



SVP Global Ventures Limited

Investor Presentation – June 2021

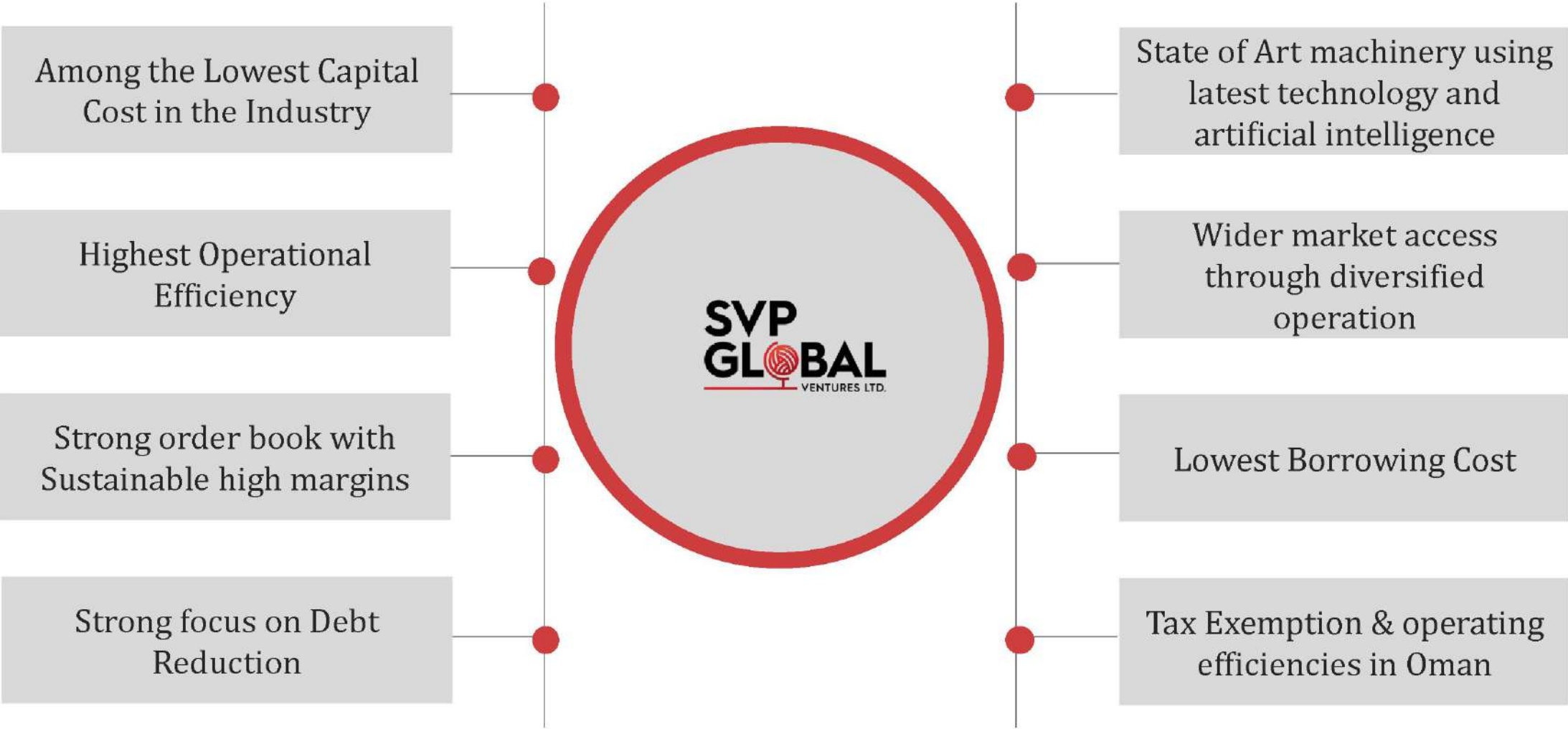
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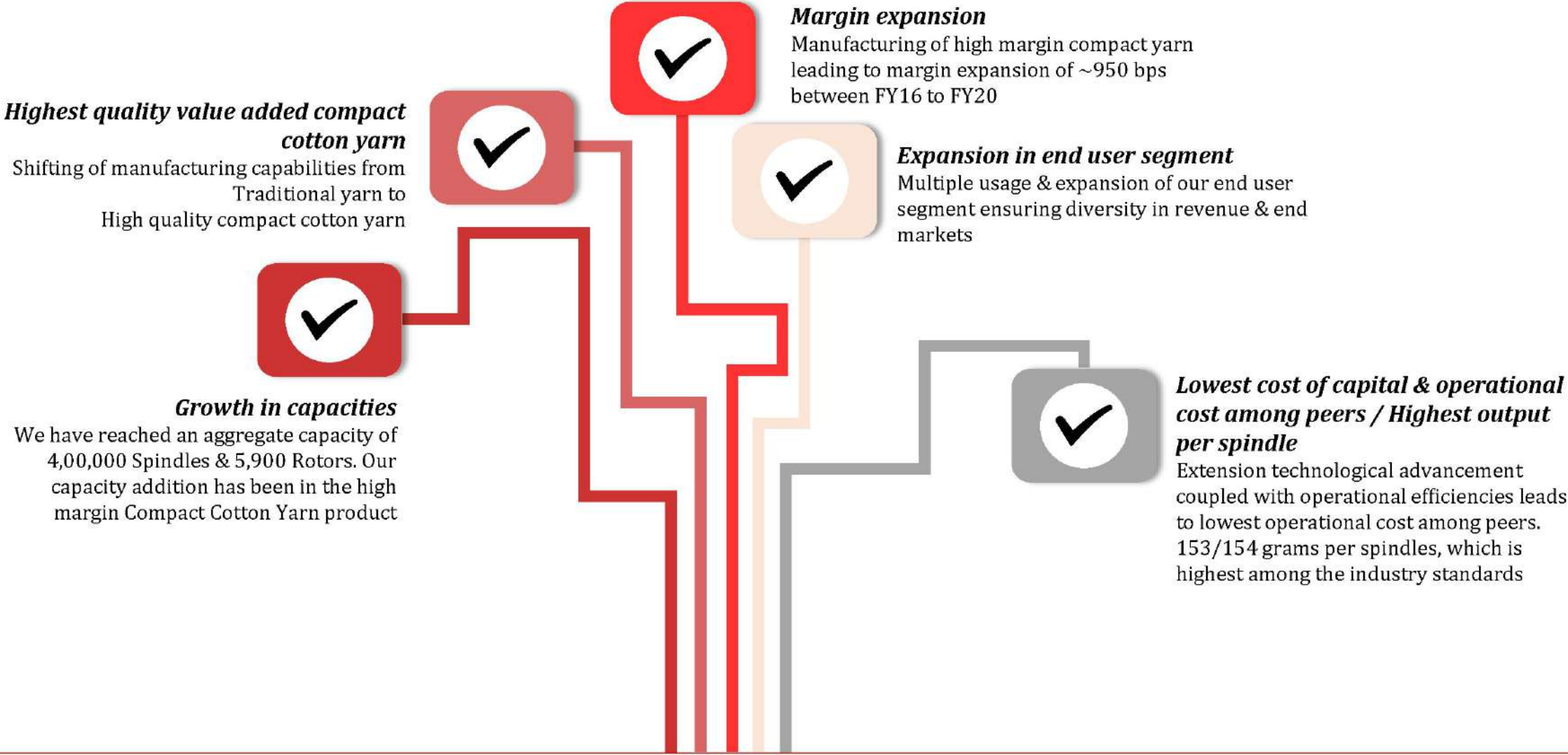
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Industry Leading Parameters



Fastest growing multinational in Cotton Yarn manufacturing



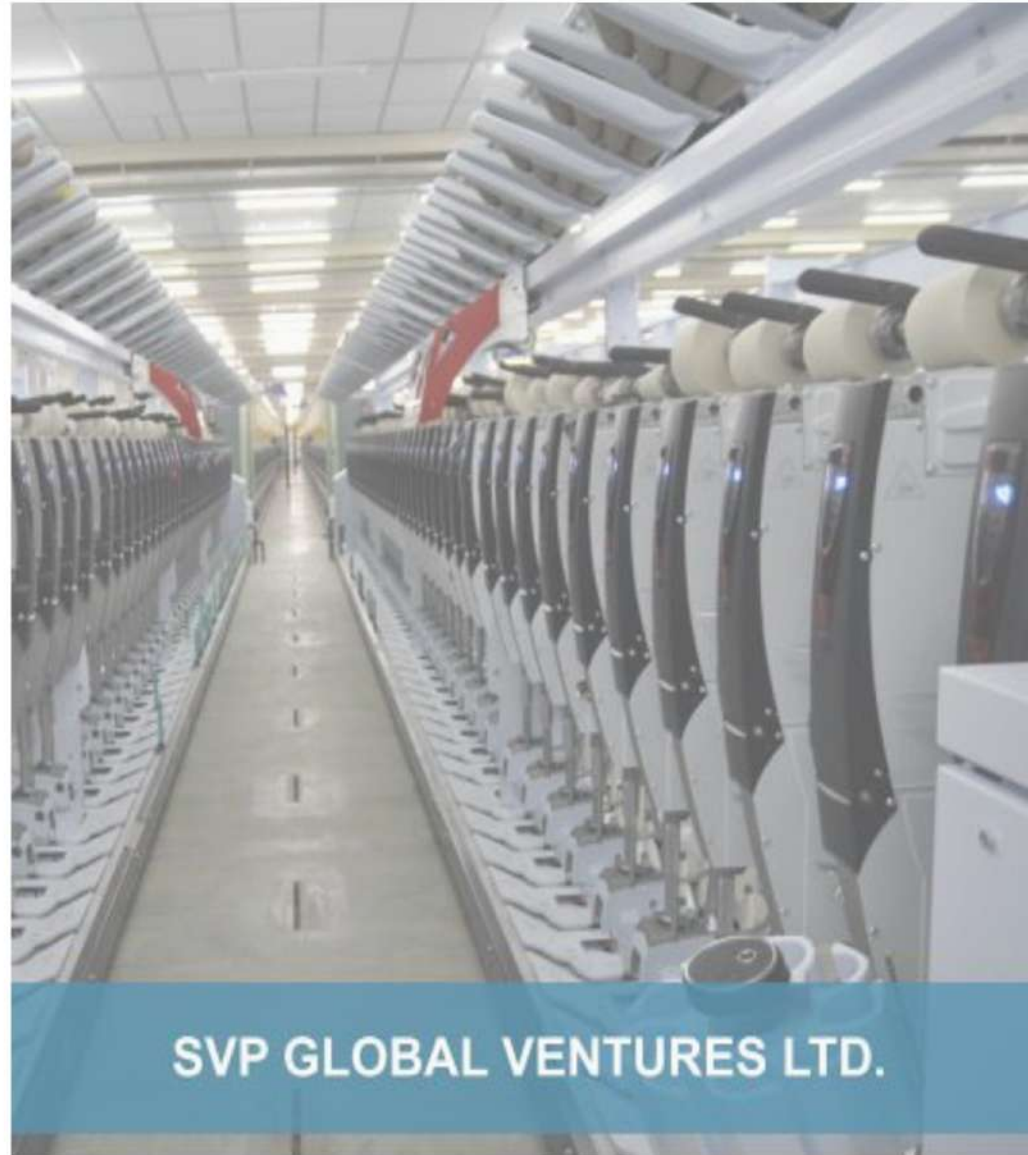
SVP at a Glance

200 years of Combined
experience of **Promoters &
Management**

Installed capacity of
400,000 Spindles & **5,900**
Rotors across India & Oman

Only **5%** of Indian manufacturers
have technology ageing less than **5**
years

High entry barrier due to heavy
investments & setting up capacities
shall take **~12-24 months.**



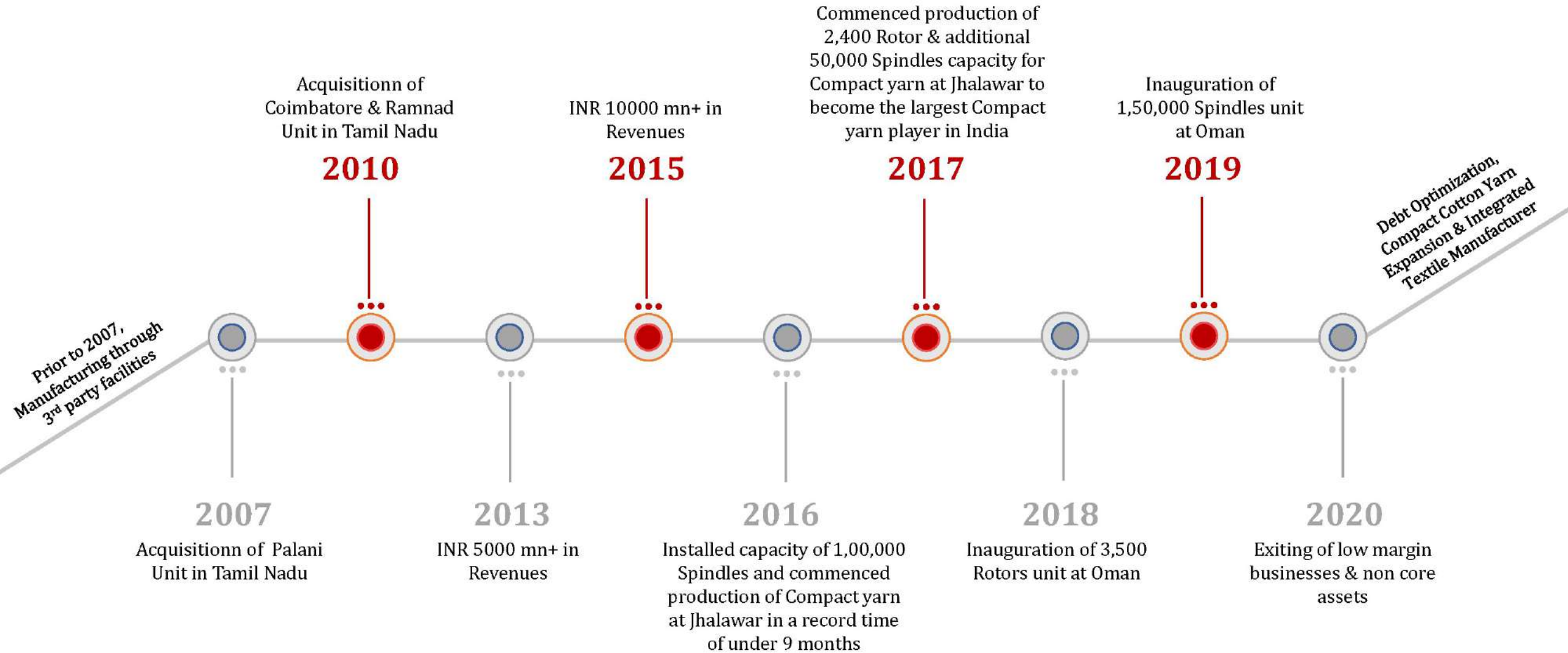
Legacy of **100** years in the
Textile business

Current direct employment to more
than **4000 people** in
India and Oman

Green Project with no smoke,
effluent or wastage; safe and clean
working environment

Highest level of **certification**
including GOTS, OCS and an
approved supplier to IKEA.

Legacy of over 100 years in Textile



Experienced Board of Directors

Mr. Chirag Pittie : Whole Time Director

- **Qualifications:** Holds BSBA degree in Finance and Management from Boston University, USA
- **Experience:** Has more than 16 years of experience in Finance & Management. He has the vision of converting the close family held business into a leading public company delivering superior returns to shareholders

Mr. Jinesh Shah : Independent Director

- **Qualifications:** He is Qualified Chartered Accountant
- **Experience:** Has more than 12 years of experience in Statutory audit, Tax audit, Implementation of GST, IFC in listed & Private Companies, Budgeting report & Variance Analysis

Mrs. Bhagwati Donga : Independent Women Director

- **Qualifications:** Holds Master of Commerce (M.Com) & Bachelors in Education (B.Ed)
- **Experience:** Has more than 3 year of experience in the Education field & specialized in Organization of Commerce & Management Secretarial Practice

Mr. Praveen Shelley : Non-Executive Director

- **Qualifications:** He is Certified Administrator from Michigan, USA
- **Experience:** Has more than 30 years of experience in Marketing, Public Relations, Partnership Building and Product Management

Mr. Niraj Lahoti : Independent Director

- **Qualifications:** He is Qualified Chartered Accountant, Company Secretary and Diploma in Information System Audit (DISA - ICAI)
- **Experience:** Has more than 5 years of experience in filing of returns, accounts & audit, registration of firms and closure of companies

Mr. Prakash Vaghela : Independent Director

- **Qualifications:** He is a qualified Chartered Accountant, Cost & Works Accountant, LLB(G) and Diploma in Information System & Audit, DISA
- **Experience:** Has experience in Banking, Corporate Governance, Audit Assurance and Compliances, Direct and Indirect Tax Advisory and certification field

Strong Management Team

Mr. Chirag Pittie

Whole Time Director

Mr Praveen Shelley

Chairman

Major General OP Gulia SM,
VSM(retd)

President

Mr. Diwakara Rao

Chief Financial Officer

Mr. Prakash Saraogi

Ex. Vice President - Finance

Mr. Narendra Jain

Vice President - Finance

Mr. Prashant Pillai

Vice President - Marketing

Mr. V.K. Chaudhary

Vice President - Operations

Mr. D.P. Sharma

Chief Engineer

Mr. Surendra Singh

Senior Manager - SQC

Mr. Rajpal Singh Sekhawat

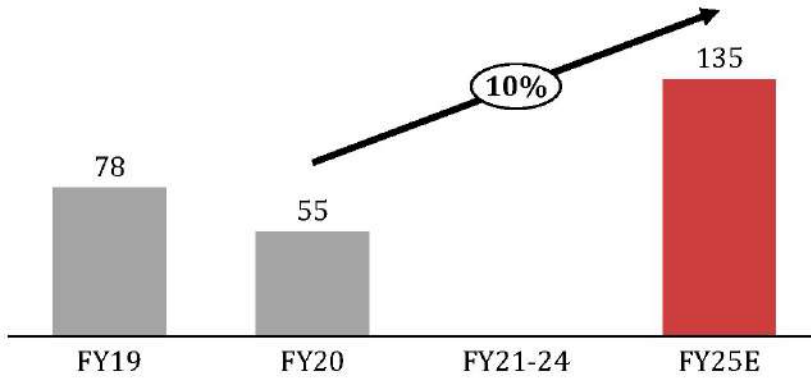
Vice President - Projects

Brigadier Sanjay Thapa, SM(retd)

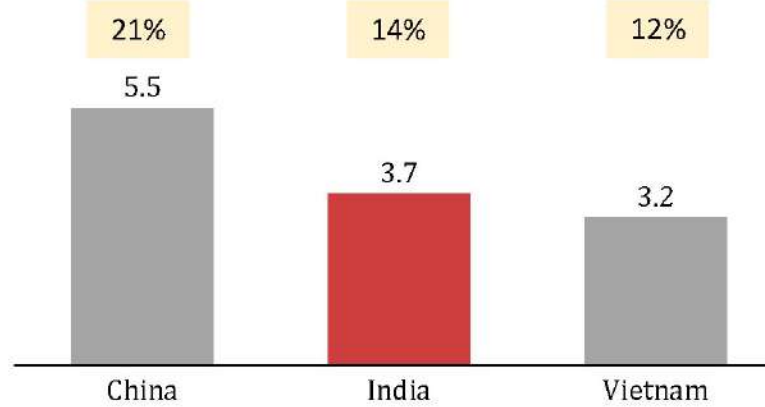
Sr. Vice President –
HR & Admin

Industry Bound to Grow

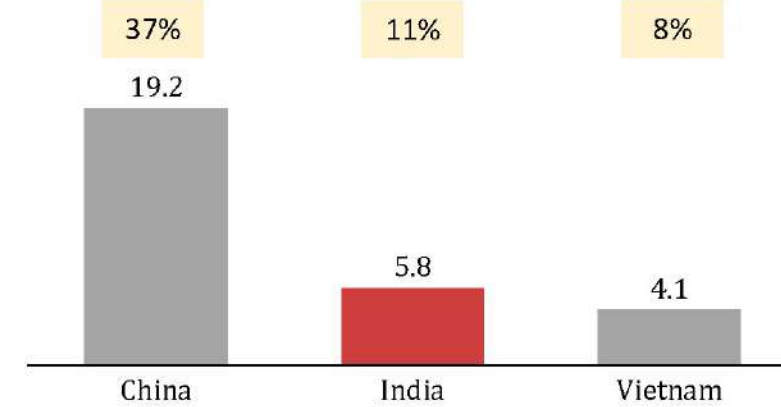
Indian Apparel Market*



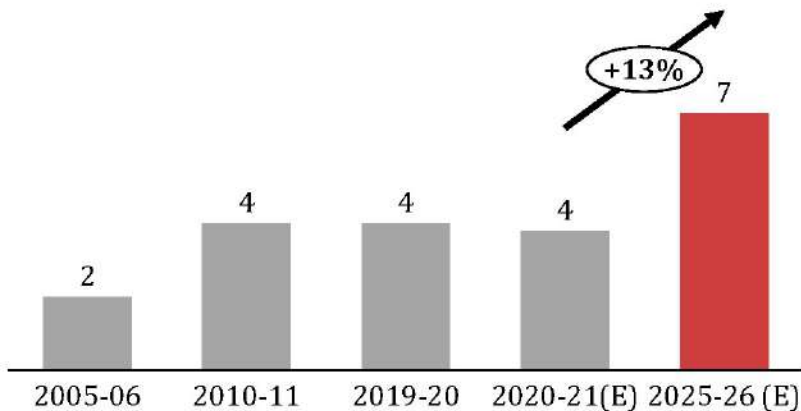
Leading Yarn Exporters*



Leading Home Textile Exporters*



Indian Yarn Export Market*

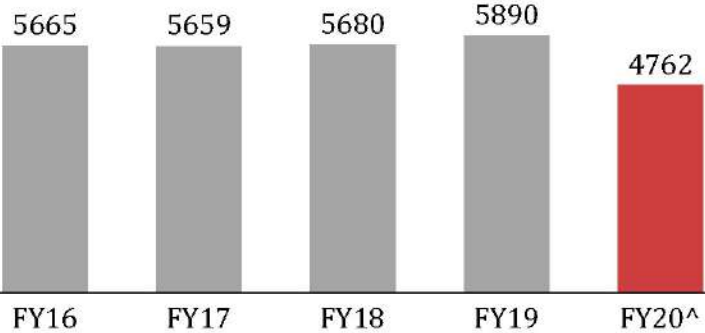


- We anticipate that the Textile manufacturing industry for India is bound to increase due to;
 - China + 1 Strategy firming up
 - Governments thrust on Aatmanirbhar Bharat & being 'Vocal for Local'
 - Economies of scales & incentives by government to boost margins & allow to compete worldwide

Indian Yarn Industry

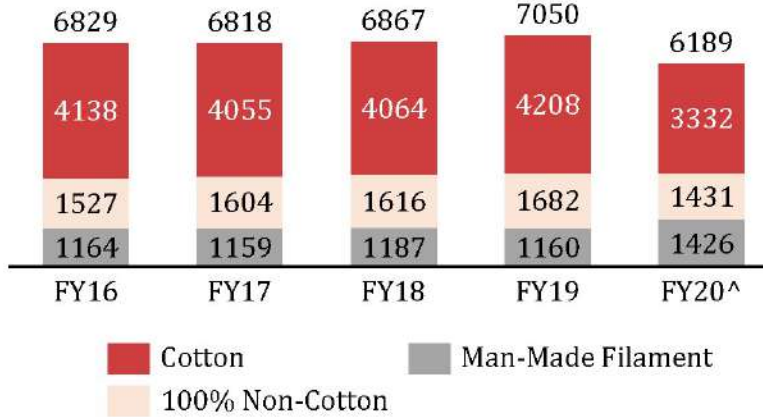
Production of Yarn

Millions Kgs



Yarn Production

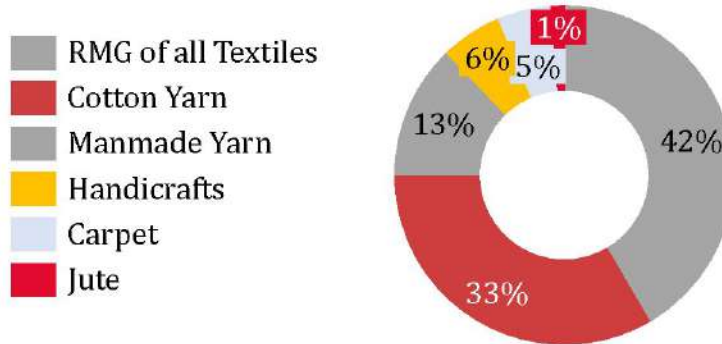
Millions Square Meters



Textile Commodities Export in India*

Commodities	Value (US\$ Mn)
RMG of all Textiles	1349.13
Cotton Yarn	947.58
Manmade Yarn	411.97
Handicrafts	179.27
Carpet	136.21
Jute Mfg	42.00

Share of Indian Textile in Export*



- Production of yarn grew to 5,890 million kgs in FY19 from 5,665 million kgs in FY16
- Cotton yarn, a major segment in FY20^, accounted for more than 54% share in yarn production
- Export have been a core feature of India's textile and apparel sector, a fact corroborated by trade figures.
- The Goods and Services Tax (GST) is expected to make imported garments cheaper by 5-6% as the GST regime will levy 5% tax for both domestic textile manufacturers and importers.

State of art infrastructure at Rajasthan

Jhalawar – Rajasthan
(60 acres land area)



State-of-the-art-infrastructure:

Installed capacity of **1,50,000 spindles and 2,400 rotors** commissioned in a record time of 9 months in Rajasthan

Proximity to cotton & yarn hubs in Rajasthan, Madhya Pradesh, Maharashtra & Gujarat

Easy availability of skilled manpower

Access to all utilities/ facilities of cities

5 km from city centre,
12 km from Jhalawar Airstrip
2km from Railway Station

Zero Effluents and Zero smoke manufacturing facility

Equipped with the most modern technology from Blow Room to Winding. Plant & machinery sourced from RIETER (Switzerland), ELECTRO-JET (Spain), LMW (India) and SCHLAFHORST (Germany)

World Class Laboratory for Quality control using USTER (Switzerland) equipments

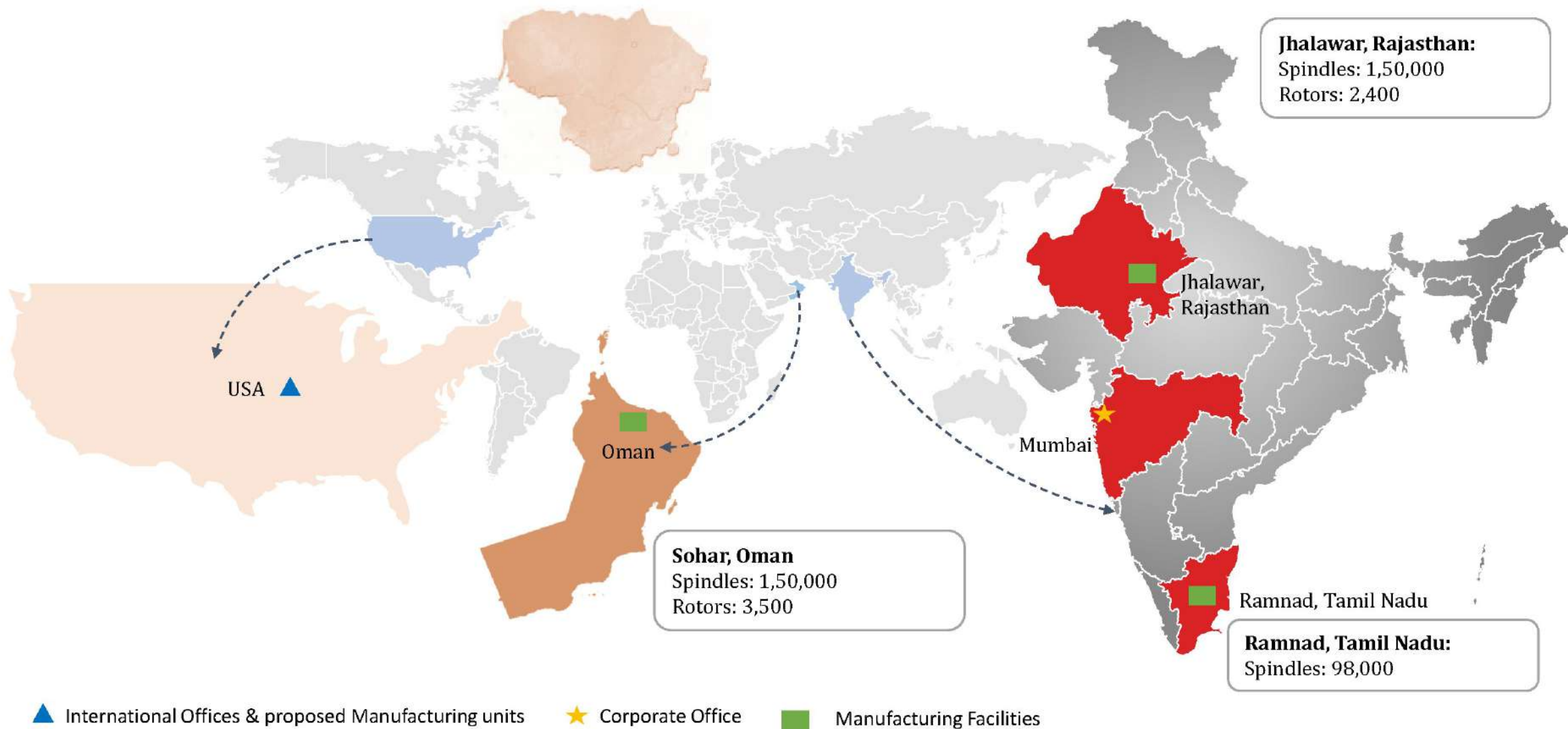
Consistency in yarn quality monitored by LOEPFE (Switzerland).

We have dedicated 132 KV Line

We have 5.4 Mega watt Solar Capacity – one of the largest captive plants in India to reduce power costs

Manufactures high quality Compact Yarn (Count range 20 to 60) and Open End Yarn

Geographical Footprint



Note: Maps not to scale

Diversified end usage



Circular Knitting
(Weft Knits)



Socks Knitting



Sweaters



Denim Fabrics



Yarn Dyeing



Sheeting



Towel Weaving
(Base and Pile)

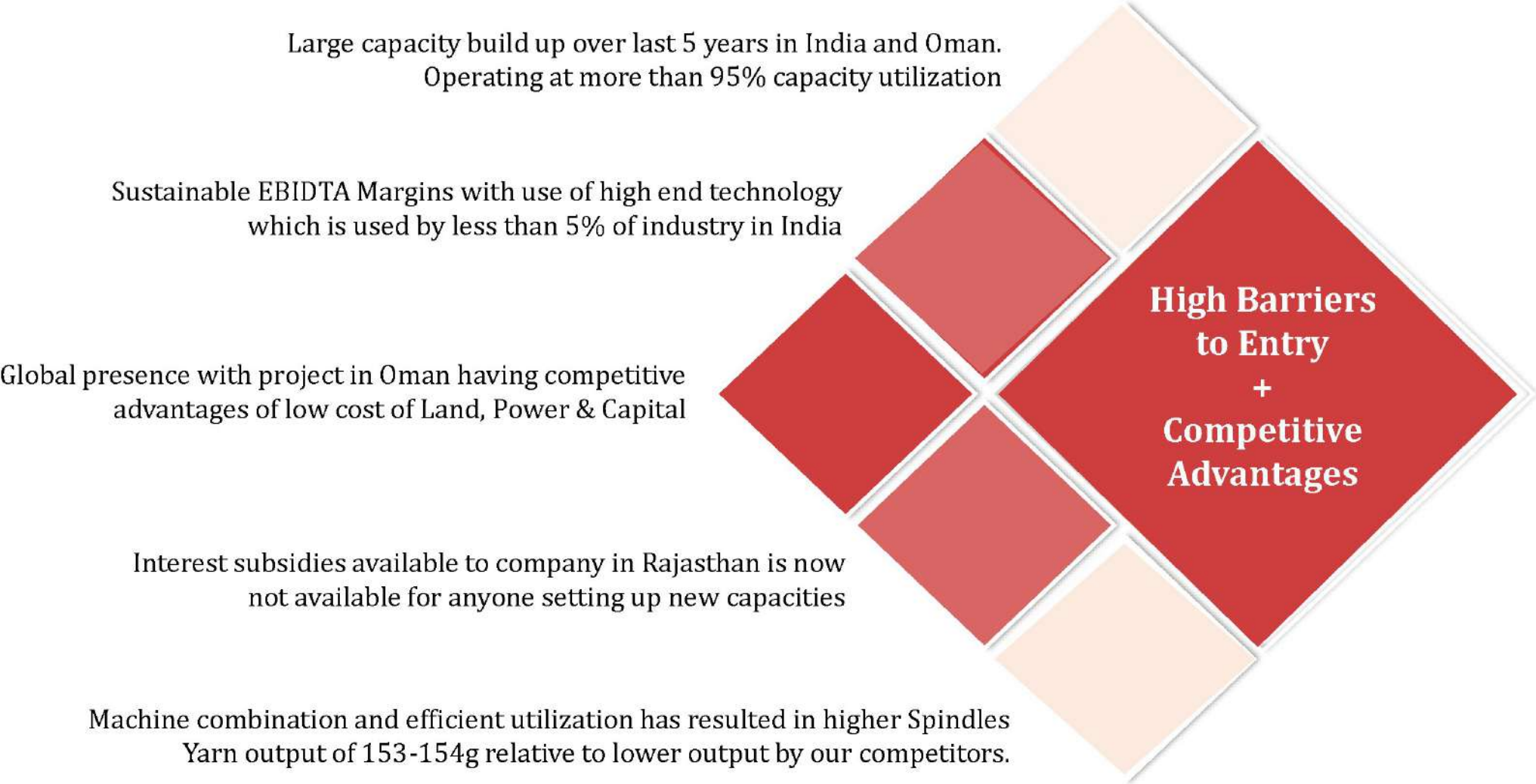


Weaving



Shirting

High Entry Barriers & Competitive Advantage



Technological Edge

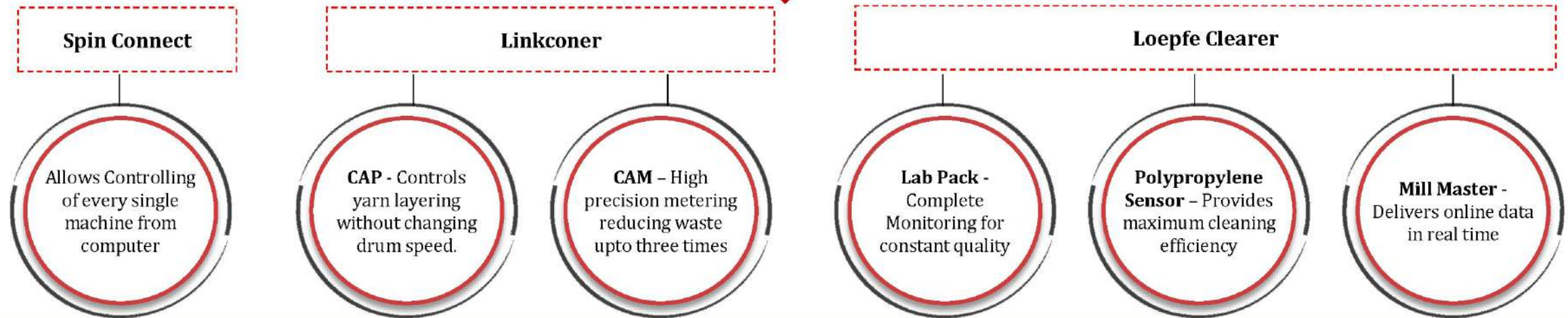
India has around 50 million Spindles capacity out of which around **95% capacity is older than 5 years.** Further, around 80% capacity is older than 10 years...

Whereas...

....SVP Global yarn manufacturing capacities is one of the **latest and the most technologically advanced** on the block among its competitors



The state-of-art machinery with latest technology from Europe and India, **use Artificial Intelligence to manufacture Yarn of the highest quality at optimum operational efficiency**



Global Certifications, Registrations & Approvals



Approved Supplier to IKEA

- IKEA is one of the largest retailers of furniture and home accessories in the world.
- The very prestigious registration is testament to the company's products, material and services adherence to minimum environmental, social and working conditions requirements.
- The registration would allow other members supplying to IKEA to source their yarn requirements from the Company.

- **Global Organic Textile Standards (GOTS)**
Comprising of 4 reputed member organization – OTA (USA), IVN (Germany), Soil Association (UK) and JOCA (Japan)
- **Organic Content Standard (OCS)**
OCS applies to any non-food product containing 95-100 percent organic material. It verifies the presence and amount of organic material in a final product and tracks the flow of the raw material from its source to the final product.
- **Global Recycle Standard (GRS)**
The GRS is an international, voluntary, full product standard that sets out requirements for third-party certification of recycled content, chain of custody, social and environmental practices and chemical restrictions.
- **OEK-TEX STD. 100**
STANDARD 100 by OEKO-TEX® is one of the world's best-known labels for textiles tested for harmful substances. It stands for customer confidence and high product safety.
- **Better Cotton Initiative (BCI)**
The Better Cotton Initiative (BCI) is a global not-for-profit organization and the largest cotton sustainability programme in the world.
- **Fair Trade**
The Fairtrade Textile Standard is one component of the greater Fairtrade Textile Programme to facilitate change in textile supply chains and related business practices.
- **SUPIMA Gold**
The primary purpose of the program is to promote and protect the SUPIMA® trademark globally, while growing awareness and consumption of U.S.- Grown Pima Cotton.
- **US Cotton Trust Protocol**
The U.S. Cotton Trust Protocol® sets a new standard for more sustainably grown cotton. It brings quantifiable and verifiable goals and measurement to sustainable cotton production and drives continuous improvement in key sustainability metrics.



- ✓ Company enjoys incentives received from the **Rajasthan Government** including

- VAT benefits
- Power tariff reductions

which along with premium products, lower wastage, and higher operating efficiency significantly boosts the profitability.

- ✓ **Unit in Jhalawar**, Rajasthan benefits from interest subsidy of 9-11% p.a. approximately, under the RIPS/TUFS schemes of the State/Central Government.

- ✓ **Unit in Oman** enjoys various operational and logistic efficiencies & incentives including

- Land availability,
- Lower power costs,
- Low cost of capital,
- FTAs,
- Tax exemptions,
- Port infrastructure and accessibility,



SVP's CSR

- **Solar Power** - Installed 5.4-Megawatt solar power projects to curb release of CO₂. **Estimated Power Generation:** 86,09,328 Units Per Year. **Estimated Reduction in Co2 Emission:** 7,317 Ton
- **Non-Hazardous** Orange category plant declared by pollution department
- Provided **jobs to 250 local peoples** after Covid-19 lockdown
- **Women Empowerment – Train & Employ**
 - Set up Dedicated & Licensed Training Centre at Oman sprawling 30,000 SF which incorporates experiential learning through advanced textile machinery for Women in Oman
 - **1,000 Omani Women** currently undergoing Training for Employment - first of its kind to guarantee employment upon completion of the program
- Masks, Sanitizer and tunnel distributed to public and to police department by company during Covid-19 pandemic
- Subsidized food scheme **“Jimosa”** for poor and labors since 2016 for distributing food for the people in Jhalawar



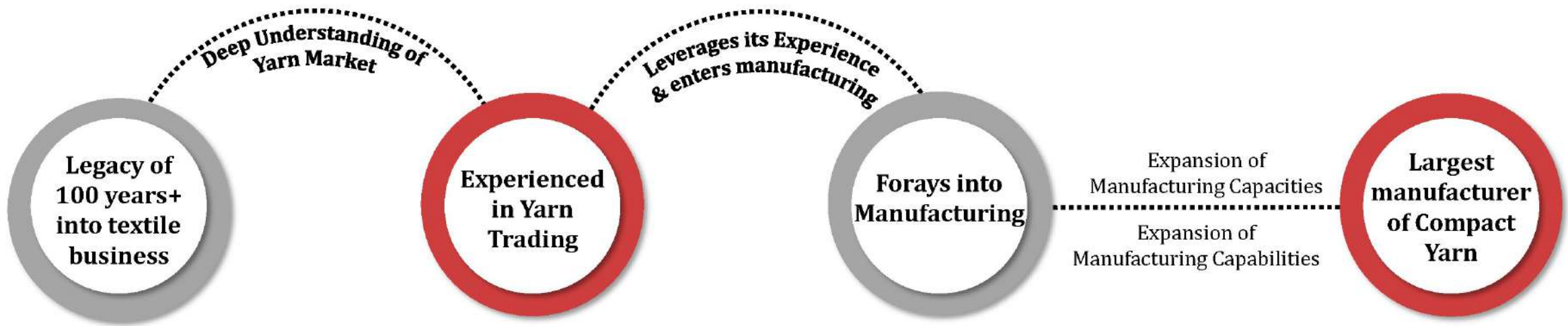
SVP Global Ventures Limited

One of the Largest Indian manufacturer of Compact Cotton Yarn in the World with operations in India and Oman

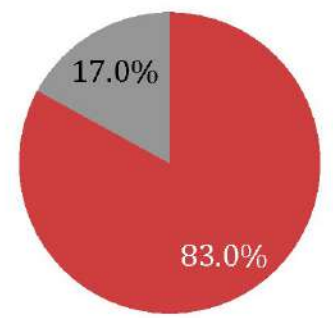


1.0 Transformation from trading to manufacturing business

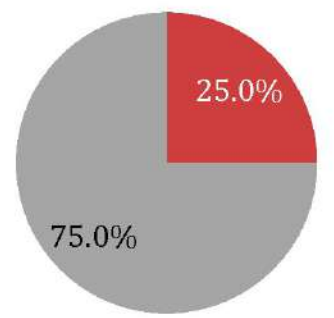
“Continued focus towards improving profitability with each expansion”



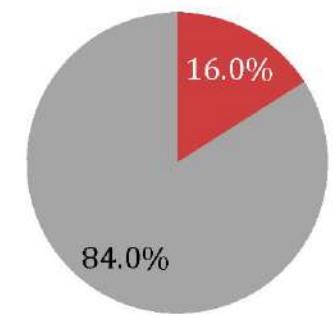
FY 2016-17



FY 2019-20

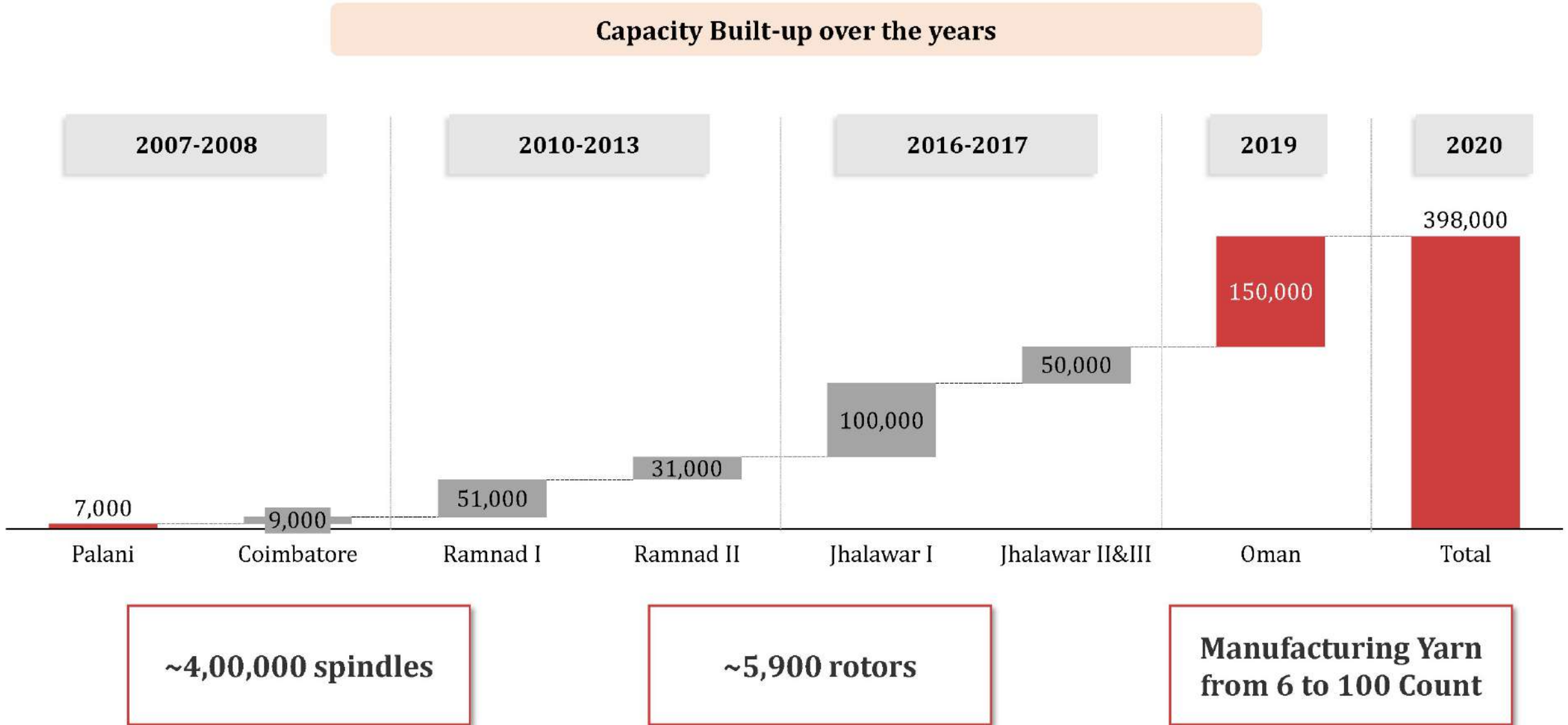


FY21



■ Traditional Yarn ■ Compact Yarn

2.0 Expansion of Manufacturing capacities



3.0 Change in the Product Mix – Foray into Compact Yarn

Foray into Compact & Specialised Yarn



Traditional Yarn

- Single Ring Yarn
- Double Ring Yarn
- Single Open-End Yarn
- Double Open-End Yarn

Compact & Specialised Yarns

- Organic Cotton Yarn
- Fair trade Certified Cotton Yarn
- Long Staple Cotton Yarns/Pima Cotton Yarns
- Bamboo/Cotton Yarns
- Compact Yarn
- Contamination Free Yarn
- Reverse Twist Yarns
- Recycled Cotton Yarn
- Slub Yarns
- Poly/Cotton Blends

Compact Yarn advantage

Smoother yarn with higher lustre

40-50% improvement in abrasion fastness

20-30% lower hairiness as measured by the Ster apparatus

60% lower hairiness as measured by the Zweigle apparatus

8-15% higher tenacity and elongation at break

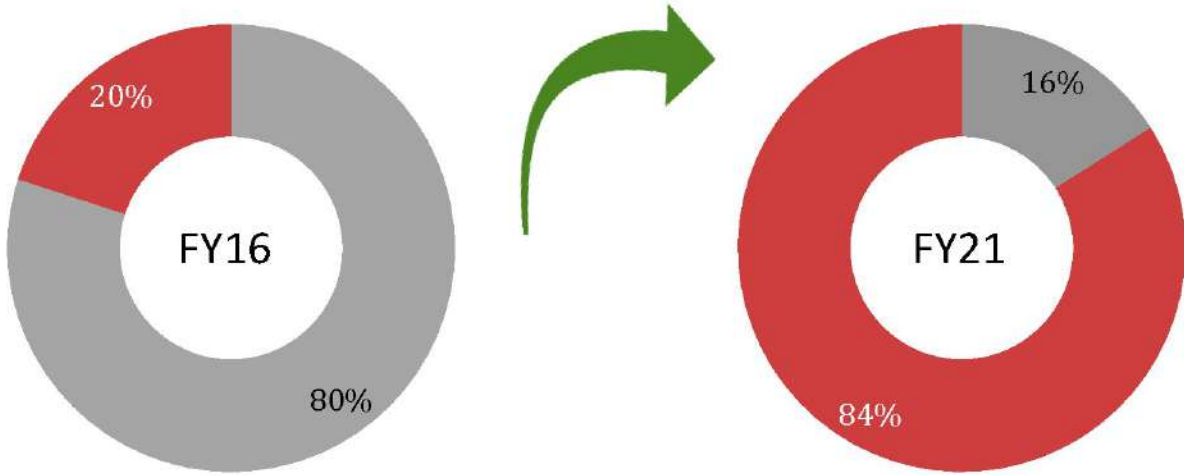
Smaller mass irregularity

~8% increase in production

3.0 Change in the Product Mix – Leading to Margin Expansion

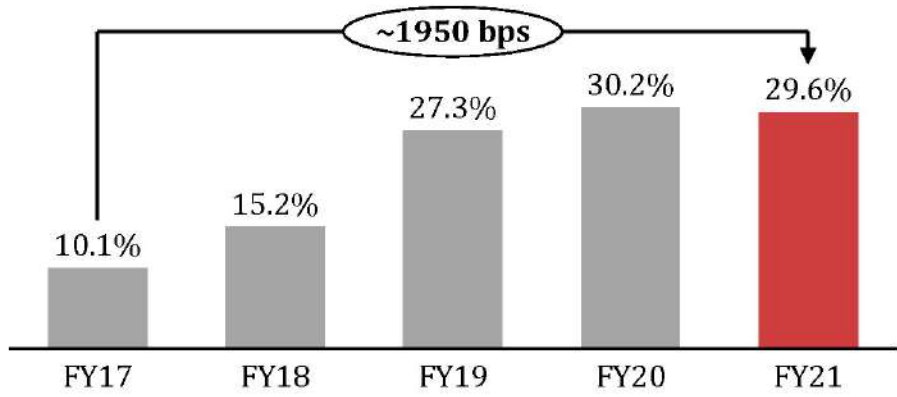
Revenue Mix (%)

Traditional yarn
Compact yarn

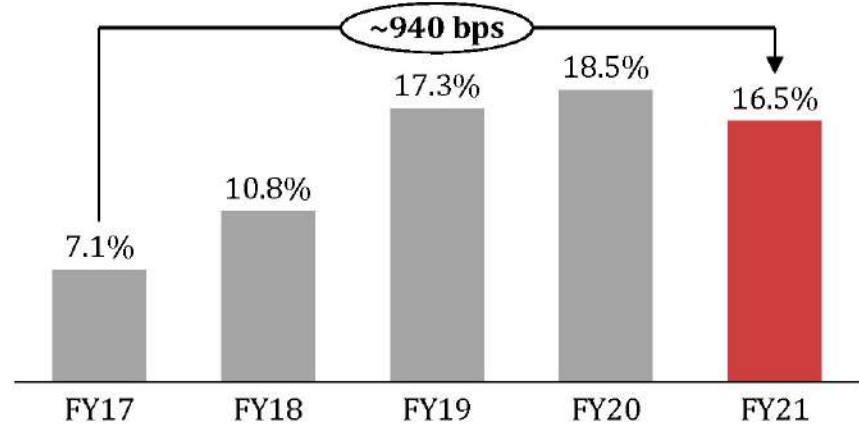


Spinning mills with exclusive Automation & Technology

Gross Margin (%)



EBITDA Margin (%)

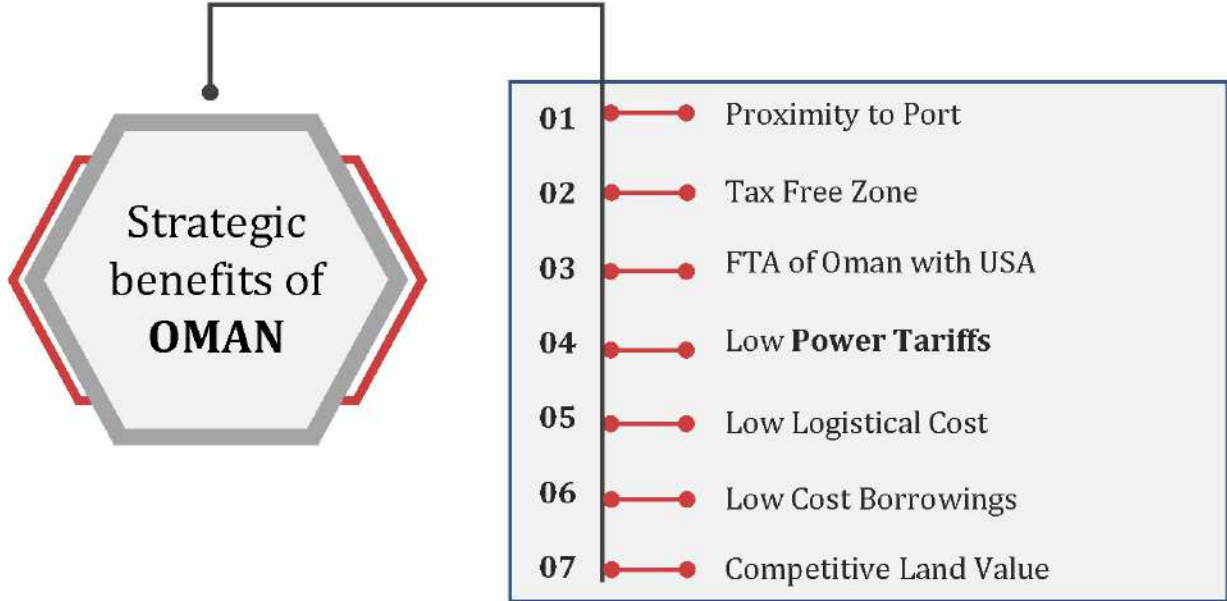


4.0: Expanding Reach – Strategic decision to expand Exports

SVP has established a **new \$150-million plant in Sohar Freezone** to manufacture a wide range of cotton yarn

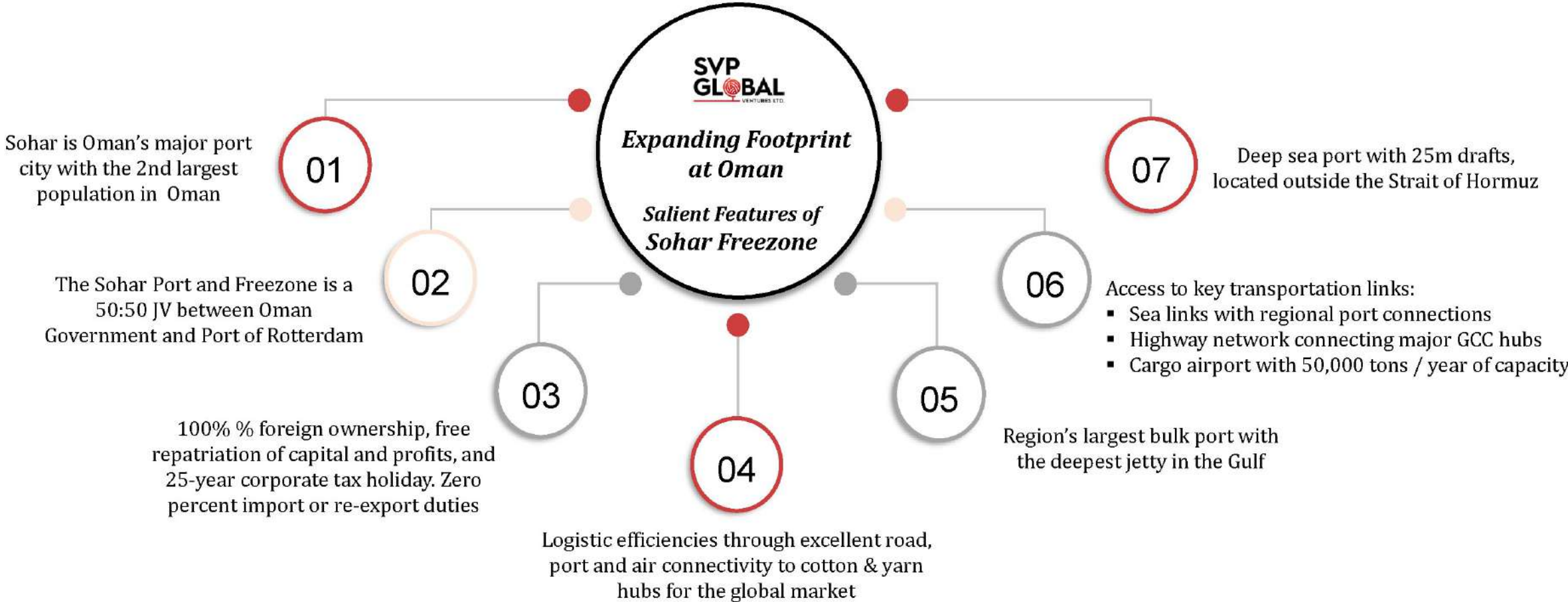
Particulars	Capacities
Capacity	1,50,000 Spindles & 3,500 Rotors
Status	Completed & Operational
Project Cost	\$150 mn

- First major Cotton Spinning Unit in GCC Region to promote **development of Textile cluster in Oman**. Technology from Schlafhorst/Leopfe/Savio/Uster/Batliboi Limited/Lakshmi machine Works Limited
- Exclusive **state of art infrastructure** equipped with latest and **most modern technology** from Blow Room to Winding
- World-class laboratory for **quality control using technologies** from Europe
- Operations are built on lean manufacturing and Industry 4.0 practices, housing the **most automated machinery with artificial intelligence and IOT capabilities**.
- Manufacturing **high quality, value-added, high margin** compact cotton yarn
- Optimized **raw material procurement**
- **Access to markets** that are not accessible from India due to trade barriers and political relations i.e. Turkey, Pakistan, etc.
- Product offtake agreements
- Company has been allocated 27 hectares land by SFZ for a period of 25 years (renewable) for the Project
- **Green Project** with no smoke, effluent or wastage; safe and clean working environment



4.0: SVP Oman at Sohar Freezone

Sohar is one of the fastest growing Port and Freezone developments in Oman, with a **strategic location and connections to Asia, Europe and the Americas**



5.0 De-leveraging Balance sheet



Hive off Non-Core Assets

- Gradually hive off the non-core assets with old technology and invest into technologically advanced machines for producing high quality compact cotton yarn
- Add new customers and expand geographies for domestic as well as exports of high compact yarn

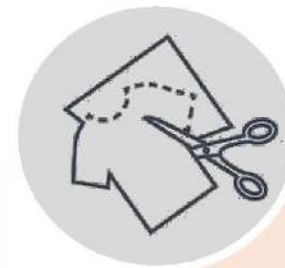
Release of Working Capital & Monetization of Old Assets



Reduce Debt

- Monetise the non-core asset and re-invest into high return accretive products and business
- Technological advancement leading higher operational efficiencies and release of working capital

Focus on debt reduction through efficient working capital management & higher asset turns



Expand into Garmenting

- Plans of entering into garmenting sector and focus on high margin business
- Forward integration into garmenting with expertise in Yarn manufacturing
- Leveraging the existing capabilities to foray into garmenting business

Becoming an Integrated Textile Garment Manufacturer

Financial Performance



Interim Dividend of 5%



***Final Dividend of 3%**



**Total Dividend of 8%
for FY21**

✓ **Hive off South Unit at Ramnad, Tamil Nadu**

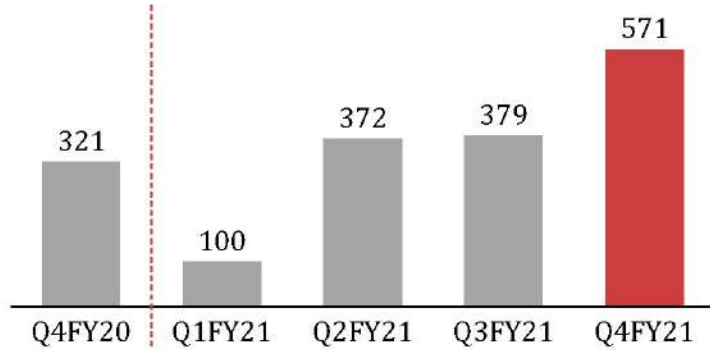
- The Board has mounted an opinion to hive off South unit for which the Board has constituted the Committee to foresee various avenues & methodology in the best interest of the Company to conclude the hiving off subject to necessary statutory approvals.

✓ **Rationale for Hive off**

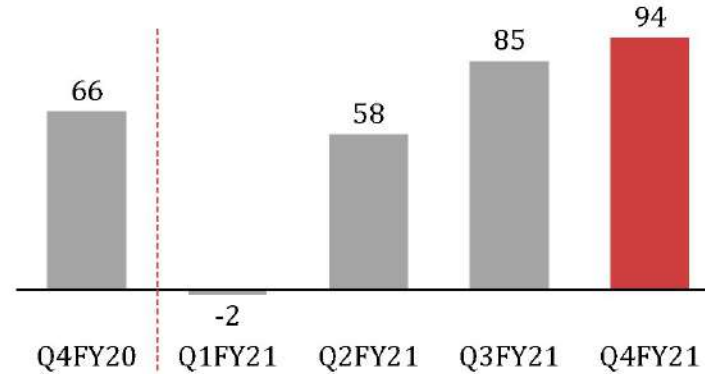
- Further increase the contribution of high margin compact cotton yarn in the revenue mix
- Overall reduction in consolidated debt
- Working capital optimization to appropriately reflect operations from compact cotton yarn manufacturing

Improving Quarter on Quarter Performance

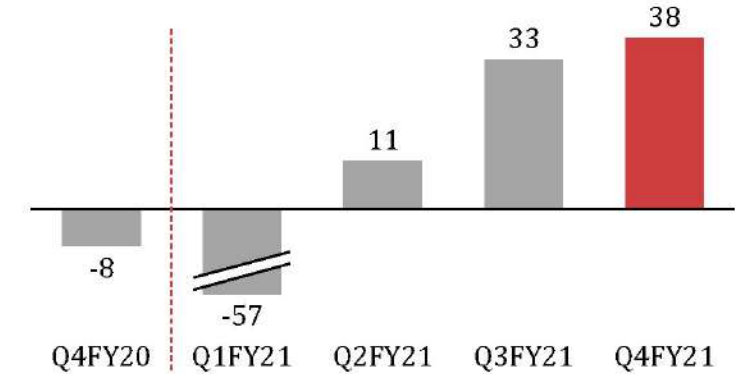
Total Income



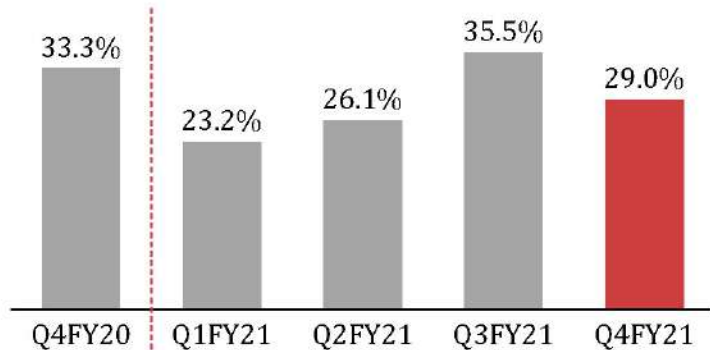
EBIDTA



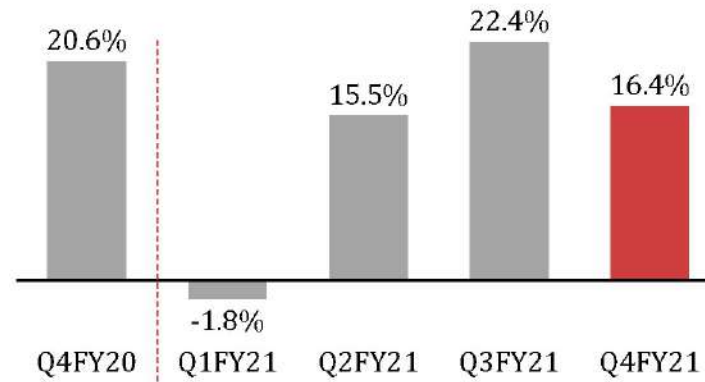
PAT



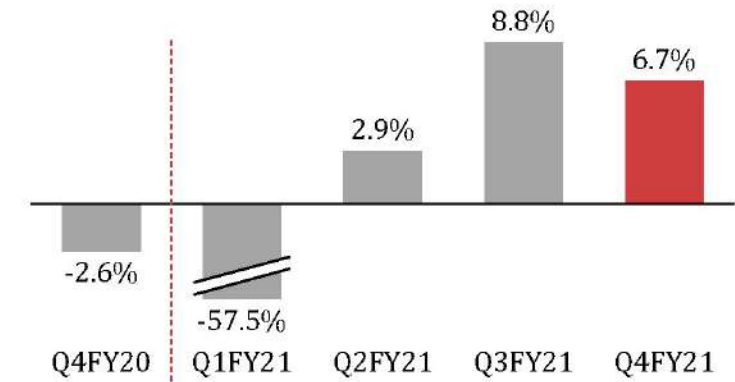
Gross Profit (%)



EBIDTA Margins (%)



PAT Margins (%)



FY21 Financial Highlights

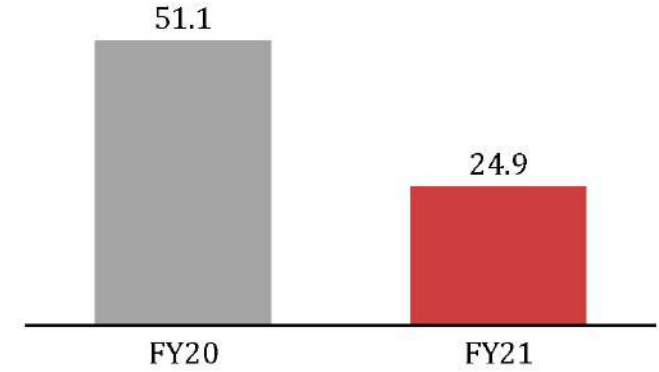
Total Income (Rs. In Crs)



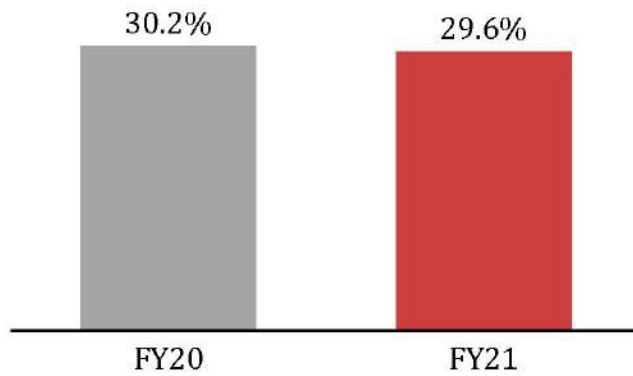
EBIDTA (Rs. In Crs)



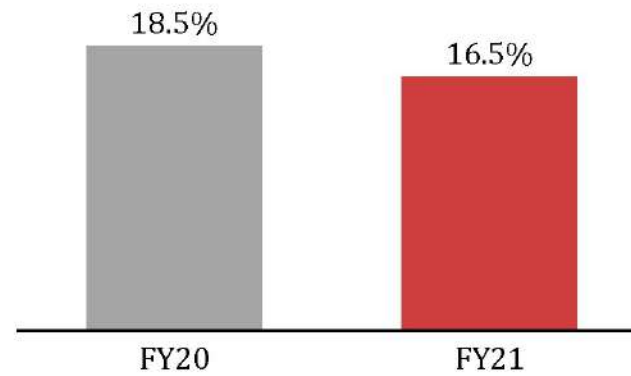
PAT (Rs. In Crs)



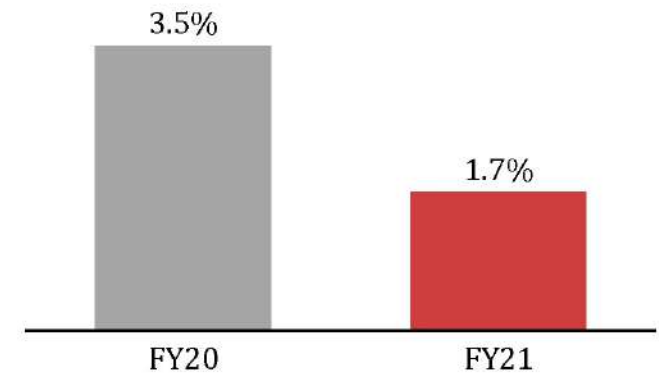
Gross Margin (%)



EBIDTA Margin (%)



PAT Margin (%)

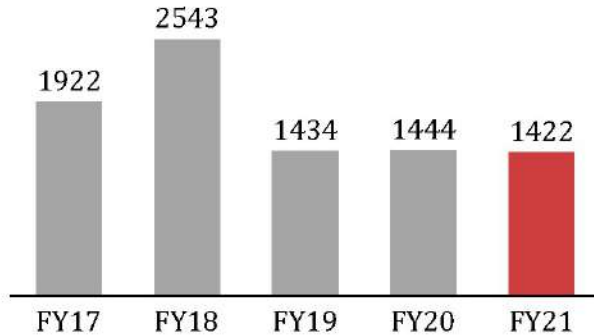


Q4 & FY21 Consolidated Profit & Loss Statement

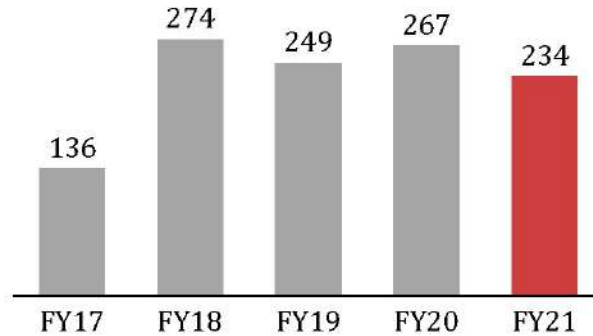
Particulars (Rs. In Crs)	Q4FY21	Q4FY20	Y-o-Y	Q3FY21	Q-o-Q	FY21	FY20	Y-o-Y
Total Income	571.1	321.3	78%	379.2	51%	1422.4	1443.7	-1%
Cost of Goods Sold	405.4	214.3		244.7		1002.1	1007.0	
Gross Profit	165.8	107.0	55%	134.5	23%	420.3	436.7	-4%
Gross Margin (%)	29.0%	33.3%		35.5%		29.6%	30.2%	
Employee Expenses	27.2	11.4		6.7		44.5	34.1	
Other Expenses	45.0	29.4		42.9		141.6	135.9	
EBIDTA	93.6	66.2	41%	84.8	10%	234.2	266.8	-12%
EBIDTA Margin (%)	16.4%	20.6%		22.4%		16.5%	18.5%	
Depreciation	21.0	40.2		21.2		84.0	84.7	
EBIT	72.5	26.0		63.6		150.2	182.1	
Finance Cost	34.1	35.4		30.3		125.1	129.2	
PBT	38.4	-9.4		33.3		25.0	52.8	
Tax	0.2	-1.1		0.0		0.2	1.7	
PAT	38.3	-8.3	NA	33.3	15%	24.9	51.1	-51%
PAT (%)	6.7%	-2.6%		8.8%		1.7%	3.5%	
EPS	3.0	-5.8		26.3		2.0	41.2	

Historical Consolidated Financial Performance

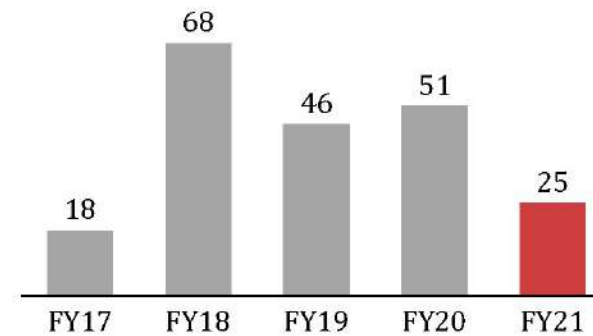
Total Income



EBIDTA



PAT



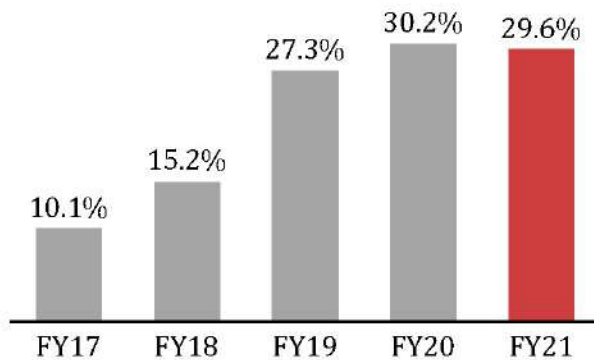
Exit from low margin business leading to revenue rationalisation



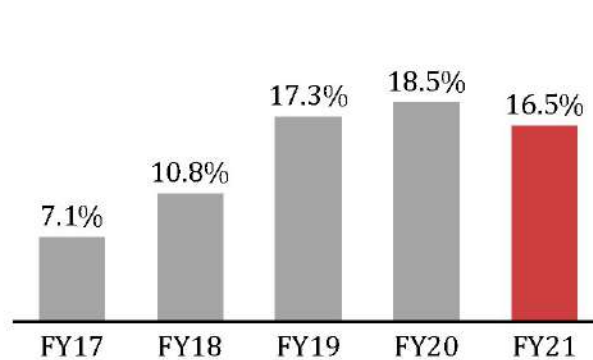
Focus on high compact yarn



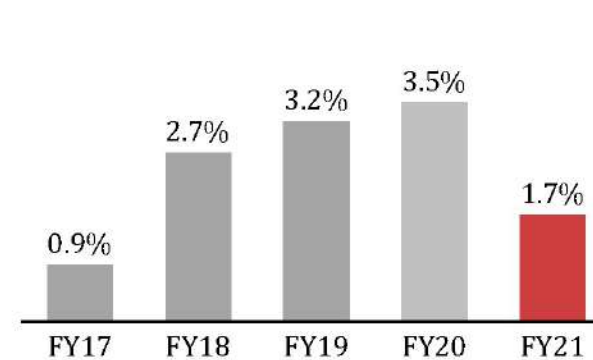
Gross Margin (%)



EBIDTA Margin (%)



PAT Margin (%)



Technology & Operational Excellence



Leading to Expansion in Margins

Historical Consolidated Profit & Loss Statement

Particulars (Rs. In Crs)	FY21	FY20	FY19	FY18	FY17
Total Income	1422.4	1443.7	1434.0	2543.2	1922.1
Cost of Goods Sold	1002.1	1007.0	1042.2	2157.9	1727.9
Gross Profit	420.3	436.7	391.8	385.3	194.3
Gross Margin (%)	29.6%	30.2%	27.3%	15.2%	10.1%
Employee Expenses	44.5	34.1	8	11	6.7
Other Expenses	141.6	135.9	135.3	100.4	51.6
EBIDTA	234.2	266.8	248.5	273.9	136.0
EBIDTA Margin (%)	16.5%	18.5%	17.3%	10.8%	7.1%
Depreciation	84.0	84.7	60.9	74.4	33.3
EBIT	150.2	182.1	187.6	199.5	102.7
Finance Cost	125.1	129.2	136.8	130.9	83.6
PBT	25.0	52.8	50.7	68.6	19.1
Tax	0.2	1.7	4.5	0.6	1.5
PAT	24.9	51.1	46.2	68.0	17.6
PAT (%)	1.7%	3.5%	3.2%	2.7%	0.9%
EPS	2.0	41.2	36.8	53.3	13.9

Historical Consolidated Balance Sheet

Particulars (Rs. In Crs)	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Non-Current Assets	2,344.0	2,166.0	1,288.9	1,242.7	1,235.3
Property, plant and equipment	940.7	1,104.2	733.1	771.8	715.3
Capital work-in-progress	792.4	665.8	0.0	18.2	49.8
Goodwill	509.4	390.3	444.0	444.2	444.2
Other intangible assets	86.3	0.1	0.2	0.3	0.4
Financial assets					
(i) Investments	15.3	5.7	108.2	3.2	0.3
(ii) Loans	-	-	-	-	9.4
Other non-current assets	-	-	3.5	5.1	15.9
Current Assets	1,523.7	1,711.2	1,124.3	1,058.8	916.5
Inventories	314.8	425.2	280.0	181.3	81.0
Financial assets					
(i) Trade receivables	553.3	726.3	626.7	728.0	636.8
(ii) Cash & Bank Balances	21.7	127.5	21.5	34.7	54.5
(ii) Loans, Deposits & Advances		-	47.1	8.5	108.5
Other current assets	633.9	432.2	149.0	106.4	35.6
Total Assets	3,867.7	3,877.2	2,413.2	2,301.6	2,151.8

Particulars (Rs. In Crs)	Mar-21	Mar-20	Mar-19	Mar-18	Mar-17
Equity	1,248.2	1,075.6	625.9	579.3	513.4
Equity share capital	12.7	12.7	12.7	12.7	12.7
Other equity	955.8	839.3	613.0	566.5	500.7
Non controlling interest	279.7	223.7	0.2	0.2	0.0
Non-Current Liabilities	1,683.4	1,740.6	1,058.3	1,017.9	1,032.5
Financial liabilities					
(i) Borrowings	1,677.5	1,735.0	1,052.4	1,012.7	1,029.0
Provisions	2.4	2.1	2.4	1.7	0.0
Deferred tax liabilities (net)	3.5	3.5	3.5	3.5	3.5
Current liabilities	936.1	1,061.0	729.0	704.3	605.9
Financial liabilities					
(i) Borrowings	658.5	677.5	448.9	513.9	408.4
(ii) Trade payables	77.3	291.0	153.1	66.0	112.0
Other current liabilities	181.9	92.2	122.4	109.7	77.5
Provisions	18.3	0.2	4.6	14.8	7.9
Total Equity & Liabilities	3,867.7	3,877.2	2,413.2	2,301.6	2,151.8

Contact Us

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