obligations, Companies Act provisions, GST, customs regulations, and sectoral certifications. The Company maintains a dedicated compliance function and retains legal advisors for specialised matters.

Credit Risk: The Company maintains disciplined receivables management, with credit extension governed by established approval frameworks. The deterioration in export volumes through FY26 also reduced the associated export credit exposures, providing a partial offset to collection risk.

Internal Control Systems And Their Adequacy

The Company has established a robust internal control framework commensurate with the nature, size, and complexity of its operations. The Internal Audit function independently evaluates the adequacy and effectiveness of internal controls, operational processes, and compliance with applicable policies and procedures, with its findings periodically reviewed by the Audit Committee of the Board. Based on the recommendations of the Internal Audit function, appropriate corrective actions are implemented to strengthen the control environment. Based on the reviews carried out during FY26 by the Internal, Statutory, and Secretarial Auditors, along with oversight by the management and the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively throughout the year. No material weaknesses or significant deficiencies in the internal control systems were observed during FY26.

Human Resources And Industrial Relations

As of March 31, 2026, Pioneer Embroideries Limited employed over 1,000 people across its manufacturing facilities and corporate offices. The Company continues to focus on attracting, developing, and retaining skilled talent to support its specialty yarn and embroidery businesses. During FY2025–26, workforce rationalisation following the consolidation of the Embroidery & Laces business at the Degaon facility was carried out in accordance with statutory requirements and employee welfare practices, while targeted training and selective recruitment strengthened technical capabilities at the Kala-Amb plant. Industrial relations remained cordial across all locations, with no material labour disputes or production disruptions during the year. The Company remains committed to fostering a safe, collaborative, and performance-driven workplace, recognising its skilled workforce as a key driver of long-term value creation.

Outlook

Pioneer Embroideries Limited enters FY27 from a position of restored operational readiness, improving market conditions, and a materially strengthened competitive infrastructure. Management's priorities for FY27 are clear, specific, and measurable.

SPFY Business: The primary objective is to recover and grow export revenues as US-India trade negotiations continue to progress and tariff headwinds ease. The Company enters FY27 with a rebuilding order pipeline from US-bound customers, supported by the easing of tariff pressures in the second half of FY26. Simultaneously, management will continue to deepen domestic volumes across key textile clusters, with a particular emphasis on increasing the share of value-added specialty products, thermal, camouflage, biodegradable, recycled, in the revenue mix. Each percentage point shift in revenue mix toward value-added products supports both realisation improvement and margin expansion.

EL Business: The central priority is building the utilisation of the Degaon facility toward its designed operating level. Management is actively developing new customer relationships for the eight-machine embroidery configuration, leveraging the quality and consistency advantages of the modern facility to displace incumbent suppliers to Indian garment exporters and domestic fashion brands. The 9.9% growth in lace revenues in FY26, and the 26.6% growth in Q4 FY26 specifically, provides confidence that demand for PEL's EL products is intact, and that the embroidery segment will recover as Degaon ramps up.

Hakoba Retail: The focus is on investing in the brand's digital and distribution presence to return the Hakoba franchise to growth, leveraging its 300,000+ design library and its heritage positioning as the iconic Indian embroidery brand established in 1961.

Balance Sheet: The deleveraging trajectory will be maintained and accelerated where cash generation permits. The Company targets continued meaningful reduction in total debt through FY27, with operating free cash flow, augmented by the full-year benefit of green energy savings, being the primary source of repayment. The Debt-to-Equity ratio of 0.56x provides a stable and conservative financial foundation, and the trajectory toward further improvement in this ratio reinforces management's confidence in the Company's long-term financial health.

Green Energy: With the full-year benefit of solar power now firmly embedded in the cost structure, and HP grid tariffs expected to continue rising, the structural advantage of PEL's green energy investment will compound annually. No further major green energy capex is anticipated in the near term.

Management is entering FY27 with a leaner cost structure, a reduced debt burden, a modern and certified manufacturing footprint, an expanding value-added product portfolio, and a management team galvanised by a difficult year. The direction is clear, the foundations are strong, and the resolve to deliver for shareholders is undiminished.

Cautionary Statement

Certain statements in this Management Discussion and Analysis section describing the Company's objectives, projections, estimates, expectations, or predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied, depending upon global and domestic economic conditions, changes in government regulations, tax regimes, US-India and India-EU trade policy developments, the evolution of the Middle East conflict and its impact on energy prices and global demand, fluctuations in raw material prices, currency exchange rates, interest rates, changes in competitive dynamics within the textile and polyester yarn industries, the ability to successfully ramp up the Degaon embroidery facility, and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on any forward-looking statements.

Notice

Notice is hereby given that the Thirty Fourth Annual General Meeting of the Shareholders of PIONEER EMBROIDERIES LIMITED will be held on Thursday, August 20, 2026 at 11.00 a.m. through Video conferencing (VC) or Other Audio Video Mode (OAVM) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including the Consolidated Financial Statements) of the Company for the year ended March 31, 2026 and the Report of the Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Raj Kumar Sekhani (DIN:00102843) who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

3. To approve the re-appointment and payment of remuneration of the Cost Auditor for the financial year ending March 31, 2027 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded for re-appointment of M/s. D S A & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2027 at a remuneration, amounting to ₹ 1,40,000 plus GST as applicable and re-imbursement of out of pocket expenses incurred by them, in connection with the aforesaid audit."

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

Place: Mumbai
Date : May 26, 2026

Saurabh Maheshwari
Managing Director
DIN:00283903

NOTES:

1. Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.

2. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023, September 19, 2024 and September 22, 2025 collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio Visual Means (OAVM), in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular dated May 5, 2020. The Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 ("SEBI Circular") has provided certain relaxations from compliance with certain provisions of the Listing Regulations. In compliance with these Circulars, provisions of the Act and Listing Regulations, the 34th AGM of the Company is being conducted through VC/OAVM facility, without the physical presence of Members at a common venue. The deemed venue for the 34th AGM shall be the Registered Office of the Company.

3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence, the Proxy Form and Attendance Slip are not annexed to the Notice.

4. Raj Kumar Sekhani (DIN:00102843) Director retires by rotation at the Annual General Meeting and being eligible, offers himself for re-appointment. As required under the Secretarial Standard - 2 and Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'], the details of the Directors seeking re-appointment inter alia, age, experience, relationship with other directors of the Company, and other directorships, membership/chairmanship of the committees of other Boards, etc. are annexed to the Notice and form part of the Explanatory Statement. The Director has furnished the relevant consents, declarations, etc. for his re-appointment.

5. Appointment/Institutional/Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Company at mumbai@pelhakoba.com.

6. **Registration of email ID and Bank Account details:**

   In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

   In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and/ or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

   (i) Kindly log in to the website of our RTA, MUFG Intime India Private Ltd., Add link- http://www.mpms.mufg.co/ under Investor Services > Email Registration - fill in the details and upload the required documents and submit **OR**

   (ii) In the case of Shares held in Demat mode:
   The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

7. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2025-26 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated October 3, 2024. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2025-26 will also be available on the Company's website www.pelhakoba.com; websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at www.nseindia.com and www.bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/ OAVM facility only.

8. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.

9. All documents referred to in the accompanying Notice and the Explanatory Statement are available on website of the Company at www.pelhakoba.com for inspection by the Members up to the date of 34th AGM.

10. The Register of Members and Share Transfer Register of the Company will remain closed from Friday, August 14, 2026 to Thursday, August 20, 2026 (both days inclusive).

11. The details of unpaid and unclaimed amounts as on March 31, 2026 are uploaded on the Company's website (www.pelhakoba.com). As per amendment to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 dated September 5, 2016, 3,750 shares have been transferred to IEPF suspense account on February 4, 2021. Dividend of ₹1,115.50 on above shares (declared for the Financial Year 2021-2022) were transferred to IEPF account. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. During the year the Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

12. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.

13. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.

14. The Securities and Exchange Board of India has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market and Members holding shares in electronic form are requested to submit their PAN to their Depositories Participant(s). Members holding shares in physical form shall submit their PAN details to R & TA, if not submitted.

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.

15. **The members are requested to:**

Intimate changes, if any, in their Registered address to the Registrar and Transfer Agents of the Company i.e. M/s. MUFG Intime India Private Limited (formerly Link Intime India Pvt. Ltd) at C-101, Embassy 247, L B S Marg, Vikhroli (West), Mumbai – 400083.

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

16. **The instructions for shareholders voting electronically are as under:**

EVENT NUMBER: 260282

The voting period begins on Monday, August 17, 2026 (9.00 a.m. IST) to Wednesday, August 19, 2026 (5.00 p.m. IST) During this period shareholders of the Company, holding shares whether in physical form or in dematerialized form, as on the cut-off date August 13, 2026 may cast their vote electronically. The e-voting module shall be disabled by MUFG for voting after August 19, 2026 at 5.00 p.m.

Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only as on August 13, 2026.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL

METHOD 1 - NSDL OTP based login

a) Visit URL: https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp

b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.

c) Enter the OTP received on your registered email ID/mobile number and click on login.

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - NSDL IDeAS facility

Shareholders registered for IDeAS facility:

a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "IDeAS Login Section".

b) Enter IDeAS User ID, Password, Verification code & click on "Log-in".

c) Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.

d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for IDeAS facility:

a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

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b) Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".

c) Enter the last 4 digits of your bank account / generate 'OTP'

d) Post successful registration, user will be provided with Login ID and password.

e) Follow steps given above in points (a-d).

METHOD 3 - NSDL e-voting website

a) Visit URL: https://www.evoting.nsdl.com

b) Click on the "Login" tab available under 'Shareholder/Member' section.

c) Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen & click on "Login".

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.

e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

Google Play | App Store

Individual Shareholders holding securities in demat mode with CDSL

METHOD 1 - CDSL e-voting page

a) Visit URL: https://www.cdslindia.com.

b) Go to e-voting tab.

c) Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit".

d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

e) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or Visit URL: www.cdslindia.com, click on "Login" and select "My Easi New (Token)".

b) Enter existing username, Password & click on "Login".

c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

a) To register, visit URL: https://web.cdslindia.com/myeasitoken/Home/EasiRegistration / https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration.

b) Proceed with updating the required fields for registration.

c) Post successful registration, user will be provided username and password on the registered email id. Follow steps given above in points (a-c).

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

a) Login to DP website

b) After Successful login, user shall navigate through "e-voting" option.

c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.

d) Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

<u>STEP 1: LOGIN / SIGNUP on InstaVote</u>

<u>Shareholders registered for INSTAVOTE facility:</u>

a) Visit URL: https://instavote.linkintime.co.in & click on "Login" under 'SHARE HOLDER' tab.

b) Enter details as under:

A. User ID: Enter User ID

B. Password: Enter existing Password

C. Enter Image Verification (CAPTCHA) Code

D. Click "Submit".

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is <u>Event No + Folio no.</u> registered with the Company

(Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

<u>Shareholders not registered for INSTAVOTE facility:</u>

a. Visit URL: https://instavote.linkintime.co.in & click on "Sign Up" under 'SHARE HOLDER' tab & register with details as under:

A. User ID: Enter User ID

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format)

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is <u>Event No + Folio no.</u> registered with the Company

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

o Shareholders, holding shares in NSDL form, shall provide 'point 4' above.

o Shareholders, holding shares in CDSL form, shall provide 'point 3' or 'point 4' above.

o Shareholders, holding shares in physical form but have not recorded 'point 3' and 'point 4', shall provide their Folio number in 'point 4' above

E. Set the password of your choice.

(The password should contain minimum 8 characters, at least one special Character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

F. Enter Image Verification (CAPTCHA) Code.

G. Click "Submit" (You have now registered on Insta Vote).

Post successful registration, click on "**Login**" under 'SHARE HOLDER' tab & follow steps given above in points (a-b).

<u>STEP 2: Steps to cast vote for Resolutions through InstaVote</u>

A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".

B. Select 'View' icon. E-voting page will appear.

C. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

D. After selecting the desired option i.e. Favour / Against, click on 'Submit'.

E. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

NOTE: Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Non-Individual Body corporate shareholders shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at enotices@in.mpms.mufg.com and the company at registered email address.

Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

a. Visit URL: https://instavote.linkintime.co.in

b. Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"

c. Fill up your entity details and submit the form.

d. A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

e. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

STEP 2 – Investor Mapping

a. Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b. Click on "Investor Mapping" tab under the Menu section

c. Map the Investor with the following details:

1) 'Investor ID' – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.

2) 'Investor's Name - Enter Investor's Name as updated with DP.

3) 'Investor PAN' - Enter your 10-digit PAN.

4) 'Power of Attorney' - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

d. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report section".

STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

METHOD 1 - VOTES ENTRY

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) Click on "Votes Entry" tab under the Menu section.

c) Enter the "Event No." for which you want to cast vote.

Event No. can be viewed on the home page of InstaVote under "On-going Events".

d) Enter "16-digit Demat Account No.".

e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour / Against, click on 'Submit'.

f) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

METHOD 2 - VOTES UPLOAD

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) After successful login, you will see "Notification for e-voting".

c) Select "View" icon for "Company's Name / Event number".

d) E-voting page will appear.

e) Download sample vote file from "Download Sample Vote File" tab.

f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.

g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

NOTE: Non-Individual Body corporate shareholders shall send a scanned copy of the board resolution authorising its representative to vote, to the scrutinizer at registered email address with a copy marked to RTA at enotices@in.mpms.mufg.com and the company at registered email address.

HELPDESK:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending request at evoting@nsdl.co.in or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on "Login" under 'SHARE HOLDER' tab.
- Further Click on "forgot password?"
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

InstaVote USER ID	
NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g.IN123456) and 8 digit Client ID (eg.12345678).
CDSL	User ID is 16 Digit Beneficiary ID.
Shares held in physical form	User ID is Event No + Folio no. registered with the Company

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Further Click on "forgot password?"
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Notice

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

General Instructions - Shareholders

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

17. **Instructions for joining the Annual General Meeting through InstaMeet are as follows:**

Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by MUFG Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

b. Visit URL: https://instameet.in.mpms.mufg.com & click on "Login".

c. Select the "Company Name" and register with your following details:

d. Select Check Box - <u>Demat Account No. / Folio No. / PAN</u>

- Shareholders holding shares in NSDL/ CDSL demat account shall select check box - <u>Demat Account No.</u> and enter the <u>16-digit demat account number.</u>
- Shareholders holding shares in physical form shall select check box – <u>Folio No.</u> and enter the <u>Folio Number registered with the company.</u>
- Shareholders shall select check box – <u>PAN</u> and enter 10-digit Permanent Account Number (PAN). Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the <u>sequence number</u> provided by MUFG Intime, if applicable.
- <u>Mobile No:</u> Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- <u>Email ID:</u> Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Email Id with the DP shall enter the Email Id.

e. Click "Go to Meeting"
You are now registered for InstaMeet, and your attendance is marked for the meeting.

18. <u>**Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting through InstaMeet:**</u>

Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request

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mentioning their name, demat account number/folio number, email id, mobile number at mumbai@pelhakoba.com from Monday, August 17, 2026, 9.00 a.m. to Wednesday, August 19, 2026 by 5.00 p.m. (Date & Time) (preferably one day or 24 hrs. prior to the date of AGM).

The first 5 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at mumbai@pelhakoba.com. The same will be replied by the company suitably.

Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

Other shareholder who has not registered as "Speaker Shareholder" may still ask questions to the panelist via active chat-board during the meeting.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

19. **Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

a) On the Shareholders VC page, click on the link for e-Voting "Cast your vote".

b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET.

c) Click on 'Submit'.

d) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

e) Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

f) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@in.mpms.mufg.com or Call us: - Tel : (022-49186175)

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

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Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

20. Mr. Sanjay R. Dholakia, Practising Company Secretary (Membership No. F 2655 and C P No. 1798) has been appointed as Scrutinizer to scrutinize the voting and e-Voting process in a fair and transparent manner.

21. The Scrutinizer shall after conclusion of voting at the Annual General Meeting shall make a consolidated scrutinizer's report, not later than three days of the conclusion of the AGM, of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, who shall countersign the same and declare the result of the voting forthwith.

22. The Results of the voting with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.pelhakoba.com immediately after declaration of the results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

Explanatory Statement

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

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

ITEM NO. 3

The Board of Directors of the Company on the recommendation of the Audit Committee approved the re-appointment of M/s. D S A & Co., Cost Accountants, to conduct the audit of the Cost records of the Company for the financial year ending on March 31, 2027.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending on March 31, 2027, as set out in the Resolution for the aforesaid services to be rendered by them.

This statement may also be regarded as an appropriate disclosure under the Companies Act, 2013 and the Listing Regulations.

None of the Directors or Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board of Directors recommends Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Members.

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

Place: Mumbai
Date : May 26, 2026

Saurabh Maheshwari
Managing Director
DIN:00283903

Annexure to Item No. 2 of the Notice:

Name	Mr. Raj Kumar Sekhani
Date of Birth	06/06/1959
Nature of Expertise	Manufacturing and trading garment accessories including embroidery fabrics, laces and knitted fabrics.
Experience	47 years
Relationships between directors inter se	Not Applicable
Name of listed Companies in which holds Directorship	NIL
Name of other Companies in Committees of which holds Membership/ Chairmanship	NIL
Shareholding in Pioneer Embroideries Limited	45,04,760

Director's Report

To
The Members,
PIONEER EMBROIDERIES LIMITED

Your Directors present the Thirty Fourth Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2026.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

		For the year ended March 31, 2026	For the year ended March 31, 2025
Turnover	– Domestic	32,272.59	34,213.05
	– Export including Incentive	1,306.52	3,245.17
Other Operating Income		15.86	48.14
Other Income		682.41	629.65
Total		**34,277.38**	**38,136.01**
Profit before Financial Charges, Depreciation, Exceptional Items & Tax		2,048.16	3,161.41
Financial Charges		929.15	959.59
Profit before Depreciation, Exceptional Items and Tax		1,119.01	2,201.82
Depreciation		1,481.79	1,565.12
Profit before Exceptional Items & Tax		(362.78)	636.70
Exceptional Items – Income (Net)		441.80	-
Profit/(Loss) before Tax		79.02	636.70
Tax Expenses		13.48	180.31
Net Profit		65.54	456.39
Per share data			
Basic Earnings per Share (₹)		0.21	1.50
Diluted Earnings per Share (₹)		0.21	1.50
Book Value per Share (₹)		52.39	51.96

The above financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013.

YEAR IN RETROSPECT

FY2025-26 was a challenging year for the textile industry, marked by persistent global and domestic macroeconomic headwinds, including tariff-related uncertainties, geopolitical disruptions, elevated logistics costs, increased raw material prices, and a surge in low-cost imports. These factors impacted demand, pricing, and profitability across the sector, including the Company's operations.

During the year under review, the Company reported total income of ₹34,277 lakhs as against ₹38,136 lakhs in the previous year. Profit before Finance Costs, Depreciation, Exceptional Items and Tax stood at ₹2,048 lakhs compared to ₹3,161 lakhs in FY2024-25, while operational cash profit (before depreciation, exceptional items and tax) stood at ₹1,119 lakhs as against ₹2,202 lakhs in the previous year.

Director's Report

The Company reported a Profit Before Tax of ₹79 lakhs after recognising exceptional income of ₹442 lakhs, compared with ₹637 lakhs in the previous year. Net Profit for the year stood at ₹66 lakhs as against ₹456 lakhs in FY2024-25.

Despite the challenging business environment, the Company maintained healthy capacity utilisation across its manufacturing facilities and continued to focus on operational efficiency, cost optimisation, prudent working capital management, and protecting profitability. The Specialized Polyester Filament Yarn (SPFY) business remained the principal contributor to the Company's revenue during the year.

Domestic turnover stood at ₹32,272 lakhs as against ₹34,213 lakhs in the previous year. Export turnover (including incentives) declined to ₹1,307 lakhs from ₹3,245 lakhs in FY2024-25, primarily owing to subdued global demand amid heightened geopolitical tensions, trade policy uncertainties, elevated freight and logistics costs, and disruptions in international shipping routes. The combined impact of the Middle East conflict, the prolonged Russia–Ukraine war, and tariff-related uncertainties in key export markets adversely affected export orders and shipment schedules during the year.

A detailed analysis of the Company's operational and financial performance, industry outlook, opportunities, risks, and future prospects is provided in the Management Discussion and Analysis Report, which forms an integral part of this Annual Report.

TRANSFER TO RESERVES

The Board does not propose carrying any amounts to reserves.

CHANGE IN NATURE OF BUSINESS

There is no change in nature of Business of the Company.

INDUSTRY OVERVIEW

Global Textile & Apparel Industry:
The global textile & apparel market was valued at US$1.9 trillion in 2025 and is expected to grow at a CAGR of 4.1% from 2026 to 2034. Growth is driven by rising demand for population growth, demand for man-made fibers, sustainability initiatives casualwear and athleisure, social media trends, higher disposable incomes, and e-commerce expansion. The Global Textile & Apparel trade is expected to grow at a CAGR of 4% to reach US$1.2 trillion by 2030.

Indian Textile & Apparel Industry:
India's textiles and apparel market is projected to grow at a 11.98% CAGR, reaching $646.96 billion by 2033, driven by robust export potential and substantial GDP contribution. As the world's largest cotton producer, India plays a pivotal role in global textile supply chains, with significant growth anticipated in both domestic and international markets.

India's Domestic Textile & Apparel Market:
India's domestic market for textiles and apparel is poised for substantial growth, supported by rising disposable incomes and increasing urbanization. The domestic textile and apparel market size is estimated at US$157 billion in FY25-26, growing at a pace of about 7% CAGR. The sector contributes 2.3% to the country's GDP and 13% to industrial production, reflecting the sector's integral role in India's economic landscape.

India's Textile & Apparel Trade Overview:
India continues to strengthen its position as a leading global textile and apparel hub, with exports reaching US$35 billion and a target to increase exports to US$105 billion by 2030, supported by favourable policy initiatives and expanding manufacturing capabilities. During FY26 (April–December 2025), textile and apparel exports stood at US$27.31 billion, while imports totalled approximately US$8.82 billion (April 2025–January 2026), primarily comprising specialised fibres, technical textiles, premium fabrics and other value-added products that complement domestic production. The sector maintained a healthy trade surplus of approximately US$19.56 billion, underscoring the resilience, competitiveness and global appeal of India's textile industry.

Performance Review FY26

During FY26, the Company navigated a challenging operating environment marked by subdued export demand, weak domestic discretionary consumption and elevated input cost pressures. Despite these headwinds, it continued to strengthen its operational foundation through business consolidation, manufacturing modernisation and strategic investments.

- Revenue from operations stood at ₹33,595 lakhs, down 10.4% YoY.
- EBITDA stood at ₹2,048 lakhs, with an EBITDA margin of 6.1%.
- PAT declined to ₹66 lakhs, reflecting a challenging business environment.
- Gross debt reduced to ₹8,277 lakhs, its lowest level in last 3 years, strengthening the Company's balance sheet.
- The Embroidery & Laces business was consolidated at the modern Degaon, Dhule facility, enhancing productivity, quality, cost efficiency and delivery reliability.

However, exports remained under pressure due to subdued global retail demand, pricing challenges, the ongoing tariff war and the conflict in the Middle East, which created significant uncertainty across global supply chains, disrupted trade flows and delayed customer purchasing decisions. Domestic demand was also affected by cautious consumer spending. Profitability was further impacted by lower capacity utilisation, elevated working capital requirements and delays in the realisation of

Director's Report

policy-related benefits.

Despite these challenges, Pioneer Embroideries Limited remains focused on operational excellence, cost optimisation, value-added product expansion and manufacturing efficiency. The modernised Degaon facility and the commissioning of green energy infrastructure in May 2026 position the Company to improve operating leverage, strengthen competitiveness and drive sustainable long-term growth.

CAPITAL EXPANSION

Your Company had completed its expansion of capacities in both the SPFY segment (in POY (Partially Oriented Yarn) and DTY (Draw Textured Yarn)) and in the Embroidery Segment in FY24. However, both the businesses are yet to achieve the desired capacity utilization and value-added production due to tough business environment. During the year, your Company replaced old TFO Twisting Machines with new machines at a cost of ₹635 lakhs. With the commissioning of its green energy infrastructure in May 2026,PEL has further strengthened its power infrastructure at the Kala-Amb facility by integrating solar power into its energy mix. The initiative supplies a portion of the plant's electricity requirement, helping optimise energy costs, improve operational reliability and support efficient manufacturing operations.

BANK BORROWINGS

As on March 31, 2026, the Company's total secured borrowings stood at ₹7,685 lakhs, as against ₹8,725 lakhs in the previous year. Working capital borrowings stood at ₹3,895 lakhs, compared with ₹3,129 lakhs as on March 31, 2025. During the year, the Company refinanced its high-interest borrowing from Kotak Mahindra Bank with a lower-cost borrowing from Union Bank of India, resulting in a reduction in the overall cost of borrowing.

LISTING

The Equity Shares of the Company are listed with the BSE and NSE.

DIVIDEND

Your Directors have not recommended any dividend on equity shares in respect of the financial year 2025-26, in view of conserving the funds for business expansion.

SHARE CAPITAL

During the year under review, there was no change in the Company's Share capital.

SUBSIDIARY COMPANIES

The total revenue of Hakoba Lifestyle Limited in current year stood at ₹Nil (₹0.29 lakhs). Loss after tax and exceptional item stood at ₹0.62 lakh as compared to net loss of ₹1.55 lakhs in previous year.

The revenue of Crystal Lace (India) Limited in current year stood at ₹10.08 lakhs (₹0.89 lakhs). The Company has incurred a net loss of ₹1.87 lakhs as compared to net loss of ₹5.07 lakh in previous year.

Pioneer Realty Limited had no activity during the year.

The statement of subsidiaries in Form AOC-1 (pursuant to first proviso to sub section (3) of section 129 of the Companies Act, 2013) is provided as Annexure - A to the Consolidated Financial Statement and hence not repeated here for the sake of brevity.

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of the Company are prepared in compliance with applicable provisions of the Companies Act, 2013, and "Ind AS" issued by the Institute of Chartered Accountants of India as well as Listing Regulations as prescribed by the Securities and Exchange Board of India (SEBI) and form a part of the Annual Report.

CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance with Auditors Certificate confirming compliance, is attached and forms an integral part of this Report. Further, a declaration affirming compliance with the code of conduct by all the Board members and senior management personnel along with certificate under Regulation 17(8) of the SEBI Listing Regulations is also given in this Annual Report.

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are made available on the Company's website (www.pelhakoba.com).

DIRECTORS

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Raj Kumar Sekhani (DIN:00102843), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Accordingly, his re-appointment forms part of the notice of the ensuing Annual General Meeting.

The changes in the composition of the Board of Directors that

Director's Report

took place during the year were as below:

- Appointment of Mr. Vishal Rajkumar Sekhani as an Executive Director w.e.f October 14, 2025.
- Resignation of Mr. Harsh Vardhan Bassi as Managing Director w.e.f October 13, 2025.
- Appointment of Mr. Saurabh Maheshwari as Managing Director w.e.f October 14, 2025.

KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013:

Sr. No.	Name	Designation
1.	Mr. Saurabh Maheshwari	Managing Director
2.	Mrs. Ami Thakkar	Company Secretary
3.	Mr. Deepak Sipani	Chief Financial Officer (CFO)

BOARD PERFORMANCE/ EVALUATION

The performance evaluation of the non-executive directors is done by the Board annually. This evaluation is based taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as the attendance and contribution of the member at the Board/ Committee meetings. The process also considers core competency, expertise, personnel characteristics and specific responsibility of the director concerned.

The performance evaluation of the Chairman, Managing and Executive Directors were carried out by the Independent Directors in a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the view of the Executive Directors and Non-Executive Directors. A separate exercise was carried out to evaluate the performance of individual Directors who were evaluated on parameters such as level of engagement, contribution and independence of judgment. The Board of Directors expressed their satisfaction with the evaluation process.

DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

All the Independent Directors have provided the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) and SEBI LODR Regulations.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All new Independent Directors (IDs) inducted into the Board are given an orientation. Presentations are made by Executive Directors (EDs) and Senior Management giving an overview of the Company's operations, to familiarize the new Independent Directors (IDs) with the Company's Business operations. The new IDs are given an orientation on our products, group structure and subsidiary company, Board constitution and procedures, matters reserved for the Board, and the Company's major risks and risk management strategy.

BOARD MEETINGS

The details of number of meetings of the Board, held during the year forms part of the Corporate Governance Report and hence not repeated here for the sake of brevity.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The details of unpaid and unclaimed amounts as on 31st March, 2026 are uploaded on the Company's website (www.pelhakoba.com).

VIGIL MECHANISM

The Company has established a Vigil Mechanism/Whistle Blower Policy that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for an adequate safeguard against victimization of persons who use the Vigil Mechanism.

Details of the Vigil Mechanism/Whistle Blower policy are made available on the Company's website (www.pelhakoba.com).

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

Details of the Loans, Guarantees and Investment covered under section 186 of the Companies Act, 2013 are given in the Financial Statements.

CREDIT RATING

The details pertaining to credit rating, forms part of the Corporate Governance Report and hence not repeated here for the sake of brevity.

NOMINATION AND REMUNERATION POLICY

The Committee has framed a policy to determine the qualification and attributes for appointment and basis of determination of remuneration of all the Directors, Key Managerial Personnel and Senior Management. A copy of the policy is annexed as Annexure -A.

Director's Report

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and Company has not entered into any contract/ arrangement/transaction with related parties which could be considered material in nature thus provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013, is included as Annexure - B and forms an integral part of this Report.

All related party transactions are placed before the Audit Committee as also to the Board for approval.

The Company has developed a Related Party Transactions Policy which has been uploaded on the website of the Company and web-link thereto has been provided in the Corporate Governance report.

DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT

The Company has never accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, or under Chapter V of the Act. Hence, the requirement for furnishing details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There is no material change affecting the financial position of the Company which have occurred between the end of the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3)(c) of the Companies Act, 2013:

(i) That in the preparation of the Annual Accounts for the year ended 31st March, 2026, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

(ii) that 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 as at 31st March, 2026 and of the net profit of the Company for the year ended on that date;

(iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) that the annual accounts have been prepared on a going concern basis;

(v) that the Directors had laid down adequate internal financial controls to be followed by the Company and these are operating effectively;

(vi) that adequate and proper systems to ensure compliance with all applicable laws have been devised and such systems operate effectively in the Company.

STATUTORY AUDIT

The appointment of M/s. M B A H & CO. (ICAI Regn. No.121426W), Statutory Auditors of the Company were appointed for a period of 5 years at 30th Annual General Meeting as statutory auditors till the conclusion of 35th Annual General Meeting, as per the provisions of Section 139 of the Companies Act, 2013.

There is no qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors i.e. M/s. M B A H & CO., Chartered Accountants in its report and therefore, there are no further explanations to be provided for in this report and is prepared as per "Ind AS".

COST AUDIT

The Board of Directors, on the recommendation of Audit Committee, has re-appointed M/s. D S A & Co., Cost accountants, as Cost Auditor to audit the cost accounts of the Company for the year 2026-27 at a remuneration of ₹1,40,000 plus GST as applicable and reimbursement of out-of-pocket expenses. A resolution seeking member's approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting. The Company has maintained cost accounts and records for the business, which is applicable as per Section 148(1) of the Companies Act, 2013 for the year ended March 31, 2026.

SECRETARIAL AUDIT

As required under Section 204 of the Companies Act 2013, and rules made thereunder, the Company has appointed M/s. Sanjay Dholakia & Associates, a firm of Company Secretaries in Practice (Membership No.2655; C.P. No.1798) for a period of 5 years, commencing from the financial year 2025-26 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as Annexure – C and forms an integral part of this Report.

Director's Report

There is no qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditors in its report and therefore, there are no further explanations to be provided for in this report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk mitigation system, commensurate with its size, scale and complexity of its operations. The scope and authority of the Internal Audit function is also defined. The Audit Committee of the Board actively reviews the adequacy and effectiveness of the systems.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, corrective actions are undertaken in the respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors, including audit of internal financial controls over financial reporting, and the reviews performed by management and the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively as at March 31, 2026.

During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

RISK MANAGEMENT

There is a continuous process for identifying, evaluating and managing significant risks faced through a risk management process designed to identify the key risks facing business. Risks would include significant weakening in demand from core-end markets, inflation uncertainties and any adverse regulatory developments, etc. During the year a risk analysis and assessment were conducted and no major risks were noticed.

SAFETY, HEALTH & ENVIRONMENT

The Company, in order to ensure health and safety of its employees and other staff, took adequate pre-emptive measures to enhance the hygiene and sanitization protocols across all offices and plants, in line with guidelines in force by local authorities. The health of the employees coming to workspace is being continuously monitored for any signs of the health complications and adequate containment measures are in place.

Your Company is committed to maintaining its efforts in providing a safe working environment to its employees.

HUMAN RESOURCE

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Employees are team members being one of the most critical resources in the business which maximize the effectiveness of the Organization. Human resources build the Enterprise, and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Polices and Systems. 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.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no orders passed by the Regulators or courts or tribunals impacting the going concern status and Company's operations in future.

DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14, the internal committee constituted under the said act has confirmed that no complaint/case has been filed/pending with the Company during the year.

MANAGERIAL REMUNERATION

a. Details of the remuneration of each director to the median remuneration of the employees of the Company and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure - D.

b. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Director's Report

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

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, are attached as Annexure-E to this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company seeks to build constructive relationship with all the stakeholders and wants to benefit from your Company's presence. The Company has framed a CSR policy, which has been uploaded on the website of the Company. The provisions of CSR activities under Companies Act 2013 were applicable to your Company. A detail pursuant to Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure -F.

EMPLOYEE STOCK OPTION PLAN (ESOP)

Details of ESOP implemented during the year are as below:

(a) options granted; NIL

(b) options vested; NIL

(c) options exercised; NIL

(d) options lapsed; NIL

(e) the exercise price; NA

(f) variation in terms of options; No

(g) money realised by exercise of options; NA

(h) total number of options in force; 418,364

(i) employee wise details of options granted to:

(j) Key Managerial Personnel; Mr. Saurabh Maheshwari: 90,000

Mr. Deepak Sipani: 15,000

Ms. Ami Thakkar: 5,000

There is no material change in the ESOP scheme and the same is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. ESOP scheme are made available on the Company's website (www.pelhakoba.com).

As per Regulation 13 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, a certificate received from the secretarial auditor of the company that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the Company in the general meeting is annexed as Annexure -G.

APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the year, there were no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year, the Company had not made any One-Time Settlement with any banks or Financial Institutions.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the Secretarial Standards issued by Institute of Company Secretaries of India on Meeting of Board of Directors and General Meetings.

GENERAL DISCLOSURE

During the Financial Year under review:

a. The Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise, pursuant to the provisions of Section 43 of the Act and Rules made thereunder.

b. The Company has not made any provisions of money or has not provided any loan to the employees of the Company for purchase of shares of the Company or its holding Company, pursuant to the provisions of Section 67 of the Act and Rules made thereunder.

c. The Company has not accepted any deposit from the public, pursuant to the Chapter V of the Act and Rules made thereunder.

d. The Company has not bought back its shares, pursuant to the provisions of Section 68 of the Act and Rules made thereunder.

e. There was no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

Director's Report

f. There were no significant material changes and commitments affecting the financial position of the Company, which occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report.

g. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

ACKNOWLEDGEMENT

The Management of your Company is grateful to the Government Authorities, Shareholders, Valued Customers, Company's Bankers, 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 revival of your Company.

For and on behalf of the Board of Directors

Place : Mumbai.
Date : May 26, 2026

RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Annexure - A

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (LODR) Regulations, 2015, as amended from time to time.

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

DEFINITIONS

"**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Key Managerial Personnel" means:

i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;

ii) CFO;

iii) Company Secretary; and

iv) such other officer as may be prescribed.

"**Senior Managerial Personnel**" mean the personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

OBJECTIVES OF THE POLICY

The objective of the policy is to ensure that

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, key managerial personnel and senior management involves a balance short and long-term performance objectives appropriate to the working of the Company and its goals.

COMPOSITION OF THE COMMITTEE

- The Committee shall consist of a minimum 3 non-executive Directors, majority of them being independent.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRPERSON

- Chairperson of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

COMMITTEE MEMBERS' INTERESTS

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

ROLE OF THE COMMITTEE

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.

Annexure - A

- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director, KMP and Senior Management Personnel at any time including the suspension or termination of service subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary changes to the Board; and
- Considering any other matters, as may be requested by the Board.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) **Remuneration to Managing Director / Whole-time Directors:**

    - The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
    - The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) **Remuneration to Non- Executive / Independent Directors:**

    - The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

Annexure - A

- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - The Services are rendered by such Director in his capacity as the professional; and
  - In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) **Remuneration to Key Managerial Personnel and Senior Management:**

- The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- The Company may issue Employee Stock Option / Purchase Schemes to Key Managerial Personnel and Senior Management in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

TERM / TENURE

a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) **Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

Annexure - A

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may delegate any of its powers to one or more of its members.

Annexure - B

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.
   Not Applicable as all transactions are on Arm's Length basis

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	**I) Sales** a) Kiran Industries Pvt. Ltd b) J J and Sons **II) Purchases** a) Kiran Industries Pvt. Ltd b) J J and Sons **III) Rent Paid** a) Bimladevi Rajkumar Sekhani b) Suman Saurabh Maheshwari **IV) Loan** a) Kiran Industries Pvt. Ltd
b)	Nature of contracts/arrangements/ transaction	Invoice
c)	Duration of the contracts/ arrangements/ transaction	As and when required
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	As per normal business norms
e)	Date of approval by the Board	February 6, 2025
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board of Directors

RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Date : May 26, 2026
Place : Mumbai.

Annexure - C

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2026
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
PIONEER EMBROIDERIES LIMITED
CIN No. L17291MH1991PLC063752
Mumbai.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PIONEER EMBROIDERIES LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2026 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - (Not applicable to the Company during the Audit Period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the Audit Period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period);

(h) The Securities and Exchange of Board of India (Buy-back Regulation), 2018; (Not applicable to the Company during the Audit Period);

(i) As per Management representation letter following are laws applicable specifically to Company:

1. Factories Act, 1948;
2. Industries (Development & Regulation) Act, 1951;
3. Labour Laws and other incidental laws related to labour and employees appointed by the company either on its payroll or on contractual basis as related to wages, gratuity, bonus, provident fund, ESIC, compensation etc.;
4. Acts prescribed under prevention and control of pollution;
5. Acts prescribed under Environmental protection;
6. Acts as prescribed under Direct Tax and Indirect Tax;
7. Land Revenue laws of respective States;
8. Labour Welfare Act to respective States;
9. Trade Marks Act 1999 & Copy Right Act 1957;

Annexure - C

10. The Legal Metrology Act, 2009;
11. Acts as prescribed under Shop and Establishment Act of various local authorities.
12. Local Laws as applicable to various offices and plants;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations 2015.

During the year under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations and Guidelines, Standards as mentioned above.

I further report & confirm that the company has maintained Structured Digital Database in compliance with the Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 for the year ended 31.03.2026.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

- Appointment of Mr. Vishal Rajkumar Sekhani as an Executive Director w.e.f. October 14, 2025.
- Resignation of Mr. Harsh Vardhan Bassi as Managing Director w.e.f. October 13, 2025.
- Appointment of Mr. Saurabh Maheshwari as Managing Director w.e.f. October 14, 2025.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period the Company has taken following actions and entered into following events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

This Report is to be read with my letter of even date which is annexed as Annexure 1 and forms an integral part of this Report:

FOR SANJAY DHOLAKIA & ASSOCIATES

SANJAY R DHOLAKIA
Practicing Company Secretary
Proprietor

Membership No.: FCS 2655
CP No.: 1798
Peer Reviewed Firm No. 2036/2022

Date: May 26, 2026
Place: Mumbai

UDIN: F002655H000483927

Annexure - 1

(forming part of Secretarial Audit Report)

To,
The Members,
PIONEER EMBROIDERIES LIMITED
CIN No. L17291MH1991PLC063752
Mumbai

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR SANJAY DHOLAKIA & ASSOCIATES

SANJAY R DHOLAKIA
Practicing Company Secretary
Proprietor

Membership No.: FCS 2655
CP No.: 1798
Peer Reviewed Firm No. 2036/2022

Date: May 26, 2026
Place: Mumbai

UDIN: F002655H000483927

Annexure - D

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i. The ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year:

Name of Director	Designation	Ratio to median remuneration of the employees
Mr. Raj Kumar Sekhani	Chairman	38:1
Mr. Harsh Vardhan Bassi*	Managing Director	09:1
Mr. Saurabh Maheshwari**	Managing Director	21:1
Mr. Vishal Sekhani***	Executive Director	11:1

* Resigned w.e.f. October 13, 2025.
** Appointed as a Managing Director w.e.f. October 14, 2025.
*** Appointed as an Executive Director w.e.f. October 14, 2025.

ii. The Median remuneration of Employees of the Company was ₹ 2.24 Lakhs.

iii. For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

iv. The % increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year:

Designation	Name of Employee	% increase/decrease in remuneration (₹in Lakh)
Chairman	Mr. Raj Kumar Sekhani	--
Managing Director	Mr. Harsh Vardhan Bassi*	--
Managing Director	Mr. Saurabh Maheshwari**	--
Executive Director	Mr. Vishal Sekhani***	--
CFO	Mr. Deepak Sipani	3.25
Company Secretary	Mrs. Ami Thakkar	3.13

* Resigned w.e.f. October 13, 2025.
** Appointed as a Managing Director w.e.f. October 14, 2025.
*** Appointed as an Executive Director w.e.f. October 14, 2025.

v. The % increase in the median remuneration of employees in the financial Year: 7.81%.

vi. The number of permanent employees on the rolls of the Company: 967.

vii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The median percentage increase made in the salaries of employees other than the managerial personnel was 7.81% while the increase in the remuneration of managerial personnel was (13.34%.)

Annexure - D

viii. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company hereby affirmed that the remuneration is as per the Remuneration policy of the Company.

ix. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board of Directors

RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Date : May 26, 2026
Place : Mumbai.

Annexure - E

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2026 is given here below and forms part of Directors' Report.

A) **CONSERVATION OF ENERGY:**

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

B) **TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:**

The Company has not imported any technology at any time during the last five years.

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 on R & D is not accounted for separately.

C) **FOREIGN EXCHANGE EARNING AND OUTGO:**

(₹ in lakhs)

	2025-26	2024-25
Total Foreign Exchange Used (Payment Basis)	804.52	964.15
Total Foreign Exchange Earned	1,258.64	3,131.26

Annexure - F

CORPORATE SOCIAL RESPONSIBILITY (CSR)

{Pursuant to clause (o) of sub-section 134 of the Act and Rule 9 of the Corporate Social responsibility) Rules, 2014}

1. **A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

   We believe in the trusteeship concept. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face and working towards making a meaningful difference to them.

   Our vision is - "to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker and marginalized sections of society and raise the Country's human development index".

   Identification of projects:

   All projects are identified in consultation with the community in a participatory manner, literally sitting with them and gauging their basic needs. We take recourse to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the village panchayats, projects are prioritized.

   Arising from this our focus areas that have emerged are Education, health care and Setting up homes for women, orphans, etc, employment enhancing vocation skills especially among women, which are in line with Schedule VII of the Companies Act, 2013.

   Your Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 which is accessible from our Company's website: https://www.pelhakoba.com/wp-content/uploads/2022/08/Corporate-Social-Responsibility-policy.pdf

2. **The Composition of the CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
NA				

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: https://www.pelhakoba.com/wp-content/uploads/2022/08/Corporate-Social-Responsibility-policy.pdf**

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): NA**

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1.	NA	NA	NA

6. **Average net profit of the Company as per section 135(5): ₹4.22 crores**

7. (a) Two percent of average net profit of the Company as per section 135(5): **₹8.45 lakhs**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NA**

(c) Amount required to be set off for the financial year: **NA**

(d) Total CSR obligation for the financial year (7a+7b- 7c): **₹8.45 lakhs**

8. (a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹in lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
			Name of the		
	Amount.	Date of transfer	Fund	Amount	Date of transfer
8.45	NIL	NA	NA	NIL	NA

(b) **Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

(c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No).	Location of the project		Amount spent for the project (₹in lakhs)	Mode of implementation - Direct (Yes/ No).	Mode of implementation – Through implementing agency	
				State	District			Name	CSR registration number
1.	Construction of Toilets in School	Sanitation	No	Himachal Pradesh	Solan	₹5.00	Yes	NA	NA
2.	Digital classroom in school	Promoting Education	No	Maharashtra	Degaon	₹1.31	Yes	NA	NA
3.	Essentials for health care centre	Promoting health care	No	Maharashtra	Degaon	₹2.15	Yes	NA	NA
	Total					**₹8.46**			

(d) Amount spent in Administrative Overheads: **NA**

(e) Amount spent on Impact Assessment, if applicable: **NA**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹8.46 lakhs**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	8.45
(ii)	Total amount spent for the Financial Year	8.46
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	NA	NA	NA	NA	NA	NA	NA

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year(in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing
1.	NA	NA	NA	NA	NA	NA	NA	NA

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): NA**

(a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

Saurabh Maheshwari
Managing Director
DIN: 00283903

Place: Mumbai
Date: May 26, 2026

Annexure - G

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,

The Members,
PIONEER EMBROIDERIES LIMITED
CIN No. L17291MH1991PLC063752
Mumbai

I, Sanjay Dholakia, is Secretarial Auditor of Pioneer Embroideries Limited (hereinafter referred to as 'the Company'), having CIN L17291MH1991PLC063752 and having its registered office at Unit 101B, 1st floor, Abhishek Premises, Plot No.C5-6 Dalia Ind. Est., Off. New link Road, Andheri (W) Mumbai 400058. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations'), for the Financial Year ended March 31, 2026.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Company has implemented Pioneer Embroideries Limited Employee Stock Option Plan – 2018 viz Employee Stock Option Scheme in accordance with the Regulations and the Special Resolution(s) passed by the members at the Annual General Meeting of the Company held on August 20, 2018,

Certification:

In our opinion and to the best of our knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its Officers, I certify that the Company has implemented the Pioneer Embroideries Limited Employee Stock Option Plan – 2018 and Employee Stock Option Scheme in accordance with the applicable provisions of the Regulations and Resolution(s) passed by the Company in the General Meeting(s).

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

FOR SANJAY DHOLAKIA & ASSOCIATES

SANJAY R DHOLAKIA
Practicing Company Secretary
Proprietor

Membership No.: FCS 2655
CP No.: 1798
Peer Reviewed Firm No. 2036/2022

Date: May 26, 2026
Place: Mumbai

UDIN: F002655H000484015

Corporate Governance Report

1. **Company's Philosophy on Corporate Governance**

Your Company believes that good Corporate Governance is essential for achieving long term goals and enhancing shareholder value. 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. Our pursuit towards achieving good governance is an on-going basis. Apart from efficiency and competitiveness, other traits like transparency, accountability and ethical values form part of 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 are 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 Regulation 27 and 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the 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 Six Directors, out of which three are Executive Directors and three 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 Chairman of the Board is an Executive Director.

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

Category	No. of Directors
Executive Directors	3
Non- Executive Independent Directors	3
Total	**6**

Category	Name of Directors
Executive Directors	Mr. Raj Kumar Sekhani
	Mr. Harsh Vardhan Bassi*
	Mr. Saurabh Maheshwari**
	Mr. Vishal Sekhani***
Non-Executive and Independent Directors	Ms. Sushama Bhatt
	Mr. Mahesh Kumar Gupta
	Mr. Varun Kathuria

*Resigned as a Managing Director w.e.f. October 13, 2025.
**Appointed as a Managing Director w.e.f. October 14, 2025.
***Appointed as an Executive Director w.e.f. October 14, 2025.

Corporate Governance Report

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	Chairman	3	-	-
Mr. Harsh Vardhan Bassi*	Managing Director	-	-	-
Mr. Saurabh Maheshwari**	Managing Director	-	2	-
Mr. Vishal Sekhani***	Executive Director	3	1	-
Ms. Sushama Sunil Bhatt	Independent Non-Executive Director	-	2	1
Mr. Mahesh Kumar Gupta	Independent Non-Executive Director	-	2	1
Mr. Varun Kathuria	Independent Non-Executive Director	-	2	1

*Resigned as a Managing Director w.e.f. October 13, 2025.
**Appointed as a Managing Director w.e.f. October 14, 2025.
***Appointed as an Executive Director w.e.f. October 14, 2025.

$There has been reconstitution of all the committee w.e.f. September 25, 2025

@ Does not include Directorships in Private Companies.
# Committee includes Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee.

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

The Company has familiarization program for Independent Directors of the Company with regard to their role, rights, responsibilities in the Company, nature of industry in which the Company operates and the business model of the Company. None of the Non-Executive Directors during the year held any shares or convertible instruments. None of the Directors had any inter-se relationships. The details of familiarization programmes imparted to independent is available on website of the Company at https://www.pelhakoba.com/wp-content/uploads/2026/04/Familiarisation-programme-2025-2026.pdf

Terms of appointment of Independent Directors is available on website of the Company at https://www.pelhakoba.com/wp-content/uploads/2023/07/Terms-of-appointment-of-independent-directors.pdf.

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

The Board of the Company met Six times during the year ended March 31, 2026 on the following dates:

07-04-2025, 27-05-2025, 12-08-2025, 25-09-2025, 13-11-2025 and 12-02-2026

The Board discussed the operating plans, performance of various units and various other information's from time to time.

Name of the Director	Board Meetings held during the tenure of the Director	Board Meeting Attended	Attendance at the last AGM held on July 31, 2025
Mr. Raj Kumar Sekhani	6	6	Present
Mr. Harsh Vardhan Bassi*	4	4	Present
Ms. Sushama Sunil Bhatt	6	6	Present
Mr. Saurabh Maheshwari**	6	6	Present
Mr. Mahesh Kumar Gupta	6	6	Present
Mr. Varun Kathuria	6	6	Present
Mr. Vishal Sekhani***	2	2	NA

Corporate Governance Report

*Resigned as a Managing Director w.e.f. October 13, 2025.
**Appointed as a Managing Director w.e.f. October 14, 2025.
***Appointed as an Executive Director w.e.f. October 14, 2025.

A brief resume of Director seeking re-appointment at the Annual General Meeting, the nature of their expertise in specific functional areas, and the names of the Companies in which he hold directorship and the Committees of the Board where-in he is member, are furnished hereunder:

Mr. Raj Kumar Sekhani

Mr. Raj Kumar Sekhani is a Commerce Graduate from Calcutta University. He is one of the founder Promoter-Director and Executive Chairman of the Company. He has been involved in the activities of manufacturing and trading of garment accessories, embroidery fabrics, laces and knitted fabrics since his adolescence. Company is growing across global and domestic markets under his leadership given his strong understanding of industry growth drivers. Company has been growing consistently and undertaken project expansion at Yarn unit and setting up an embroidery green field project. He was appointed as a Non Independent Director of the Company being liable to retire by rotation and being eligible for re-appointment which is placed before the members at the forthcoming Annual General Meeting for their approval.

3. **Core skills / expertise / competencies available with the Board**

The core skills / expertise / competencies required in the Board in the context of the Company's Businesses and sectors functioning effectively as identified by the Board of Directors of the Company are tabulated below:

Core skills / expertise / competencies	Name of the Directors					
	Mr. Raj Kumar Sekhani	Mr. Vishal Sekhani	Ms. Sushama Sunil Bhatt	Mr. Saurabh Maheshwari	Mr. Mahesh Kumar Gupta	Mr. Varun Kathuria
Leadership	●	●	●	●	●	●
Strategic Planning	●	●	●	●	●	●
Industry Knowledge and Experience	●	●	●	●	●	●
Technology	●	●	●	●		●
Financial Control	●	●	●	●	●	●
Human Resources	●	●	●	●	●	●
Business strategy, Sales and Marketing	●	●		●	●	●
Corporate Governance	●	●	●	●	●	●

The Board members hereby confirm that the independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

Corporate Governance Report

4. **Performance Evaluation**

The criteria for performance evaluation cover the areas relevant to the functioning of Promoter Directors and Independent Directors such as participation, preparation, conduct and effectiveness. The evaluation of Promoter Directors and Independent Directors was done by the Board as a whole, by Independent Directors and Promoters Directors every year. The evaluation of Independent Directors includes performance and fulfillment of the independence criteria as specified in LODR and their independence from the management. All the Directors are eminent personalities and having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

5. **Audit Committee**

The following terms of reference stipulated by the Board of Directors to the Audit Committee cover all the matters specified under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) as well as the provisions of Section 177 of the Companies Act, 2013:

1. To oversee the financial reporting process.
2. To oversee the disclosures of financial information.
3. To recommend appointment / removal of statutory auditors and fixation of their fees.
4. To review the quarterly/half yearly financial results and annual financial statements with the management, internal auditor and the statutory auditor.
5. To consider the reports of the internal auditors and to discuss their findings with the management and to suggest corrective actions wherever necessary.
6. To Review with the management, statutory auditors and the internal auditors the nature and scope of audits and the adequacy of internal control systems.
7. To Review major accounting policies and compliance with accounting standards and listing agreement entered with the stock exchange and other legal requirements concerning financial statements.
8. To 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. To Review related party transactions (including providing omnibus approvals), with promoters or the management and their relatives that may have potential conflict with the interests of the Company at large.
10. To investigate any matter covered under Section 177 of the Companies Act, 2013.
11. To Review the financial and risk management policies.

During the year ended March 31, 2026, Five Meetings of the Audit Committee were held on 07-04-2025, 27-05-2025, 12-08-2025, 13-11-2025, and 12-02-2026.

Corporate Governance Report

The Composition of Audit Committee and the details of attendance of its meetings are as under:

Name of the Director	Designation	Status	Committee Meetings held during the tenure of Director on the Committee	Committee Meetings Attended
Mr. Varun Kathuria	Chairman	Non-Executive Independent Director	5	5
Mr. Mahesh Kumar Gupta	Member	Non-Executive Independent Director	5	5
Mr. Harsh Vardhan Bassi*	Member	Executive Director	3	3
Mr. Saurabh Maheshwari**	Member	Executive Director	2	2

*Resigned as a Managing Director w.e.f. October 13, 2025.

**Appointed as a Managing Director w.e.f. October 14, 2025.

There has been reconstitution of the committee on September 25, 2025.

6. **Nomination and Remuneration Committee**

The powers, role and terms of Nomination and Remuneration Committee covers the areas as contained in LODR and Section 178 of the Companies Act, 2013. The Committee comprises of three Non-Executive Independent 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.

During the year ended March 31, 2026 two meetings of the Committee were held on 27-05-2025 and 25-09-2025.

The Composition of Nomination and Remuneration committee and the details of attendance of its meetings are as under:

Name of the Director	Designation	Status	Committee Meetings held during the tenure of the Director on the Committee	Committee Meetings Attended
Mr. Mahesh Kumar Gupta	Chairman	Non-Executive Independent Director	2	2
Mr. Varun Kathuria	Member	Non-Executive Independent Director	2	2
Ms. Sushama Sunil Bhatt	Member	Non-Executive Independent Director	2	2

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 employees, 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.

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

Terms of Reference of the Nomination & Remuneration Committee, inter alia, include the following:

- To recommend and review the remuneration packages of the Managing Director and Whole-Time Directors including pension rights and compensation payment.

Corporate Governance Report

- To recommend and review on the sitting fees to be paid to the Non-Executive Directors and Independent Directors for attending the Board Meetings and Committee Meetings.
- To help in determining the appropriate size, diversity and composition of the Board.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To assist in developing a succession plan for the Board.
- Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

Performance Evaluation of Board

In compliance with the provisions of the Act and SEBI Listing Regulations, the Company has undertaken the performance evaluation process for the Board of Directors, its Committees and that of individual Directors. The performance evaluation was undertaken as per the Guidance Note on Board evaluation issued by Securities and Exchange Board of India and framework provided by Nomination and Remuneration/Compensation Committee, setting out parameters for conducting performance evaluation of the Board, its committees and that of Individual Directors.

7. **Remuneration of Directors**

(a) **All pecuniary relationships or transactions of the non-executive directors vis-à-vis the listed entity;**

There is no pecuniary relationships or transactions of the non-executive directors with the Company.

(b) **Criteria of making payments to non-executive directors;**

Only sitting fees are paid to non-executive directors.

(c) **Disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, are as below:**

(₹in lakhs)

Sr. No.	Name of Director	Sitting fees	Salary	Bonus	Performance Linked Incentives	Provident Fund	Pension	Stock option (in nos.)
1.	Mr. Raj Kumar Sekhani	-	84.00	-	-	-	-	-
2.	Mr. Harsh Vardhan Bassi*	-	19.26	-	-	-	-	-
3.	Ms. Sushama Sunil Bhatt	1.93	-	-	-	-	-	-
4.	Mr.Saurabh Maheshwari**	-	48.00	-	-	-	-	90,000
5.	Mr. Mahesh Kumar Gupta	2.38	-	-	-	-	-	-
6.	Mr. Varun Kathuria	2.38	-	-	-	-	-	-
7.	Mr. Vishal Sekhani***	-	25.44	-	-	-	-	-
	Total	**6.69**	**176.70**	**-**	**-**	**-**	**-**	**-**

*Resigned as a Managing Director w.e.f. October 13, 2025.

**Appointed as a Managing Director w.e.f. October 14, 2025.

***Appointed as an Executive Director w.e.f. October 14, 2025.

8. **Stakeholders' Relationship Committee**

The function of Stakeholder's Relationship Committee is to specifically look into various aspects of interest of shareholders including redressal of investor's complaints related to 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.

During the year ended March 31, 2026, four Meetings of the Stakeholder's Relationship Committee were held on 27-05-2025, 12-08-2025, 13-11-2025 and 12-02-2026.

The Composition of Stakeholders' Relationship committee and the details of attendance of its meetings are as under:

Name of the Director	Designation	Status	Committee Meetings held during the tenure of Director on the Committee	Committee Meetings Attended
Ms. Sushama Sunil Bhatt	Chairperson	Non-Executive Independent Director	4	4
Mr. Raj Kumar Sekhani	Member	Executive Director	2	2
Mr. Harsh Vardhan Bassi*	Member	Executive Director	2	2
Mr. Saurabh Maheshwari**	Member	Executive Director	2	2
Mr. Vishal Sekhani***	Member	Executive Director	2	2

*Resigned as a Managing Director w.e.f. October 13, 2025.

**Appointed as a Managing Director w.e.f. October 14, 2025.

***Appointed as an Executive Director w.e.f. October 14, 2025.

There has been reconstitution of the committee on September 25, 2025.

Ms. Ami Thakkar has been designated as Compliance Officer in terms of SEBI (LODR) Regulations, 2015.

The details of the complaints and other correspondence received and attended to during the year ended on March 31, 2026 are given hereunder:

Corporate Governance Report

Nature of Complaints	Received	Attended to
Non Receipt of Share Certificate(s) Transfer	0	0
Non Receipt of Rejected DRF	0	0
Non Receipt of Exchange Certificate(s)	0	0
Non Receipt of Bonus Certificate(s)	0	0
Total	**0**	**0**

There is no complaint pending to the satisfaction of shareholders;

9. **Independent Directors Meeting**

During the year under review, a separate meeting of Independent Directors of the Company was held on November 13, 2025. The said meeting was attended by all the Independent Directors of the Company.

10. **Particulars of Senior Management Personnel ("SMP")**

The details of SMP as per SEBI Listing Regulations, including changes therein, since the close of the previous financial year are as under:

Sr. No.	Name of SMP	Designation
1.	Mr. Deepak Sipani	Chief Financial Officer
2.	Mrs. Ami Thakkar	Company Secretary & Compliance Officer
3.	Mr. Aarav Sekhani	VP- Marketing
4.	Mr. Sandeep Sharma	President, Head Marketing EL
5.	Mr. Kuntal Pandit	Senior VP- Corporate Affairs
6.	Mr. B S Khulbe	Marketing Head SPFY
7.	Mr. Manoj Pillay	Sr. VP International Trade-EL
8.	Mr. DNN Rao	CEO SPFY

11. **General Body Meetings**

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

Year	Date	Time	Venue	No. of Special Resolutions passed
2022-2023	September 29, 2023	10.30 A.M	Through Video conferencing (VC) or Other Audio Video Mode(OAVM).	2*
2023-2024	August 6, 2024	10.30 A.M	Through Video conferencing (VC) or Other Audio Video Mode (OAVM).	0
2024-2025	July 31, 2025	11.00 A.M	Through Video conferencing (VC) or Other Audio Video Mode (OAVM).	1**

Corporate Governance Report

*For AGM held on September 29, 2023 the following Special Resolutions were passed:

Sr. No.	Particulars
1.	Appointment of Mr. Mahesh Kumar Gupta (DIN:01821446), as an Independent Director of the Company.
2.	Appointment of Mr. Varun Kathuria (DIN: 00027987), as an Independent Director of the Company.

**For AGM held on July 31, 2025 the following Special Resolution was passed:

Sr. No.	Particulars
1.	Re-appointment of Ms. Sushama Bhatt (DIN:09168896) as an Independent Director of the Company.

During the year, the Company had sought approval of the members through one postal ballot notice, the details of the postal ballot is given below:

Year	Date	Time	Venue	No. of Special Resolutions passed
2025-2026	November 13, 2025	N.A.	N.A.	0

The voting results of Postal ballot Notice dated November 13, 2025 along-with Scrutinizers' Report were uploaded on Stock Exchanges and also uploaded on Company's website viz. https://www.pelhakoba.com/wp-content/uploads/2025/11/pb.pdf.

Mr. Sanjay R. Dholakia, Practicing Company Secretary (Membership No. F 2655 and C P No. 1798), was appointed as the Scrutinizer to conduct the Postal Ballot voting process (including e-voting).

Procedure for postal ballot

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and applicable circulars issued by the Ministry of Corporate Affairs from time to time.

12. **Means of Communication**

The Unaudited Quarterly, Half Yearly and Annual Financial Results are sent to the Stock Exchanges where the shares of the Company are listed. The Results are normally published in 'Business Standard' & 'Mumbai Lakshdeep'. The results are displayed on the website of the Company at https://www.pelhakoba.com/disclosures-under-regulation-46-of-the-lodr/

13. **Analysts/Institutional Investors Presentation**

Presentations are also made to international and domestic institutional investors and analysts. These presentations and other disclosures which are required to be disseminated on the Company's website under the Listing Regulations and have been uploaded on the website of the Company at https://www.pelhakoba.com/disclosures-under-regulation-46-of-the-lodr/

14. **General Shareholder Information**

i) **AGM**

Date and Time : Thursday, August 20, 2026 at 11.00 A.M through Video Conferencing or Other Audio Visual means.

Corporate Governance Report

ii) **Financial Calendar 2026-2027 (tentative) Financial year ends on March 31 every year**

Quarter ending June 30, 2026	:	By Second Week of August, 2026
Half year ending September 30, 2026	:	By Second Week of November, 2026
Quarter ending December 31, 2026	:	By Second Week of February, 2027
Year ending March 31, 2027	:	By Last Week of May, 2027
Annual General Meeting (2026-2027)	:	By end of September, 2027

iii) **Date of Book Closure** : Friday, August 14, 2026 to Thursday, August 20, 2026 (both days inclusive)

iv) **Dividend Payment Date** No Dividend has been recommended by the Board of Directors of the Company for the year.

v) **Listing on Stock Exchanges & Stock Code** :

National Stock Exchange of India Limited
(Code: PIONEEREMB)
Address: Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (East),
Mumbai- 400051.

BSE Limited (Code: 514300)
Address: Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400001.

vi) **Listing Fees** : Annual Listing Fees for the Financial Year 2026-2027 have been paid to the above Stock Exchanges.

vii) **Demat ISIN No.** : INE156C01018

viii) **Registrar & Share Transfer Agent** :

MUFG Intime India Private Limited.,
Formerly Link Intime India Private Limited)
C-101, Embassy 247,
L B S Marg, Vikhroli (West), Mumbai – 400083.
Telephone number: 022-49186000
Fax: 022-49186060
Email: rnt.helpdesk@in.mpms.mufg.com

ix) **Share Transfer System**

The share transfers, received are processed and completed within a period of 15 to 20 days from the date of receipt, subject to the documents being valid and complete in all respects.

Corporate Governance Report

x) **Distribution of Shareholding as on March 31, 2026**

Slab of No. of Shareholding			No. of Shareholders	% to No. of Shareholders	Amount (₹)	% to paid-up capital
Upto	-	5,000	22,514	90.99	1,39,69,130	4.53
5,001	-	10,000	989	4.00	80,68,700	2.62
10,001	-	20,000	509	2.06	78,38,780	2.55
20,001	-	30,000	198	0.80	50,90,850	1.65
30,001	-	40,000	91	0.36	32,91,920	1.07
40,001	-	50,000	91	0.36	43,10,120	1.40
50,001	-	1,00,000	155	0.63	1,17,45,630	3.81
> 1,00,001	-	-	197	0.80	25,38,39,290	82.37
		Total	**24,744**	**100.00**	**30,81,54,420**	**100.00**

xi) **Categories of Shareholding Pattern as on March 31, 2026**

Category	No. of Share holders	% of Share holders	No. of Shares	% of Shareholding
Promoters	4	0.02	1,00,78,325	32.71
Mutual Funds & UTI	2	0.01	900	0.00
Banks/Financial Institutions/Ins/ Govt.	3	0.01	20,00,286	6.49
Foreign Portfolio Investors Category I	1	-	84,396	0.27
Central Government / President of India	1	-	25,00,000	8.11
Other Bodies Corporates	121	0.50	7,95,106	2.58
Individuals	23,482	96.06	1,25,53,196	40.74
NRIs/OCBs	490	2.01	4,62,170	1.50
Investor Education and Protection Fund (IEPF)	1	-	3,750	0.01
Body Corporate-Ltd Liablity Partnership (LLP)	9	0.04	4,83,053	1.57
Escrow Account	1	-	306	0.00
Others	**330**	**1.35**	**18,53,954**	**6.02**
Total	**24,445**	**100.00**	**3,08,15,442**	**100.00**

*Due to clubbing of Folios of same person holding shares in more than one Folio, there is Difference in No. of shareholders in Distributions of Shareholding as on March 31, 2026 and Categories of Shareholding Pattern as on March 31, 2026.

Corporate Governance Report

xii) **Dematerializations of Shares**

The Company's shares are traded compulsorily in dematerialized form. As on March 31, 2026 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	3,27,723	1.06
Shares held in Demat Form	3,04,87,719	98.94
Total	**3,08,15,442**	**100.00**

xiii) **Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any Global Depository Receipts (GDRs) / American Depository Receipts (ADRs)/Warrants or any convertible instruments during the year under review.

There are no Outstanding GDRs / Warrants and Convertible Instruments as on March 31, 2026.

xiv) **Commodity price risk or Foreign exchange risk and hedging activities**

The Company does not have any exposure hedged through commodity derivatives and hence, the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be made.

xv) **Plant Locations**

i) Sarigam, Gujarat

ii) Kala-amb, Himachal Pradesh

iii) Degaon, Dhule

xvi **Address for Correspondence**

Shareholder correspondence should be addressed to the Company's Registrar and Transfer Agents:
M/s. MUFG Intime India Private Limited
(Formerly known as Link intime India Pvt. Ltd.)
C-101, Embassy 247, L B S Marg,
Vikhroli (West), Mumbai – 400083.
Tel No.: (022) 49186000, Fax No.: (022) 49186060
Email: rnt.helpdesk@in.mpms.mufg.com

Investors may also write or contact Ms. Ami Thakkar, Company Secretary and Compliance officer at the Corporate Office of the Company at:
Unit No. 101B. 1st Floor, Abhishek Premises,
Plot No. C5-6, Dalia Industrial Estate, Off New Link Road,
Andheri (West), Mumbai - 400058.
Tel.: (022)42232323 Fax: (022) 42232313
Email: mumbai@pelhakoba.com

Corporate Governance Report

xvii) **Credit Rating obtained by the Company**

The Company has received the credit rating from India Ratings and Research Private Limited on November 24, 2025 which is as below:

Instrument Type	Rating	Rating Action
Bank Loan facilities	IND BBB-/Negative/IND A3	Affirmed; Outlook Revised to Negative

The same had been uploaded on the website of the Company at https://www.pelhakoba.com/wp-content/uploads/2026/03/ceditratingdisclosure.pdf

xviii) **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the SEBI LODR Regulations:**

During the year under review, no funds have been raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the SEBI LODR Regulations.

xix) **Disclosure in relation to recommendation made by any Committee which was not accepted by the Board:**

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

xx) **Total Fees for all Services paid by the Listed Entity and Its Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the Network Firm/Network Entity of which the Statutory Auditor is a part.**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s. M B A H & CO, Chartered Accountants, Statutory Auditors of the Company and all the entities in the network firm/network entity of which Statutory Auditor is a part is as under:

Company Name	Relationship	Name of Auditor	(₹ In lakhs)
Pioneer Embroideries Limited	Parent's Company	M/s. M B A H & CO, (ICAI Reg. No.121426W), Chartered Accountants	11.50

15. **Disclosures**

There were no transactions of material nature with promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Suitable disclosure as required by the Indian Accounting Standard (Ind AS 24) has been made in the Annual Report. The Related Party Transactions policy as approved by the Board is uploaded on the website of the Company at https://www.pelhakoba.com/wp-content/uploads/2025/06/RPT-Policy.pdf

Transactions with Related Parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.

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 except as below:

Corporate Governance Report

Sr. No.	Compliance Requirement (Regulations/ Circulars/ Guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations /Remarks Of The Practicing Company Secretary	Management Response	Remarks
1	Filling of Annual Secretarial Compliance Report under Regulation 24A(2) on or before May 30 of every year with Listing Centre.	Regulation 24A (2) SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with circular dated February 8, 2019 issued by SEBI)	Company inadvertently filed MR-3 instead of Annual Secretarial Compliance Report for the year ended March 31, 2025.	BSE Limited	Fine	Company inadvertently filed MR-3 instead of Annual Secretarial Compliance Report	▯ 8000/-	The Company has taken corrective measure and has uploaded the correct file.	The Company filled waiver Application but the same was not approved by BSE Limited.	

16. **DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has zero tolerance towards any kind of harassment, including sexual harassment, or discrimination. Your Company has constituted an Internal Complaints Committee (ICC) to investigate and resolve sexual harassment complaints. Employees are encouraged to speak up and report any such incidences to the ICC. Your Company has also implemented a Policy on Prevention of Sexual Harassment which is reviewed by the ICC at regular intervals. Any complaint made to the ICC is treated fairly and confidentially. The Sexual Harassment policy as approved by the Board is uploaded on the website of the Company at https://www.pelhakoba.com/wp-content/uploads/2023/06/SEXUAL-HARASSMENT.pdf.

The details as required in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided below:

a) number of complaints filed during the financial year: NIL

b) number of complaints disposed of during the financial year: NIL

c) number of complaints pending as on the end of the financial year: NIL

17. **DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT**

No Loans and Advance in the nature of Loans to Firms/Companies are given in which Directors are interested other than to subsidiaries which forms part of the notes to accounts.

Particulars of loans/advances/investments pursuant to Para A of Schedule V of the Listing Regulations:

The particulars of loans/advances/investments required to be disclosed pursuant to Para A of Schedule V of the Listing Regulations are furnished separately in the Board's Report and forms part of this Annual Report.

18. **CERTIFICATE FROM PRACTISING COMPANY SECRETARY**

The Company has obtained a certificate from M/s. Sanjay Dholakia & Associates, Practising Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such authority and the same forms part of this Report.

Corporate Governance Report

19. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under Schedule V of SEBI Listing Regulations.

20. **STATUTORY COMPLIANCE, PENALTIES AND STRICTURES**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI, MCA or other statutory authorities relating to Capital Markets.

21. **DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LODR**

The status of compliance with discretionary recommendations of the Regulation 27 of the LODR with Stock Exchanges is provided below:

The Board: Chairman's office is occupied by Executive Chairman.

The Company has one-woman independent director on its Board.

Shareholders' Rights: As the quarterly and half yearly financial performance along with significant events are published in the news papers and are also posted on the Company's website, the same are not being sent to the shareholders.

Modified Opinion in Auditors Report: The Company's financial statement for the year 2025-2026 does not contain any modified audit opinion.

Separate posts of Chairperson and Managing Director or CEO: The Chairman of the Board is an Executive Director and his position is separate from that of the Managing Director or CEO.

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

22. **WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimisation of employees. Whistle Blower policy as approved by the Board is uploaded on the website of the Company at https://www.pelhakoba.com/wp-content/uploads/2022/08/Whistle-Blower.pdf.

23. **Prevention of Insider Trading Code**

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed from starting of the quarter till 48 hours after the declaration of results and during occurrence of any material events as per the code. The Company has appointed Ms. Ami Thakkar as Compliance Officer, who is responsible to set procedures and implementation of the code for trading in Company's securities. During the year under review, there has been due compliance with the said code.

24. **CODE OF CONDUCT**

The Board has laid down a code of conduct for Business and Ethics for all the Board Members and all the employees of the management grade of the Company. The code of conduct is also available on the Company's website. All the Board members and senior management personnel have confirmed compliance with the code. A declaration to that effect signed by Managing Director and CFO is attached as annexure to Corporate Governance Report as Annexure 1 and forms part of the Annual Report of the Company.

Corporate Governance Report

25. **SCORES**

There are no pending complaints under SCORES.

26. **CEO/CFO CERTIFICATION**

The Managing Director and CFO of the Company have certified to the Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015 for the year ended March 31, 2026.

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

27. **SUBSIDIARY COMPANIES**

There is no material Indian Subsidiary Company requiring appointment of Independent Director of the Company on the Board of Directors of the subsidiary Company. The requirements of the Regulation 24 of LODR with regard to subsidiary companies have been complied with. The Policy for determining material subsidiaries is available on website of the Company at: https://www.pelhakoba.com/wp-content/uploads/2022/08/Policy-for-determining-material-subsidiary.pdf.

28. **STATUTORY AND REGULATORY DISCLOSURES**

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and regulation 46 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

The Company has complied with the corporate governance provisions as specified in chapter IV of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Annexure 1 to Corporate Governance

DECLARATION REGARDING CODE OF CONDUCT

We, hereby, declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company for the year ended March 31, 2026.

For Pioneer Embroideries Limited

Saurabh Maheshwari
Managing Director
DIN:00283903

For Pioneer Embroideries Limited

Deepak Sipani
Chief Financial Officer

Place: Mumbai
Date: May 26, 2026

Corporate Governance Report

MANAGING DIRECTORS/CHIEF FINANCIAL OFFICER CERTIFICATION

To
The Board of Directors
Pioneer Embroideries Limited
Mumbai.

We have reviewed the financial statements and the cash flow statement of Pioneer Embroideries Limited for the year ended March 31, 2026 and that to the best of our knowledge and belief, we state that:

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) we accept responsibility for establishing and maintaining internal controls for financial reporting and evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.

(d) we have indicated to the Auditors and the Audit Committee:

(i) significant changes, if any, in the internal control over financial reporting during the year.

(ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Pioneer Embroideries Limited **For Pioneer Embroideries Limited**

Saurabh Maheshwari
Managing Director
DIN:00283903

Deepak Sipani
Chief Financial Officer

Place: Mumbai
Date: May 26, 2026

Corporate Governance Report

AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of Pioneer Embroideries Limited
Unit 101B, 1st Floor, Abhishek Premises,
Plot No.C5-6 Dalia Industrial Estate,
Off. New Link Road, Andheri (West),
Mumbai- 400058.

We have examined the compliance of conditions of corporate governance by Pioneer Embroideries Limited, ('the Company'), for the year ended on March 31, 2026, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to 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 the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchanges.

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.

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

Mahesh Bhageria
Partner
Membership Number:034499
UDIN: 26034499OLLWMA2065

Place: Mumbai
Date: May 26, 2026

PIONEER GROUP

Corporate Governance Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
PIONEER EMBROIDERIES LIMITED
CIN No. L17291MH1991PLC063752
Mumbai

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PIONEER EMBROIDERIES LIMITED having CIN L17291MH1991PLC063752 and having registered office at Unit 101B, 1st Floor, Abhishek Premises, Plot No.C5-6 Dalia Ind. Estate, Off. New Link Road, Andheri (West), Mumbai 400058 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for the appointment /continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR SANJAY DHOLAKIA & ASSOCIATES

SANJAY R DHOLAKIA
Practicing Company Secretary
Proprietor

Membership No.: FCS 2655
CP No.: 1798
Peer Reviewed Firm No. 2036/2022

Date: May 26, 2026
Place: Mumbai

UDIN: F002655H000484070

Independent Auditor's Report

To,

Members of Pioneer Embroideries Limited,

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Pioneer Embroideries Limited** (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit & Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at March 31, 2026, and its profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
• The Company is eligible for a Capital Subsidy of ₹ 1,779.16 lakhs under TUF scheme under State Textile Policy 2018-23 of the Government of Maharashtra for the expansion made in the earlier years, which has been adjusted against the carrying amount of property, plant and equipment, as disclosed in Note 40(c) to the standalone financial statements. • The Company has been granted an electricity duty rebate of ₹ 635.45 lakhs, on account of expansion done in earlier years, by the HPERC which has been recognized in the profit and loss account.	Our audit procedures included, but were not limited to the following: • Obtained an understanding of the process and tested the design and operating effectiveness of key internal controls relating to identification, recognition, measurement and monitoring of government grants; • Examined, on a sample basis, sanction letters, scheme documents and related correspondence with government authorities; • Evaluated management's assessment regarding compliance with the conditions attached to the grant schemes;

Independent Auditor's Report

Key Audit Matter	How our audit addressed the key audit matter
• The accounting for such subsidies involves significant judgment in assessing compliance with the conditions attached to the schemes, determination of eligible capital expenditure and satisfaction of recognition criteria prescribed under Indian Accounting Standards Ind AS 20. • Considering the materiality of the amounts involved and the judgment exercised by management, the same has been considered to be a key audit matter.	• Tested the computation of grant amounts recognised during the year and agreed key inputs to supporting documentation; • Verified receipt of grant amounts, where received during the year or subsequent to the year-end; • Evaluated the adequacy of disclosures included in the standalone financial statements in accordance with the applicable accounting standards.

Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

Independent Auditor's Report

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to 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" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.

3. As required by Section 143(3) of the Act, based on our audit we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

PIONEER GROUP

Independent Auditor's Report

(c) The standalone financial statements dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. the Company has disclosed the impact, of pending litigations on its financial position in its financial statements;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there is no amount that is required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. No dividend was proposed, declared and paid by the Company during the year.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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

UDIN: 26034499BCJCJJ1478
Place: Mumbai
Date: May 26, 2026

Mahesh Bhageria
Partner
Membership No. 034499

Annexure "A" to the Independent Auditors' Report

Referred to in Paragraph 1 under Report on Other Legal and Regulatory Requirements, of the Independent Auditors' Report of even date to the members of Pioneer Embroideries Limited on the standalone financial statements for the year ended March 31, 2026.

In our opinion and according to the information and explanations provided to us:

i.		In respect of the Company's Property, Plant and Equipment and Intangible Assets;
	a)	(A) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment; (B) The Company is maintaining proper records showing full particulars of intangible 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 program, 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 title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the financial statements, are held in the name of the Company.
	d)	The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
	e)	Neither any proceedings have been initiated nor are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988 and Rules made there under.
ii.	a)	The physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion the coverage and procedure of such verification as followed by management is appropriate. No discrepancies were noticed on verification between the physical stocks and book records that were 10% or more in the aggregate for each class of inventory.
	b)	During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks are substantially in agreement with the books of account of the Company.
iii.		During the year the company has made investments in and granted loans or advances in the nature of loans, secured or unsecured to companies.
	a)	During the year the company has provided loans or provided advances in the nature of loans, to other Companies, in respect to which;
		(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans or advances to subsidiaries and associate company is ₹ 40.94 lakhs and ₹ 745.92 lakhs respectively;
		(B) No loans or advances and guarantees or security have been given to parties other than subsidiaries and associate company.
	b)	The investments made and the terms and conditions of the grant of all loans and advances in the nature of loans are not prejudicial to the company's interest except that the loans to subsidiaries are interest free.
	c)	In respect of loans and advances in the nature of loans given, no repayment schedule has been stipulated and interest has been provided for loans given to associate.
	d)	No amount is overdue for more than ninety days in respect of principal and interest in absence of predefined repayment schedule.
	e)	No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

Annexure "A" to the Independent Auditors' Report

	f)	The Company has granted loans or advances in the nature of loans to its subsidiaries and associate company, either repayable on demand or without specifying any terms or period of repayment. The aggregate outstanding amount of such loans is ₹ 745.92 lakhs which is 100 % of the total loans granted.
iv.		In respect of loans and investments, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
v.		The Company has not accepted any deposits, in terms of directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, this clause is not applicable.
vi.		Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and such accounts and records have been so made and maintained.
vii.	a)	The Company is generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no undisputed statutory dues which are in arrears, as at March 31, 2026 for a period of more than six months from the date they became payable.
	b)	Details of statutory dues, which have not been deposited as on March 31, 2026 on account of any dispute are given below:

Particulars	Year to which the matter pertains	Forum where matter is pending	Amount (₹ in lakhs)
Duty of excise	F.Y. 2001-02	Commissioner Appeal	33.58
Service-tax	F.Y. 2007-08 to 2010-11	Commissioner Appeal	123.85

ix.	a)	The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
	b)	The company has not been declared a wilful defaulter by any bank or financial institution or other lender.
	c)	The term loans were applied for the purpose for which the loans were obtained.
	d)	The funds raised on short term basis have not been utilised for long term purposes.
	e)	The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
	f)	The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.
x.	a)	No money has been raised by way of initial public offer or further public offer (including debt instruments) during the year, therefore this clause is not applicable.
	b)	The Company has made preferential allotment of convertible share warrants, of which some have been converted into equity shares during the year. The provisions of sections 42 and 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which it were raised.
xi.	a)	Neither any fraud by the company nor any fraud on the Company has been noticed or reported during the year.
	b)	No report under sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
	c)	The Company has not received any whistle-blower complaints during the year.
xii.		The Company is not a Nidhi Company; therefore, this clause is not applicable.
xiii.		All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable andthe details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

Annexure "A" to the Independent Auditors' Report

xiv.	a)	The Company has an internal audit system commensurate with the size and nature of its business.
	b)	The reports of the Internal Auditors for the internal audits done during the year have been considered.
xv.		The Company has not entered into any non-cash transactions with directors or persons connected with them.
xvi.	a)	The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.
	b)	The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
	c)	The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.
	d)	The Group does not have any CIC as part of the Group.
xvii.		The Company has not incurred cash losses in the Financial Year and in the immediately preceding financial year.
xviii.		There has been no resignation of the statutory auditors during the year.
xix.		On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
xx.		There is no unspent amount under section 135(5) of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the order are not applicable.

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

UDIN: 26034499BCJCJJ1478
Place: Mumbai
Date: May 26, 2026

Mahesh Bhageria
Partner
Membership No. 034499

Annexure "B" to the Independent Auditors' Report

Annexure "B" to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of Pioneer Embroideries Limited ("the Company"), as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

UDIN: 26034499BCJCJJ1478
Place: Mumbai
Date: May 26, 2026

Mahesh Bhageria
Partner
Membership No. 034499

Standalone Balance Sheet
as at March 31, 2026

(₹ in lakhs)

	Particulars	Note	As at March 31, 2026	As at March 31, 2025
I	**ASSETS**			
1	**Non-Current Assets**			
	Property, Plant & Equipments	3A	15,181.48	17,396.73
	Capital Work- in- Progress	3B	326.12	16.77
	Right of Use Assets	3C	725.16	789.99
	Other Intangible Assets	3D	15.23	19.43
	Financial Assets			
	(i) Investments	4	1,985.64	1,985.64
	(ii) Other Financial Assets	5	305.90	260.06
	Other Non-Current Assets	6	28.02	195.09
	Total Non-Current Assets		**18,567.55**	**20,663.71**
2	**Current Assets**			
	Inventories	7	5,923.41	5,479.45
	Financial Assets			
	(i) Investments	8	98.25	98.25
	(ii) Trade Receivables	9	2,294.75	2,803.92
	(iii) Cash and Cash Equivalents	10	111.37	183.40
	(iv) Bank Balances other than Cash and Cash Equivalents	11	2.06	4.39
	(v) Loans	12	426.35	389.63
	(vi) Other Financial Assets	13	2,455.60	642.34
	Current Tax Assets (Net)	14	96.37	136.00
	Other Current Assets	15	1,856.66	960.82
	Total Current Assets		**13,264.82**	**10,698.20**
	TOTAL ASSETS		**31,832.37**	**31,361.91**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	Equity Share Capital	16	3,081.54	3,081.54
	Other Equity	17	13,062.93	12,930.38
	Total Equity		**16,144.47**	**16,011.92**
2	**Non-Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	18	2,548.49	3,588.16
	(ii) Lease Liabilities	19	629.02	655.46
	Provisions	20	583.43	592.79

Standalone Balance Sheet
as at March 31, 2026

(₹ in lakhs)

	Particulars	Note	As at March 31, 2026	As at March 31, 2025
	Deferred Tax Liabilities (Net)	21	764.54	755.86
	Other Non-Current Liabilities	22	1,319.46	1,330.20
	Total Non-Current Liabilities		**5,844.94**	**6,922.47**
3	**Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	23	5,728.64	5,137.28
	(ii) Lease Liabilities	24	59.48	56.53
	(iii) Trade Payables	25		
	a) Outstanding dues of Micro Enterprises and Small Enterprises		462.46	467.80
	b) Outstanding dues other than Micro Enterprises and Small Enterprises		2,681.78	1,939.01
	(iv) Other Financial Liabilities	26	637.02	688.03
	Provisions	27	52.15	32.77
	Other Current Liabilities	28	221.43	106.10
	Total Current Liabilities		**9,842.96**	**8,427.52**
	TOTAL EQUITY AND LIABILITIES		**31,832.37**	**31,361.91**
	Significant Accounting Policies and other Notes to the Standalone Financial Statements.	1-54		

The accompanying Notes are an integral part of the Standalone Financial Statements.

As per our Report of even date
For **M B A H & CO**
Chartered Accountants
(Firm's Registration No.: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place: Mumbai
Date: May 26, 2026

For & on behalf of Board of Directors

SAURABH MAHESHWARI
Managing Director
DIN 00283903

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Standalone Statement of Profit & Loss

for the Year Ended March 31, 2026

(₹ in lakhs)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from Operations	29	33,594.97	37,506.36
Other Income	30	682.41	629.65
Total Income		**34,277.38**	**38,136.01**
Expenses			
Cost of Materials Consumed	31	20,040.18	21,579.88
Purchases of Stock-in-Trade		659.14	319.02
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	32	264.20	820.04
Employee Benefits Expenses	33	3,958.93	4,268.80
Finance Costs	34	929.15	959.59
Depreciation and Amortization Expenses	3	1,481.79	1,565.12
Other Expenses	35	7,306.77	7,986.86
Total Expenses		**34,640.16**	**37,499.31**
Profit before Exceptional and Extraordinary Items and Tax		**(362.78)**	**636.70**
Exceptional Items - Income/(Loss) (Net)	36	441.80	-
Profit before Tax		**79.02**	**636.70**
Tax Expenses	37		
Current Tax		11.05	-
Income Tax for earlier years		9.15	-
Deferred Tax Charge / (Credit)		(6.72)	180.31
Profit for the year (A)		**65.54**	**456.39**
Other Comprehensive Income			
Items that will not reclassified to Profit or Loss			
Remeasurement of defined benefit plan		55.34	9.46
Income tax impact on above item		(15.40)	(2.63)
Other Comprehensive Income for the year (B)		**39.94**	**6.83**
Total Comprehensive Income for the year (A+B)		**105.48**	**463.22**
Earning per Equity Share of ₹10 each:	52		
(1) Basic (₹)		0.21	1.50
(2) Diluted (₹)		0.21	1.50
Significant Accounting Policies and other Notes to the Standalone Financial Statements.	1-54		

The accompanying Notes are an integral part of the Standalone Financial Statements.

As per our Report of even date
For **M B A H & CO**
Chartered Accountants
(Firm's Registration No.: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place: Mumbai
Date: May 26, 2026

For & on behalf of Board of Directors

SAURABH MAHESHWARI
Managing Director
DIN 00283903

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Pioneer Group

Standalone Statement of Cash Flow

for the Year Ended March 31, 2026

(₹ in lakhs)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A.	**Cash Flow From Operating Activities :**		
	Net Profit before Tax	79.02	636.70
	Adjustment for :		
	Depreciation and Amortisation Expense	1,481.79	1,565.12
	Loss/(Profit) on sale/discard of Property, Plant and Equipment (net)	(664.00)	(74.38)
	Interest Income	(58.06)	(52.26)
	Dividend Received	(5.25)	(2.70)
	Finance Costs	1,136.76	959.59
	Employee ESOP Compensation	27.07	46.67
	Provision for Expected Credit Losses	28.85	3.16
	Amortization of Government Grant	(104.37)	(37.84)
	Operating Profit before Working Capital Changes	**1,921.81**	**3,044.06**
	Changes in Working Capital:		
	Adjustments for :		
	Decrease/(Increase) in Inventories	(443.96)	958.78
	Decrease/(Increase) in Trade and Other Receivables	(493.12)	27.04
	Increase/(Decrease) in Trade and Other Payables	878.38	(718.84)
	Cash generated from Operation	**1,863.11**	**3,311.04**
	Net Income Tax (paid) / refunds	19.43	(21.54)
	Net Cash from Operating Activities	**1,882.54**	**3,289.50**
B.	**Cash Flow From Investing Activities :**		
	Purchases of Property, Plant and Equipments and Intangible Assets (including capital advance)	(1,170.92)	(927.99)
	Proceeds from Sales of Property, Plant & Equipments (net of Advance)	813.01	82.40
	Inter corporate deposit given / recovered (net)	-	(36.62)
	Interest Income Received	21.34	52.26
	Dividend Received	5.25	2.70
	Net Cash from / (used) in Investing Activities	**(331.32)**	**(827.25)**
C.	**Cash Flow From Financing Activities :**		
	Proceeds from Issue of Equity Share Capital & Share Warrants (including Share Premium)	-	432.15
	Proceeds from Non-Current Borrowing	779.24	137.90
	Repayment of Non-Current Borrowing	(2,249.30)	(1,956.94)
	Net increase / (decrease) in Current Borrowings	1,021.75	84.18
	Payment of Lease Liability	(38.04)	(78.03)
	Finance Costs	(1,136.90)	(959.92)
	Net Cash used in Financing Activities	**(1,623.25)**	**(2,340.66)**
	Net increase / (decrease) in cash and Cash Equivalents (A+B+C)	**(72.03)**	**121.59**
	Add: Opening Cash and Cash Equivalent	183.40	61.81
	Closing Cash and Cash Equivalent	**111.37**	**183.40**

Standalone Statement of Cash Flow

for the Year Ended March 31, 2026

(₹ in lakhs)

Note:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 -'Statement of Cash Flows' as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

2 Changes in Liability arising from Financing Activities:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance of Borrowings and Lease Liabilities		
Term Loan (including Current Maturities)	5,260.44	7,079.48
Current Borrowings	3,465.00	3,380.82
Lease Liabilities	711.99	391.60
Interest Accrued	7.93	8.27
Cash Flows		
Proceeds from Long Term Borrowing	779.24	137.90
Repayment of Long Term Borrowing	(2,249.30)	(1,956.94)
Change in Current Borrowings (Net)	1,021.75	84.18
Finance Costs paid (Net of Interest Subsidies)	(1,136.90)	(959.92)
Payment of Lease Liability	(38.04)	(78.03)
Non-cash Changes		
Term Loan (including Current Maturities)	-	-
Current Borrowings	-	-
Lease Liabilities	14.55	398.42
Finance Costs	1,136.76	959.59
Closing Balance of Borrowings and Lease Liabilities		
Term Loan (including Current Maturities)	3,790.38	5,260.44
Current Borrowings	4,486.75	3,465.00
Lease Liabilities	688.50	711.99
Interest Accrued	7.80	7.93

The accompanying Notes are an integral part of the Standalone Financial Statements.

As per our Report of even date
For **M B A H & CO**
Chartered Accountants
(Firm's Registration No.: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place: Mumbai
Date: May 26, 2026

For & on behalf of Board of Directors

SAURABH MAHESHWARI
Managing Director
DIN 00283903

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Standalone Statement of Change in Equity

for the Year Ended March 31, 2026

(₹ in lakhs)

(a) Equity Share Capital :

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**3,08,15,442**	**3,081.54**	**2,94,75,442**	**2,947.54**
Changes in Equity Share Capital during the year	-	-	13,40,000	134.00
Balance at the end of the year	**3,08,15,442**	**3,081.54**	**3,08,15,442**	**3,081.54**

(b) Other Equity :

Particulars	Reserves and Surplus			Share Warrants	Total
	Security Premium Reserve	Retained Earnings	Share Based Payment Reserve		
Balance at April 1, 2024	**4,892.61**	**7,083.11**	**2.57**	**144.05**	**12,122.34**
Profit for the year	-	456.39	-	-	456.39
Other Comprehensive Income for the year (net of tax)	-	6.83	-	-	6.83
Total Comprehensive Income for the year	**-**	**463.22**	**-**	**-**	**463.22**
Received on issue of Share Warrants convertible into Equity Shares	-	-	-	432.15	432.15
On issuance of Equity Shares	442.20	-	-	(576.20)	(134.00)
Recognition of Share based payments	-	-	46.67	-	46.67
Balance at March 31, 2025	**5,334.81**	**7,546.33**	**49.24**	**-**	**12,930.38**
Profit for the year	-	65.54	-	-	65.54
Other Comprehensive Income for the year (net of tax)	-	39.94	-	-	39.94
Total Comprehensive Income for the year	**-**	**105.48**	**-**	**-**	**105.48**
Recognition of Share based payments	-	-	27.07	-	27.07
Balance at March 31, 2026	**5,334.81**	**7,651.81**	**76.31**	**-**	**13,062.93**

The accompanying Notes are an integral part of the Standalone Financial Statements.

As per our Report of even date
For **M B A H & CO**
Chartered Accountants
(Firm's Registration No.: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place: Mumbai
Date: May 26, 2026

For & on behalf of Board of Directors

SAURABH MAHESHWARI
Managing Director
DIN 00283903

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Notes to Standalone Financial Statements
for the year ended March 31, 2026

1 **Reporting Entity**

Pioneer Embroideries Limited "the Company" is a public limited company domiciled and incorporated in India and listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE). The Company's registered office is at Unit 101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai-400 058. The Company is primarily engaged in the manufacturing of Special Polyester Filament Yarn (SPFY) and Embroidery & Lace Products. It has three manufacturing units located at Kala-amb (Himachal Pradesh) for SPFY and Sarigam (Gujarat), Degaon (Maharashtra) for Embroidery and Laces. The Company has operations in India and caters to both domestic and international markets.

These financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on May 26, 2026.

2 **Material Accounting Policies**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 **Basis of Preparation**

The standalone financial statements of the Company comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended time to time and other accounting principles generally accepted in India.

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

2.2 **Basis of Measurement**

The financial statements have been prepared and presented on a going concern basis under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 **Functional and Presentation Currency**

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 **Use of Judgements and Estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

Notes to Standalone Financial Statements
for the year ended March 31, 2026

- Classification of leases into finance and operating lease.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

2.5 **Classification of Assets and Liabilities as Current and Non-Current**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 **Property, Plant and Equipment (Fixed Assets)**

Recognition and Measurement

Items of property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognised in Statement of Profit and loss.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation on property, plant & equipment is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except in respect of certain Plant & Machineries in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc..

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Right of use assets is amortised over the lease period or estimated useful life whichever is less. Additions on rented premises are being amortised over the period of rent agreement.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below ₹5,000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction and not ready for their intended use, is carried forward at cost and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.7 Intangible Assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 10 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.8 Non-current Assets held for Sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.9 Impairment of Non-financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets that necessarily takes substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Notes to Standalone Financial Statements
for the year ended March 31, 2026

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

2.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.12 Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using yield of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.13 Revenue Recognition

The Company recognises revenue from sale of goods when;

i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) the amount of revenue can be measured reliably;

iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and

v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc. Sales exclude Goods and Services Tax.

Interest other than interest on overdue debts from customers, is recognised on time proportion basis.

Dividends are recognised at the time the right to receive payment is established.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.16 Measurement of Fair Value

a) Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.17 Financial Instruments

a. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial assets at fair value through profit and loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

b. **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

2.18 **Income Tax**

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to Standalone Financial Statements
for the year ended March 31, 2026

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

2.19 **Leases**

The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37-

Notes to Standalone Financial Statements
for the year ended March 31, 2026

Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.20 Earning per share

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.21 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.22 Government Grants and Subsidies

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

When the government grant relates to the non-monetary asset where there is reasonable assurance that the grant will be received, the asset is disclosed by deducting the same from carrying amount of that asset and the grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge. Other Government grants relating to the purchase of plant and equipment are included in noncurrent liabilities as deferred income and are credited to the statement of Profit and Loss on a straight – line basis over the expected lives of related assets and presented within other income.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company. The Business activity of the company falls within one business segment viz "Textile".

2.24 Recent Amendments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In August 2025, MCA notified the following amendments to the existing standard:

Notes to Standalone Financial Statements
for the year ended March 31, 2026

Ind AS 1 (Classification of liabilities as current or non-current and non-current liabilities with covenants);

Ind AS 7 and Ind AS 107 (Disclosures for supplier finance arrangements); and

Ind AS 12 (Global implementation of OCED Pillar Two model rules).

These amendments primarily relate to the classification of liabilities with covenants, additional disclosures for supplier finance arrangements, and a temporary exception for Pillar Two deferred taxes. The adoption of these amendments did not have a material impact on the measurement of the Company's assets or liabilities, though it resulted in enhanced disclosures and reclassifications in the financial statements.

New and amended Standards issued but not effective

The Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Rules, 2015, introduced changes to Ind AS 1 – Presentation of Financial Statements, effective from April 1, 2026. These amendments provide guidance when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date. However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment. This amendment is to be applied retrospectively for annual reporting periods beginning on or after April 1, 2026, in accordance with Ind AS 8, Accounting Policies, accounting Estimates and Errors.

The Company has considered these amendments and expects that there will be no impact on the financial statements.

3A. Property, Plant and Equipments

(₹ in lakhs)

Particulars	Tangible Assets									
	Freehold land	Buildings	Plant and Equipment	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Electrical Installations	Borewell	Leasehold Improvements	Total
Cost											
As at April 01, 2024	277.74	4,595.18	18,038.44	255.42	87.46	63.19	84.58	1,115.77	6.05	-	24,523.83
Additions	-	27.17	386.90	52.56	139.81	9.05	11.23	66.88	-	45.91	739.51
Disposals	-	-	664.29	26.62	-	-	-	-	-	-	690.91
As at March 31, 2025	**277.74**	**4,622.35**	**17,761.05**	**281.36**	**227.27**	**72.24**	**95.81**	**1,182.65**	**6.05**	**45.91**	**24,572.43**
Additions	-	7.50	924.96	48.33	6.79	15.23	70.44	37.04	-	-	1,110.29
Disposals	22.39	82.60	99.05	0.43	0.67	9.81	5.52	12.42	0.30	-	233.19
Adjustment (Refer Note 40(c))	-	-	1,779.16	-	-	-	-	-	-	-	1,779.16
Reclassification to Right of Use Assets											
As at March 31, 2026	**255.35**	**4,547.25**	**16,807.80**	**329.26**	**233.39**	**77.66**	**160.73**	**1,207.27**	**5.75**	**45.91**	**23,670.37**
Depreciation											
As at April 01, 2024	-	**1,022.35**	**4,646.20**	**102.08**	**51.37**	**39.06**	**71.65**	**444.98**	**2.37**	-	**6,380.06**
Additions	-	193.62	1,145.74	27.64	5.84	8.10	8.42	82.82	1.15	0.06	1,473.39
Disposals	-	-	655.61	22.14	-	-	-	-	-	-	677.75
As at March 31, 2025	-	**1,215.97**	**5,136.33**	**107.58**	**57.21**	**47.16**	**80.07**	**527.80**	**3.52**	**0.06**	**7,175.70**
Additions	-	185.29	1,037.08	27.99	19.86	10.52	18.02	88.73	1.15	4.59	1,393.23
Disposals	-	52.40	6.23	0.41	0.64	9.81	5.52	4.73	0.30	-	80.04
As at March 31, 2026	-	**1,348.86**	**6,167.18**	**135.16**	**76.43**	**47.87**	**92.57**	**611.80**	**4.37**	**4.65**	**8,488.89**
Net block											
As at March 31, 2025	**277.74**	**3,406.38**	**12,624.72**	**173.78**	**170.06**	**25.08**	**15.74**	**654.85**	**2.53**	**45.85**	**17,396.73**
As at March 31, 2026	**255.35**	**3,198.39**	**10,640.62**	**194.10**	**156.96**	**29.79**	**68.16**	**595.47**	**1.38**	**41.26**	**15,181.48**

3B. Capital Work-in-Progress

	Total
As at March 31, 2025	16.77
As at March 31, 2026	**326.12**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

3C. Right of use Assets (Refer Note 39)

(₹ in lakhs)

Particulars	Leasehold Land	Leased Property	Total
Cost			
As at April 1, 2024	**24.81**	**483.92**	**508.73**
Additions	-	-	-
Additions as per IND AS 116 (Lease)	-	488.60	488.60
Disposals	-	112.82	112.82
As at March 31, 2025	**24.81**	**859.70**	**884.51**
Additions	-	-	-
Additions as per IND AS 116 (Lease)	-	45.59	45.59
Disposals	-	112.82	112.82
As at March 31, 2026	**24.81**	**792.47**	**817.28**
Amortisation			
As at April 1, 2024	**2.37**	**96.42**	**98.79**
Additions	0.30	86.16	86.46
Deletions	-	90.73	90.73
As at March 31, 2025	**2.67**	**91.85**	**94.52**
Additions	0.30	83.31	83.61
Disposals	-	86.01	86.01
As at March 31, 2026	**2.97**	**89.15**	**92.12**
Net block			
As at March 31, 2025	22.14	767.85	789.99
As at March 31, 2026	**21.84**	**703.32**	**725.16**

3D. Intangible Assets

Particulars	Computer Software	Total
Cost		
As at April 1, 2024	**76.77**	**76.77**
Additions	5.34	5.34
Disposals	-	-
As at March 31, 2025	**82.11**	**82.11**
Additions	0.75	0.75
Disposals	-	-
As at March 31, 2026	**82.86**	**82.86**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	Computer Software	Total
Depreciation		
As at April 1, 2024	**57.41**	**57.41**
Additions	5.27	5.27
Disposals	-	-
As at March 31, 2025	**62.68**	**62.68**
Additions	4.95	4.95
Disposals	-	-
As at March 31, 2026	**67.63**	**67.63**
Net block		
As at March 31, 2025	**19.43**	**19.43**
As at March 31, 2026	**15.23**	**15.23**

3.1 a) Depreciation is provided on fixed assets over the remaining useful life in accordance with the provisions of Schedule II of the Act.

b) Property, Plant and Equipment given as security for borrowings (Refer note 18 & 23).

c) Certain machinery at SPFY unit are hypothecated to Director of Industries Himachal Pradesh towards capital subsidy received from them.

d) During the year, borrowing cost amounting to ₹6.88 (₹ Nil) directly attributable to the acquisition of fixed assets are capitalized by the Company and work in progress as part of the cost of the assets up to the date of such asset is ready for its intended use.

3.2 a) Capital work-in-progress ageing schedule for the year ended March 31, 2026:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	326.12	-	-	-	326.12
	326.12	**-**	**-**	**-**	**326.12**

b) Above project is not overdue and not exceeds its cost of original plan as at the reporting date.

Notes to Standalone Financial Statements
for the year ended March 31, 2026

4 Non- Current Investment

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Quoted Investments				
In Other Entities (measured at fair value through profit and loss)				
RLF Limited	1,000	0.00	1,000	0.00
(Equity shares of Face Value of ₹10 each)				
(Cost ₹0.06 lakh less provision made ₹0.06 lakh)				
Padmini Technologies Limited (listing suspended)	68,939	0.00	68,939	0.00
(Equity shares of Face Value of ₹10 each)				
(Cost ₹17.56 lakh less provision made ₹17.56 lakh)				
Unquoted Investments				
a) Investment in Subsidiaries (measured at cost)				
Hakoba Lifestyle Limited	4,846,312	484.63	4,846,312	484.63
(Equity shares of Face Value of ₹10 each)				
Pioneer Realty Limited	50,000	5.00	50,000	5.00
(Equity shares of Face Value of ₹10 each)				
Crystal Lace (I) Limited	4,400,000	440.00	4,400,000	440.00
(Equity shares of Face Value of ₹10 each)				
b) In Other Entities				
Shree Ganesh Integrated Textile Park Private Limited	10,560,000	1,056.00	10,560,000	1,056.00
(Equity shares of Face Value of ₹10 each)				
The Greater Bombay Co-op. Bank Limited	40	0.01	40	0.01
(Equity shares of Face Value of ₹25 each)				
	19,926,291	**1,985.64**	**19,926,291**	**1,985.64**

a. None of the above investments are listed on any stock exchange in India or outside India.

b. Aggregate amount of investments are given below:

Aggregate book value of quoted investments	17.62	17.62
Aggregate market value of quoted investments	0.09	0.09
Aggregate cost of unquoted investments	1,985.64	1,985.64
Aggregated amount of impairment in value of investments	17.62	17.62

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

5 **Other Non-Current Financial Assets**

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Security Deposits	183.25	179.11
Fixed Deposit in Banks with more than 12 months maturity	122.65	80.95
	305.90	**260.06**

6 **Other Non-Current Assets**

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Capital Advances	28.02	195.09
	28.02	**195.09**

6.1 Capital advance of ₹28.02 has been given towards advance to suppliers of plant & equipment.

7 **Inventories**
(Valued at lower of cost or net realisable value as certified by Management)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw Materials	1,901.29	1,161.27
Work-in-Progress	953.26	898.50
Finished Goods	2,685.24	3,004.20
Store & Spares	325.99	354.00
Packing Material	57.63	61.48
	5,923.41	**5,479.45**
Inventories include Goods in transit as under:		
Finished Goods	363.46	125.41

7.1 Inventories are hypothecated to secure borrowings (Refer Note 18 & 23).

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

8 **Current Investment**

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
A **Investment in Equity instruments**				
Unquoted, fully paid-up				
National Stock Exchange of India Limited	15,000	98.25	15,000	98.25
(Equity shares of Face Value of ₹1 each)				
	15,000	**98.25**	**15,000**	**98.25**
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate book value of unquoted investments		98.25		98.25
Aggregated amount of impairment in value of investments		-		-

9 **Trade Receivables**

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Considered Good	2,065.63	2,518.43
Having significant increase in credit risks	463.72	504.46
Credit Impaired	44.82	56.21
	2,574.17	**3,079.10**
Less: Allowance for Credit Losses	(279.42)	(275.18)
	2,294.75	**2,803.92**

9.1 Trade receivables include outstanding from related party enterprise of ₹21.63 (₹21.64).
9.2 Trade receivables are hypothecated to secure borrowings (Refer Note 18 & 23).

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Trade Receivables ageing schedule as at March 31, 2026:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables -considered good	1,411.47	472.81	311.31	154.97	139.01	39.78	**2,529.35**
Undisputed Trade receivables -credit impaired	-	-	-	-	1.15	43.67	**44.82**
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	1,411.47	**472.81**	**311.31**	**154.97**	**140.16**	**83.45**	**2,574.17**
Less: Allowance for Credit Losses							(279.42)
Total Trade Receivables							**2,294.75**

Trade Receivables ageing schedule as at March 31, 2025:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables -considered good	1,943.53	528.18	184.64	307.94	7.22	51.38	**3,022.89**
Undisputed Trade receivables -credit impaired	-	-	-	-	7.60	48.61	**56.21**
Disputed Trade Receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
	1,943.53	**528.18**	**184.64**	**307.94**	**14.82**	**99.99**	**3,079.10**
Less: Allowance for Credit Losses							(275.18)
Total Trade Receivables					.		**2,803.92**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

10 Cash & Cash Equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with Banks - In Current Accounts	91.83	146.47
Cash in hand	19.54	36.93
	111.37	**183.40**

11 Bank Balances other than Cash & Cash Equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed Deposit in Banks with less than 12 months maturity	2.06	4.39
	2.06	**4.39**

12 Current Loans

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Inter Corporate Deposits		
Associates Concerns		
Shree Ganesh Integrated Textile Park Pvt. Ltd.	426.35	389.63
	426.35	**389.63**

13 Other Current Financial Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Other Loans and Advances		
Subsidiaries		
Hakoba Lifestyle Ltd.	177.22	186.12
Pioneer Realty Ltd.	4.12	3.92
Crystal Lace (I) Ltd.	138.23	134.21
Others		
Loan & Advances to Staff	35.62	37.84
Government Incentives Receivable	2,100.41	280.25
	2,455.60	**642.34**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

14 Current Tax Assets (Net)

Particulars	As at March 31, 2026	As at March 31, 2025
Income Tax Refund Receivable (net)	96.37	136.00
	96.37	**136.00**

15 Other Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advances recoverable in cash or in kind	113.66	58.03
Prepaid Expenses	119.21	169.37
Accrued Export and Other Incentives	8.74	49.45
Other Advances and Balances	1,615.05	683.97
	1,856.66	**960.82**

16 Share Capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity Shares of ₹10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	5,00,00,000	**5,000.00**	**5,00,00,000**	**5,000.00**
Issued, Subscribed & Paid up				
Equity Shares of ₹10 each	3,08,15,442	3,081.54	3,08,15,442	3,081.54
	3,08,15,442	**3,081.54**	**3,08,15,442**	**3,081.54**

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

As at the beginning of the financial year	3,08,15,442	3,081.54	2,94,75,442	2,947.54
Add: Issued on exercise of ESOP option (Refer Note 44)	-	-	-	-
Add: Issued against conversion of share warrants	-	-	13,40,000	134.00
As at the end of the financial year	**3,08,15,442**	**3,081.54**	**3,08,15,442**	**3,081.54**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

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 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.

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

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Pioneer E-Com Fashions LLP	55,36,492	17.97	55,36,492	17.97
Raj Kumar Sekhani	45,04,760	14.62	45,04,760	14.62
Enforcement Directorate Raipur	25,00,000	8.11	-	-
Tano Investment Opportunities Fund	-	-	25,00,000	8.11

Shareholding of Promoters:

Promoter Name	As at March 31, 2026			As at March 31, 2025		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Pioneer E-Com Fashions LLP	55,36,492	17.97	-	55,36,492	17.97	(0.81)
Raj Kumar Sekhani	45,04,760	14.62	-	45,04,760	14.62	3.88
Bimladevi Sekhani	23,073	0.07	-	23,073	0.07	(0.01)
Manak Chand Baid Jt. Raj Kumar Sekhani	14,000	0.05	-	14,000	0.05	-

17 Other Equity

Particulars	As at March 31, 2026	As at March 31, 2025
Share Premium Reserve		
Opening Balance	5,334.81	4,892.61
Add: During the year	-	442.20
Balance as at the end of the year	**5,334.81**	**5,334.81**
Share Based Payment Reserve		
Opening Balance	49.24	2.57
Add: Recognition of Share based payments during the year (Refer Note 44)	27.07	46.67
Balance as at the end of the year	76.31	49.24

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Retained Earnings		
Opening Balance	7,546.33	7,083.11
Add : Other Comprehensive Income (including tax thereon)	39.94	6.83
Add: Profit for the year	65.54	456.39
Balance as at the end of the year	7,651.81	7,546.33
Share Warrants		
Opening Balance	-	144.05
Add: Received on issue of Share Warrants convertible into Equity Shares	-	432.15
Less: Issue of equity shares on conversion	-	(576.20)
Balance as at the end of the year	-	-
	13,062.93	**12,930.38**

Nature and purpose of other reserves/ other equity

Securities Premium

This Reserve represents premium received on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Share Based Payment Reserve:

This reserve relates to stock options granted to employees under "Employee Stock Option Plan 2018 Scheme (ESOP)"and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options.

Retained Earnings

Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

18 Non-Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured Loans		
Term Loans from Banks	2,801.21	3,899.88
Term Loan from Other	989.17	1,360.56
	3,790.38	**5,260.44**
Current Maturity of Borrowings disclosed under the head "Current Financial Liabilities-Borrowings" (Refer Note 23)	(1,241.89)	(1,672.28)
	2,548.49	**3,588.16**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

18.1 Term Loan from bank of ₹2,248.59 are secured by first pari passu charge over fixed assets of the Company both present & future and are further secured by second charge over current assets of the Company, by personal guarantee of Chairman and a Director of the Company and pledge of company's certain shares by promoter and promoter group firms. This loan is repayable in monthly instalments ending November 2028 and presently carries interest @8.50% p.a..

18.2 Term Loans from bank of ₹44.28 are secured by first pari passu charge over current assets of the Company and further secured by second pari passu charge over fixed assets of the Company both present & future with other term lenders, by personal guarantee of the Chairman of the Company. This loan is repayable in monthly instalments ending March 2027 and carries interest @7.5% p.a..

18.3 Term Loan from bank of ₹370.00 are secured by first pari passu charge over fixed assets of the Company both present & future secured by personal guarantee of Chairman and a Director of the Company . This loan is repayable in monthly instalments ending March 2033 and presently carries interest @8.65% p.a..

18.4 Term Loan from Banks of ₹138.34 are secured by hypothecation of respective vehicles financed.

18.5 Term Loan from Tata Capital of ₹579.09 is secured by exclusive charge on certain machineries financed by them. This loan is repayable in monthly instalments ending September 2028 and presently carries interest @12.2% p.a.

18.6 Term Loan from Orix Leasing & Financial Services India Limited of ₹410.08 is secured by exclusive charge on certain machineries financed by them. This loan is repayable in monthly instalments ending February 2030 and presently carries interest @11.95% p.a.

19 Lease Liability

Particulars	As at March 31, 2026	As at March 31, 2025
Finance lease obligations	688.50	711.99
	688.50	**711.99**
Current Maturity of Lease (Refer Note 24)	(59.48)	(56.53)
	629.02	**655.46**

20 Long Term Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee Benefits	583.43	592.79
	583.43	**592.79**

21 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2026	As at March 31, 2025
The balance comprises temporary differences attributable to:		
Deferred Tax Assets in relation to:		
Business Losses including Unabsorbed Depreciation	-	24.49
Provision for allowances for credit losses	77.73	76.56
Expenses allowed in the year of payment	336.42	264.54
Lease Liabilities	191.05	198.08
Total Deferred Tax Assets (A)	**605.20**	**563.67**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Tax Liabilities in relation to:		
Property, Plant & Equipments and Intangible Assets	1,174.08	1,123.43
Right-of-use to assets	195.66	196.10
Total Deferred Tax Liabilities (B)	**1,369.74**	**1,319.53**
Total Deferred Tax Liabilities (B-A)	**764.54**	**755.86**

21.1 Movement of Deferred Tax Liabilities/ (Assets)

Particulars	As at March 31, 2025	Recognised in P&L	Recognised in OCI	As at March 31, 2026
Deferred Tax Assets in relation to:				
Business Losses including Unabsorbed Depreciation	24.49	(24.49)	-	**-**
Provision for allowances for credit losses	76.56	1.17	-	**77.73**
Expenses allowed in the year of payment	264.54	87.28	(15.40)	**336.42**
Lease Liabilities	198.08	(7.03)	-	**191.05**
Total Deferred Tax Assets (A)	**563.67**	**56.93**	**(15.40)**	**605.20**
Deferred Tax Liabilities in relation to:				
Property, Plant & Equipments and Intangible Assets	1,123.43	50.65	-	**1,174.08**
Right-of-use to assets	196.10	(0.44)	-	**195.66**
Total Deferred Tax Liabilities (B)	**1,319.53**	**50.21**	**-**	**1,369.74**
Total Deferred Tax Liabilities / (Assets) (B - A)	**755.86**	**(6.72)**	**15.40**	**764.54**

Particulars	As at March 31, 2024	Recognised in P&L	Recognised in OCI	As at March 31, 2025
Deferred Tax Assets in relation to:				
Business Losses including Unabsorbed Depreciation	118.28	(93.79)	-	**24.49**
Provision for allowances for credit losses	75.68	0.88	-	**76.56**
Expenses allowed in the year of payment	172.42	94.75	(2.63)	**264.54**
Lease Liabilities	108.94	89.14	-	**198.08**
Total Deferred Tax Assets (A)	**475.32**	**90.98**	**(2.63)**	**563.67**
Deferred Tax Liabilities in relation to:				

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	As at March 31, 2024	Recognised in P&L	Recognised in OCI	As at March 31, 2025
Property, Plant & Equipments and Intangible Assets	940.44	182.99	-	**1,123.43**
Right-of-use to assets	107.80	88.30	-	**196.10**
Total Deferred Tax Liabilities (B)	**1,048.24**	**271.29**	**-**	**1,319.53**
Total Deferred Tax Liabilities / (Assets) (B - A)	**572.92**	**180.31**	**2.63**	**755.86**

22 Non-Current Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Government Grants (Refer Note 40(a))		
Opening Balance	1,330.20	1,347.68
Add: During the year	93.63	20.36
Less: Amortisation of Deferred Government Grant recognised in Other Income	104.37	37.84
	1,319.46	**1,330.20**

23 Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Loans Repayable on Demand		
Cash Credit from Banks	3,894.55	3,128.89
	3,894.55	**3,128.89**
Unsecured		
Short Term Loans Repayable on Demand		
Inter Corporate Deposits	542.80	336.11
Loans From Related Party		
From Director	49.40	-
	592.20	**336.11**
Current maturities of Long Term Debt (Refer note 18)	1,241.89	1,672.28
	5,728.64	**5,137.28**

23.1 Cash Credit Loans are secured by first pari passu charge by hypothecation of stocks, book debts and second pari passu charge on all fixed assets, both present and future and further secured by personal guarantee of the Chairman and a Director of the Company.

23.2 Inter Corporate Deposits include ₹310.31 taken from related enterpirises.

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

24 Lease Liability

Particulars	As at March 31, 2026	As at March 31, 2025
Lease obligations	59.48	56.53
	59.48	**56.53**

25 Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises	462.46	467.80
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,681.78	1,939.01
	3,144.24	**2,406.81**

25.1 Trade Payables include outstanding to a related enterprise of ₹5.31 (₹88.80).

25.2 Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

	Particulars	As at March 31, 2026	As at March 31, 2025
a.	Principal amount and Interest due thereon remaining unpaid to any supplier at the end of year	462.46	467.80
b.	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c.	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d.	the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act	-	-

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Trade Payables ageing schedule: As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	331.61	112.04	2.89	15.92	-	462.46
(ii) Others	2,104.73	414.28	122.61	15.88	24.27	2,681.78
Total Trade Payable	**2,436.34**	**526.33**	**125.50**	**31.80**	**24.27**	**3,144.24**

Trade Payables ageing schedule: As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	399.40	48.51	19.89	-	-	**467.80**
(ii) Others	1,373.39	470.94	33.55	27.45	33.68	**1,939.01**
Total Trade Payable	**1,772.79**	**519.45**	**53.44**	**27.45**	**33.68**	**2,406.81**

26 Other Current Financial Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued	7.80	7.93
Unpaid Dividend	2.95	3.29
Capital Creditors	5.67	16.80
Employees Emoluments	521.78	551.37
Statutory Dues	40.17	47.52
Others	58.65	61.12
	637.02	**688.03**

27 Short Term Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision For Employee Benefits	52.15	32.77
	52.15	**32.77**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

28 Other Current Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Customers' Credit Balances and Advances against orders	221.43	106.10
	221.43	**106.10**

29 Revenue From Operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of Products - Yarn, Embroidery Fabric & Laces		
Domestic Sales	32,272.59	34,213.05
Export Sales	1,258.64	3,131.26
Other Operating Revenue (Including Export Incentives)	63.74	162.05
	33,594.97	**37,506.36**

29.1 Sales include sales made to related enterprises ₹125.50 (₹116.97).

30 Other Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income	58.06	52.26
Dividend Received	5.25	2.70
Profit on disposal of Property, Plant and Equipment (Net)	14.59	74.38
Electricity Rebate related to earlier years (Refer Note 40(d))	454.43	-
Gain on Foreign Currency transactions and translation (Net)	43.46	55.58
Miscellaneous Income	2.25	406.89
Amortization of Government Grant (Refer Note 22)	104.37	37.84
	682.41	**629.65**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

31 Cost Of Material Consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cost of Raw Material Consumed		
Opening Stock	1,161.27	1,292.23
Purchases during the year	20,780.20	21,448.92
	21,941.47	**22,741.15**
Less:- Closing Stock	1,901.29	1,161.27
	20,040.18	**21,579.88**

31.1 Purchases includes from related enterprises ₹91.47 (₹259.12) and subsidiaries ₹ Nil (₹0.09).

32 Change In Inventories

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Inventories		
Work-in-Progress	898.50	1,342.16
Finished Goods	3,004.20	3,380.58
	3,902.70	**4,722.74**
Less: Closing Inventories		
Work-in-Progress	953.26	898.50
Finished Goods	2,685.24	3,004.20
	3,638.50	**3,902.70**
	264.20	**820.04**

33 Employee Benefits Expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, Wages and Incentives	3,668.85	3,952.24
Contribution to Funds	204.04	208.33
Staff Welfare Expenses	58.97	61.56
Employee ESOP Compensation (Refer Note 44)	27.07	46.67
	3,958.93	**4,268.80**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

34 Finance Cost

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense *	702.47	837.26
Interest on Lease Obligation	73.45	55.90
Other Borrowing Costs	84.73	39.26
Exchange difference regarded as an adjustment to finance costs	68.50	27.17
	929.15	**959.59**

* Interest expense are net of Interest Subsidy of ₹113.93 (₹223.37) under the Package Scheme of Incentive-2019 of Government of Maharashtra and intrest capitlised of ₹ 6.88 (₹ NIL).

35 Other Expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Stores & Spares Consumed	703.03	675.71
Repair & Maintenance	234.94	220.89
Power & Fuel	2,925.07	3,140.45
Insurance	61.07	64.47
Job Charges	343.06	497.20
Legal & Professional Fees	113.04	92.63
Packing Material Consumed	1,395.12	1,526.37
Payment to Auditors*	16.50	16.50
Rates & Taxes	37.76	74.49
Rent	53.00	27.81
Provision for Expected Credit Losses (net)	28.85	3.16
Directors Sitting Fees	6.69	6.00
Donations	-	0.61
Expenditure incurred towards CSR activities	8.46	-
Selling Expenses	823.53	995.97
Miscellaneous Expenses	556.65	644.60
	7,306.77	**7,986.86**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
*** Details of payment to Auditors**		
a) Statutory & Tax Audit	16.50	16.50
b) for Taxation Matter	-	-
c) for Other Services	-	-
	16.50	**16.50**

36 Exceptional Items

Exceptional Item represent:

a) Profit of ₹649.41 (₹Nil) represents profit from sale of non- core assets of the Company,

b) Expenses of ₹207.61 (₹Nil) represents recognition of full and final liability towards lender pertaining to earlier year.

37 Income Tax Expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Tax expense/(credit) recognized in the Statement of Profit and Loss		
Current tax	11.05	-
Income Tax for earlier year	9.15	-
Deferred tax charge (credit)	(6.72)	180.31
Income Tax expense reported in the Statement of Profit and Loss	**13.48**	**180.31**
Deferred tax impact on component of other comprehensive income (OCI)	15.40	2.63
Total Income Tax benefit recognized in Other Comprehensive Income	**15.40**	**2.63**
Total Income Tax expense recognised in the current year	**28.88**	**182.94**
Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:		
Enacted income tax rate in India applicable to the Company	27.82	27.82
Profit before tax	79.02	636.70
Income Tax Expense	21.98	177.13
Effect of:		
Expenses that are not deductible in determining taxable profit	2.35	0.17
Income Tax for earlier year	9.15	-
Capital Gains (Differential tax rate)	(10.44)	-
Others	5.84	5.64
	28.88	**182.94**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

38 Contingent liabilities, contingent assets and commitments

	Particulars	As at March 31, 2026	As at March 31, 2025
A.	**Contingent liabilities (not provided for) in respect of:**		
	1 Bank Guarantees Outstanding.	70.10	110.10
	2 Demand for Excise duty, being contested by the Company	33.58	33.58
	3 Demand for Service Tax, being contested by the Company	123.85	123.85
	4 Sundry Cases in Labour Court and Industrial Court (Sarigam unit, Gujarat *(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 interest and penalties as may arise. The management believes that the Company has a strong chance of favourable decision in above cases, hence no further provision has been considered necessary.		
B.	**Commitments**		
a)	**Capital Commitments:** 'Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances]	237.76	555.92
b)	**EPCG Commitments:** Future export obligations / commitments under import of Capital Goods at Concessional rate of customs duty	7,916.76	7,872.27

39 Leases

	Particulars	As at March 31, 2026	As at March 31, 2025
	As a Lessee		
a)	The movement in lease liabilities during the years ended March 31, 2026 and March 31, 2025 is as follows:		
	Balance at the beginning	711.99	391.60
	Additions during the year	45.49	425.64
	Finance cost accrued during the year	73.45	55.90
	Deletions	(30.94)	(27.44)
	Payment of Lease Liabilities	(111.49)	(133.71)
	Balance at the end	**688.50**	**711.99**
b)	Total cash outflow for leases recognised in Statement of Cash Flows for the year ended March 31, 2026 was ₹38.13 (₹141.00).		
c)	Balance of Lease Liabilities :		

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

	Particulars	As at March 31, 2026	As at March 31, 2025
	Non-Current Lease Liabilities	629.02	655.46
	Current Lease Liabilities	59.48	56.53
		688.50	**711.99**
d)	The details of the contractual maturities of lease liabilities as at March 31, 2026 and March 31, 2025 on an undiscounted basis are as follows:		
	Less than one year	123.88	127.02
	One to five years	369.19	391.32
	More than five years	1,115.00	1,169.00
	Total	**1,608.07**	**1,687.34**
e)	The Company has incurred rent expense of ₹53.00 (₹27.81) for the year ended March 31, 2026 towards expenses relating to short-term leases and leases of low-value assets.		

40 Disclosure of Deferred Government Grants/Subsidies

a) ₹93.63 (₹20.36) accounted as Deferred Government Grants for duty saved on import/purchase of capital goods and spares under the Export Promotion Capital Goods (EPCG) scheme. EPCG scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. Under the scheme, the company is committed to export goods at the prescribed times of duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the Statement of Profit & Loss based on fulfillment of related export obligations.

b) Under the Package Scheme of Incentive 2019 approved by the Government of Maharashtra, the Company is entitled to industrial promotion subsidy to the extent of 80% of the fixed capital investment or to the extent of taxes paid to the State Government and certain expenses paid in next 10 years from the date of commercial production, whichever is lower. During the year, subsidy receivable under the above scheme aggregating to ₹139.25 (₹280.26) has been recognised in the Statement of Profit & Loss.

c) The Company is entitled to capital subsidy under TUFS scheme under State Textile Policy 2018-23. The Company has recognised the capital subsidy of ₹1,779.16 (₹Nil) with the Government of Maharashtra for the expansion made in earlier year, in accordance with Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance". The Company has deducted subsidy receivable from Gross Cost of the respective machinery and has accounted for subsidy amortization as deduction from depreciation cost.

d) The SPFY Division of the Company has received/has become entitled to receive an electricity duty rebate subsidy of ₹635.45 lakhs (₹Nil) in respect of the expansion undertaken in earlier years, pursuant to approval granted by the Himachal Pradesh Electricity Regulatory Commission (HPERC). Out of the total subsidy, ₹454.43 lakhs pertains to earlier financial years and has accordingly been recognized under Other Income during the current year.

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

41 Foreign exchange derivatives and exposures outstanding at the year-end:

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Foreign Currency exposure not hedged by derivative instrument or otherwise :		
i. Receivable	185.52	385.28
ii. Payable	33.62	519.70
(b) Outstanding forward contracts to be hedge foreign currency exposure :	395.89	154.05

42 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) **Defined Contribution Plans:**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund ₹165.75 (₹165.81).

(ii) **Defined Benefit Plan:**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2026. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at March 31, 2026	As at March 31, 2025
Net defined benefit liability / (asset)	581.92	573.27
Liability for Gratuity		
Current	47.68	31.64
Non-Current	534.24	541.63

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

B. Movement in net defined benefit (asset) / liability:

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	March 31, 2026			March 31, 2025		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at April 1	573.27	-	573.27	498.56	-	498.56
Included in profit or loss						
Service costs	102.27	-	102.27	104.22	-	104.22
Interest cost / (income)	37.01	-	37.01	33.45	-	33.45
	139.28	**-**	**139.28**	**137.67**	**-**	**137.67**
Included in OCI						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	(10.54)	-	(10.54)	(58.71)	-	(58.71)
- experience adjustment	(44.80)	-	(44.80)	49.25	-	49.25
	(55.34)	**-**	**(55.34)**	**(9.46)**	**-**	**(9.46)**
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(75.29)	-	(75.29)	(53.50)	-	(53.50)
	(75.29)	**-**	**(75.29)**	**(53.50)**	**-**	**(53.50)**
Balance as at March 31	**581.92**	**-**	**581.92**	**573.27**	**-**	**573.27**

C. Plan assets:

The Company has no plan assets.

D. Actuarial assumptions:		
The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).		
Discount rate	7.07%	6.91%
Expected rate of future salary increase	7.00%	7.00%
Mortality	100% of IALM (2012 - 14)	
Assumptions regarding future mortality have been based on published statistics and mortality tables.		

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

E. Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2026		March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(522.50)	653.26	(409.87)	649.98
Expected rate of future salary increase (1% movement)	649.23	(524.78)	646.69	(511.39)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

A) Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
B) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
C) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumption in the valuation can impact the liabilities.

43 Related parties

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Mr. Raj Kumar Sekhani (Chairman)
Mr. Harsh Vardhan Bassi (Managing Director) (upto October 13, 2025)
Mr. Saurabh Maheshwari (Managing Director)
Mr. Vishal Sekhani (Executive Director) (w.e.f. October 14, 2025)
Ms. Sushama Sunil Bhatt (Independent Director)
Mr. Mahesh Kumar Gupta (Independent Director)
Mr. Varun Kathuria (Independent Director)
Ms. Bimla Devi Sekhani
Mr. Aarav Sekhani
Mr. Ratanlal Sekhani
Ms. Prachi Sekhani
Ms. Priyani Sekhani
Ms. Suman Saurabh Maheshwari

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

ii. Enterprises having significant influence by KMP & their Relatives

M/s J J Sons
M/s J J and Sons
Kiran Industries Pvt. Ltd.
Thakurdas & Co. Pvt. Ltd.
Kiran Texpro Pvt. Ltd.

iii. Subsidiaries

Hakoba Lifestyle Ltd.
Pioneer Realty Ltd.
Crystal Lace (I) Ltd.

iv. Associate Concerns

Pioneer E-Com Fashions LLP
Shree Ganesh Integrated Textile Park Pvt. Ltd.

B Transactions with the above in the ordinary course of business

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sales		
Enterprises having significant influence by KMP & their Relatives		
M/s J J and Sons	59.27	46.61
Kiran Industries Pvt. Ltd.	66.23	70.36
	125.50	**116.97**
Purchases		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	90.78	257.06
J J and sons	0.69	2.02
Kiran Texpro Pvt. Ltd.	-	0.03
	91.47	**259.12**
Subsidiaries		
Crystal Lace (I) Ltd.	-	0.09
Payment for Rent & Other Services		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	-	18.50
Key Managerial Personnel (KMP) and their Relatives		
Ms. Bimla Devi Sekhani	15.00	-
Ms. Suman Saurabh Maheshwari	15.00	-

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Receipt for Rent & Other Services		
Enterprises having significant influence by KMP & their Relatives		
Kiran Texpro Pvt. Ltd.	2.30	4.71
Employee Benefit Expense		
Key Managerial Personnel (KMP) and their Relatives		
Managerial Remuneration		
Mr. Raj Kumar Sekhani (Chairman)	84.00	84.00
Mr. Harsh Vardhan Bassi (Managing Director)	19.26	36.00
Mr. Saurabh Maheshwari (Managing Director)	48.00	48.00
Mr. Vishal Sekhani (Executive Director)	25.44	25.44
Mr. Aarav Sekhani	25.44	25.44
Mr. Ratanlal Sekhani	18.10	25.26
Ms. Prachi Sekhani	3.18	3.18
Ms. Priyani Sekhani	4.45	4.45
	227.87	**251.78**
Director Sitting Fees		
Mr. Varun Kathuria (Independent Director)	2.38	2.05
Mr. Mahesh Gupta (Independent Director)	2.38	2.15
Ms. Sushama Sunil Bhatt (Independent Director)	1.93	1.80
	6.69	**6.00**
Loans & Advances given / repaid		
Subsidiaries		
Pioneer Realty Ltd.	0.20	0.30
Crystal Lace (I) Ltd.	4.02	2.84
Associates Concerns		
Shree Ganesh Integrated Textile Park Pvt. Ltd.	36.72	36.62
	40.94	**39.75**

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Loans & Advances taken/recovered		
Subsidiaries		
Hakoba Lifestyle Ltd.	8.90	9.90
	8.90	**9.90**
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	300.00	-
	300.00	**-**
Outstanding Balance at the year end		
Loans & Advances given		
Subsidiaries		
Hakoba Lifestyle Ltd.	177.22	186.12
Pioneer Realty Ltd.	4.12	3.92
Crystal Lace (I) Ltd.	138.23	134.21
	319.56	**324.24**
Loans & Advances taken		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	310.31	-
	310.31	**-**
Trade Payables & Other Liabilities		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	5.31	88.79
Kiran Texpro Pvt. Ltd.	-	0.01
	5.31	**88.80**
Receivables		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	1.46	1.46
M/s J J and Sons	9.55	11.70
Kiran Industries Pvt. Ltd.	4.50	-

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Thakurdas & Co. Pvt. Ltd.	4.80	4.84
Kiran Texpro Pvt. Ltd.	1.33	3.64
	21.63	**21.64**
Associate Concerns		
Shree Ganesh Integrated Textile Park Pvt. Ltd.	426.35	389.63
	426.35	**389.63**

44 Pioneer Embroideries Limited Employee Stock Option Plan 2018 Scheme (ESOP)

The Company has granted stock options under the Pioneer Embroideries Limited Employee Stock Option Plan 2018 Scheme (ESOP) to the eligible employees of the Company. Under ESOP, the company has granted 3,99,864 options on August 12, 2024. 100% of total options granted would vest in after one year from the date of grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of ₹10 each of the Company. The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Options	Weighted Average exercise price (₹)	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	4,18,364	@	18,500	@
Options granted under ESOP	-	-	3,99,864	@
Options exercised during the year	-	-	-	-
Options cancelled during the year	-	-	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	4,18,364	@	4,18,364	@
Options exercisable at the end of the year	4,18,364	@	4,18,364	@

@ The exercise price shall be decided by NRC subject to maximum discount of 50% of the closing market price on the stock exchange, which records the highest trading volume in the Company's equity shares on the date immediately prior to the date on which the notice of exercise is given to the Company by the employee. In any event, the exercise price shall not be less than face value of the equity share.

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

45 Financial instruments

I. Fair value measurements

A. Financial instruments by category

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments	0.01	98.25	0.01	98.25
Trade receivables	-	2,294.75	-	2,803.92
Cash and cash equivalents	-	113.43	-	187.79
Loans	-	426.35	-	389.63
Others				
Non Current	-	305.90	-	260.06
Current	-	2,455.60	-	642.34
	0.01	**5,694.28**	**0.01**	**4,381.99**
Financial liabilities				
Long term borrowings	-	2,548.49	-	3,588.16
Short terms borrowings	-	5,728.64	-	5,137.28
Trade payables	-	3,144.24	-	2,406.81
Lease Liabilities	-	688.50	-	711.99
Other current financial liabilities	-	637.02	-	688.03
	-	**12,746.89**	**-**	**12,532.27**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements:

Particulars	As at March 31, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets	0.01	-	-	0.01
Financial liabilities	-	-	-	-
	0.01	**-**	**-**	**0.01**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets	0.01	-	-	0.01
Financial liabilities	-	-	-	-
	0.01	**-**	**-**	**0.01**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

C. Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments	-	98.25	-	98.25
Trade receivables	-	2,294.75	-	2,803.92
Cash and cash equivalents	-	113.43	-	187.79
Loans	-	426.35	-	389.63
Others				
Non Current	-	305.90	-	260.06
Current	-	2,455.60	-	642.34
	-	**5,694.28**	**-**	**4,381.99**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial liabilities				
Long term borrowings	-	2,548.49	-	3,588.16
Short terms borrowings	-	5,728.64	-	5,137.28
Trade payables	-	3,144.24	-	2,406.81
Lease Liabilities	-	688.50	-	711.99
Other current financial liabilities	-	637.02	-	688.03
	-	**12,746.89**	**-**	**12,532.27**

The carrying amounts of the abovementioned financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the President of the Company.

More than 60 % of the Company's customers have been transacting with the Company for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The carrying amount net of credit loss allowances of trade receivables is ₹2,294.75 (March 31, 2025 – ₹2,803.92).

Reconciliation of loss allowance provision – Trade receivables:

Particulars	March 31, 2026	March 31, 2025
Opening balance	(275.18)	(272.02)
Changes in loss allowance	(4.24)	(3.16)
Closing balance	**(279.42)**	**(275.18)**

iii. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to Standalone Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

(a) **Financing arrangements**

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in indian rupee and have an average maturity within a year.

(b) **Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts March 31, 2026	Contractual cash flows				
		Total	0- 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	3,790.38	3,790.38	1,241.89	1,448.37	988.13	111.99
Short term borrowings	4,486.75	4,486.75	4,486.75	-	-	-
Trade payables	3,144.24	3,144.24	3,144.24	-	-	-
Other non-current financial liabilities	629.02	629.02	-	93.27	53.15	482.60
Other current financial liabilities	696.50	696.50	696.50	-	-	-
Total non-derivative liabilities	**12,746.89**	**12,746.89**	**9,569.38**	**1,541.64**	**1,041.28**	**594.59**

Particulars	Carrying Amounts March 31, 2025	Contractual cash flows				
		Total	0- 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	5,260.44	5,260.44	1,672.28	2,639.78	934.80	13.58
Short term borrowings	3,465.00	3,465.00	3,465.00	-	-	-
Trade payables	2,406.81	2,406.81	2,406.81	-	-	-
Other non-current financial liabilities	655.46	655.46	-	83.28	72.10	500.08
Other current financial liabilities	744.56	744.56	744.56	-	-	-
Total non-derivative liabilities	**12,532.27**	**12,532.27**	**8,288.65**	**2,723.06**	**1,006.90**	**513.66**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for liquidity / credit management purposes and which are not usually closed out before contractual maturity. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

iv. **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of Directors.

v. **Currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Company's foreign currency payables, have been partially hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	As at March 31, 2026		As at March 31, 2025	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	6.05	-	6.26	-
Other payables	0.36	-	0.17	5.48
Net statement of financial position exposure	5.69	-	6.09	(5.48)

The following significant exchange rates have been applied:

	Average Rates		Year end spot rates	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
USD 1	93.48	85.10	94.36	85.58
EUR 1	108.10	99.95	108.05	92.32

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2026 and March 31, 2025, the Company's borrowings at variable rate were denominated in Indian Rupees.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

	Nominal Amount	
	March 31, 2026	March 31, 2025
Fixed-rate instruments		
Financial liabilities	47.86	604.78
	47.86	**604.78**
Variable-rate instruments		
Financial liabilities	7,592.64	7,784.55
	7,592.64	**7,784.55**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2026				
Variable-rate instruments	37.96	(37.96)	37.96	(37.96)
Cash flow sensitivity	**37.96**	**(37.96)**	**37.96**	**(37.96)**
March 31, 2025				
Variable-rate instruments	38.92	(38.92)	38.92	(38.92)
Cash flow sensitivity	**38.92**	**(38.92)**	**38.92**	**(38.92)**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

46 a. Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

b. Realisable value 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.

47 **Corporate Social Responsibility (CSR)**

As per Section 135 of Companies Act, 2013, a Company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The Company has incurred ₹8.46 (₹Nil) expenditure on CSR during the year on the activities as specified in Schedule VII of the Companies Act, 2013 in pursuant of the CSR policy.

	Particulars	March 31, 2026	March 31, 2025
i)	Amount required to be spent by the company during the year	8.46	-
ii)	Amount of expenditure incurred	8.46	-
iii)	Shortfall at the end of the year	-	-
iv)	Total of previous years shortfall	-	-
v)	Reason for shortfall	NA	NA
vi)	Nature of CSR activities	Promotion of Education & Healthcare	NA
vii)	Detail of related party transactions	-	-
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

48 **Segment Reporting**

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Textile" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

49 **Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company :

Particulars	March 31, 2026	March 31, 2025
Equity Share Capital	3,081.54	3,081.54
Other Equity	13,062.94	12,930.38
Total Equity	**16,144.48**	**16,011.92**

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	March 31, 2026	March 31, 2025
Non-Current Borrowings	2,548.49	3,588.16
Current maturities of Non-Current Borrowings	1,241.89	1,672.28
Current Borrowings	4,486.75	3,465.00
Total Debts	**8,277.13**	**8,725.44**
Less: Cash & Cash Equivalents	113.43	187.79
Net Debts	**8,163.70**	**8,537.65**

50 **Ratios**

The major financial ratios of the Company are disclosed below along with the reasons for variance:

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Reason for variance by more than 25%
Current Ratio	Current Assets	Current Liabilities	1.35	1.27	6.2%	Not Applicable
Debt Equity Ratio	Total Borrowings + Lease Liabilities	Shareholder's Equity	0.56	0.59	-5.8%	Not Applicable
Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after Taxes + Non-cash Operating Expenses + Interest + Other adjustment like loss on sale of assets	Debt Service = Interest + Lease Payments + Principal Repayments	0.78	1.00	-21.3%	Not Applicable
Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	0.41%	2.94%	-86.1%	Due to reduction in Net Profit as compared to last year
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	5.89	6.29	-6.4%	Not Applicable
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	13.18	13.70	-3.8%	Not Applicable
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	8.47	8.73	-3.0%	Not Applicable
Net Capital Turnover Ratio	Revenue from Operations	Working Capital = Current Assets- Current Liabilities	9.82	16.52	-40.6%	Due to reduction in Net working capital compared to last year
Net Profit Ratio	Net Profit	Revenue from Operations	0.20%	1.22%	-84.0%	Due to reduction in Net Profit as compared to last year

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Reason for variance by more than 25%
Return on Capital Employed	Earning before Finance Cost & Tax (EBIT)	Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability	6.41%	6.09%	5.2%	Not Applicable
Return on Investment	Return/Profit/ Earnings	Average Investment	5.34%	2.75%	94.4%	Due to increase in income from investments

51 Other Disclosures

a. Disclosure as specified in Schedule V of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015:

Particulars	Balance as at March 31, 2026	Maximum outstanding of loan during the year
Hakoba Lifestyle Limited	177.22 (186.12)	187.22 (196.12)
Pioneer Realty Limited	4.12 (3.92)	4.12 (3.92)
Crystal Lace (I) Limited	138.23 (134.21)	143.23 (134.21)

Previous year figures have been given in bracket.

b. Disclosure relating to loans or security given by the Company as per requirements of section 186 (4) to the Companies Act, 2013:

Particulars	Amount	Purpose
Hakoba Lifestyle Limited	484.63	Investment in Equity Shares
Pioneer Realty Limited	5.00	
Crystal Lace (I) Limited	440.00	
Hakoba Lifestyle Limited	177.22	ICD given for business
Pioneer Realty Limited	4.12	
Crystal Lace (I) Limited	138.23	

52 Earning per Equity Share

Particulars	March 31, 2026	March 31, 2025
Net Profit for the year	65.55	456.39
Weighted Average Number of Equity Shares of ₹10 each (fully paid-up)	3,08,15,442	3,03,27,168

Notes to Standalone Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	March 31, 2026	March 31, 2025
- Basic (₹)	0.21	1.50
- Diluted (₹)	0.21	1.50

53 Additional Regulatory Information

(i) The Company has not been declared willful defaulter by any bank or financial institution or any other lender.

(ii) The Company does not have any transactions with the companies struck off under Companies Act 2013 or Companies Act 1956.

(iii) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iv) The Company has not revalued its property, plant and equipment (including Right-of- Use Assets) or intangible assets or both during the current or previous financial year.

(v) The Company has complied with the number of Layers prescribed under the Companies Act, 2013.

(vi) There is no undisclosed income under the Income Tax Act, 1961 for the current year or previous year which needs to be recorded in the books of account.

(vii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous financial year.

(viii) The Company do not have charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(ix) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any funds from any other person(s) or entity(ies) including foreign entities with the understanding that the company shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (""Ultimate Beneficiaries"") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

54 Previous year figure have been regrouped / reclassified to conform to current years classifications.

As per our Report of even date
For **M B A H & CO**
Chartered Accountants
(Firm's Registration No.: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place: Mumbai
Date: May 26, 2026

For & on behalf of Board of Directors

SAURABH MAHESHWARI
Managing Director
DIN 00283903

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Independent Auditor's Report

To,
The Members of Pioneer Embroideries Limited,
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pioneer Embroideries Limited (hereinafter referred to as the "Holding Company"), its subsidiaries and its Associate Company (Holding Company, its subsidiaries and its Associate Company together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31st March 2026 and the consolidated statement of Profit and Loss(including other comprehensive income), the consolidated statement of changes in equity and the consolidated Cash Flow Statement for the year then ended, including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries / financial information and associate company, the aforesaid consolidated financial results include the annual financial results of the following entities:

(a) Hakoba Lifestyle Limited

(b) Pioneer Realty Limited

(c) Crystal Lace (India) Limited

(d) Shree Ganesh Integrated Textile Park Private Limited (associate company)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, of the state of affairs of the Group as at 31st March 2026, of their consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditor's Report

Key Audit Matter	How our audit addressed the key audit matter
• The Company is eligible for a Capital Subsidy of ₹ 1,779.16 lakhs under TUF Scheme under State Textile Policy 2018-23 of the Government of Maharashtra for the expansion made in the earlier years, which has been adjusted against the carrying amount of property, plant and equipment, as disclosed in Note 41(c) to the standalone financial statements. • The Company has been granted an electricity duty rebate of ₹ 635.45 lakhs, on account of expansion done in earlier years, by the HPERC which has been recognized in the profit and loss account. • The accounting for such subsidies involves significant judgment in assessing compliance with the conditions attached to the schemes, determination of eligible capital expenditure and satisfaction of recognition criteria prescribed under Indian Accounting Standards Ind AS 20. • Considering the materiality of the amounts involved and the judgment exercised by management, the same has been considered to be a key audit matter.	Our audit procedures included, but were not limited to the following: • Obtained an understanding of the process and tested the design and operating effectiveness of key internal controls relating to identification, recognition, measurement and monitoring of government grants; • •Examined, on a sample basis, sanction letters, scheme documents and related correspondence with government authorities; • Evaluated management's assessment regarding compliance with the conditions attached to the grant schemes; • Tested the computation of grant amounts recognized during the year and agreed key inputs to supporting documentation; • Verified receipt of grant amounts, where received during the year or subsequent to the year-end; • Evaluated the adequacy of disclosures included in the standalone financial statements in accordance with the applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statement that give a true and fair view of the consolidated financial position, consolidated financial performance, total consolidated comprehensive income, changes in consolidated equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Independent Auditor's Report

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all

Independent Auditor's Report

relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Financial Results include the audited Financial Results of one subsidiary, (before eliminating intercompany balances/transfers) namely, Crystal Lace (India) Limited whose Financial Statements and financial information reflect Group's share of total assets of `1,272.48 lakhs as at 31st March 2026, Group's share of total revenue of `10.08 lakhs, Group's share of total net profit/ (loss) after tax of `(1.87) lakhs and cash flows of `(0.11) lakhs for the year ended 31st March 2026, as considered in the consolidated Financial Results, which have been audited by its other independent auditor.

The Statement also includes the Group's share of net profit/ (loss) after tax of `(2.58) lakhs (before eliminating intercompany transactions) and total comprehensive income/(loss) of `(2.58) Lakhs for the year ended 31st March 2026, in respect of one associate company, namely, Shree Ganesh Integrated Textile Park Private Limited, whose annual financial statements have not yet been audited. This financial information has been furnished to us by the Holding Company's management.

This financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of this subsidiaries, and our report in terms of sub-sections (3) and (11) of Section143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the auditors and the financial statement/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statement and other financial information of the subsidiaries, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The consolidated financial statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in

Independent Auditor's Report

the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there is no amount that is required to be transferred to the Investor Education and Protection Fund by the Group.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend was proposed, declared and paid by the Company during the year.

vi. Based on our examination which included test checks, and that performed by the auditor of one subsidiary, the group has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

UDIN: 26034499GJABYT6872 — Mahesh Bhageria
Place: Mumbai — Partner
Date: 26th May 2026 — Membership No. 034499

Annexure "A" Independent Auditor's Report

Annexure "A" to the Independent Auditors' Report of Even Date on the Consolidated Financial Statements of Pioneer Embroideries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended 31st March 2026, we have audited the internal financial controls over financial reporting of Pioneer Embroideries Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiaries covered under the Act, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting.

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiaries, which are companies incorporated in India, have, in all material respects,

Independent Auditor's Report

an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such entity incorporated in India.

Our opinion on the internal financial controls over financial reporting, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the information and explanations given by the management.

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

UDIN: 26034499GJABYT6872
Place: Mumbai
Date: 26th May 2026

Mahesh Bhageria
Partner
Membership No. 034499

Consolidated Balance Sheet

as at March 31, 2026

(₹ in lakhs)

	Particulars	Note	As at March 31, 2026	As at March 31, 2025
I	**ASSETS**			
1	**Non-Current Assets**			
	Property, Plant & Equipments	3A	15,181.48	17,396.73
	Capital Work- in- Progress	3B	326.12	16.77
	Right of Use Assets	3C	725.16	789.99
	Other Intangible Assets	3D	15.28	19.48
	Financial Assets			
	(i) Investments	4	1,046.99	1,049.57
	(ii) Other Financial Assets	5	312.99	266.14
	Other Non-Current Assets	6	28.02	195.09
	Total Non-Current Assets		**17,636.04**	**19,733.77**
2	**Current Assets**			
	Inventories	7	6,216.76	5,782.86
	Financial Assets			
	(i) Investments	8	98.25	98.25
	(ii) Trade Receivables	9	2,545.29	3,064.11
	(iii) Cash and Cash Equivalents	10	112.27	184.84
	(iv) Bank Balances other than Cash and Cash Equivalents	11	2.06	4.39
	(v) Loans	12	426.35	389.63
	(vi) Other Financial Assets	13	2,136.03	318.10
	Current Tax Assets (Net)	14	96.63	136.26
	Other Current Assets	15	2,548.84	1,649.80
	Assets held for sale	16	803.86	803.86
	Total Current Assets		**14,986.34**	**12,432.10**
	TOTAL ASSETS		**32,622.38**	**32,165.87**
II	**EQUITY AND LIABILITIES**			
1	**Equity**			
	Equity Share Capital	17	3,081.54	3,081.54
	Other Equity	18	12,535.20	12,406.94
			15,616.74	**15,488.48**
	Non Controlling Interest		39.24	40.28
	Total Equity		**15,655.98**	**15,528.76**

Consolidated Balance Sheet

as at March 31, 2026

(₹ in lakhs)

	Particulars	Note	As at March 31, 2026	As at March 31, 2025
2	**Non-Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	19	2,728.49	3,768.16
	(ii) Lease Liabilities	20	629.02	655.46
	Provisions	21	583.43	592.79
	Deferred Tax Liabilities (Net)	22	764.54	755.86
	Other Non-Current Liabilities	23	1,319.46	1,330.20
	Total Non-Current Liabilities		**6,024.94**	**7,102.47**
3	**Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	24	5,728.64	5,137.28
	(ii) Lease Liabilities	25	59.48	56.53
	(iii) Trade Payables	26		
	a) Outstanding dues of Micro Enterprises and Small Enterprises		462.46	467.80
	b) Outstanding dues other than Micro Enterprises and Small Enterprises		2,729.86	1,994.65
	(iv) Other Financial Liabilities	27	637.44	689.51
	Provisions	28	52.15	32.77
	Other Current Liabilities	29	1,271.43	1,156.10
	Total Current Liabilities		**10,941.46**	**9,534.64**
	TOTAL EQUITY AND LIABILITIES		**32,622.38**	**32,165.87**

Significant Accounting Policies and other Notes to the Consolidated Financial Statements. 1-55

The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our Report of even date
For **M B A H & CO**
Chartered Accountants
(Firm's Registration No.: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place: Mumbai
Date: May 26, 2026

For & on behalf of Board of Directors

SAURABH MAHESHWARI
Managing Director
DIN 00283903

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Consolidated Statement of Profit & Loss

for the Year Ended March 31, 2026

(₹ in lakhs)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
Revenue from Operations	30	33,605.05	37,506.36
Other Income	31	683.18	630.04
Total Income		**34,288.23**	**38,136.40**
Expenses			
Cost of Materials Consumed	32	20,040.18	21,579.88
Purchases of Stock-in-Trade		659.14	318.13
Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	33	274.26	820.93
Employee Benefits Expenses	34	3,958.93	4,268.80
Finance Costs	35	929.15	959.59
Depreciation and Amortization Expenses	3	1,481.79	1,565.12
Other Expenses	36	7,310.31	7,993.47
Total Expenses		**34,653.76**	**37,505.92**
Profit before Exceptional and Extraordinary Items and Tax		**(365.53)**	**630.48**
Exceptional Items - Income/(Loss) (Net)	37	441.80	-
Profit before Share of Profit/(Loss) of Associates		**76.27**	**630.48**
Share of Profit/(Loss) of Associates		(2.58)	(3.70)
Profit before Tax		**73.69**	**626.78**
Tax Expenses	38		
Current Tax		11.05	-
Income Tax for earlier years		9.15	0.65
Deferred Tax Charge / (Credit)		(6.72)	180.31
Profit for the year (A)		**60.22**	**445.82**
Other Comprehensive Income			
Items that will not reclassified to Profit or Loss			
Remeasurement of defined benefit plan		55.34	9.46
Income tax impact on above item		(15.40)	(2.63)
Other Comprehensive Income for the year (B)		**39.94**	**6.83**
Total Comprehensive Income for the year (A+B)		**100.16**	**452.65**
Profit / (Loss) for the year attributable to:			
Owners of the Company		61.25	448.63
Non controlling interests		(1.04)	(2.81)
Other Comprehensive Income attributable to:			
Owners of the Company		39.94	6.83

PIONEER GROUP

Consolidated Statement of Profit & Loss

for the Year Ended March 31, 2026

(₹ in lakhs)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Non controlling interests		-	-
Total Comprehensive Income attributable to:			
Owners of the Company		101.20	455.46
Non controlling interests		(1.04)	(2.81)
Earning per Equity Share of ₹10 each:	53		
(1) Basic (₹)		0.20	1.47
(2) Diluted (₹)		0.20	1.46
Significant Accounting Policies and other Notes to the Consolidated Financial Statements.	1-55		

The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our Report of even date
For **M B A H & CO**
Chartered Accountants
(Firm's Registration No.: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place: Mumbai
Date: May 26, 2026

For & on behalf of Board of Directors

SAURABH MAHESHWARI
Managing Director
DIN 00283903

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Consolidated Statement of Cash Flow

for the Year Ended March 31, 2026

(₹ in lakhs)

	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A.	**Cash Flow From Operating Activities :**		
	Net Profit before Tax	73.69	626.78
	Adjustment for :		
	Share of Profit/(Loss) of Associates	2.58	3.70
	Depreciation and Amortisation Expense	1,481.79	1,565.12
	Loss/(Profit) on sale/discard of Property, Plant and Equipment (net)	(664.00)	(74.38)
	Interest Income	(58.53)	(52.55)
	Dividend Received	(5.25)	(2.70)
	Finance Costs	1,136.76	959.59
	Employee ESOP Compensation	27.07	46.67
	Provision for Expected Credit Losses	28.85	3.16
	Amortization of Government Grant	(104.37)	(37.84)
	Operating Profit before Working Capital Changes	**1,918.59**	**3,037.55**
	Changes in Working Capital:		
	Adjustments for :		
	Decrease/(Increase) in Inventories	(433.90)	959.67
	Decrease/(Increase) in Trade and Other Receivables	(492.36)	30.16
	Increase/(Decrease) in Trade and Other Payables	869.76	(717.65)
	Cash generated from Operation	**1,862.09**	**3,309.73**
	Net Income Tax (paid) / refunds	19.43	(21.54)
	Net Cash from Operating Activities	**1,881.52**	**3,288.19**
B.	**Cash Flow From Investing Activities :**		
	Purchases of Property, Plant and Equipments and Intangible Assets (including capital advance)	(1,170.92)	(927.99)
	Proceeds from Sales of Property, Plant & Equipments (net of Advance)	813.01	82.40
	Inter corporate deposit given / recovered (net)	-	(36.62)
	Interest Income Received	21.81	52.55
	Dividend Received	5.25	2.70
	Net Cash from / (used) in Investing Activities	**(330.85)**	**(826.96)**
C.	**Cash Flow From Financing Activities :**		
	Proceeds from Issue of Equity Share Capital & Share Warrants (including Share Premium)	-	432.15
	Proceeds from Non-Current Borrowing	779.24	137.90
	Repayment of Non-Current Borrowing	(2,249.30)	(1,956.94)
	Net increase / (decrease) in Current Borrowings	1,021.75	84.18
	Payment of Lease Liability	(38.04)	(78.03)
	Finance Costs	(1,136.89)	(959.93)
	Net Cash used in Financing Activities	**(1,623.24)**	**(2,340.67)**
	Net increase / (decrease) in cash and Cash Equivalents (A+B+C)	**(72.57)**	**120.56**
	Add: Opening Cash and Cash Equivalent	184.84	64.28
	Closing Cash and Cash Equivalent	**112.27**	**184.84**

Consolidated Statement of Cash Flow

for the Year Ended March 31, 2026

(₹ in lakhs)

Note:

1 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 -'Statement of Cash Flows' as notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

2 Changes in Liability arising from Financing Activities:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance of Borrowings and Lease Liabilities		
Term Loan (including Current Maturities)	5,440.44	7,259.48
Current Borrowings	3,465.00	3,380.82
Lease Liabilities	711.99	391.60
Interest Accrued	7.93	8.27
Cash Flows		
Proceeds from Long Term Borrowing	779.24	137.90
Repayment of Long Term Borrowing	(2,249.30)	(1,956.94)
Change in Current Borrowings (Net)	1,021.75	84.18
Finance Costs paid (Net of Interest Subsidies)	(1,136.89)	(959.93)
Payment of Lease Liability	(38.04)	(78.03)
Non-cash Changes		
Term Loan (including Current Maturities)	-	-
Current Borrowings	-	-
Lease Liabilities	14.55	398.42
Finance Costs	1,136.76	959.59
Closing Balance of Borrowings and Lease Liabilities		
Term Loan (including Current Maturities)	3,970.38	5,440.44
Current Borrowings	4,486.75	3,465.00
Lease Liabilities	688.50	711.99
Interest Accrued	7.80	7.93

The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our Report of even date
For **M B A H & CO**
Chartered Accountants
(Firm's Registration No.: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place: Mumbai
Date: May 26, 2026

For & on behalf of Board of Directors

SAURABH MAHESHWARI
Managing Director
DIN 00283903

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Consolidated Statement of Change in Equity

for the Year Ended March 31, 2026

(a) **Equity Share Capital :**

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**3,08,15,442**	**3,081.54**	**2,94,75,442**	**2,947.54**
Changes in Equity Share Capital during the year	-	-	13,40,000	134.00
Balance at the end of the year	**3,08,15,442**	**3,081.54**	**3,08,15,442**	**3,081.54**

(b) **Other Equity :**

Particulars	Reserves and Surplus				Share Warrants	Non Controlling Interest	Total
	Security Premium Reserve	Revaluation Reserve	Retained Earnings	Share Based Payment Reserve			
Balance at April 01, 2024	**4,892.61**	**363.61**	**6,203.82**	**2.57**	**144.05**	**43.09**	**11,649.75**
Profit / (Loss) for the year	-	-	448.63	-	-	(2.81)	445.82
Other Comprehensive Income for the year (net of tax)	-	-	6.83	-	-	-	6.83
Total Comprehensive Income for the year	**-**	**-**	**455.46**	**-**	**-**	**(2.81)**	**452.65**
Received on issue of Share Warrants convertible into Equity Shares	-	-	-	-	432.15	-	432.15
On issuance of Equity Shares	442.20	-	-	-	(576.20)	-	(134.00)
Recognition of Share based payments	-	-	-	46.67	-	-	46.67
Balance at March 31, 2025	**5,334.81**	**363.61**	**6,659.28**	**49.24**	**-**	**40.28**	**12,447.22**
Profit / (Loss) for the year	-	-	61.25	-	-	(1.04)	60.21
Other Comprehensive Income for the year (net of tax)	-	-	39.94	-	-	-	39.94
Total Comprehensive Income for the year	**-**	**-**	**101.19**	**-**	**-**	**(1.04)**	**100.15**
Recognition of Share based payments	-	-	-	27.07	-	-	27.07
Balance at March 31, 2026	**5,334.81**	**363.61**	**6,760.47**	**76.31**	**-**	**39.24**	**12,574.44**

The accompanying Notes are an integral part of the Consolidated Financial Statements.

As per our Report of even date
For **M B A H & CO**
Chartered Accountants
(Firm's Registration No.: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place: Mumbai
Date: May 26, 2026

For & on behalf of Board of Directors

SAURABH MAHESHWARI
Managing Director
DIN 00283903

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

1 **Reporting Entity**

The Consolidated Financial Statements comprise financial statements of Pioneer Embroideries Limited ("the Company") and its subsidiaries (collectively, "the Group") for the year ended March 31, 2026. The Company is a public limited company domiciled and incorporated in India and having registered office at Unit 101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off. New Link Road, Andheri (West), Mumbai-400 058. Equity shares of the Company are listed in India on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE).

The Group is primarily engaged in the manufacturing of Special Polyester Filament Yarn (SPFY) and Embroidery & Lace Products. It has three manufacturing units located at Kala-amb (Himachal Pradesh) for SPFY and Sarigam (Gujarat), Degaon (Maharashtra) for Embroidery and Laces.

These financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on May 26 , 2026.

2 **Material Accounting Policies**

The Group has consistently applied the following accounting policies to all periods presented in the Consolidated Financial Statements.

2.1 **Basis of Preparation**

The Consolidated Financial Statements of the Group comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra group transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Appropriate adjustments for deferred taxes are made for temporary differences that arise from the elimination of unrealised profits and losses from intra group transactions or undistributed earnings of Group's entity included in consolidated profit and loss, if any.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Consolidated Statement of Profit and Loss in the period in which they are incurred.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

2.2 **Basis of Measurement**

The financial statements have been prepared and presented on a going concern basis under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2 Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 Inputs are unobservable inputs for the asset or liability.

2.3 **Functional and Presentation Currency**

These financial statements are presented in Indian National Rupee ('INR'), which is the Group's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 **Use of Judgements and Estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance and operating lease.
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment;

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

2.5 Classification of Assets and Liabilities as Current and Non-Current

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

- Expected to be realised/settled (liabilities) or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash and Cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets/liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognised in Statement of Profit and loss.

Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation on property, plant & equipment is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013 except in respect of certain Plant & Machineries in whose case the life of the assets has been assessed based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc..

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure. Right of use assets is amortised over the lease period or estimated useful life whichever is less. Additions on rented premises are being amortised over the period of rent agreement.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below ₹5,000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction and not ready for their intended use, is carried forward at cost and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

2.7 Intangible Assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 10 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.8 Non-current Assets held for Sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.9 Impairment of Non-financial Assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets that necessarily takes substantial period of time to get ready for its intended use are capitalised as part of the cost of such assets. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

2.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded by the Group at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.12 Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using yield of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Group has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.13 Revenue Recognition

The Group recognises revenue from sale of goods when;

i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

iii) the amount of revenue can be measured reliably;

iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and

v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc. Sales exclude Goods and Services Tax.

Interest other than interest on overdue debts from customers, is recognised on time proportion basis.

Dividends are recognised at the time the right to receive payment is established.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.16 Measurement of Fair Value

a) Financial instruments

The estimated fair value of the Group's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.17 Financial Instruments

a. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

Financial assets at fair value through profit and loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

b. **Financial liabilities**

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

2.18 Income Tax

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Group:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

2.19 Leases

The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

the lease term.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37-Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Group applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.20 Earning per share

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.21 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.22 Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants that compensate the Company for expenses incurred are recognised in the Statement of Profit and Loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

When the government grant relates to the non-monetary asset where there is reasonable assurance that the grant will be received, the asset is disclosed by deducting the same from carrying amount of that asset and the grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge. Other Government grants relating to the purchase of plant and equipment are included in noncurrent liabilities as deferred income and are credited to the statement of Profit and Loss on a straight – line basis over the expected lives of related assets and presented within other income.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Group. The Business activity of the Group falls within one business segment viz "Textile".

2.24 Recent Amendments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. In August 2025, MCA notified the following amendments to the existing standard:

Ind AS 1 (Classification of liabilities as current or non-current and non-current liabilities with covenants);

Ind AS 7 and Ind AS 107 (Disclosures for supplier finance arrangements); and

Ind AS 12 (Global implementation of OCED Pillar Two model rules).

These amendments primarily relate to the classification of liabilities with covenants, additional disclosures for supplier finance arrangements, and a temporary exception for Pillar Two deferred taxes. The adoption of these amendments did not have a material impact on the measurement of the Company's assets or liabilities, though it resulted in enhanced disclosures and reclassifications in the financial statements.

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

New and amended Standards issued but not effective

The Ministry of Corporate Affairs (MCA) amended the Companies (Indian Accounting Standards) Rules, 2015, introduced changes to Ind AS 1 – Presentation of Financial Statements, effective from 01 April 2026. These amendments provide guidance when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date. However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment. This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, accounting Estimates and Errors.

The Company has considered these amendments and expects that there will be no impact on the financial statements.

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

3A. Property, Plant and Equipments

(₹ in lakhs)

Particulars	Tangible Assets										
	Freehold land	Buildings	Plant and Equipment	Vehicles	Furniture and Fixtures	Office Equipment	Computers	Electrical Installations	Borewell	Leasehold Improvements	Total
Cost											
As at April 01, 2024	**277.74**	**4,595.18**	**18,038.44**	**255.42**	**87.46**	**63.19**	**84.58**	**1,115.77**	**6.05**	**-**	**24,523.83**
Additions	-	27.17	386.90	52.56	139.81	9.05	11.23	66.88	-	45.91	739.51
Disposals	-	-	664.29	26.62	-	-	-	-	-	-	690.91
As at March 31, 2025	**277.74**	**4,622.35**	**17,761.05**	**281.36**	**227.27**	**72.24**	**95.81**	**1,182.65**	**6.05**	**45.91**	**24,572.43**
Additions	-	7.50	924.96	48.33	6.79	15.23	70.44	37.04	-	-	1,110.29
Disposals	22.39	82.60	99.05	0.43	0.67	9.81	5.52	12.42	0.30	-	233.19
Adjustment (Refer Note 41(c))	-	-	1,779.16	-	-	-	-	-	-	-	1,779.16
Reclassification to Right of Use Assets											
As at March 31, 2026	**255.35**	**4,547.25**	**16,807.80**	**329.26**	**233.39**	**77.66**	**160.73**	**1,207.27**	**5.75**	**45.91**	**23,670.37**
Depreciation											
As at April 01, 2024	**-**	**1,022.35**	**4,646.20**	**102.08**	**51.37**	**39.06**	**71.65**	**444.98**	**2.37**	**-**	**6,380.06**
Additions	-	193.62	1,145.74	27.64	5.84	8.10	8.42	82.82	1.15	0.06	1,473.39
Disposals	-	-	655.61	22.14	-	-	-	-	-	-	677.75
As at March 31, 2025	**-**	**1,215.97**	**5,136.33**	**107.58**	**57.21**	**47.16**	**80.07**	**527.80**	**3.52**	**0.06**	**7,175.70**
Additions	-	185.29	1,037.08	27.99	19.86	10.52	18.02	88.73	1.15	4.59	1,393.23
Disposals	-	52.40	6.23	0.41	0.64	9.81	5.52	4.73	0.30	-	80.04
As at March 31, 2026	**-**	**1,348.86**	**6,167.18**	**135.16**	**76.43**	**47.87**	**92.57**	**611.80**	**4.37**	**4.65**	**8,488.89**
Net block											
As at March 31, 2025	**277.74**	**3,406.38**	**12,624.72**	**173.78**	**170.06**	**25.08**	**15.74**	**654.85**	**2.53**	**45.85**	**17,396.73**
As at March 31, 2026	**255.35**	**3,198.39**	**10,640.62**	**194.10**	**156.96**	**29.79**	**68.16**	**595.47**	**1.38**	**41.26**	**15,181.48**

3B. Capital Work-in-Progress

As at March 31, 2025	16.77
As at March 31, 2026	**326.12**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

3C. Right of use Assets (Refer Note 40)

Particulars	Leasehold Land	Leased Property	Total
Cost			
As at April 01, 2024	24.81	483.92	508.73
Additions	-	-	-
Additions as per IND AS 116 (Lease)	-	488.60	488.60
Disposals	-	112.82	112.82
As at March 31, 2025	24.81	859.70	884.51
Additions	-	-	-
Additions as per IND AS 116 (Lease)	-	45.59	45.59
Disposals	-	112.82	112.82
As at March 31, 2026	24.81	792.47	817.28
Amortisation			
As at April 01, 2024	2.37	96.42	98.79
Additions	0.30	86.16	86.46
Deletions	-	90.73	90.73
As at March 31, 2025	2.67	91.85	94.52
Additions	0.30	83.31	83.61
Disposals	-	86.01	86.01
As at March 31, 2026	2.97	89.15	92.12
Net block			
As at March 31, 2025	22.14	767.85	789.99
As at March 31, 2026	21.84	703.32	725.16

3D. Intangible Assets

Particulars	Computer Software	Hakoba Brand	Total
Cost			
As at April 01, 2024	76.77	0.05	76.82
Additions	5.34	-	5.34
Disposals	-	-	-
As at March 31, 2025	82.11	0.05	82.16
Additions	0.75	-	0.75
Disposals	-	-	-
As at March 31, 2026	82.86	0.05	82.91

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	Computer Software	Hakoba Brand	Total
Depreciation			
As at April 01, 2024	57.41	-	57.41
Additions	5.27	-	5.27
Disposals	-	-	-
As at March 31, 2025	**62.68**	**-**	**62.68**
Additions	4.95	-	4.95
Disposals	-	-	-
As at March 31, 2026	**67.63**	**-**	**67.63**
Net block			
As at March 31, 2025	19.43	0.05	19.48
As at March 31, 2026	15.23	0.05	15.28

3.1 a) Depreciation is provided on fixed assets over the remaining useful life in accordance with the provisions of Schedule II of the Act.

b) Property, Plant and Equipment given as security for borrowings (Refer note 19 & 24).

c) Certain machinery at SPFY unit are hypothecated to Director of Industries Himachal Pradesh towards capital subsidy received from them.

d) During the year, borrowing cost amounting to `6.88 (` Nil) directly attributable to the acquisition of fixed assets are capitalized by the Company as part of the cost of the assets up to the date of such asset is ready for its intended use.

3.2 a) Capital work-in-progress ageing schedule for the year ended March 31, 2026:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	326.12	-	-	-	326.12
	326.12	**-**	**-**	**-**	**326.12**

b) Above project is not overdue and not exceeds its cost of original plan as at the reporting date.

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

4 Non- Current Investment

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Quoted Investments				
In Other Entities (measured at fair value through profit and loss)				
RLF Limited	1,000	0.00	1,000	0.00
(Equity shares of Face Value of ₹10 each)				
(Cost ₹0.06 lakh less provision made ₹0.06 lakh)				
Padmini Technologies Limited (listing suspended)	68,939	0.00	68,939	0.00
(Equity shares of Face Value of ₹10 each)				
(Cost ₹17.56 lakh less provision made ₹17.56 lakh)				
Unquoted Investments				
In Other Entities				
Shree Ganesh Integrated Textile Park Private Limited	10,560,000	1,046.98	10,560,000	1,049.56
(Equity shares of Face Value of ₹10 each)				
The Greater Bombay Co-op. Bank Limited	40	0.01	40	0.01
(Equity shares of Face Value of ₹25 each)				
	1,06,29,979	1,046.99	1,06,29,979	1,049.57

a. **None of the above investments are listed on any stock exchange in India or outside India.**

b. **Aggregate amount of investments are given below:**

Aggregate book value of quoted investments	17.62	17.62
Aggregate market value of quoted investments	0.09	0.09
Aggregate cost of unquoted investments	1,046.99	1,049.57
Aggregated amount of impairment in value of investments	17.62	17.62

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

5 Other Non-Current Financial Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Security Deposits	183.80	179.11
Fixed Deposit in Banks with more than 12 months maturity	129.19	87.03
	312.99	**266.14**

6 Other Non-Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Capital Advances	28.02	195.09
	28.02	**195.09**

6.1 Capital advance of ₹28.02 has been given towards advance to suppliers of plant & equipment.

7 Inventories
(Valued at lower of cost or net realisable value as certified by Management)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw Materials	1,901.70	1,161.68
Work-in-Progress	953.26	898.50
Finished Goods	2,975.59	3,304.61
Store & Spares	328.58	356.59
Packing Material	57.63	61.48
	6,216.76	**5,782.86**
Inventories include Goods in transit as under:		
Finished Goods	363.46	125.41

7.1 Inventories are hypothecated to secure borrowings. (Refer Note 19 & 24).

(₹ in lakhs)

8 Current Investment

Particulars		As at March 31, 2026		As at March 31, 2025	
		Number of shares	Amount	Number of shares	Amount
A	**Investment in Equity instruments**				
	Unquoted, fully paid-up				
	National Stock Exchange of India Ltd.	15,000	98.25	15,000	98.25
	(Equity shares of Face Value of ₹1 each)				
		15,000	**98.25**	**15,000**	**98.25**
	Aggregate book value of quoted investments		-		-
	Aggregate market value of quoted investments		-		-
	Aggregate book value of unquoted investments		98.25		98.25
	Aggregated amount of impairment in value of investments		-		-

9 Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured		
Considered Good	2,316.17	2,778.62
Having significant increase in credit risks	463.72	504.46
Credit Impaired	**67.99**	**79.37**
	2,847.88	**3,362.45**
Less: Allowance for Credit Losses	(302.59)	(298.34)
	2,545.29	**3,064.11**

9.1 Trade receivables include outstanding from related party enterprise of ₹22.19 (₹22.20).

9.2 Trade receivables are hypothecated to secure borrowings (Refer Note 19 & 24).

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Trade Receivables ageing schedule as at March 31, 2026:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables -considered good	1,411.47	472.81	311.31	154.97	139.01	290.32	**2,779.89**
Undisputed Trade receivables -credit impaired	-	-	-		1.15	66.84	**67.99**
Disputed Trade Receivables - considered good	-	-	-	-	-	-	**-**
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	**-**
	1,411.47	**472.81**	**311.31**	**154.97**	**140.16**	**357.16**	**2,847.88**
Less: Allowance for Credit Losses							**(302.59)**
Total Trade Receivables							**2,545.29**

Trade Receivables ageing schedule as at March 31, 2025:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables -considered good	1,943.53	528.18	184.64	307.94	7.22	311.57	**3,283.08**
Undisputed Trade receivables -credit impaired	-	-	-		7.60	71.77	**79.37**
Disputed Trade Receivables - considered good	-	-	-	-	-	-	**-**
Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	**-**
	1,943.53	**528.18**	**184.64**	**307.94**	**14.82**	**383.34**	**3,362.45**
Less: Allowance for Credit Losses							**(298.34)**
Total Trade Receivables							**3,064.11**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

10 Cash & Cash Equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with Banks - In Current Accounts	92.20	147.37
Cash in hand	20.07	37.47
	112.27	**184.84**

11 Bank Balances other than Cash & Cash Equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed Deposit in Banks with less than 12 months maturity	2.06	4.39
	2.06	**4.39**

12 Current Loans

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Inter Corporate Deposits		
Associates Concerns		
Shree Ganesh Integrated Textile Park Pvt. Ltd.	426.35	389.63
	426.35	**389.63**

13 Other Current Financial Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Other Loans and Advances		
Others		
Loan & Advances to Staff	35.62	37.84
Government Incentives Receivable	2,100.41	280.26
	2,36.03	**318.10**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

14 Current Tax Assets (Net)

Particulars	As at March 31, 2026	As at March 31, 2025
Income Tax Refund Receivable (net)	96.63	136.26
	96.63	**136.26**

15 Other Current Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good		
Advances recoverable in cash or in kind	800.39	741.67
Prepaid Expenses	124.20	174.33
Accrued Export and Other Incentives	8.74	49.44
Other Advances and Balances	1,615.51	684.36
	2,548.84	**1,649.80**

15.1 Advance recoverable include outstanding from Associate Concern of ₹524.85 (₹534.85).

16 Assets held for Sale

Particulars	As at March 31, 2026	As at March 31, 2025
Leasehold Land	695.66	695.66
Building	108.20	108.20
	803.86	**803.86**

17 Share Capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity Shares of ₹10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	5,00,00,000	**5,000.00**	**5,00,00,000**	**5,000.00**
Issued, Subscribed & Paid up				
Equity Shares of ₹10 each	3,08,15,442	3,081.54	3,08,15,442	3,081.54
	3,08,15,442	**3,081.54**	**3,08,15,442**	**3,081.54**

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

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

As at the beginning of the financial year	3,08,15,442	3,081.54	2,94,75,442	2,947.54
Add: Issued on exercise of ESOP option (Refer Note 45)	-	-	-	-
Add: Issued against conversion of share warrants	-	-	13,40,000	134.00
As at the end of the financial year	**3,08,15,442**	**3,081.54**	**3,08,15,442**	**3,081.54**

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 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.

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

Name of shareholder	As at March 31, 2026		As at March 31, 2025	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Pioneer E-Com Fashions LLP	55,36,492	17.97	55,36,492	17.97
Raj Kumar Sekhani	45,04,760	14.62	45,04,760	14.62
Enforcement Directorate Raipur	25,00,000	8.11	-	-
Tano Investment Opportunities Fund	-	-	25,00,000	8.11

Shareholding of Promoters:

Promoter Name	As at March 31, 2026			As at March 31, 2025		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Pioneer E-Com Fashions LLP	55,36,492	17.97	-	55,36,492	17.97	(0.81)
Raj Kumar Sekhani	45,04,760	14.62	-	45,04,760	14.62	3.88
Bimladevi Sekhani	23,073	0.07	-	23,073	0.07	(0.01)
Manak Chand Baid Jt. Raj Kumar Sekhani	14,000	0.05	-	14,000	0.05	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

18 Other Equity

Particulars	As at March 31, 2026	As at March 31, 2025
Share Premium Reserve		
Opening Balance	5,334.81	4,892.61
Add: During the year	-	442.20
Balance as at the end of the year	5,334.81	5,334.81
Share Based Payment Reserve		
Opening Balance	49.24	2.57
Add: Recognition of Share based payments during the year (Refer Note 45)	27.07	46.67
Balance as at the end of the year	76.31	49.24
Revaluation Reserve		
Opening Balance	363.61	363.61
Add: During the year	-	-
Balance as at the end of the year	363.61	363.61
Retained Earnings		
Opening Balance	6,659.28	6,203.82
Add : Other Comprehensive Income (including tax thereon)	39.94	6.83
Add: Profit for the year	61.25	448.63
Balance as at the end of the year	6,760.47	6,659.28
Share Warrants		
Opening Balance	-	144.05
Add: Received on issue of Share Warrants convertible into Equity Shares	-	432.15
Less: Issue of equity shares on conversion	-	(576.20)
Balance as at the end of the year	-	-
Non-Controlling Interest	39.24	40.28
	39.24	**40.28**
	12,574.44	**12,447.22**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Nature and purpose of other reserves/ other equity

Securities Premium

This Reserve represents premium received on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Share Based Payment Reserve:

This reserve relates to stock options granted to employees under "Employee Stock Option Plan 2018 Scheme (ESOP)" and shall be transferred to securities premium account/retained earnings on exercise/cancellation of options.

Retained Earnings

Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

19 Non-Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured Loans		
Term Loans from Banks/Institutions	2,801.21	3,899.88
Term Loan from Other	989.17	1,360.56
Unsecured Loans		
Others	180.00	180.00
	3,970.38	**5,440.44**
Current Maturity of Borrowings disclosed under the head "Current Financial Liabilities-Borrowings" (Refer Note 24)	(1,241.89)	(1,672.28)
	2,728.49	**3,768.16**

19.1 Term Loan from bank of ₹2,248.59 are secured by first pari passu charge over fixed assets of the Company both present & future and are further secured by second charge over current assets of the Company, by personal guarantee of Chairman and a Director of the Company and pledge of company's certain shares by promoter and promoter group firms. This loan is repayable in monthly instalments ending November 2028 and presently carries interest @8.50% p.a..

19.2 Term Loans from bank of ₹44.28 are secured by first pari passu charge over current assets of the Company and further secured by second pari passu charge over fixed assets of the Company both present & future with other term lenders, by personal guarantee of the Chairman of the Company. This loan is repayable in monthly instalments ending March 2027 and carries interest @7.5% p.a..

19.3 Term Loan from bank of ₹370.00 are secured by first pari passu charge over fixed assets of the Company both present & future secured by personal guarantee of Chairman and a Director of the Company . This loan is repayable in monthly instalments ending March 2033 and presently carries interest @8.65% p.a..

19.4 Term Loan from Banks of ₹138.34 are secured by hypothecation of respective vehicles financed.

19.5 Term Loan from Tata Capital of ₹579.09 is secured by exclusive charge on certain machineries financed by them. This loan is repayable in monthly instalments ending September 2028 and presently carries interest @12.2% p.a.

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

19.6 Term Loan from Orix Leasing & Financial Services India Limited of ₹410.08 is secured by exclusive charge on certain machineries financed by them. This loan is repayable in monthly instalments ending February 2030 and presently carries interest @11.95% p.a.

19.7 All unsecured loans are interest free and carry no repayment schedule. These loans are subject to confirmation and reconciliation.

20 Lease Liability

Particulars	As at March 31, 2026	As at March 31, 2025
Finance lease obligations	688.50	711.99
	688.50	**711.99**
Current Maturity of Lease (Refer Note 25)	(59.48)	(56.53)
	629.02	**655.46**

21 Long Term Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision for Employee Benefits	583.43	592.79
	583.43	**592.79**

22 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2026	As at March 31, 2025
The balance comprises temporary differences attributable to:		
Deferred Tax Assets in relation to:		
Business Losses including Unabsorbed Depreciation	-	24.49
Provision for allowances for credit losses	77.73	76.56
Expenses allowed in the year of payment	336.42	264.54
Lease Liabilities	191.05	198.08
Total Deferred Tax Assets (A)	**605.20**	**563.67**
Deferred Tax Liabilities in relation to:		
Property, Plant & Equipments and Intangible Assets	1,174.08	1,123.43
Right-of-use to assets	195.66	196.10
Total Deferred Tax Liabilities (B)	**1,369.74**	**1,319.53**
Total Deferred Tax Liabilities (B-A)	**764.54**	**755.86**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

22.1 Movement of Deferred Tax Liabilities/ (Assets)

Particulars	As at March 31, 2025	Recognised in P&L	Recognised in OCI	As at March 31, 2026
Deferred Tax Assets in relation to:				
Business Losses including Unabsorbed Depreciation	24.49	(24.49)	-	-
Provision for allowances for credit losses	76.56	1.17	-	77.73
Expenses allowed in the year of payment	264.54	87.28	(15.40)	336.42
Lease Liabilities	198.08	(7.03)	-	191.05
Total Deferred Tax Assets (A)	**563.67**	**56.93**	**(15.40)**	**605.20**
Deferred Tax Liabilities in relation to:				
Property, Plant & Equipments and Intangible Assets	1,123.43	50.65	-	1,174.08
Right-of-use to assets	196.10	(0.44)	-	195.66
Total Deferred Tax Liabilities (B)	**1,319.53**	**50.21**	**-**	**1,369.74**
Total Deferred Tax Liabilities / (Assets) (B - A)	**755.86**	**(6.72)**	**15.40**	**764.54**

Particulars	As at March 31, 2024	Recognised in P&L	Recognised in OCI	As at March 31, 2025
Deferred Tax Assets in relation to:				
Business Losses including Unabsorbed Depreciation	118.28	(93.79)	-	24.49
Provision for allowances for credit losses	75.68	0.88	-	76.56
Expenses allowed in the year of payment	172.42	94.75	(2.63)	264.54
Lease Liabilities	108.94	89.14	-	198.08
Total Deferred Tax Assets (A)	**475.32**	**90.98**	**(2.63)**	**563.67**
Deferred Tax Liabilities in relation to:				
Property, Plant & Equipments and Intangible Assets	940.44	182.99	-	1,123.43
Right-of-use to assets	107.80	88.30	-	196.10
Total Deferred Tax Liabilities (B)	**1,048.24**	**271.29**	**-**	**1,319.53**
Total Deferred Tax Liabilities / (Assets) (B - A)	**572.92**	**180.31**	**2.63**	**755.86**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

23 Non-Current Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred Government Grants (Refer Note 41(a))		
Opening Balance	1,330.20	1,347.68
Add: During the year	93.63	20.36
Less: Amortisation of Deferred Government Grant recognised in Other Income	104.37	37.84
	1,319.46	**1,330.20**

24 Current Financial Liabilities -Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Loans Repayable on Demand		
Cash Credit from Banks	3,894.55	3,128.89
	3,894.55	**3,128.89**
Unsecured		
Short Term Loans Repayable on Demand		
Inter Corporate Deposits	542.80	336.11
Loans From Related Party		
From Director	49.40	-
	592.20	**336.11**
Current maturities of Long Term Debt (Refer note 19)	1,241.89	1,672.28
	5,728.64	**5,137.28**

24.1 Cash Credit Loans are secured by first pari passu charge by hypothecation of stocks, book debts and second pari passu charge on all fixed assets, both present and future and further secured by personal guarantee of the Chairman of the Company.

24.2 Inter Corporate Deposits include ₹310.31 taken from related enterpirises,

25 Lease Liability

Particulars	As at March 31, 2026	As at March 31, 2025
Lease obligations	59.48	56.53
	59.48	**56.53**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

26 Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
For Goods and Services		
Total outstanding dues of micro enterprises and small enterprises	462.46	467.80
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,729.86	1,994.65
	3,192.32	**2,462.45**

26.1 Trade Payables include outstanding to a related enterprise of ₹18.98 (₹102.47).

26.2 Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under Section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

	Particulars	As at March 31, 2026	As at March 31, 2025
a.	Principal amount and Interest due thereon remaining unpaid to any supplier at the end of year	462.46	467.80
b.	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c.	the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d.	the amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of this Act	-	-

Trade Payables ageing schedule: As at March 31, 2026

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	331.61	112.04	2.89	15.92	-	**462.46**
(ii) Others	2,104.73	414.28	122.61	15.88	72.36	**2,729.86**
Total Trade Payable	**2,436.34**	**526.32**	**125.50**	**31.80**	**72.36**	**3,192.32**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Trade Payables ageing schedule: As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	399.40	48.51	19.89	-	-	**467.80**
(ii) Others	1,374.88	470.94	33.55	27.44	87.84	**1,994.65**
Total Trade Payable	**1,774.28**	**519.45**	**53.44**	**27.44**	**87.84**	**2,462.45**

27 Other Current Financial Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Interest accrued	7.80	7.93
Unpaid Dividend	2.95	3.29
Capital Creditors	5.67	16.80
Employees Emoluments	521.78	551.36
Statutory Dues	40.17	47.52
Others	59.07	62.61
	637.44	**689.51**

28 Short Term Provisions

Particulars	As at March 31, 2026	As at March 31, 2025
Provision For Employee Benefits	52.15	32.77
	52.15	**32.77**

29 Other Current Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Customers' Credit Balances and Advances against orders	221.43	106.10
Advance Against Property	1,050.00	1,050.00
	1,271.43	**1,156.10**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

30 Revenue From Operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of Products - Yarn, Embroidery Fabric & Laces		
Domestic Sales	32,282.67	34,213.05
Export Sales	1,258.64	3,131.26
Other Operating Revenue (Including Export Incentives)	63.74	162.05
	33,605.05	**37,506.36**

30.1 Sales include sales made to related enterprises ₹135.58 (₹116.97).

31 Other Income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest Income	58.53	52.55
Dividend Received	5.25	2.70
Profit on disposal of Property, Plant and Equipment (Net)	14.59	74.38
Electricity Rebate related to earlier years (Refer Note 41(d))	454.43	-
Gain on Foreign Currency transactions and translation (Net)	43.46	55.58
Miscellaneous Income	2.55	406.99
Amortization of Government Grant (Refer Note 23)	104.37	37.84
	683.18	**630.04**

32 Cost Of Material Consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Cost of Raw Material Consumed		
Opening Stock	1,161.68	1,292.64
Purchases during the year	20,780.20	21,448.92
	21,941.88	**22,741.56**
Less:- Closing Stock	1,901.70	1,161.68
	20,040.18	**21,579.88**

32.1 Purchases includes from related enterprises ₹91.47 (₹259.12).

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

33 Change In Inventories

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Inventories		
Work-in-Progress	898.50	1,342.16
Finished Goods	3,304.61	3,681.88
	4,203.11	**5,024.04**
Less: Closing Inventories		
Work-in-Progress	953.26	898.50
Finished Goods	2,975.59	3,304.61
	3,928.85	**4,203.11**
	274.26	**820.93**

34 Employee Benefits Expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, Wages and Incentives	3,668.85	3,952.24
Contribution to Funds	204.04	208.33
Staff Welfare Expenses	58.97	61.56
Employee ESOP Compensation (Refer Note 45)	27.07	46.67
	3,958.93	**4,268.80**

35 Finance Cost

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense*	702.47	837.26
Interest on Lease Obligation	73.45	55.90
Other Borrowing Costs	84.73	39.26
Exchange difference regarded as an adjustment to finance costs	68.50	27.17
	929.15	**959.59**

Interest expense are net of Interest Subsidy of ₹113.93 (₹223.37) under the Package Scheme of Incentive-2019 of Government of Maharashtra and interest capitalised of ₹6.88 (₹Nil).

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

36 Other Expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Stores & Spares Consumed	703.03	675.71
Repair & Maintenance	234.94	220.89
Power & Fuel	2,925.07	3,140.45
Insurance	61.35	64.74
Job Charges	343.06	497.20
Legal & Professional Fees	115.04	97.34
Packing Material Consumed	1,395.12	1,526.37
Payment to Auditors*	17.22	17.22
Rates & Taxes	38.25	74.92
Rent	53.00	27.81
Provision for Expected Credit Losses	28.85	3.16
Directors Sitting Fees	6.69	6.00
Donations	-	0.61
Expenditure incurred towards CSR activities	8.46	-
Selling Expenses	823.53	995.97
Miscellaneous Expenses	556.70	645.08
	7,310.31	**7,993.47**
*** Details of payment to Auditors**		
a) Statutory & Tax Audit	17.22	17.22
b) for Taxation Matter	-	-
c) for Other Services	-	-
	17.22	**17.22**

37 Exceptional Items

Exceptional Item represent:

a) Profit of ₹649.41 (₹Nil) represents profit from sale of non- core assets of the Company,

b) Expenses of ₹207.61 (₹Nil) represents recognition of full and final liability towards lender pertaining to earlier year.

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

38 Income Tax Expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Tax expense/(credit) recognized in the Statement of Profit and Loss		
Current tax	11.05	-
Income Tax for earlier year	9.15	0.65
Deferred tax charge (credit)	(6.72)	180.31
Income Tax expense reported in the Statement of Profit and Loss	**13.48**	**180.96**
Deferred tax impact on component of Other Comprehensive Income (OCI)	15.40	2.63
Total Income Tax benefit recognized in Other Comprehensive Income	**15.40**	**2.63**
Total Income Tax expense recognised in the current year	**28.88**	**183.59**
Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:		
Enacted income tax rate in India applicable to the Company	27.82	27.82
Profit before tax	73.69	626.78
Income Tax Expense	20.50	174.37
Effect of:		
Expenses that are not deductible in determining taxable profit	2.35	0.17
Income Tax for earlier year	9.15	0.65
Capital Gains (Differential tax rate)	(10.44)	-
Others	7.32	8.40
	28.88	**183.59**

39 Contingent liabilities, contingent assets and commitments

	Particulars	As at March 31, 2026	As at March 31, 2025
A.	**Contingent liabilities (not provided for) in respect of:**		
	1 Bank Guarantees Outstanding.	70.10	110.10
	2 Demand for Excise duty, being contested by the Company	33.58	33.58
	3 Demand for Service Tax, being contested by the Company	123.85	123.85
	4 Sundry Cases in Labour Court and Industrial Court (Sarigam unit, Gujarat *(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 interest and penalties as may arise. The management believes that the Company has a strong chance of favourable decision in above cases, hence no further provision has been considered necessary.		

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

	Particulars	As at March 31, 2026	As at March 31, 2025
B.	**Commitments**		
a)	**Capital Commitments:** 'Estimated amount of Contracts remaining to be executed on Capital Account [Net of Advances]	237.76	555.92
b)	**EPCG Commitments:** Future export obligations / commitments under import of Capital Goods at Concessional rate of customs duty	7,916.76	7,872.27

40 Leases

	Particulars	As at March 31, 2026	As at March 31, 2025
	As a Lessee		
a)	The movement in lease liabilities during the years ended March 31, 2026 and March 31, 2025 is as follows:		
	Balance at the beginning	711.99	391.60
	Additions during the year	45.49	425.64
	Finance cost accrued during the year	73.45	55.90
	Deletions	(31.11)	(27.44)
	Payment of Lease Liabilities	(111.49)	(133.71)
	Balance at the end	**688.33**	**711.99**
b)	Total cash outflow for leases recognised in Statement of Cash Flows for the year ended March 31, 2026 was ₹38.13 (₹141.00).		
c)	Balance of Lease Liabilities :		
	Non-Current Lease Liabilities	629.02	655.46
	Current Lease Liabilities	59.48	56.53
		688.50	**711.99**
d)	The details of the contractual maturities of lease liabilities as at March 31, 2026 and March 31, 2025 on an undiscounted basis are as follows:		
	Less than one year	123.88	127.02
	One to five years	369.19	391.32
	More than five years	1,115.00	1,169.00
	Total	**1,608.07**	**1,687.34**
e)	The Company has incurred rent expense of ₹53.00 (₹27.81) for the year ended March 31, 2026 towards expenses relating to short-term leases and leases of low-value assets.		

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

41 Disclosure of Deferred Government Grants/Subsidies

a) ₹93.63 (₹20.36) accounted as Deferred Government Grants for duty saved on import/purchase of capital goods and spares under the Export Promotion Capital Goods (EPCG) scheme. EPCG scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. Under the scheme, the company is committed to export goods at the prescribed times of duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the Statement of Profit & Loss based on fulfillment of related export obligations.

b) Under the Package Scheme of Incentive 2019 approved by the Government of Maharashtra, the Company is entitled to industrial promotion subsidy to the extent of 80% of the fixed capital investment or to the extent of taxes paid to the State Government and certain expenses paid in next 10 years from the date of commercial production, whichever is lower. During the year, subsidy receivable under the above scheme aggregating to ₹139.25 (₹280.26) has been recognised in the Statement of Profit & Loss.

c) The Company is entitled to capital subsidy under TUFS scheme under State Textile Policy 2018-23. The Company has recognised the capital subsidy of ₹1,779.16 (₹Nil) with the Government of Maharashtra for the expansion made in earlier year, in accordance with Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance". The Company has deducted subsidy receivable from Gross Cost of the respective machinery and has accounted for subsidy amortization as deduction from depreciation cost.

d) The SPFY Division of the Company has received/has become entitled to receive an electricity duty rebate subsidy of ₹635.45 lakhs (₹Nil) in respect of the expansion undertaken in earlier years, pursuant to approval granted by the Himachal Pradesh Electricity Regulatory Commission (HPERC). Out of the total subsidy, ₹454.43 lakhs pertains to earlier financial years and has accordingly been recognized under Other Income during the current year.

42 Foreign exchange derivatives and exposures outstanding at the year-end:

(₹ in lakhs)

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Foreign Currency exposure not hedged by derivative instrument or otherwise :		
i. Receivable	185.52	385.28
ii. Payable	33.62	519.70
(b) Outstanding forward contracts to be hedge foreign currency exposure :	395.89	154.05

43 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:
The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. During the year the Company has contributed to Government Provident Fund ₹165.75 (₹165.81).

(ii) Defined Benefit Plan:
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2026. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. **Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:**

Particulars	As at March 31, 2026	As at March 31, 2025
Net defined benefit liability / (asset)	581.92	573.27
Liability for Gratuity		
Current	47.68	31.64
Non-Current	534.24	541.63

B. **Movement in net defined benefit (asset) / liability:**
The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Particulars	March 31, 2026			March 31, 2025		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	573.27	-	573.27	498.56	-	498.56
Included in profit or loss						
Service costs	102.27	-	102.27	104.22	-	104.22
Interest cost / (income)	37.01	-	37.01	33.45	-	33.45
	139.28	**-**	**139.28**	**137.67**	**-**	**137.67**
Included in OCI						
Actuarial loss / (gain) arising from:						
- demographic assumptions	-	-	-	-	-	-
- financial assumptions	(10.54)	-	(10.54)	(58.71)	-	(58.71)
- experience adjustment	(44.80)	-	(44.80)	49.25	-	49.25
	(55.34)	**-**	**(55.34)**	**(9.46)**	**-**	**(9.46)**
Other						
Contributions paid by the employer	-	-	-	-	-	-
Benefits paid	(75.29)	-	(75.29)	(53.50)	-	(53.50)
	(75.29)	**-**	**(75.29)**	**(53.50)**	**-**	**(53.50)**
Balance as at March 31	**581.92**	**-**	**581.92**	**573.27**	**-**	**573.27**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

C. **Plan assets:**

The Company has no plan assets.

D. **Actuarial assumptions:**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.07%	6.91%
Expected rate of future salary increase	7.00%	7.00%
Mortality	100% of IALM (2012 - 14)	

Assumptions regarding future mortality have been based on published statistics and mortality tables.

E. **Sensitivity analysis:**
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	March 31, 2026		March 31, 2025	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(522.50)	653.26	(409.87)	649.98
Expected rate of future salary increase (1% movement)	649.23	(524.78)	646.69	(511.39)

Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

F. **Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

A) Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
B) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
C) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumption in the valuation can impact the liabilities.

(₹ in lakhs)

44 Related parties

A. Related parties and their relationships

i Key Managerial Personnel (KMP) and their relatives

Mr. Raj Kumar Sekhani (Chairman)
Mr. Harsh Vardhan Bassi (Managing Director) (upto October 13, 2025)
Mr. Saurabh Maheshwari (Managing Director)
Mr. Vishal Sekhani (Executive Director) (w.e.f. October 14, 2025)
Ms. Sushama Sunil Bhatt (Independent Director)
Mr. Mahesh Kumar Gupta (Independent Director)
Mr. Varun Kathuria (Independent Director)
Ms. Bimla Devi Sekhani
Mr. Aarav Sekhani
Mr. Vishal Sekhani
Mr. Ratanlal Sekhani
Ms. Prachi Sekhani
Ms. Priyani Sekhani
Ms. Suman Saurabh Maheshwari

ii. Enterprises having significant influence by KMP & their Relatives

M/s J J Sons
M/s J J and Sons
Kiran Industries Pvt. Ltd.
Thakurdas & Co. Pvt. Ltd.
Kiran Texpro Pvt. Ltd.

iii. Associate Concerns

Pioneer E-Com Fashions LLP
Shree Ganesh Integrated Textile Park Pvt. Ltd.

B Transactions with the above in the ordinary course of business

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sales		
Enterprises having significant influence by KMP & their Relatives		
M/s J J and Sons	59.27	46.61
Kiran Industries Pvt. Ltd.	66.23	70.36
Kiran Texpro Pvt. Ltd.	10.08	-
	135.58	**116.97**
Purchases		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	90.78	257.06

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
J J and sons	0.69	2.02
Kiran Texpro Pvt. Ltd.	-	0.03
	91.47	**259.12**
Payment for Rent & Other Services		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	-	18.50
Key Managerial Personnel (KMP) and their Relatives		
Ms. Bimla Devi Sekhani	15.00	12.50
Ms. Suman Saurabh Maheshwari	15.00	12.50
Receipt for Rent & Other Services		
Enterprises having significant influence by KMP & their Relatives		
Kiran Texpro Pvt. Ltd.	2.30	4.71
Employee Benefit Expenses		
Key Managerial Personnel (KMP) and their relatives		
Managerial Remuneration		
Mr. Raj Kumar Sekhani (Chairman)	84.00	84.00
Mr. Harsh Vardhan Bassi (Managing Director)	19.26	36.00
Mr. Saurabh Maheshwari (Managing Director)	48.00	48.00
Mr. Vishal Sekhani (Executive Director)	25.44	25.44
Mr. Aarav Sekhani	25.44	25.44
Mr. Ratanlal Sekhani	18.10	25.26
Ms. Prachi Sekhani	3.18	3.18
Ms. Priyani Sekhani	4.45	4.45
	227.87	**251.78**
Director Sitting Fees		
Mr. Varun Kathuria (Independent Director)	2.38	2.05
Mr. Mahesh Gupta (Independent Director)	2.38	2.15

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Ms. Sushama Sunil Bhatt (Independent Director)	1.93	1.80
	6.69	**6.00**
Loans & Advances Given		
Associate Concerns		
Shree Ganesh Integrated Textile Park Pvt. Ltd.	36.72	36.62
	36.72	**36.62**
Loans & Advances taken/recovered		
Associate Concerns		
Pioneer E-Com Fashions LLP	10.00	10.00
	10.00	**10.00**
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	300.00	-
	300.00	**-**
Outstanding Balance at the year end		
Loans & Advances taken		
Enterprises having significant influence by KMP & their Relatives		
Kiran Industries Pvt. Ltd.	310.31	-
	310.31	**-**
Trade Payables & Other Liabilities		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	13.67	13.67
Kiran Industries Pvt. Ltd.	5.31	88.79
Kiran Texpro Pvt. Ltd.	-	0.01
	18.98	**102.47**
Receivables		
Enterprises having significant influence by KMP & their Relatives		
M/s J J Sons	2.02	2.02

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Notes to Consolidated Financial Statements

for the year ended March 31, 2026

(₹ in lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
M/s J J and Sons	9.55	11.70
Kiran Industries Pvt. Ltd.	4.50	-
Thakurdas & Co. Pvt. Ltd.	4.80	4.84
Kiran Texpro Pvt. Ltd.	1.33	3.64
	22.19	**22.20**
Associate Concerns		
Shree Ganesh Integrated Textile Park Pvt. Ltd.	426.35	389.63
Pioneer E-Com Fashions LLP	524.85	534.85
	951.20	**924.48**

45 Pioneer Embroideries Limited Employee Stock Option Plan 2018 Scheme (ESOP)

The Company has granted stock options under the Pioneer Embroideries Limited Employee Stock Option Plan 2018 Scheme (ESOP) to the eligible employees of the Company. Under ESOP, the company has granted 3,99,864 options on August 12, 2024. 100% of total options granted would vest in after one year from the date of grant subject to fulfilment of vesting conditions. The maximum period for exercise of options is three year from the date of vesting. Each option when exercised would be converted into one fully paid-up equity share of ₹10 each of the Company. The options granted under ESOP carry no rights to dividends and voting rights till the date of exercise.

As at the end of the financial year, details and movements of the outstanding options are as follows:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No of Options	Weighted Average exercise price (₹)	No of Options	Weighted Average exercise price (₹)
Options outstanding at the beginning of the year	4,18,364	@	18,500	@
Options granted under ESOP	-	@	3,99,864	@
Options exercised during the year	-	-	-	-
Options cancelled during the year	-	-	-	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	4,18,364	@	4,18,364	@
Options exercisable at the end of the year	4,18,364	@	4,18,364	@

@ The exercise price shall be decided by NRC subject to maximum discount of 50% of the closing market price on the stock exchange, which records the highest trading volume in the Company's equity shares on the date immediately prior to the date on which the notice of exercise is given to the Company by the employee. In any event, the exercise price shall not be less than face value of the equity share.

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

46 Financial instruments

I. Fair value measurements

A. Financial instruments by category

(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments	0.01	98.25	0.01	98.25
Trade receivables	-	2,545.29	-	3,064.11
Cash and cash equivalents	-	114.33	-	189.23
Loans	-	426.35	-	389.63
Others				
Non Current	-	312.99	-	266.14
Current	-	2,136.03	-	318.10
	0.01	**5,633.24**	**0.01**	**4,325.46**
Financial liabilities				
Long term borrowings	-	2,728.49	-	3,768.16
Short terms borrowings	-	5,728.64	-	5,137.28
Trade payables	-	3,192.32	-	2,462.45
Lease Liabilities	-	688.50	-	711.99
Other current financial liabilities	-	637.44	-	689.51
	-	**12,975.39**	**-**	**12,769.39**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements:

Particulars	As at March 31, 2026			
	Level 1	Level 2	Level 3	Total
Financial assets	0.01	-	-	0.01
Financial liabilities	-	-	-	-
	0.01	-	-	0.01

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	As at March 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets	0.01	-	-	0.01
Financial liabilities	-	-	-	-
	0.01	**-**	**-**	**0.01**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

C. Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Investments	-	98.25	-	98.25
Trade receivables	-	2,545.29	-	3,064.11
Cash and cash equivalents	-	114.33	-	189.23
Loans	-	426.35	-	389.63
Others				
Non Current	-	312.99	-	266.14
Current	-	2,136.03	-	318.10
	-	**5,633.24**	**-**	**4,325.46**

Notes to Consolidated Financial Statements
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(₹ in lakhs)

Particulars	As at March 31, 2026		As at March 31, 2025	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial liabilities				
Long term borrowings	-	2,728.49	-	3,768.16
Short terms borrowings	-	5,728.64	-	5,137.28
Trade payables	-	3,192.32	-	2,462.45
Lease Liabilities	-	688.50	-	711.99
Other current financial liabilities	-	637.44	-	689.51
	-	**12,975.39**	-	**12,769.39**

The carrying amounts of the abovementioned financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of properly defined framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The Group monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

Notes to Consolidated Financial Statements
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(₹ in lakhs)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the President of the Group.

More than 60 % of the Group's customers have been transacting with the Group for over four years, and no impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

The carrying amount net of credit loss allowances of trade receivables is ₹2,545.29 (March 31, 2025 – ₹3,064.11).

Reconciliation of loss allowance provision – Trade receivables:

Particulars	March 31, 2026	March 31, 2025
Opening balance	(298.34)	(295.18)
Changes in loss allowance	(4.25)	(3.16)
Closing balance	**(302.59)**	**(298.34)**

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out at unit level and monitored through corporate office of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Group's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

(a) **Financing arrangements**

The Group has bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in indian rupee and have an average maturity within a year.

(b) **Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts March 31, 2026	Contractual cash flows				
		Total	0- 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	3,970.38	3,970.38	1,241.89	1,628.37	988.13	111.99
Short term borrowings	4,486.75	4,486.75	4,486.75	-	-	-
Trade payables	3,192.32	3,192.32	3,192.32	-	-	-
Other non-current financial liabilities	629.02	629.02	-	93.27	53.15	482.60
Other current financial liabilities	696.92	696.92	696.92	-	-	-
Total non-derivative liabilities	**12,975.39**	**12,975.39**	**9,617.88**	**1,721.64**	**1,041.28**	**594.59**

Particulars	Carrying Amounts March 31, 2025	Contractual cash flows				
		Total	0- 1 year	1-3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	5,440.44	5,440.44	1,672.28	2,819.78	934.80	13.58
Short term borrowings	3,465.00	3,465.00	3,465.00	-	-	-
Trade payables	2,462.45	2,462.45	2,462.45	-	-	-
Other non-current financial liabilities	655.46	655.46	-	83.28	72.10	500.08
Other current financial liabilities	746.04	746.04	746.04	-	-	-
Total non-derivative liabilities	**12,769.39**	**12,769.39**	**8,345.77**	**2,903.06**	**1,006.90**	**513.66**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for liquidity / credit management purposes and which are not usually closed out before contractual maturity. The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of Directors.

v. **Currency risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions by hedging the foreign exchange inflows on regular basis.

Currency risks related to the principal amounts of the Group's foreign currency payables, have been partially hedged using forward contracts taken by the Group.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

	As at March 31, 2026		As at March 31, 2025	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	6.05	-	6.26	-
Other payables	0.36	-	0.17	5.48
Net statement of financial position exposure	5.69	-	6.09	(5.48)

The following significant exchange rates have been applied:

	Average Rates		Year end spot rates	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
USD 1	93.48	85.10	94.36	85.58
EUR 1	108.10	99.95	108.05	92.32

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Interest rate risk
The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During March 31, 2026 and March 31, 2025, the Group's borrowings at variable rate were denominated in Indian Rupees.

Currently the Group's borrowings are within acceptable risk levels, as determined by the management, hence the Group has not taken any swaps to hedge the interest rate risk.

Exposure to interest rate risk
The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

	Nominal Amount	
	March 31, 2026	March 31, 2025
Fixed-rate instruments		
Financial liabilities	47.86	604.78
	47.86	**604.78**
Variable-rate instruments		
Financial liabilities	7,592.64	7,784.55
	7,592.64	**7,784.55**

Cash flow sensitivity analysis for variable-rate instruments
A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2026				
Variable-rate instruments	37.96	(37.96)	37.96	(37.96)
Cash flow sensitivity	**37.96**	**(37.96)**	**37.96**	**(37.96)**
March 31, 2025				
Variable-rate instruments	38.92	(38.92)	38.92	(38.92)
Cash flow sensitivity	**38.92**	**(38.92)**	**38.92**	**(38.92)**

Fair value sensitivity analysis for fixed-rate instruments
The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

47 a. Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

b. Realisable value 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.

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

48 Corporate Social Responsibility (CSR)
As per Section 135 of Companies Act, 2013, a Company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The Company has incurred ₹8.46 (₹Nil) expenditure on CSR during the year on the activities as specified in Schedule VII of the Companies Act, 2013 in pursuant of the CSR policy.

	Particulars	March 31, 2026	March 31, 2025
i)	Amount required to be spent by the company during the year	8.46	-
ii)	Amount of expenditure incurred	8.46	-
iii)	Shortfall at the end of the year	-	-
iv)	Total of previous years shortfall	-	-
v)	Reason for shortfall	NA	NA
vi)	Nature of CSR activities	Promotion of Education & Healthcare	NA
vii)	Details of related party transactions	-	-
viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	NA	NA

49 Segment Reporting
According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Group falls within one broad business segment viz. "Textile" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

50 Capital Management
The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Group :

Particulars	March 31, 2026	March 31, 2025
Equity Share Capital	3,081.54	3,081.54
Other Equity	12,535.20	12,406.94
Total Equity	**15,616.74**	**15,488.48**
Non-Current Borrowings	2,728.49	3,768.16
Current maturities of Non-Current Borrowings	1,241.89	1,672.28
Current Borrowings	4,486.75	3,465.00
Total Debts	**8,457.13**	**8,905.44**

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

Particulars	March 31, 2026	March 31, 2025
Less: Cash & Cash Equivalents	114.33	189.23
Net Debts	**8,342.80**	**8,716.21**

51 Ratios

The major financial ratios of the Company are disclosed below along with the reasons for variance:

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Reason for variance by more than 25%
Current Ratio	Current Assets	Current Liabilities	1.37	1.30	5.1%	Not Applicable
Debt Equity Ratio	Total Borrowings + Lease Liabilities	Shareholder's Equity	0.59	0.62	-5.7%	Not Applicable
Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after Taxes + Non-cash Operating Expenses + Interest + Other adjustment like loss on sale of assets	Debt Service = Interest + Lease Payments + Principal Repayments	0.78	0.99	-21.1%	Not Applicable
Return on Equity Ratio	Net Profit after Tax	Average Shareholder's Equity	0.39%	2.97%	-87.0%	Due to reduction in Net Profit as compared to last year
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	5.60	5.99	-6.5%	Not Applicable
Trade Receivables Turnover Ratio	Revenue from Operations	Average Trade Receivables	11.98	12.53	-4.4%	Not Applicable
Trade Payables Turnover Ratio	Total Purchases	Average Trade Payables	8.31	8.56	-2.9%	Not Applicable
Net Capital Turnover Ratio	Revenue from Operations	Working Capital = Current Assets-Current Liabilities	8.31	12.94	-35.8%	Due to reduction in Net working capital compared to last year
Net Profit Ratio	Net Profit	Revenue from Operations	0.18%	1.19%	-84.9%	Due to reduction in Net Profit as compared to last year
Return on Capital Employed	Earning before Finance Cost & Tax (EBIT)	Capital Employed = Tangible Net Worth + Total Debt + Lease Liability + Deferred Tax Liability	6.47%	6.13%	5.5%	
Return on Investment	Return/Profit/ Earnings	Average Investment	5.34%	2.75%	94.4%	Due to increase in income from investments

Notes to Consolidated Financial Statements
for the year ended March 31, 2026

(₹ in lakhs)

52 Other Disclosures

The Consolidated Financial Statements include the accounts of Pioneer Embroideries Limited (Parent Company) and its subsidiaries as detailed below:

Particulars	Country of Incorporation	March 31, 2026	March 31, 2025
Hakoba Lifestyle Limited	India	100%	100%
Pioneer Realty Limited	India	100%	100%
Crystal Lace (I) Limited	India	45%	45%

53 Earning per Equity Share

Particulars	March 31, 2026	March 31, 2025
Net Profit for the year	60.22	445.82
Weighted Average Number of Equity Shares of ₹10 each (fully paid-up)	3,08,15,442	3,03,27,168
- Basic (₹)	0.20	1.47
- Diluted (₹)	0.20	1.46

54 Additional Regulatory Information

(i) The Company has not been declared willful defaulter by any bank or financial institution or any other lender.

(ii) The Company does not have any transactions with the companies struck off under Companies Act 2013 or Companies Act 1956.

(iii) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iv) The Company has not revalued its property, plant and equipment (including Right-of- Use Assets) or intangible assets or both during the current or previous financial year.

(v) The Company has complied with the number of Layers prescribed under the Companies Act, 2013.

(vi) There is no undisclosed income under the Income Tax Act, 1961 for the current year or previous year which needs to be recorded in the books of account.

(vii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous financial year.

(viii) The Company do not have charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(ix) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any funds from any other person(s) or entity(ies) including foreign entities with the understanding that the company shall directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (""Ultimate Beneficiaries"") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(x) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Notes to Consolidated Financial Statements

for the year ended March 31, 2026

55 Previous year figure have been regrouped / reclassified to conform to current years classifications.

As per our Report of even date
For **M B A H & CO**
Chartered Accountants
(Firm's Registration No.: 121426W)

Mahesh Bhageria
Partner
Membership Number: 034499

Place: Mumbai
Date: May 26, 2026

For & on behalf of Board of Directors

SAURABH MAHESHWARI
Managing Director
DIN 00283903

RAJ KUMAR SEKHANI
Chairman
DIN 00102843

DEEPAK SIPANI
Chief Financial Officer

AMI THAKKAR
Company Secretary

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

(₹ in lakhs)

Part "A": Subsidiaries

Sr.	Particulars	Name of Subsidiary		
No.		Hakoba Lifestyle Ltd.	Pioneer Realty Ltd.	Crystal Lace (I) Ltd.
(a)	Reporting Period	April to March	April to March	April to March
(b)	Reporting Currency	₹	₹	₹
(c)	Share Capital	484.63	5.00	987.04
(d)	Reserve & Surplus	(101.33)	(8.94)	(916.25)
(e)	Total Assets	775.44	0.30	1,272.48
(f)	Total Liabilities	392.14	4.24	1,201.69
(g)	Investment	-	-	-
(h)	Turnover	-	-	10.08
(i)	Profit/(Loss) before Taxation	(0.62)	(0.25)	(1.87)
(j)	Provision for Taxation	-	-	-
(k)	Profit/(Loss) after Taxation	(0.62)	(0.25)	(1.87)
(l)	Proposed Dividend	-	-	-
(m)	% of shareholding	100%	100%	45%

Part "B": Associate

Sr.	Particulars	Name of Associate
No.		Shree Ganesh Integrated Textile Park Pvt. Ltd.
(a)	Latest Audited Balance Sheet Date	March 31, 2025
(b)	Shares of Associate held by the Company on the year end	
	- Number	1,05,60,000
	-Amount of Investment in Associate	1,056.00
	-Extent of Holding (%)	33.02%
(c)	Description of how there is significant influence	NA
(d)	Reason why the associate is not consolidated	NA
(e)	Net worth attributable to Shareholding as per latest Audited Balance Sheet	-
(f)	Profit/(Loss) for the year	
	- Considered in Consolidation	(2.58)
	- Not considered in Consolidation	-

PIONEER EMBROIDERIES LIMITED

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