



Date : 21<sup>st</sup> May, 2021  
Ref. : BSE/17/2021-2022.

**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: Presentation to Analyst/ Investors.**

Further to our letter dated 20<sup>th</sup> May, 2021 pertaining to intimation of an ‘Analyst/ Investor Conference Call’ on Tuesday, 25<sup>th</sup> May, 2021 at 2.00 P.M. (IST), please find enclosed herewith presentation to be made to Analyst/Investors during the conference call, in terms of requirement of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

We are also uploading the presentation on our website [www.pelhakoba.com](http://www.pelhakoba.com).

This is for your information and records.

Thanking you.

Yours faithfully,

**For PIONEER EMBROIDERIES LIMITED**

**(HARSH VARDHAN BASSI)**  
**Managing Director**  
**DIN:00102941**  
**Encl: As Above**

## **PIONEER EMBROIDERIES LIMITED**

**Regd. Office:** Unit No. 101B, 1st Floor, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off New Link Road, Andheri (West), Mumbai -400058. Website: [www.pelhakoba.com](http://www.pelhakoba.com), E-mail: [mumbai@pelhakoba.com](mailto:mumbai@pelhakoba.com)  
**Corporate Office:** Unit No 21 to 25, 2nd Floor, Orient House, 3A Udyog Nagar, Off S.V. Road, Goregaon (West), Mumbai – 400 062. Maharashtra (India), Tel: +91-22-4223 2323 Fax: +91-22- 4223 2313.

**CIN: L17291MH1991PLC063752**



PIONEER GROUP

...a stitch ahead of time

# PIONEER EMBROIDERIES LIMITED

BUSINESS PRESENTATION

01

# Company Overview

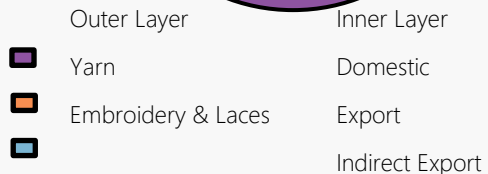
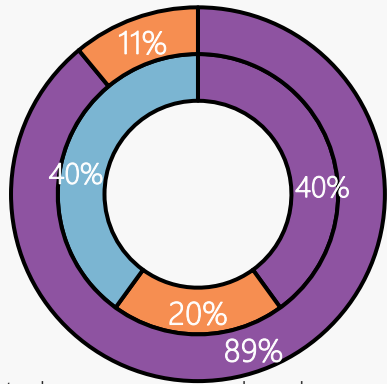
# Company Overview



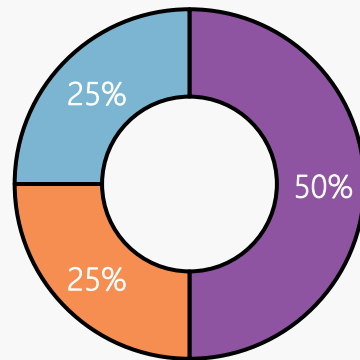
PIONEER GROUP



Revenue Breakup

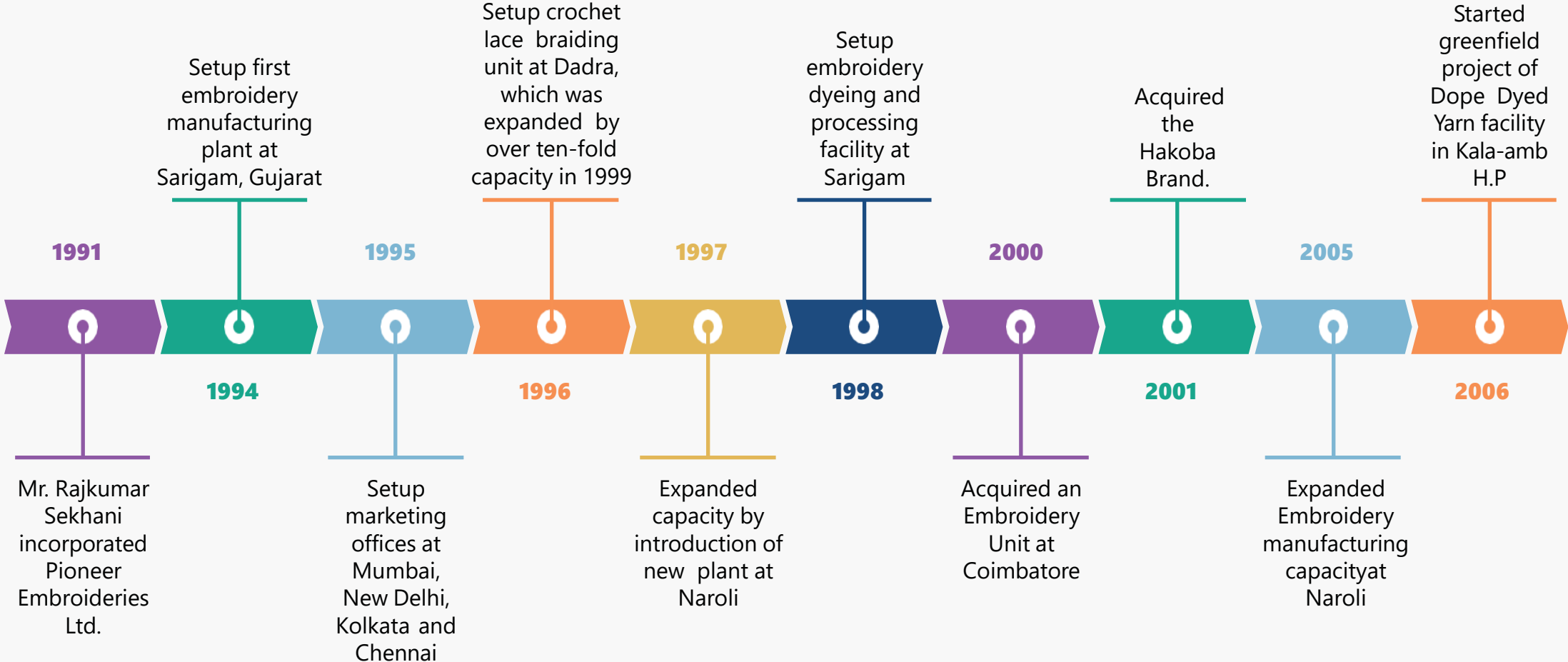


Product End Use (SPFY)



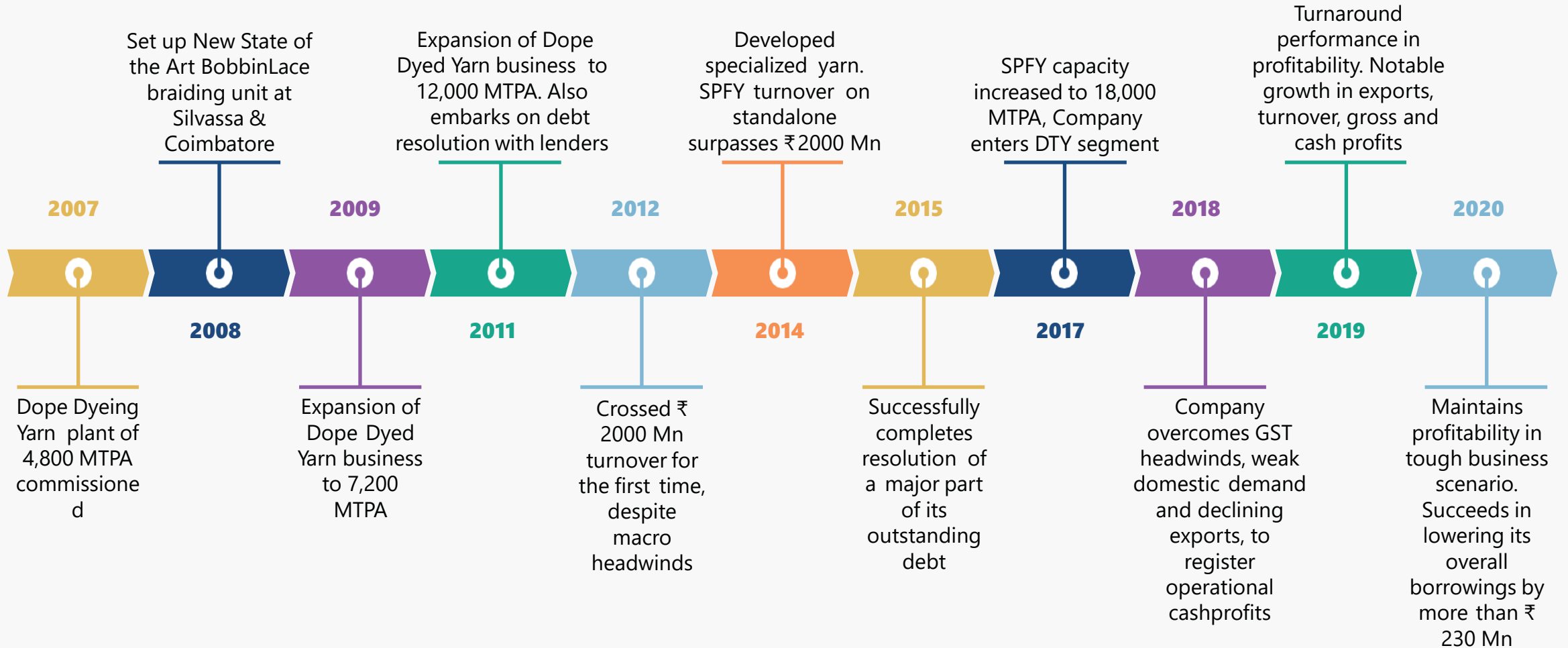
- ❖ **Established in 1991** by Mr Raj Kumar Sekhani, **Pioneer Embroideries Limited** is one of India's notable manufacturer and exporter of value-added **Specialty Polyester Filament Yarn (SPFY)** and **Embroidery & Laces**. It has a **state-of-the-art manufacturing facility for SPFY at Himanchal Pradesh** and **three Embroidery & Laces manufacturing facilities at Gujarat, Dadra & Nagar Haveli and Tamil Nadu**.
- ❖ The Company exports its products across North America, Latin America, Europe, Middle East and Africa
- ❖ The Company owns two strong brands, **"SILKOLITE"** in the SPFY segment and **"HAKOBA"**, a heritage brand, in Retail segment for Embroidered Fabrics, Garments, Salwar Kameez Dupatta (SKDs) & Sarees.
- ❖ Pioneer Embroideries has a SPFY **capacity of 18,000 MTPA**, with current utilizations at optimum levels.
- ❖ Collection of around **3,00,000 Embroidery and Laces designs in it's library**, with focus on creating new designs on continuous basis
- ❖ Along with the expertise in designing and manufacturing process, the company also has a well-established marketing and distribution network in both the SPFY and Embroidery and Laces segment.

# Journey So Far





# Journey So Far Cont..



# Management Team



PIONEER GROUP



**Mr. Raj Kumar Sekhani – 62**  
**Chairman**

Promoter-Director & Chairman, Mr Sekhani is a first generation entrepreneur with a wide experience in embroidery and textiles.

Having been in the business for over three decades, his business acumen and expertise in manufacturing, trading and marketing of overall garment accessories, has been the back bone of the company's success.



**Mr. Mr. Harshvardhan Bassi – 47**  
**Managing Director**

Having started his business career at a young age, Harsh effectively combines his entrepreneurial skills with the experience garnered in various business verticals in textiles.

His key strengths of business development and international marketing has helped the company successfully interact with reputed global players.

## Professional Management Team

**Mr. K.R.P. Gangadharan**  
(Executive Director)

**Mr. Deepak Sipani**  
(CFO)

**Mr. Sandeep Sharma**  
( Head Marketing ELD  
Division)

**Mr. DNN Rao**  
(CEO SPFY Division)

**Mr. Aarav Sekhani**  
(Vice President Marketing)

**Mr. Saurabh Maheshwari**  
(Executive Director)

**Mr. Kuntal Pandit**  
(Sr VP Corporate Affairs)

**Mr. Manoj Pillay**  
(Sr VP International Trade  
– ELD Division)

**Mr. B S Kulbhe**  
(Head Marketing SPFY)

**Mr. Vishal Sekhani**  
(Vice President Finance &  
Retail)

# Robust Infrastructure



PIONEER GROUP





# Manufacturing Facilities & Capacity



PIONEER GROUP



## Kala-Amb, Himachal Pradesh

- ❖ State of the art plant makes **SPFY, Draw Textured Yarn.**
- ❖ Latest technology
- ❖ Utilization levels – more than 95 %
- ❖ Capacity: 18,000 MTPA



## Sarigam, Gujarat

- ❖ **Embroidered Laces** - Fabric & Guipure, Embroidered material (made on Schiffli machines)
- ❖ **Braided Laces** (Bobbin Lace machines)
- ❖ Capacity (Emb) : 385 mn stitches
- ❖ Capacity (Lace) : 7 mn metres



## Coimbatore, Tamil Nadu

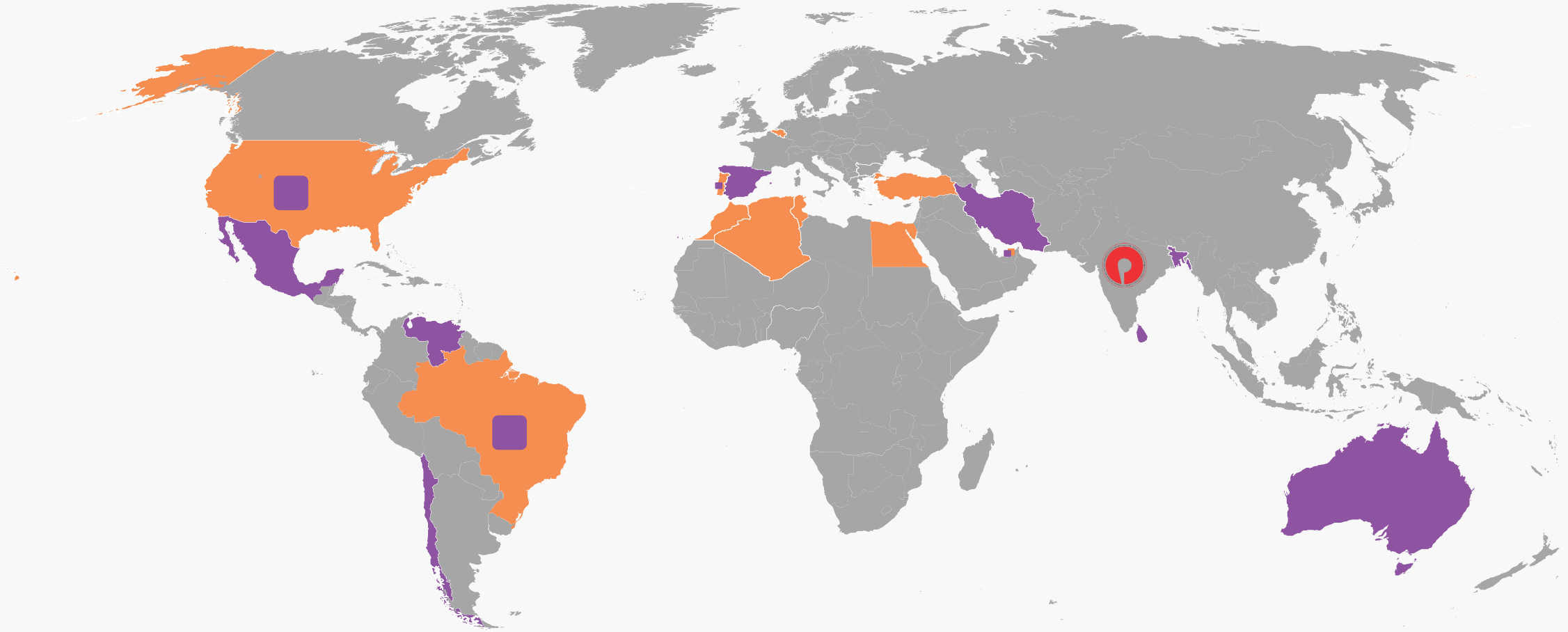
- ❖ **Embroidered fabrics, Allover fabrics and laces** (made on Schiffli machines)
- ❖ **Braided Laces** (Bobbin Lace machines)
- ❖ These are made on Schiffli machines
- ❖ Capacity (Emb) – 496 mn stitches
- ❖ Capacity (Lace) : 7.14 mn metres
- ❖ GOTS certificated plant



## Naroli , Dadra & Nagar Haveli

- ❖ **Embroidered fabrics, Allover fabrics and laces.**
- ❖ These are made on Schiffli machines
- ❖ Capacity : 830 million stitches
- ❖ Base for export orders

# Global Sales Market



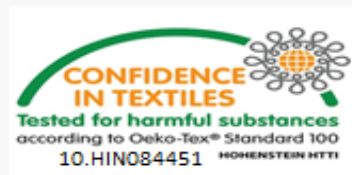
**Yarn Export Market**    ■    **USA, Brazil, Portugal, Belgium, Tunisia, Morocco, Algeria, Turkey, Dubai, Egypt**

**Embroidery Export Market**    ■    **Brazil, Mexico, Dubai, Sri Lanka, Australia, USA, Iran, Spain, Portugal, Chile, Bangladesh, Venezuela**



# Assurance Of High Quality & Sustainable Future

- ❖ The primary focus is on R&D on Inter Fibre replacements, mainly targeting Natural Fibres and replacing Solution Dyed Yarns.
- ❖ **Every kilogram of yarn consumes 35 litres** of precious water to produce solution-dyed yarns. **Company's Dope dyed process is totally without water and generates zero effluents**, making it a very **ECO-FRIENDLY** method. So in effect, a **saving of 1.9 Million litres of water every day** or **4.2 Million barrels per annum** is equivalent to almost 260 full-size Olympic swimming pools. PEL's **Himanchal Pradesh facility is certified with ISO 14001 (Environmental Management)**
- ❖ Apart from **ISO 9001** and **ISO 14001** certifications, PEL's SPFY unit at Himachal Pradesh, and all its major products, are also certified for **Oeko Tex standards** to certify use of safe chemicals/dyes in the entire manufacturing process of making dyed yarns.
- ❖ **GOTS** is a textile production certification that limits the use of toxic bleaches, dyes and other chemical inputs during the production process of textiles. PEL is having GOTS certified facility at Coimbatore
- ❖ Further the company has **successfully achieved Global Recycled Standard (GRS) 4.0 label** (yarns made from PET bottles to capture sustainability tag) for its entire product range after due inspection and assessment by independent certification agency ONE CERT.
- ❖ With an innovative workforce and flexible infrastructure, the target is to have a new commercial product every month, and the focus of R&D is imminent and continuous. This way, it keeps in line with the changing trends and achieves better capacity utilization by taking seasonal changes in its stride.



# Key Strengths

Owens brand "HAKOBA", which is a synonym for embroidered garments across the world



One of India's large manufacturer and exporter of embroidery and Laces



Strong market knowledge and intelligence leading to improved designs with over 3,00,000 design collections in Embroidered Fabrics and Laces



Owens brand "SILKOLITE"  
One of the few companies to have a color library of more than 1200 shades for Dope dyeing



Smaller batch capacity with modern equipment, flexible product capacity and well-established customer base in SPFY



Niche presence in Specialty Polyester Filament Yarn products, has brought branding in businesses like Embroidery and SPFY

# Key Financial Highlights

## FY 2021 Highlights

Revenue  
**₹ 2,260 Mn**  
 ₹ 2,377 Mn In FY 20

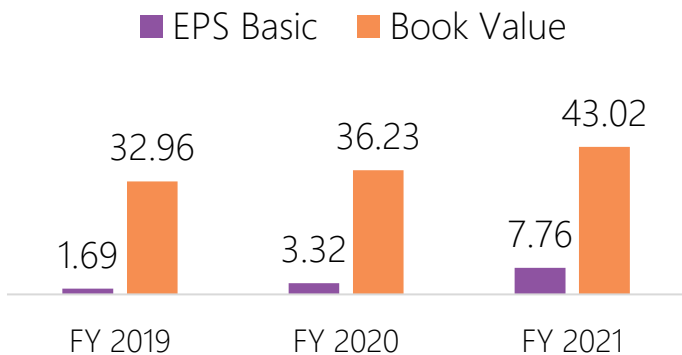
PAT  
**₹ 200 Mn**  
 ₹ 81 Mn In FY 20

Book Value  
**₹ 43.02**  
 ₹ 36.23 In FY 20

EPS  
**₹ 7.76**  
 ₹ 3.32 In FY 20

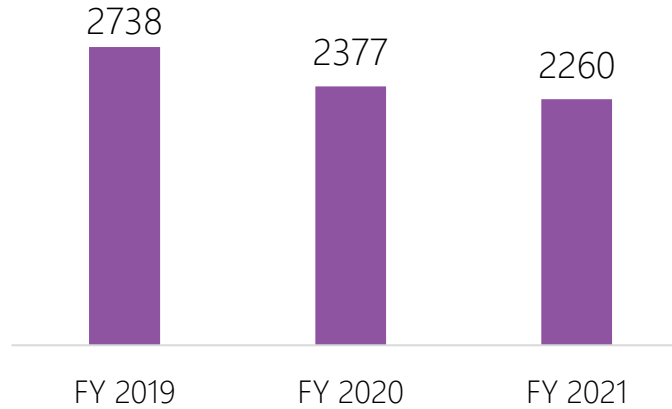
## Improving Earnings

In ₹



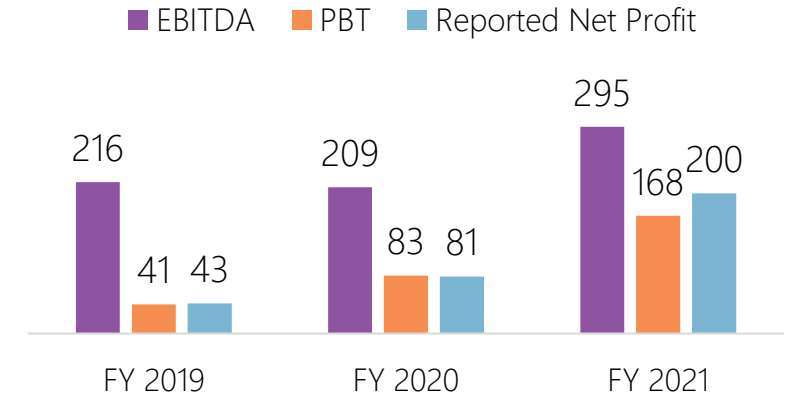
## Revenue

In ₹ Mn



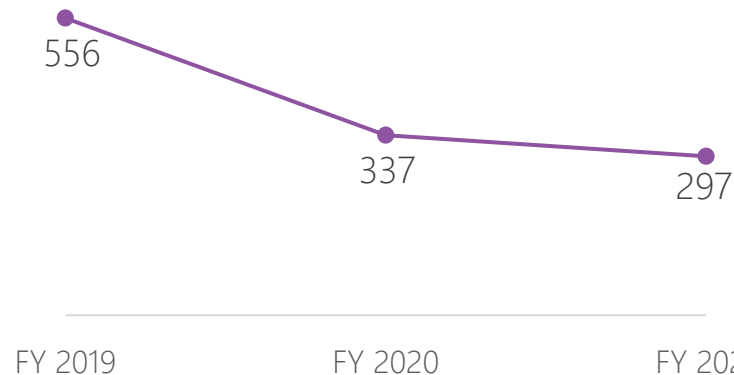
## Improving Profitability

In ₹ Mn



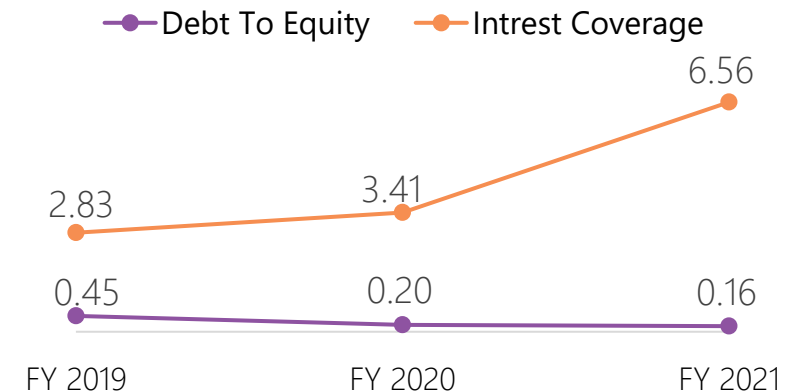
## Reducing Debt Level

In ₹ Mn



## Improving Leverage Ratios

In %



# Stock Data



Source - NSE

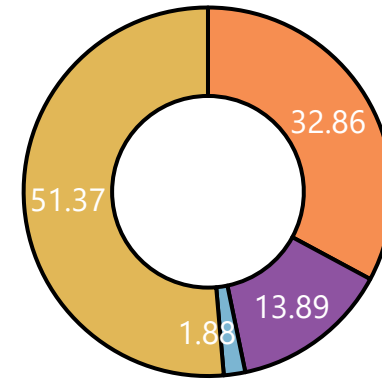
Symbol BSE & NSE: PIONEEREMB | ISIN: INE156C01018

As on 18-05-2021

<b>Share Price (₹)</b>	<b>53.50</b>
Market Capitalization (₹ Mn)	1,422
No. of Shares Outstanding (Mn)	26.5
Face Value (₹)	10
<b>52 week High-Low (₹)</b>	<b>56.70/15.65</b>

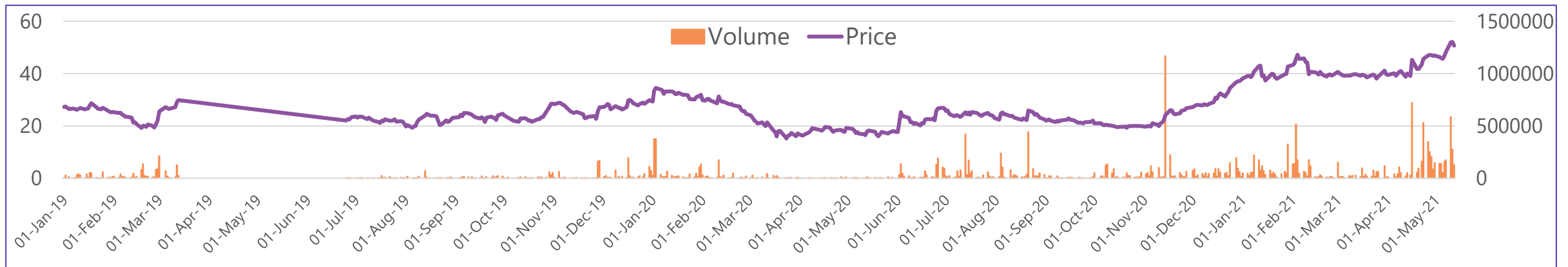
Share Holding Pattern

As on 31-03-2021



- Promoter & Promoter Group
- Other DII's
- Insurance
- Non Institutional Investor

Share Performance From 1<sup>st</sup> January 2019



02

# Business Overview

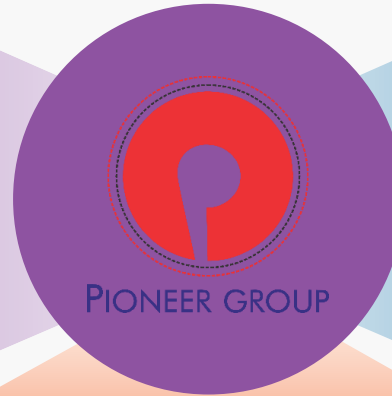
# Business Verticals

## Specialty Polyester Filament Yarn

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

## Retail

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



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

## Embroidery & Laces

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





# Specialty Polyester Filament Yarn

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



- ❖ PEL setup a Specialty Polyester Filament Yarn (SPFY) manufacturing facility in **Kala-amb, Himachal Pradesh in 2007**, sensing this niche industry which was in need of supplying a wide range of quality products at user-specific order size.
- ❖ PEL's SPFY plant at Kala Amb, Himachal Pradesh, is today **one of the most unique (end to end solution)** plant in India and **probably in the whole of South East Asia.**
- ❖ PEL is the **first company to successfully create a brand "SILKOLITE"** in commodity product like yarn, something that more prominent companies failed to achieve.
- ❖ In SPFY, the yarn is dyed at the polymer stage and before the extrusion process, the solution of polymer is mixed with pigment and the extruded yarns are coloured with excellent colour fastness.
- ❖ The SPFY business has emerged as a profitable venture and a good diversification over the years.
- ❖ PEL has managed to garner notable market presence in this vertical with **over 1,200 shades** and **customised order quantities** as per customer requirements as low as 500 Kilos which sets PEL apart from the competition.
- ❖ The company also have exposure in Technical textiles like Flame Retardants yarns, Recycled yarns, Anti-Microbial yarns, UV Stabilized yarns, Easy Dye-able and other Fancy Yarns which are capable of replacing natural fibres like Cotton, Viscose and Wool.

# End Use Of SPFY



SPFY is widely accepted for many applications such as Carpets, Bath Mats, Upholstery Fabrics, Apperals, Curtains, Medical Textile (Anti Microbial), Furnishings, Narrow Fabrics, Knitting, Labels.

- 1** Air Texturized Yarns
- 2** Carpet Yarns
- 3** Twisted Yarns
- 4** Fully Drawn Yarn
- 5** Draw Textured Yarns
- 6** Partially Oriented Yarns

- ❖ Denier range 50 - 2500 denier
- ❖ Available in solid and mélange colours
- ❖ Offers flexibility of developing customer specific shades also
- ❖ Used for Weaving, Circular & Flat Knitting
- ❖ Highly suitable for upholstery fabrics and carpet applications



**1 Air Texturized Yarns**

**2 Carpet Yarns**

**3 Twisted Yarns**

**4 Fully Drawn Yarn**

**5 Draw Textured Yarns**

**6 Partially Oriented Yarns**

- ❖ Selected range of colours specifically suitable for the hand tufted or machine woven carpets
- ❖ Shade bank of more than 220 options and denier range of 600 - 12,000 Deniers

**Yarn**



**End Use**



- 1 Air Texturized Yarns**
- 2 Carpet Yarns**
- 3 Twisted Yarns**
- 4 Fully Drawn Yarn**
- 5 Draw Textured Yarns**
- 6 Partially Oriented Yarns**

- ❖ Denier range 75 - 600
- ❖ Twist range 80 - 650 TPM
- ❖ Autoclave temperature setting for fixation of shrinkage
- ❖ Applications : Label weaving, salvage applications, sewing threads, embroidery threads and carpet yarns



**1 Air Texturized Yarns**

**2 Carpet Yarns**

**3 Twisted Yarns**

**4 Fully Drawn Yarn**

**5 Draw Textured Yarns**

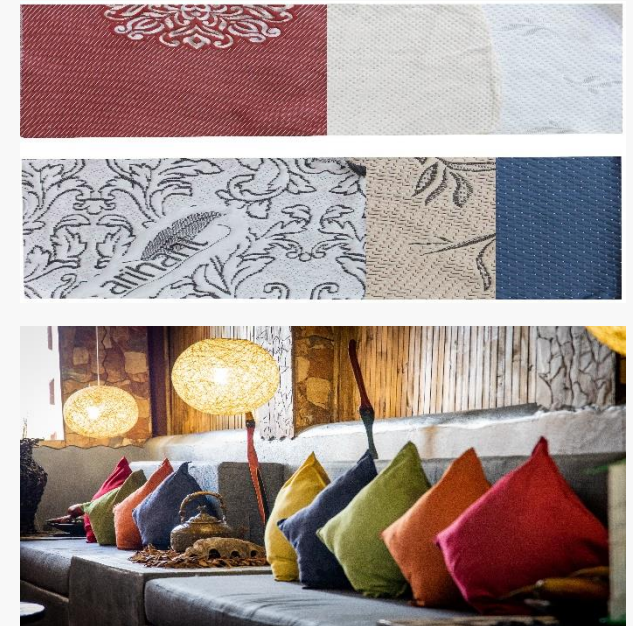
**6 Partially Oriented Yarns**

- ❖ Fully Drawn Yarn is mainly used as weft or weaves in making fabrics.
- ❖ Fully Drawn Yarn can be knitted or woven with any other filament yarn to get fabric of different varieties.
- ❖ Denier range – 50 to 800

**Yarn**



**End Use**



**1 Air Texturized Yarns**

**2 Carpet Yarns**

**3 Twisted Yarns**

**4 Fully Drawn Yarn**

**5 Draw Textured Yarns**

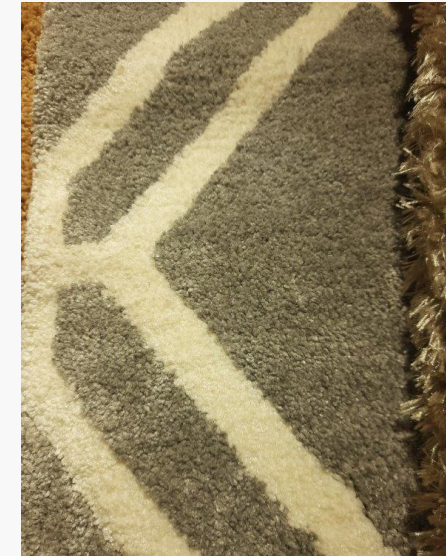
**6 Partially Oriented Yarns**

- ❖ Denier range 150 Denier to 600 Denier.
- ❖ Filament 48 to 576.
- ❖ Intermingled : NIM, SIM, LIM, HIM.
- ❖ Available in Solid Colors and Melange Colors.
- ❖ Wide range of shades to choose from our own range developed in house.

**Yarn**



**End Use**



**1 Air Texturized Yarns**

**2 Carpet Yarns**

**3 Twisted Yarns**

**4 Fully Drawn Yarn**

**5 Draw Textured Yarns**

**6 Partially Oriented Yarns**

- ❖ Denier Range: 120 denier to 480 denier.
- ❖ Filament Range: 36 to 576 both circular and Trilobal.
- ❖ Special cross sections for applications like superior moisture, brightness, management and fancy effects.

**Yarn**

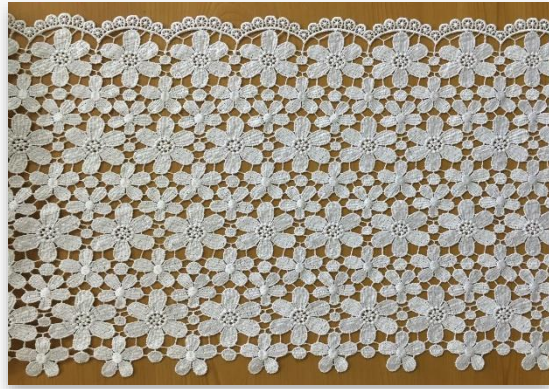


**End Use**





# Embroidery & Laces



- ❖ Presently the company has multiple embroidery and lace manufacturing facilities across the country along with marketing presence at all the major markets including **Delhi NCR, Tirupur, Chennai, Mumbai, Kolkata.**
- ❖ PEL is one of the very few **Inditex (Zara retail) approved embroidery manufacturing facilities in India.**
- ❖ In pursuance of its sustainability objectives PEL enjoys **GOTS certification** for, its **Coimbatore manufacturing facilities** and has initiated the process to obtain the same for all its other facilities.
- ❖ PEL's **embroidery products enjoy premium in the market** place because of better quality, designing, and capacity.
- ❖ The company have a highly talented & skilled design development team, which constantly works towards creating new designs to fulfil the ever evolving expectations in sync with global fashion trends.
- ❖ PEL's **Design Library** consisting of over **3,00,000** thousand plus embroidery designs are rooted and inspired by the Indian culture.

# Embroidery And Laces Product Description

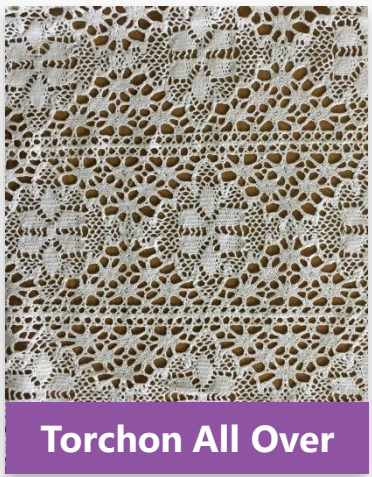
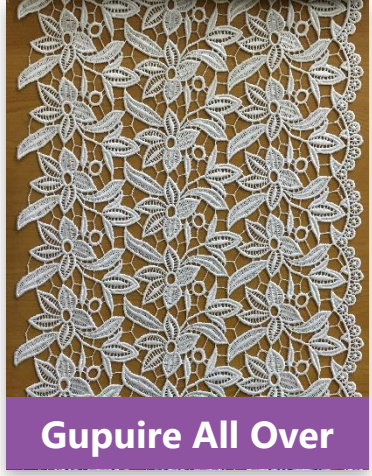
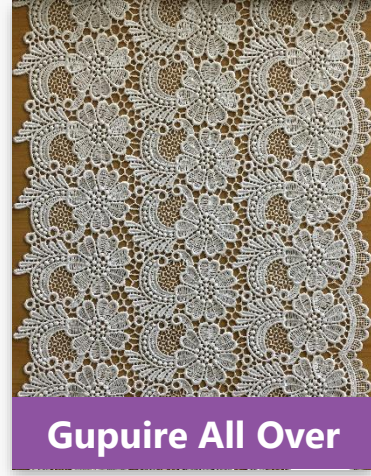
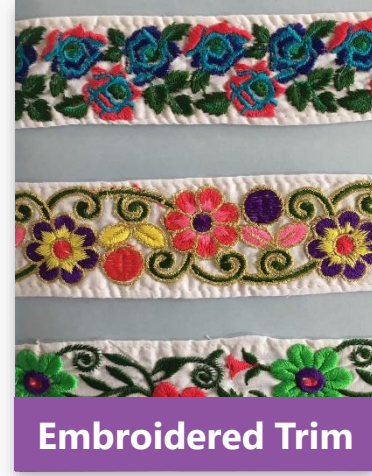
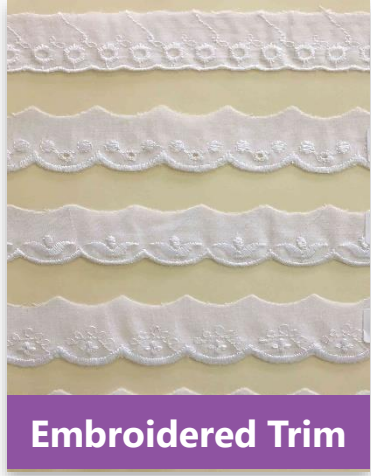
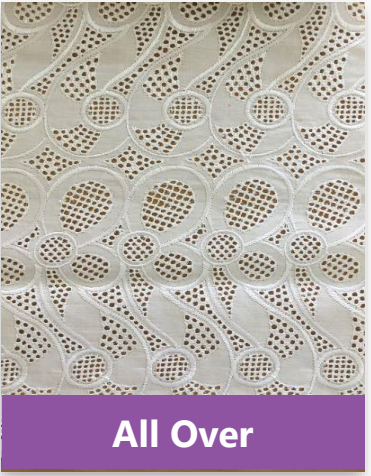
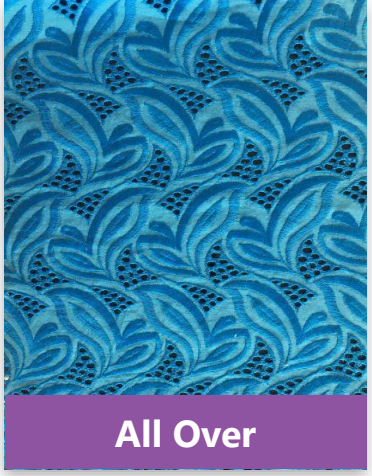
## Embroidery

- ❖ The range includes Embroidered Allover Fabrics, Guipure or Chemical allovers, Torchon or Chrochet allovers
- ❖ Breath-taking designs with Premium quality makes our products well received among the Patrons
- ❖ Extensively used in ladies and children's garments and lingerie to enhance the value of the product in domestic and international markets .

## Lace

- ❖ Bobbin /Torchon/Crochet laces are Geometric designs braided predominantly with cotton yarn to give eye catching patterns.
- ❖ Embroidered lace and Guipure laces are made with different yarn and fabric combination to give intricate embroidery as the finished product.
- ❖ Other laces manufactured by Pioneer includes Flat bed laces ,lurex laces and fringe, Motifs.
- ❖ Presently Pioneer is the largest manufacturer of laces in the world with a capacity of 14 million meters.

# Selected Embroidery And Laces Designs



# Hakoba Retail



PIONEER GROUP



Model Retail Store Format

- ❖ “**HAKOBA**”, a **heritage brand since 1961**, which expresses the romanticism of the union of the needle and thread through its intricate creations of a wide range of luxury textile products.
- ❖ Hakoba, a word that conjures up imagination of apparel ecstasy, has become synonymous with high fashion fabrics and garments with tremendous value to design & creativity
- ❖ As part of strengthening its sustainability objectives, Hakoba brand now offers **organic textile products** manufactured by PEL which holds **GOTS certification** certifying conformance to **organic production materials and methodologies**.
- ❖ PEL has revamped and relaunched its website [hakoba.in](http://hakoba.in) with a wide range of premium textile products including organic variety and designs that expand its demographic presence beyond its traditional markets.
- ❖ Hakoba has presence on marketplaces like **Amazon**, etc
- ❖ Hakoba retail has expanded its reach by adding private labels under the Hakoba umbrella to add fashion and home furnishing allied products in its inventory.

# Products Depiction



PIONEER GROUP



# Model Retail Store Format



PIONEER GROUP



# Hakoba Retail Ecommerce Portal



PIONEER GROUP



Home Fabrics ▾ Vogue Our Story

Account Cart (0)

## NEW STYLE

SHOP THE LATEST TRENDS  
WITH HAKOBA'S NEW  
COLLECTION

<https://hakoba.in/>



03

# Financial Overview



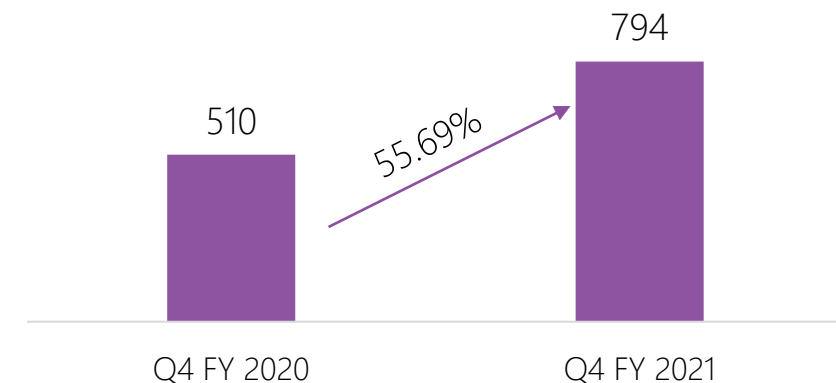
# Last 5 Quarters Performance Standalone

In ₹ Mn

Particular	Q4 FY20	Q1 FY21	Q2 FY21	Q3 FY21	Q4 FY21
Revenues	510	246	527	692	794
Other Income	5	2	2	3	12
<b>Total Income</b>	<b>515</b>	<b>248</b>	<b>530</b>	<b>695</b>	<b>806</b>
Raw Material Costs	264	113	258	328	445
Employee Costs	78	52	75	82	84
Other Expenses	124	68	138	175	165
<b>Total Expenditure</b>	<b>466</b>	<b>232</b>	<b>472</b>	<b>584</b>	<b>694</b>
<b>EBITDA</b>	<b>49</b>	<b>15</b>	<b>58</b>	<b>111</b>	<b>112</b>
<b>EBITDAM(%)</b>	<b>9.51</b>	<b>6.10</b>	<b>10.87</b>	<b>15.95</b>	<b>13.90</b>
Finance Costs	13	12	12	11	10
Depreciation	20	20	21	20	21
<b>PBT</b>	<b>16</b>	<b>-17</b>	<b>24</b>	<b>80</b>	<b>80</b>
Tax	0	0	0	0	-29
<b>Reported Net Profit</b>	<b>14</b>	<b>-17</b>	<b>24</b>	<b>80</b>	<b>114</b>

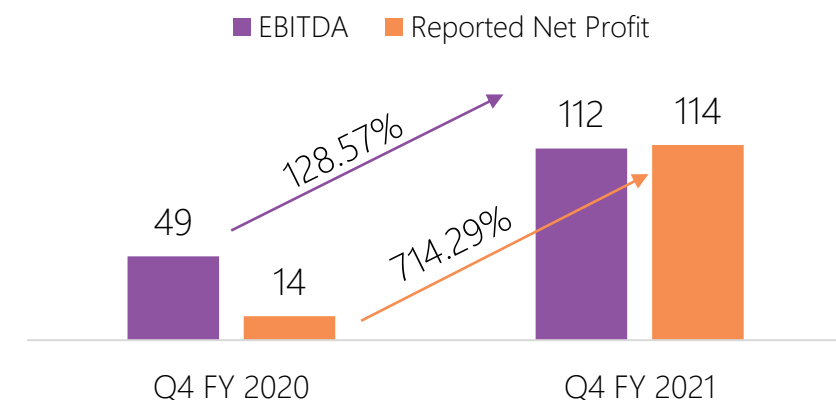
Q4 YoY Sales Growth

In ₹ Mn



Q4 YoY Earnings Growth

In ₹ Mn



# Balance Sheet Standalone

In ₹ Mn

Equities & Liabilities	FY19	FY20	FY21
Equity	250	250	266
Reserves	573	654	878
<b>Net Worth</b>	<b>822</b>	<b>904</b>	<b>1,144</b>
<b>Non-current Liabilities</b>			
Long-term Borrowing	201	108	97
Deferred Tax Liabilities	0	0	0
Other Long Terms Liabilities	0	7	3
Long-term Provision	40	46	47
<b>Total Non Current Liabilities</b>	<b>241</b>	<b>161</b>	<b>147</b>
<b>Current Liabilities</b>			
Short-term Borrowings	185	158	116
Trade Payables	302	218	212
Other Current Financial Liabilities	258	155	159
Other Current Liabilities	29	20	13
Short-term Provision	1	2	1
<b>Total Current Liabilities</b>	<b>775</b>	<b>552</b>	<b>501</b>
<b>Total Liabilities</b>	<b>1,838</b>	<b>1,617</b>	<b>1,792</b>

In ₹ Mn

Assets	FY19	FY20	FY21
<b>Non Current Assets</b>			
Fixed Assets	952	854	800
Non-current Investments	93	93	93
Other Non Current Financial Assets	20	20	20
Deferred Tax Asset	0	0	27
Other Non Current Assets	2	15	72
<b>Total Non Current Assets</b>	<b>1,067</b>	<b>982</b>	<b>1,012</b>
<b>Current Assets</b>			
Inventories	303	341	398
Trade Receivables	275	158	199
Cash & Bank Balance	6	14	62
Other Current Financial Assets	118	78	62
Current Tax Assets (Net)	12	12	10
Other Current Assets	59	32	49
<b>Total Current Assets</b>	<b>771</b>	<b>635</b>	<b>780</b>
<b>Total Assets</b>	<b>1,838</b>	<b>1,617</b>	<b>1,792</b>

# Profit & Loss Statement Standalone

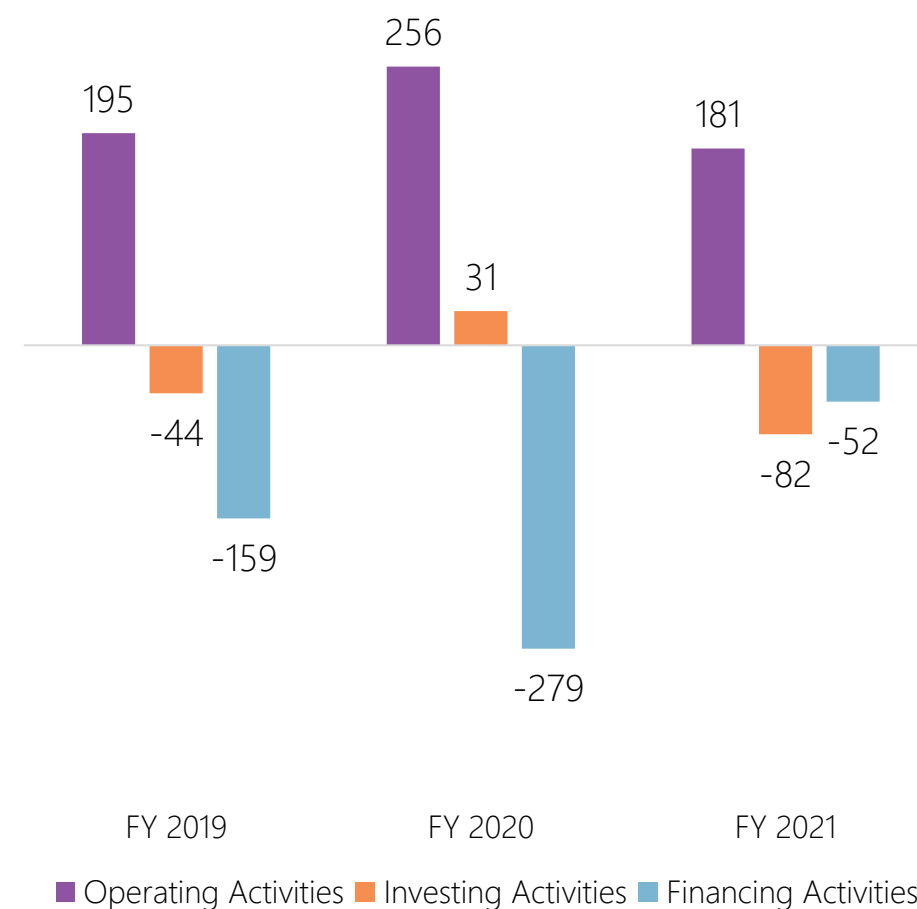
## Profit & Loss Statement

In ₹ Mn

Particulars	FY19	FY20	FY21
Net Sales	2,738	2,377	2,260
Other Income	20	18	18
<b>Total Income</b>	<b>2,759</b>	<b>2,395</b>	<b>2,278</b>
Raw Material Costs	1,618	1,331	1,143
Employee Cost	340	320	294
Other Expenses	584	535	546
<b>Total Expenditure</b>	<b>2,543</b>	<b>2,186</b>	<b>1,983</b>
<b>EBITDA</b>	<b>216</b>	<b>209</b>	<b>295</b>
<b>EBITDA (%)</b>	<b>7.84</b>	<b>8.74</b>	<b>12.95</b>
Depreciation	87	87	82
<b>EBIT</b>	<b>129</b>	<b>122</b>	<b>213</b>
Interest	77	61	45
<b>PBE&amp;EI&amp;T</b>	<b>52</b>	<b>61</b>	<b>168</b>
Exceptional Items - Income/(Loss) (Net)	-11	22	0
<b>PBT</b>	<b>41</b>	<b>83</b>	<b>168</b>
TAX Expense (Including Deferred Tax)	0	0	-29
<b>Reported Net Profit (after Ext Ord + Min. Int)</b>	<b>43</b>	<b>81</b>	<b>200</b>
<b>Net Profit (%)</b>	<b>1.56</b>	<b>3.40</b>	<b>8.78</b>

## Cash Flow Highlights

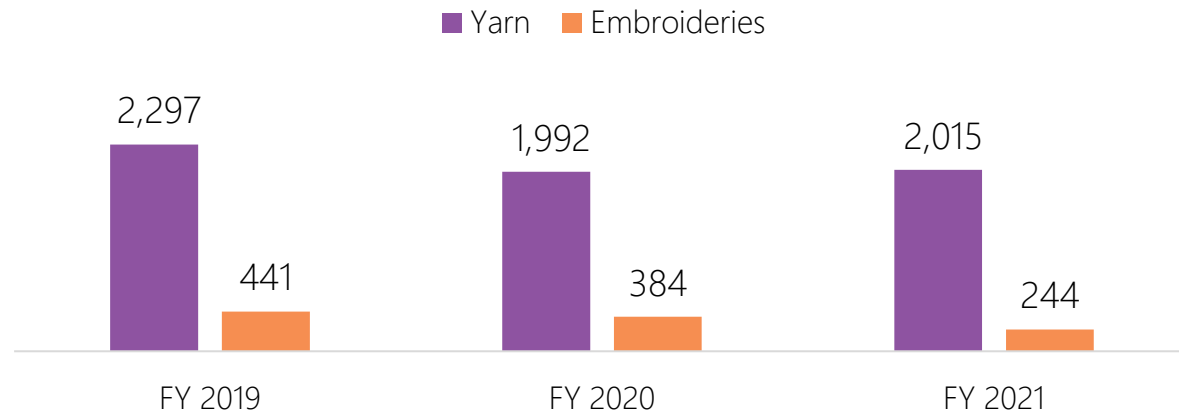
In ₹ Mn



# Revenue & Profit Insights

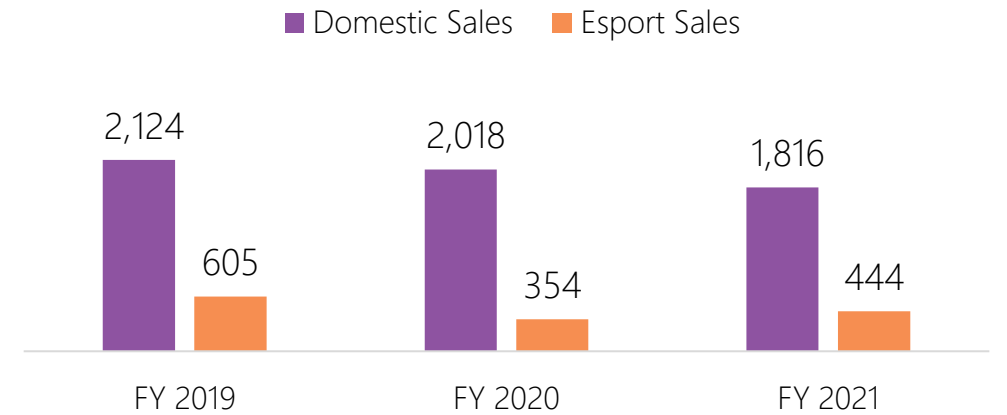
Segment Wise Revenue Breakup

In ₹ Mn



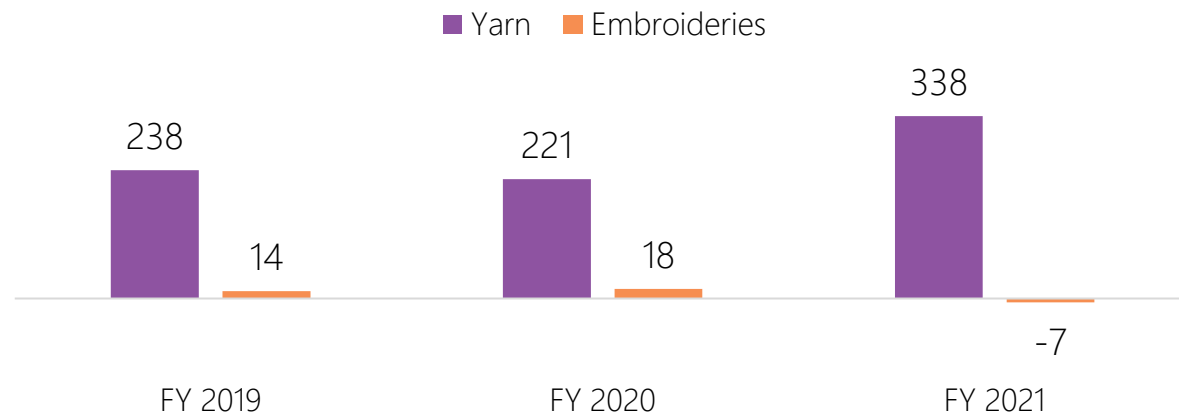
Domestic Export Revenue Breakup

In ₹ Mn



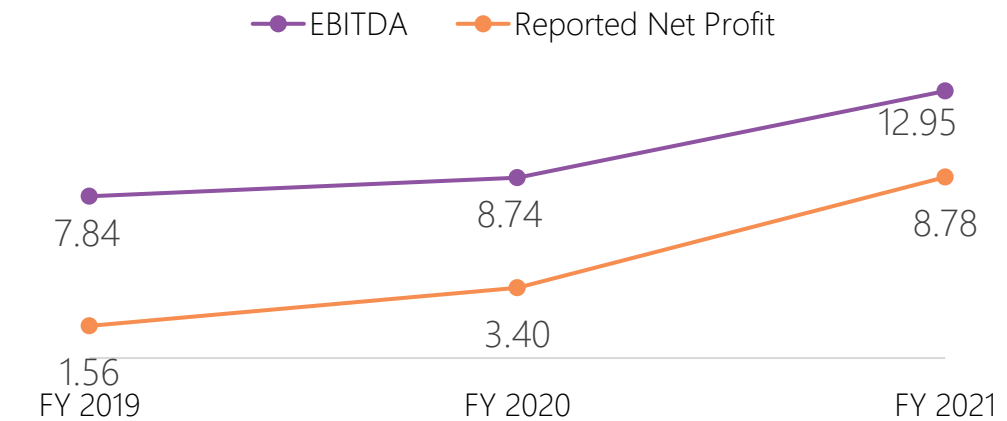
Segment Wise EBITDA Breakup

In ₹ Mn



Profit Margins

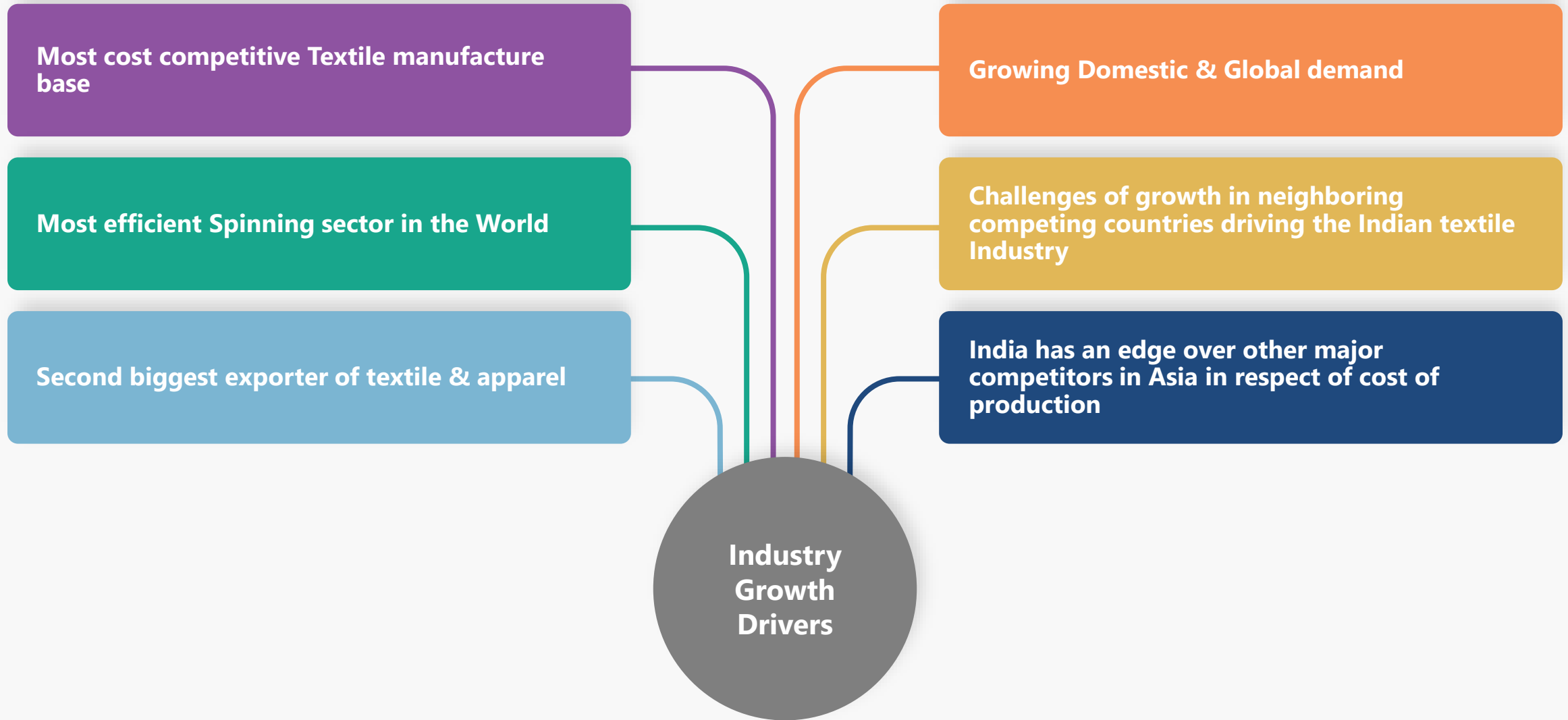
In %



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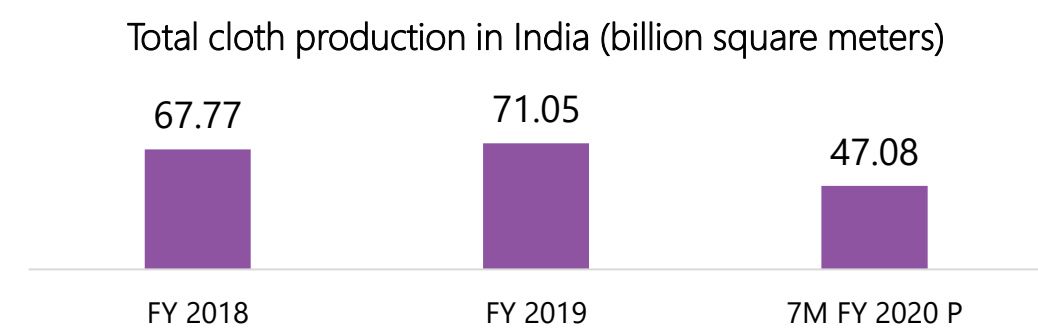
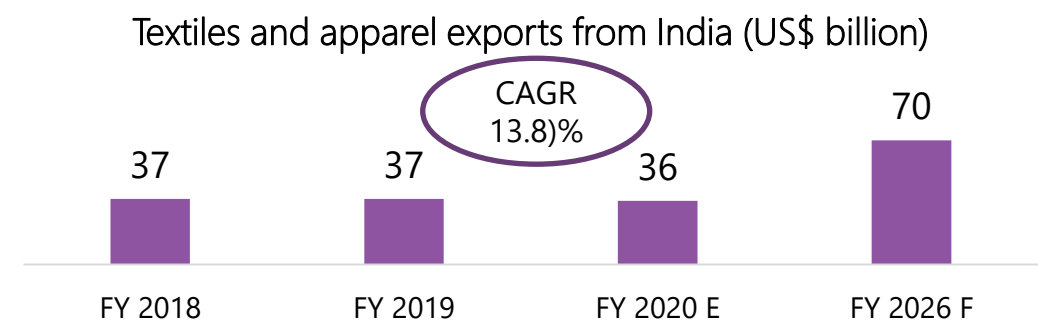
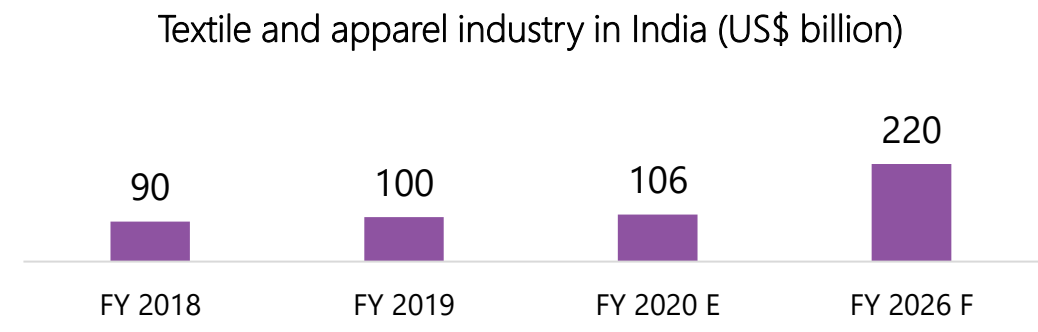
# Industry Overview

# Industry Growth Drivers – Textile



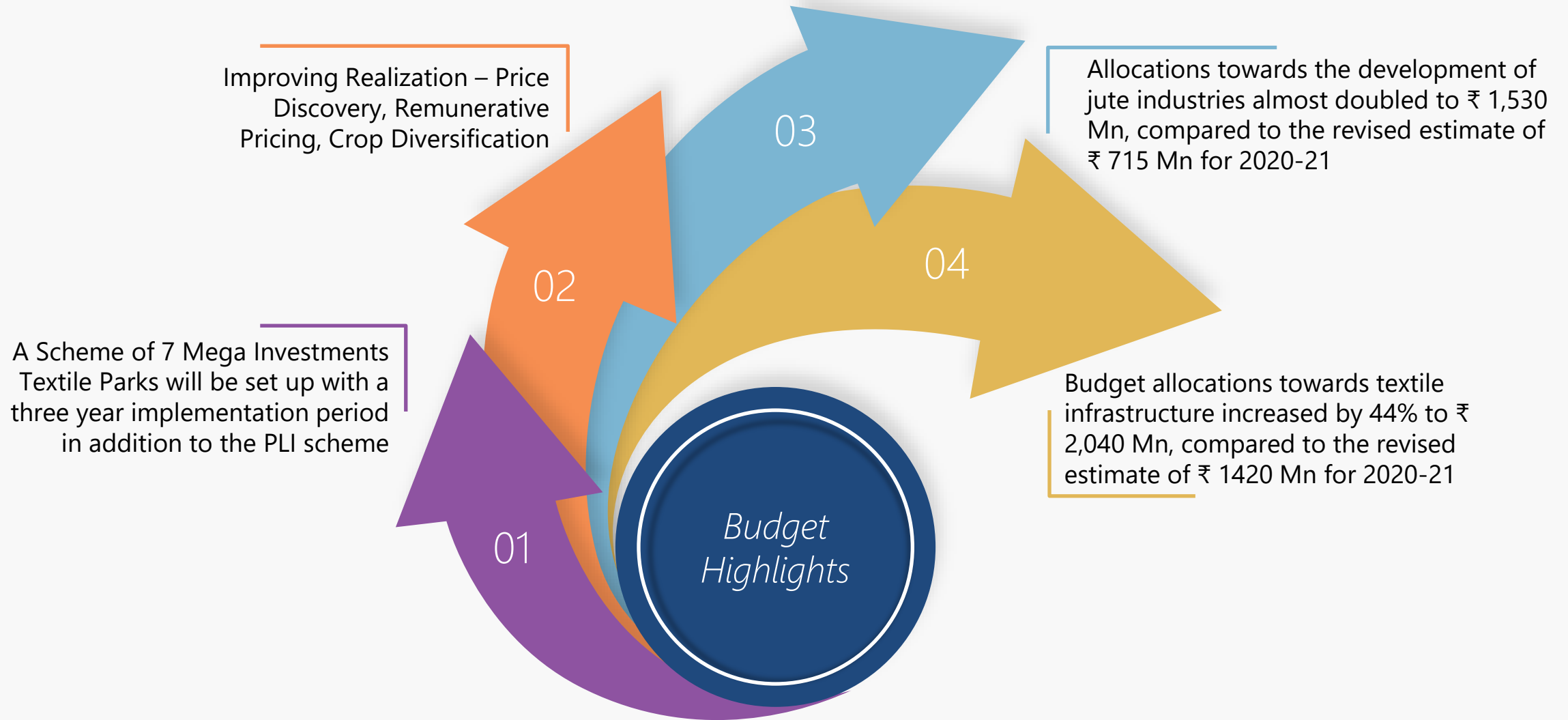
# Indian Textile Industry Overview

- ❖ India is the world's second largest producer of textiles and garments.
- ❖ Rising per capita income, favourable demographics and a shift in preference to branded products will boost demand.
- ❖ The domestic textile and apparel market is estimated at US\$ 106 billion in FY20 and has increased at a CAGR of 10% since FY06.
- ❖ Demand is expected to rise at a 12% CAGR to reach US\$ 220 billion by 2025-26.
- ❖ Exports of merchandise were US\$ 24.82 billion in October 2020, as compared with US\$ 26.23 billion in October 2019.
- ❖ The textile industry has around 45 million of workers employed in textiles sector, including 3.5 million handloom workers all over the country.
- ❖ Favorable trade policies and superior quality to drive textile exports.
- ❖ India's textile and apparel export stood at US\$ 37.00 billion in FY19 and is expected to increase to US\$ 70.00 billion by FY26 from US\$ 36.00 billion in FY20.
- ❖ Cloth production in FY19 stood at 71.05 billion square meters and 67.77 billion square meters in FY20



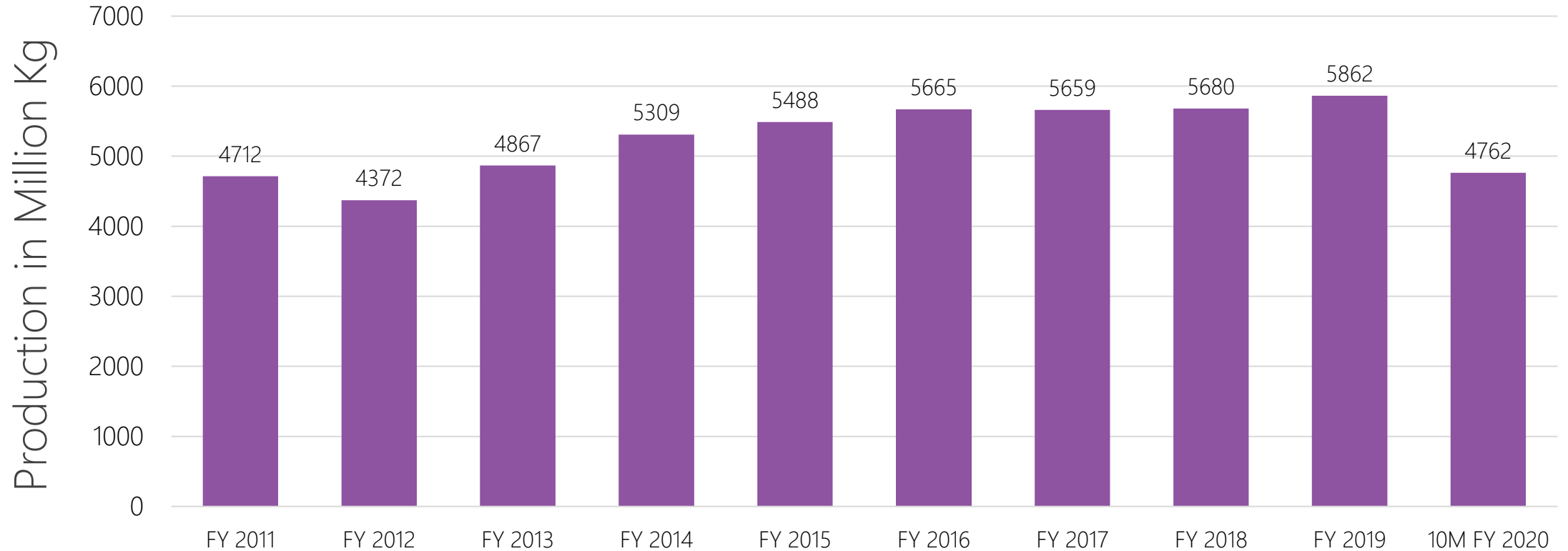
**Notes:** E - Estimate, F - Forecast, P - Provisional CAGR up to FY21, P - Provisional, \* - till November 2019  
**Source:** Ministry of Textiles, Make in India, Technopak, Annual Report on Indian textile and Apparel industry- Wazir Advisors

# FY22 Union Budget Textile Announcements



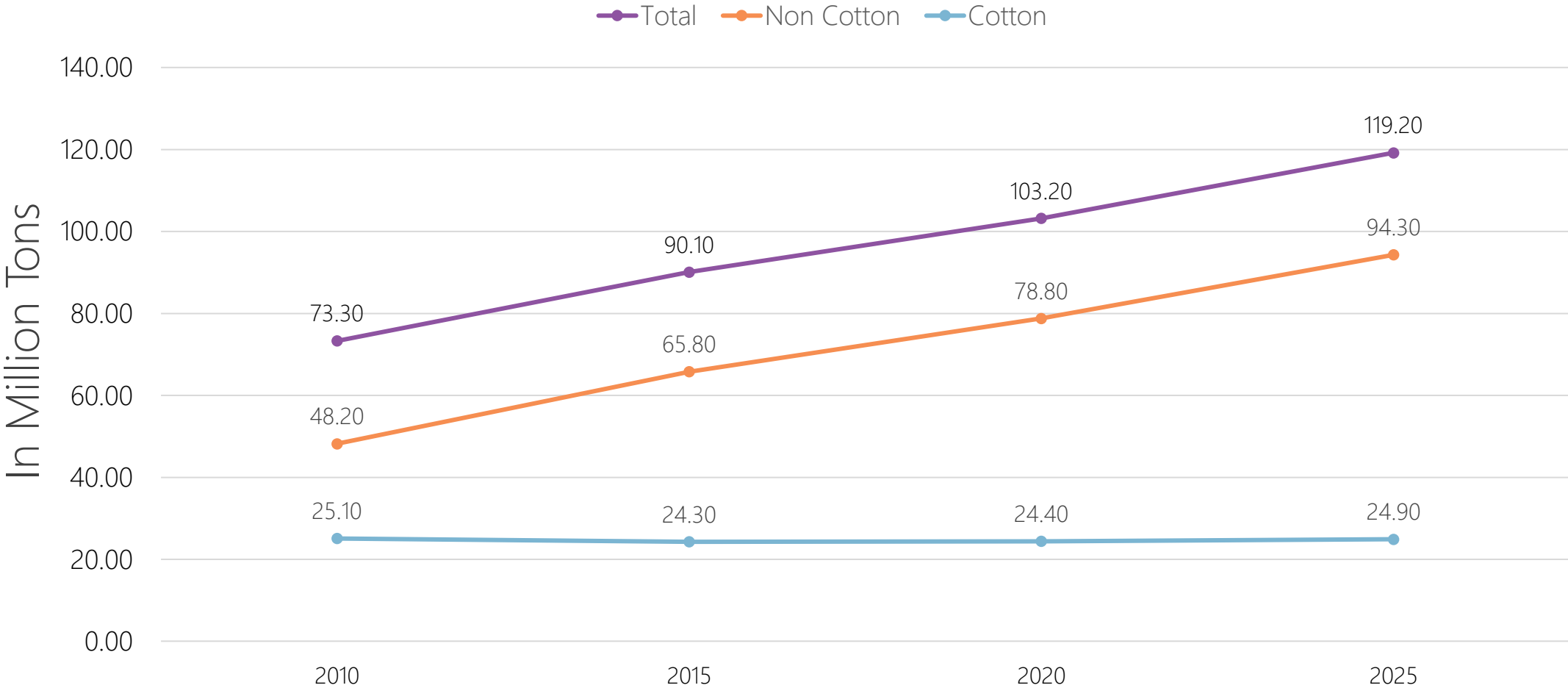


# Production Of Total Yarn In India From FY 2011 To 2020



❖ Production of yarn is on continuously rise due to demand from its user industry. In FY19 it touch over 5 billion Kg while till January 2020, it was as high as 4.7 billion kgs.

# Global End-use Demand For Textile Fibres 2010-25

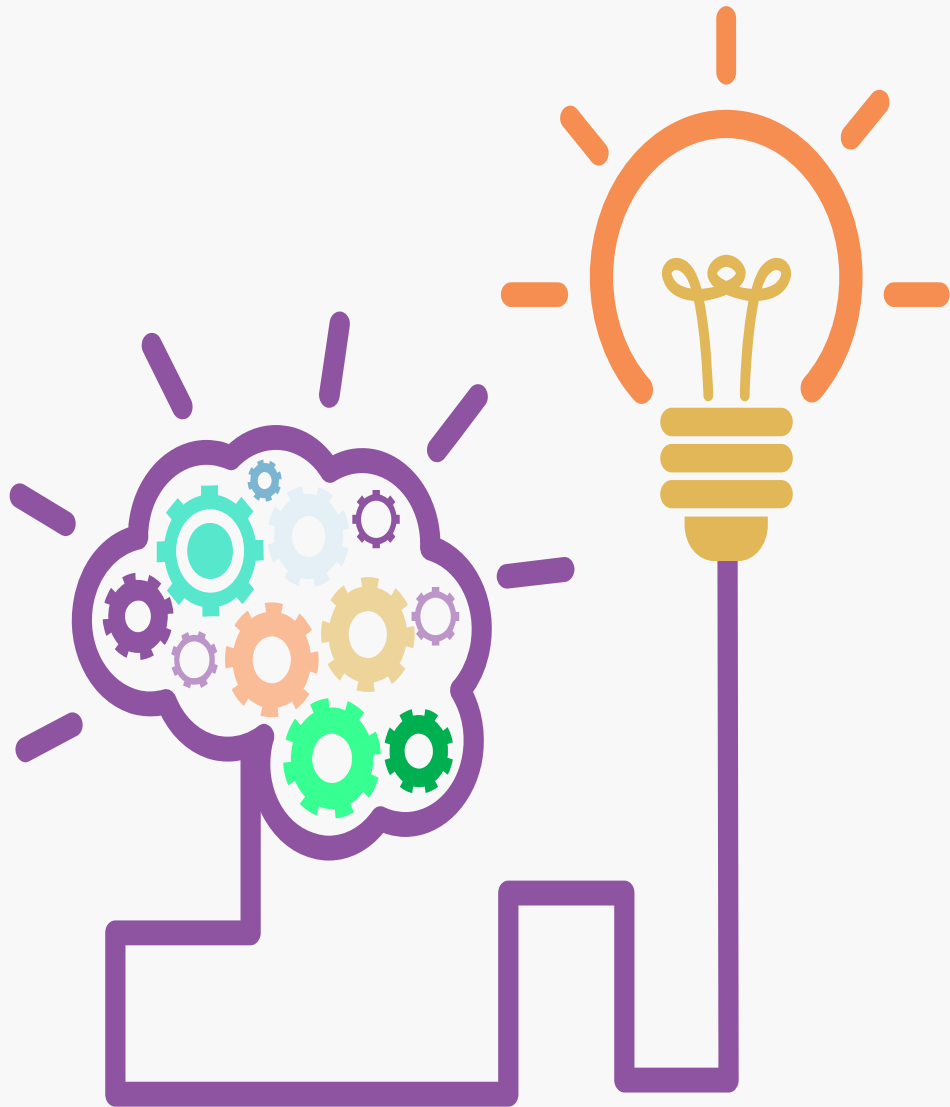


Source: International Cotton Advisory Committee (ICAC)

# Government Initiatives



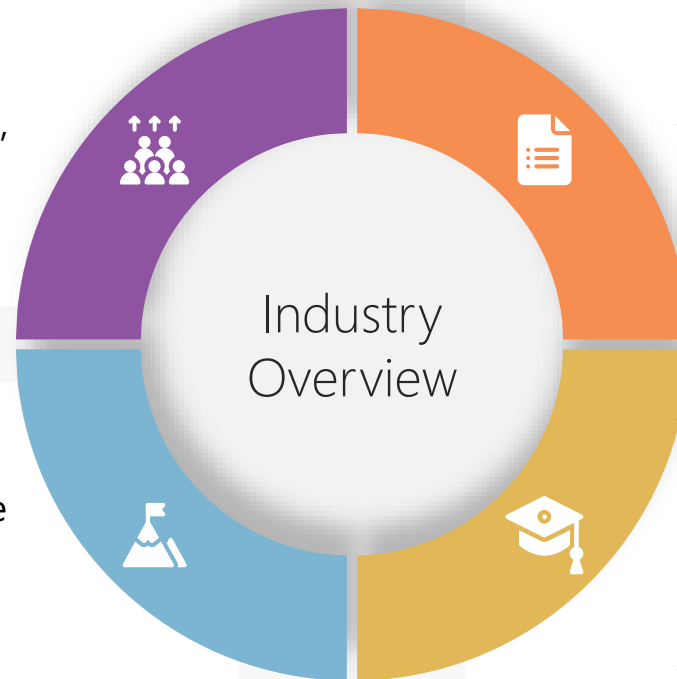
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- ❖ Government has created PLI **scheme** for textile industry to create global champions in MMF apparel and Technical **Textiles** by providing incentive from 3 per cent to 15 per cent on stipulated incremental turnover for five years
- ❖ Defense Research and Development Organisation is helping the Indian textile industry to produce yarns and eliminate dependence on import of Chinese and other foreign clothing for military uniforms.
- ❖ In October 2020, the Cabinet Committee on Economic Affairs approved mandatory packaging of 100% food grains and 20% sugar in jute bags. Under the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987, the government is required to consider and provide for the compulsory use of jute packaging materials for supply.
- ❖ Government launched production linked incentive scheme to provide incentives for manufacture and export of specific textile products made of man-made fibre.
- ❖ On September 2, 2020, the Union Cabinet approved signing an MOU between textile committee, India and M/s Nissenken Quality Evaluation Centre, Japan, for improving quality and testing Indian textiles and clothing for the Japanese market.
- ❖ The Directorate General of Foreign Trade has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - readymade garments and made-ups - from 2% to 4%.
- ❖ The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), enable investment worth ₹ 950 Bn (US\$ 14.17 Bn) by 2022.

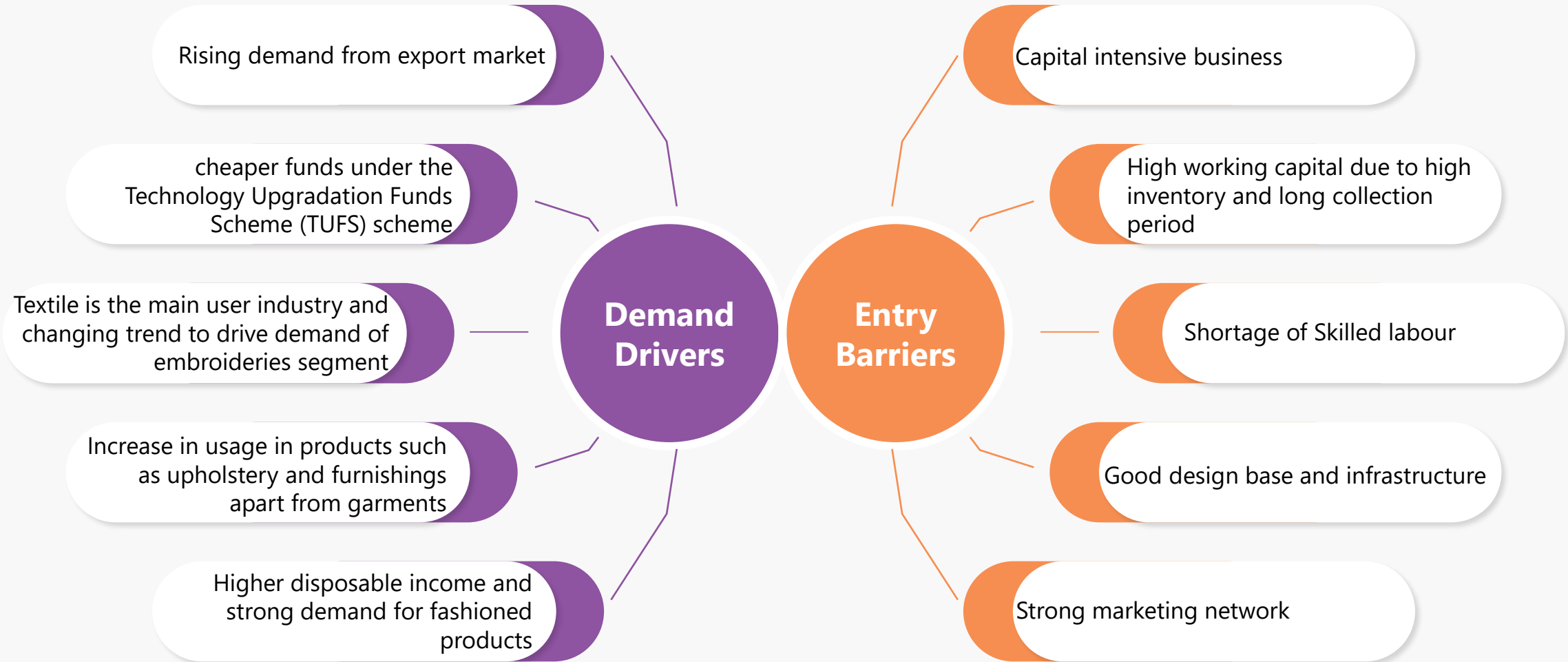
# Embroidery Industry Overview

- ❖ It is difficult to find the origin of embroidery in India, the origin of cross-stitch (a popular embroidery practice) can be identified as long ago as in the 7th century.
- ❖ There are different embroideries popular in different parts of India. Kantha, Kathi, Phulkari, Chikankari, Aribharat, Laces, Crochet Lace, Guipure (Chemical Lace) are some of popular embroideries in India.
- ❖ Around 60% of the market is unorganized and catered by small regional players and balance 40% is of organized players.
- ❖ Pioneer Embroideries is the leading player in the segment while the other players are Sahiba, Dicitex Decor, Dicitex Furnishing, Alok Industries, MangalCotton, PC Jain & Sons, KG Embroidery Mills



- ❖ The product's domestic demand comes from garment exporters like the Texport Group, Morrajee Gokuldas, Sriranga & company, Choudhary garments, Silk Appeal, Buying houses, domestic garment manufacturers etc.
- ❖ The share of the unorganized sector is decreasing continuously, with costs differential coming down.
- ❖ Garment manufacturers themselves are becoming more organized, and with average size of orders increasing, quality and timely deliveries are becoming crucial.
- ❖ The organized sector players are expected to grow at a rate faster than the industry, thus further eating into the present share of the unorganized players.

# Demand Drivers & Entry Barriers In Embroidery Industry



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