

Date : 27th May, 2022
Ref. : BSE/NSE-17/2022-2023.

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

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

Dear Sir/ Madam,

Sub. : Press Release – Pioneer’s Plan to invest in Shree Ganesh Textile park with a view to Modernise and consolidate Embroidery Business at single location.


Dear Sir/Madam,

In terms of Regulation 30 of SEBI (LODR) Regulations, 2015, please find enclosed the Press Release with the title – **“Pioneer’s Plan to invest in Shree Ganesh Textile park with a view to Modernise and consolidate Embroidery Business at single location”**.

We request you to take the same on your records.

Thank you,

Yours faithfully,
For PIONEER EMBROIDERIES LIMITED


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



PIONEER EMBROIDERIES LIMITED

.... a stitch ahead of time

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Andheri (West), Mumbai - 400 058. CIN :- L17291MH1991PLC063752



Embroidery beyond *your* imagination



Pioneer's Plan to invest in Shree Ganesh Textile park with a view to Modernise and consolidate Embroidery Business at single location

Mumbai, May 27th, 2022, Pioneer Embroideries Limited (PEL), one of the key players in the Embroidery & Laces in India and owners of brand "HAKOBA", is planning to invest in Shree Ganesh Textile park with a view to modernise and consolidate embroidery business at single location.

Pioneer Embroideries Limited (PEL) is becoming a promoter in Shree Ganesh Integrated Textile Park Private Limited (SGITPL), at village Deogaon, district Dhule, Maharashtra. a textile park approved under government of India (GoI) Scheme of Integrated Textile Park (SITP). PEL will set up a green field Embroidery project at SGITPL.

Textile Park Brief

The SITP aims to provide the monetary support to help the industry build world-class state-of-the-art infrastructure facilities for setting up their textile units. The scheme intends to facilitate textile units to meet international environmental and social standards.

Government of India (GoI) and Maharashtra government (MH) has approved grants of Rs. 49 crores (Rs.40 Crores from GOI and balance from MH). Total approved project costs as per GOI is Rs.104 Crores – comprising of approximate Rs.57.20 Crores towards factory buildings and Rs.46.80 Crores towards Common infrastructure viz. site development, roads, storm, rain water harvesting, water connection, sewerage, landscaping, telecommunication, electrical transmission and distribution, hostel, training centre etc. The park is spread over 120 acres.

PEL believes this will help to set up a greenfield embroidery manufacturing facility and provide enough land parcel to expand in the long-term future too. This will help PEL achieve its ESG (environmental social governance) initiative.

PEL will become one of the three co-promoters. SGITPL has already received GoI approval to accept PEL as co-promoter. All the three promoters are investing 33% each.

PEL aims to have 20% stake in SGITPL once it is fully developed to meet SITP guidelines. These co-promoters collectively have 120 years plus experience in textile industry. The promoters shall build the park with international standards and expand the manufacturing facilities at this park in the near future.

Embroidery Project Brief

PEL plans to setup a single unit with twelve new generation imported machines with 600-750 RPM speed. The existing 32 machines are old having average RPM of 150, manpower costs per meter is expensive compare to new machines, and EBIDTA is constrained because of overheads of three facilities. The 12 new machines will replace 32 old machines and will provide PEL additional capacity too with substantially reduced manpower and overheads costs. The company plans to phase out existing three embroidery units over the next 2-3 years.

PEL aims to start commercial production from this unit in 15-18 months. Generation next machines will provide the company an edge in pricing competitively. This can generate a revenue of around Rs. 55 crores on capital investment of around Rs. 55 crores including investment in the SGITPL. This modernisation initiative will help the company to achieve 20% EBIDTA which is substantially higher from existing level. Project cost will be funded partly through internal accrual and partly through bank borrowings.

About Pioneer Embroideries Limited:

Established in 1991 by Mr Raj Kumar Sekhani, Pioneer Embroideries Limited ("PEL") is one of India's notable manufacturers and exporter of value-added Specialized Polyester Filament Yarn and Embroidery & Laces. It has a state-of-the-art SPFY manufacturing facility at Himachal Pradesh and three Embroidery & Laces manufacturing facilities in Gujarat, Dadra & Nagar Haveli and Tamil Nadu.

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

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

At present, the Company has three embroidery and lace manufacturing facilities at – Coimbatore (Tamil Naidu), Naroli (UT DN&H) and Sarigam (Gujarat), along with a wide marketing presence at all the major markets. Its Coimbatore facility is also certified as per GOTS (Global Organic Textile Standard), an internationally recognized standard.

Safe harbour statement:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project-related issues, are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The Company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions, or other factors.

SILKOLITE
Scale to Value....

hakoba
Embroidery beyond your imagination

