



SVP Global Ventures Limited

Investor Presentation – January 2021

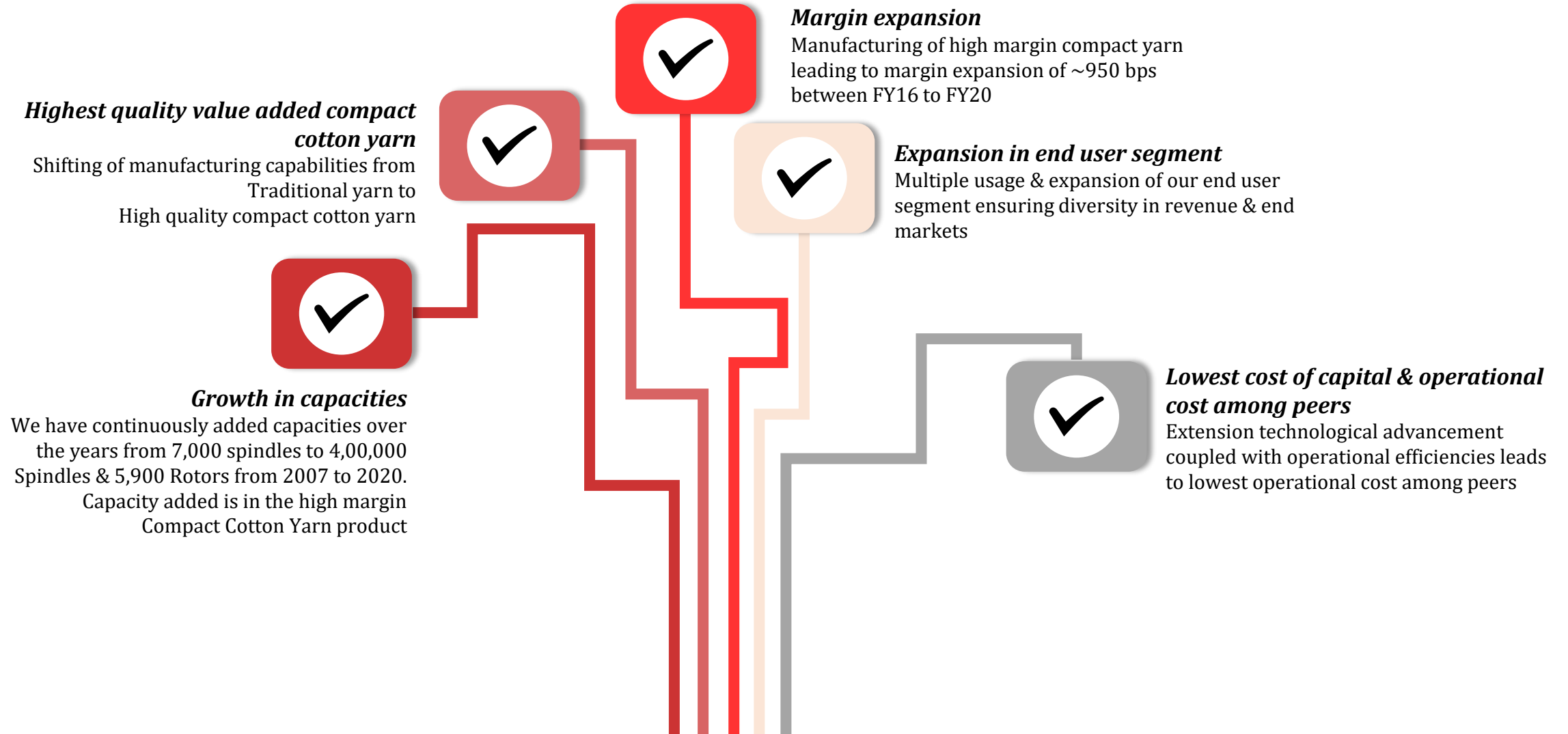
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Fastest growing multinational in Cotton Yarn manufacturing

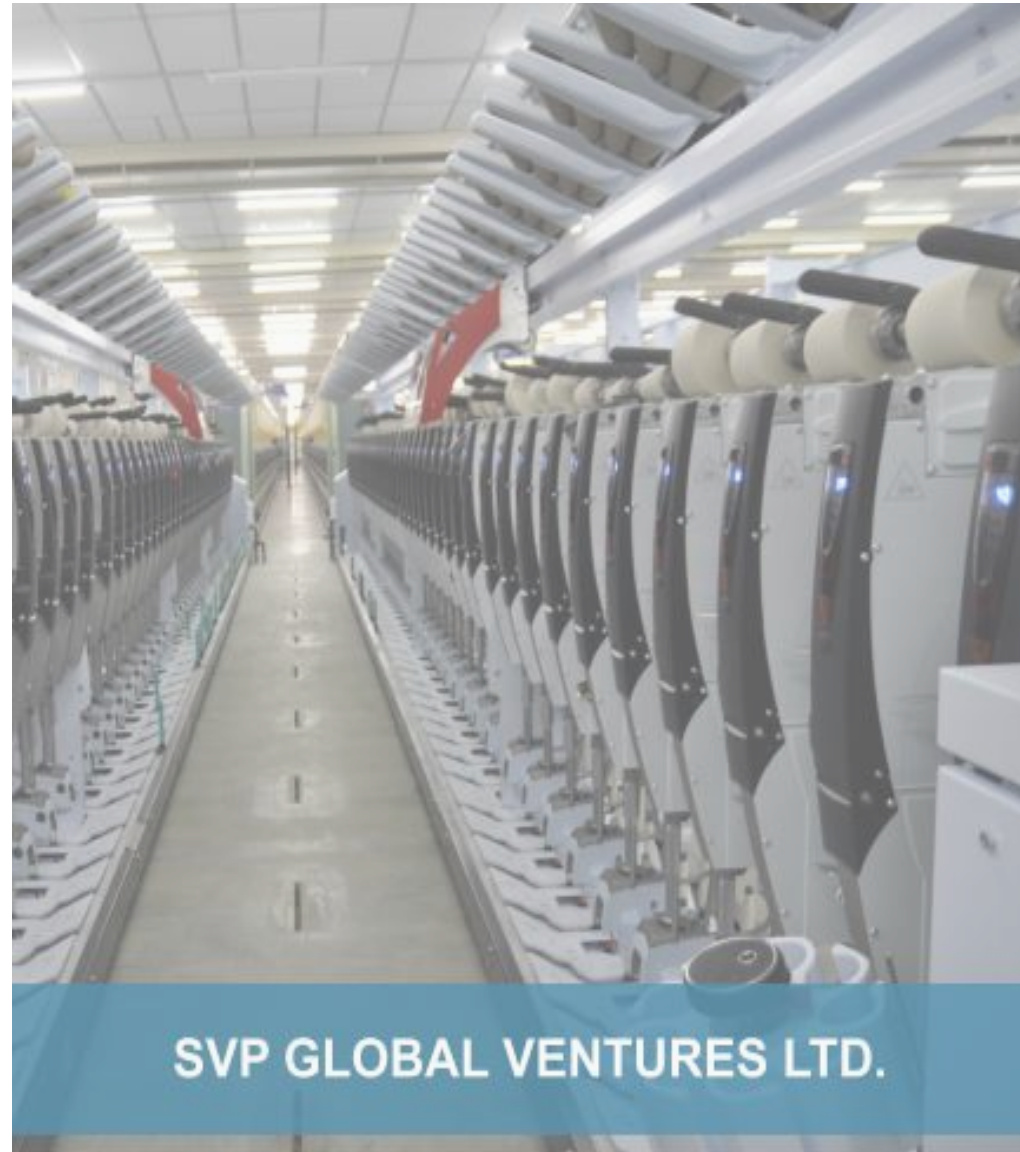


SVP at a Glance

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

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

Only **2%** of global manufacturers
have technology ageing
less than **5 years**

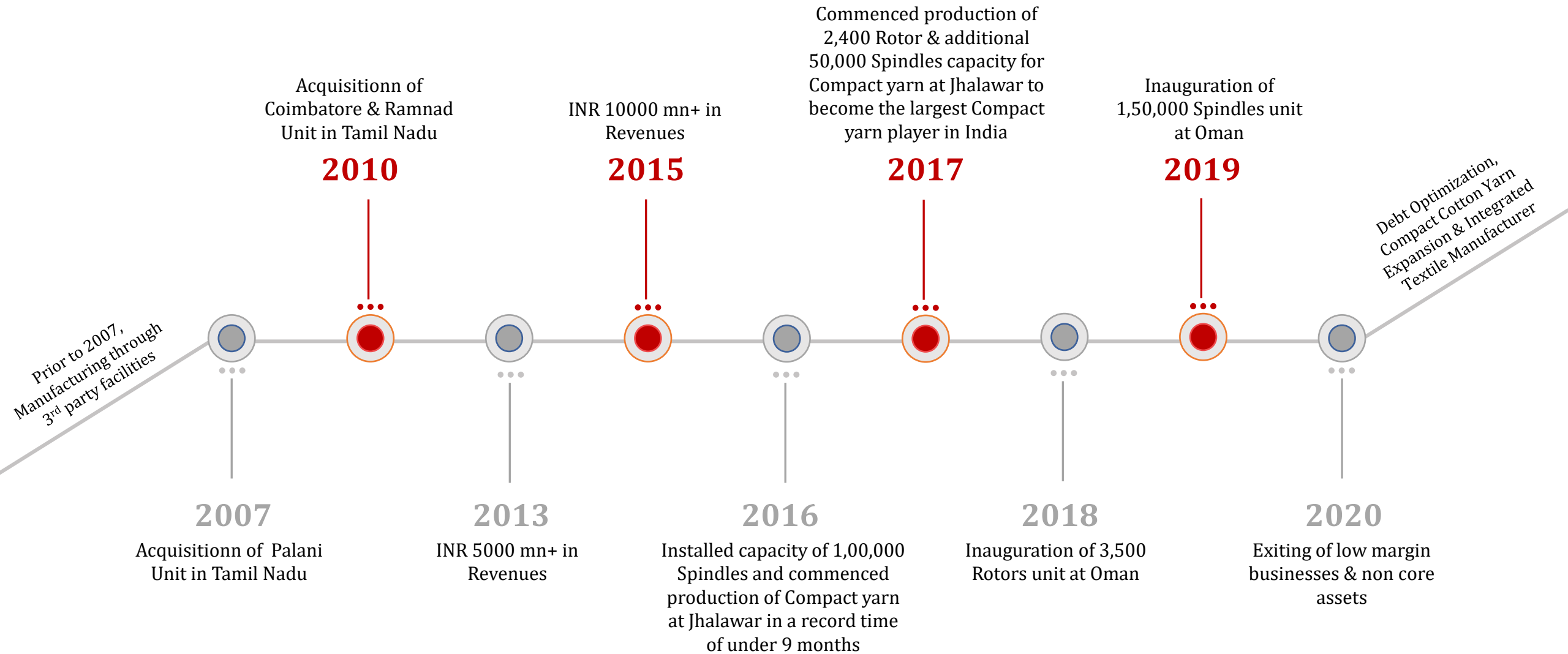


Legacy of **100** years in the
Textile business

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

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	Mr Praveen Shelley	Major General OP Gulia SM, VSM(retd)	Mr. Diwakara Rao
Whole Time Director	Chairman	President	Chief Financial Officer
Mr. Prakash Saraogi	Mr. Narendra Jain	Mr. Prashant Pillai	Mr. V.K. Chaudhary
Ex. Vice President - Finance	Vice President - Finance	Vice President - Marketing	Vice President - Operations
Mr. D.P. Sharma	Mr. Surendra Singh	Mr. Rajpal Singh Sekhawat	Brigadier Sanjay Thapa, SM(retd)
Chief Engineer	Senior Manager - SQC	Vice President - Projects	Sr. Vice President – HR & Admin

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

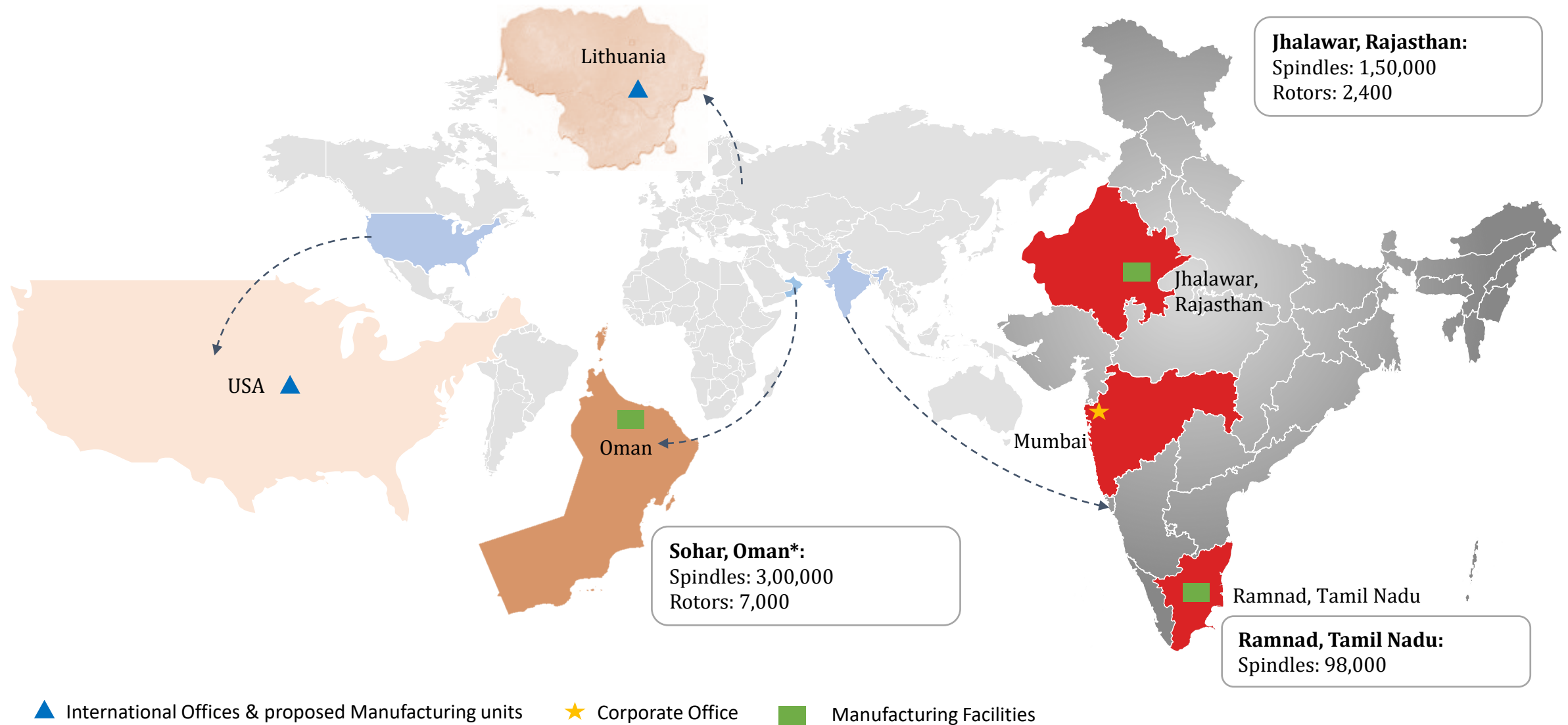
Consistency in yarn quality monitored by LOEPFE (Switzerland).

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



Diversified end usage



Circular Knitting
(Weft Knits)



Socks Knitting



Sweaters



Denim Fabrics



Yarn Dyeing



Sheeting



Towel Weaving
(Base and Pile)



Weaving



Shirting

Technological Edge

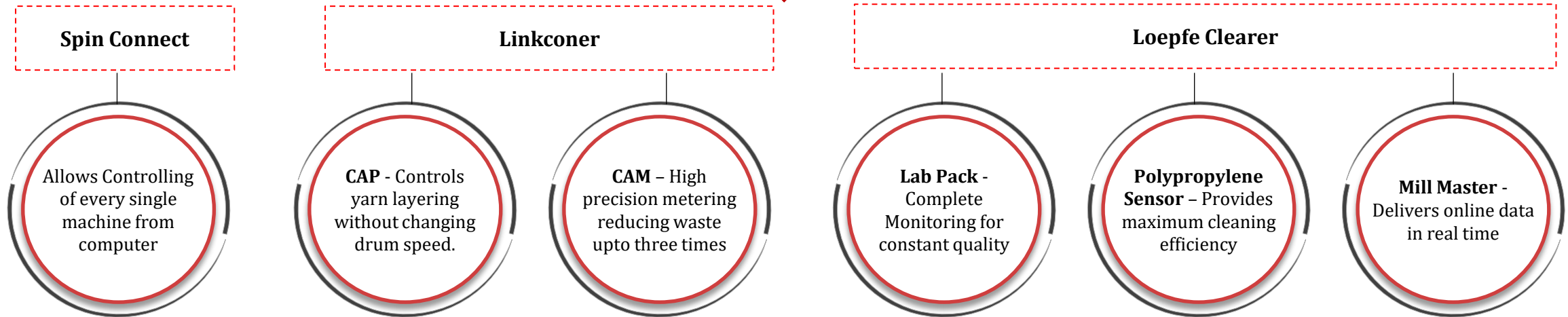
India has around 50 million Spindles capacity out of which around **98% capacity is older than 5 years.** Further, around 80% capacity is older than 10 years...

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.

Incentives & Subsidies

INCENTIVES

- ✓ 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.

Capacity	Subsidy
1,00,00 Spindles	11%
50,000 Spindles	9%
2,400 Rotors	6%
RIPS Subsidy	9%
TUFS Subsidy	2%

- ✓ **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,

CSR Commitment



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

Growth Journey



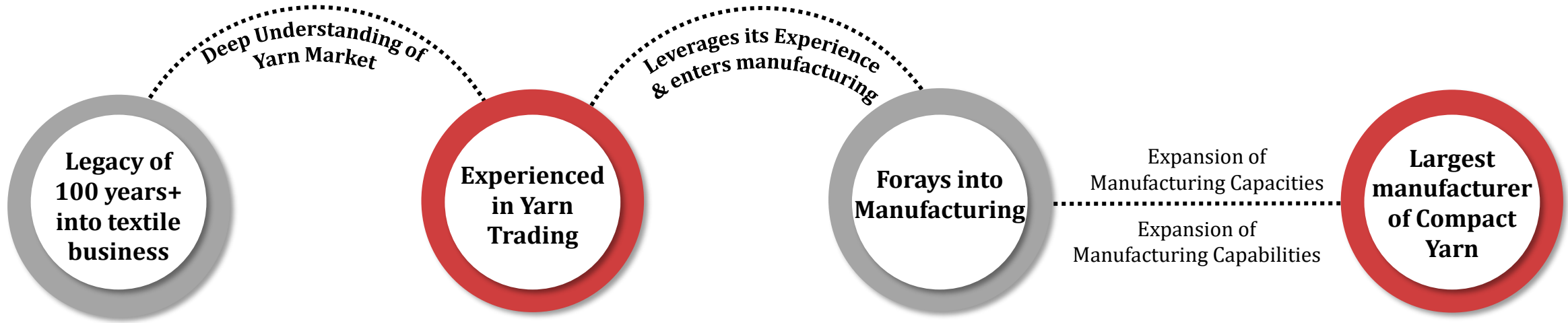
Vision to become a world leading **fully integrated Textile Company** manufacturing yarn, fabric and end user garments

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

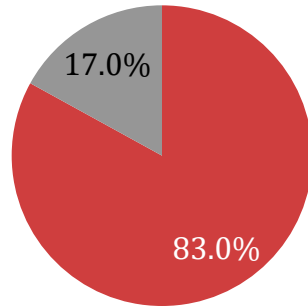


1.0 Transformation from trading to manufacturing business

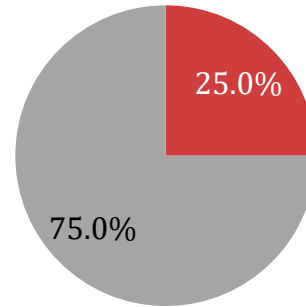
“Continued focus towards improving profitability with each expansion”



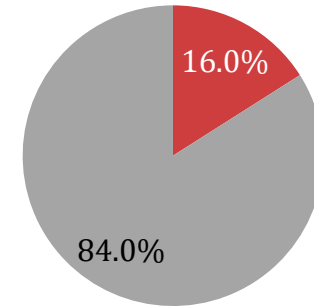
FY 2016-17



FY 2019-20



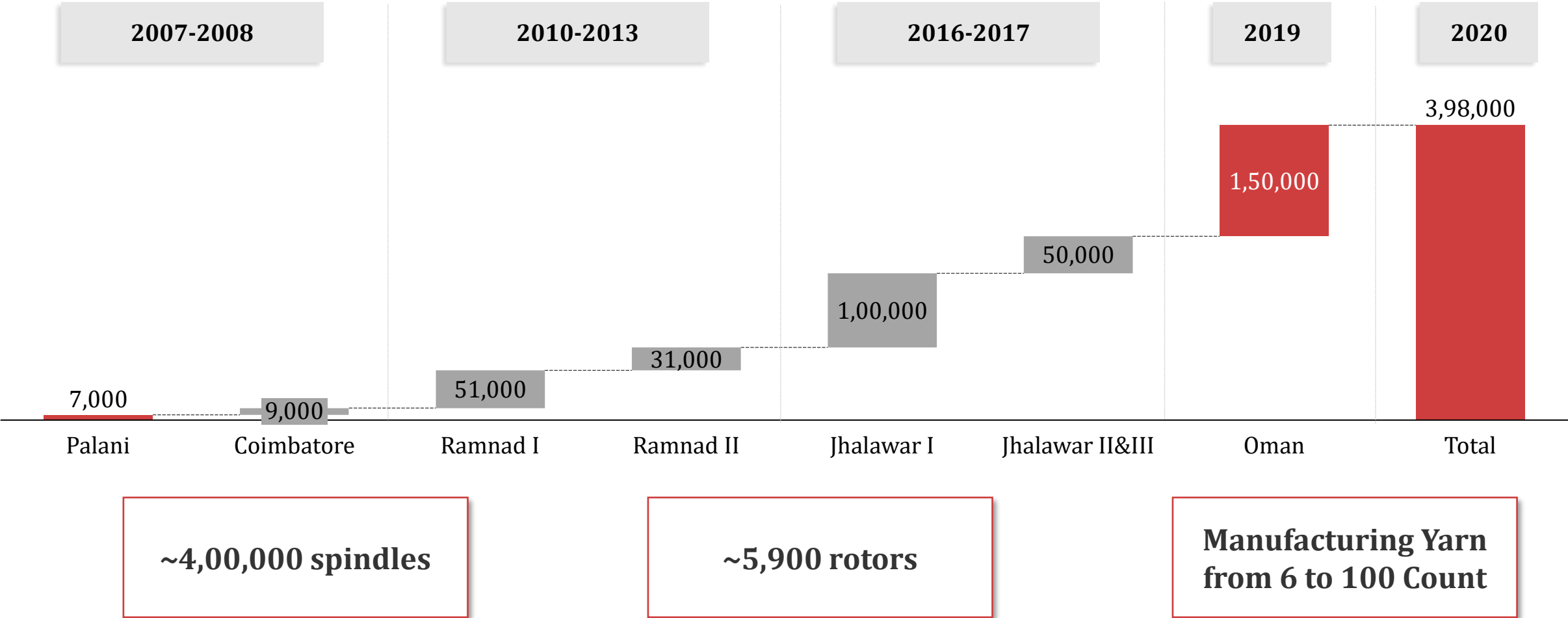
9MFY21



Traditional Yarn Compact Yarn

2.0 Expansion of Manufacturing capacities

Capacity Built-up over the years



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

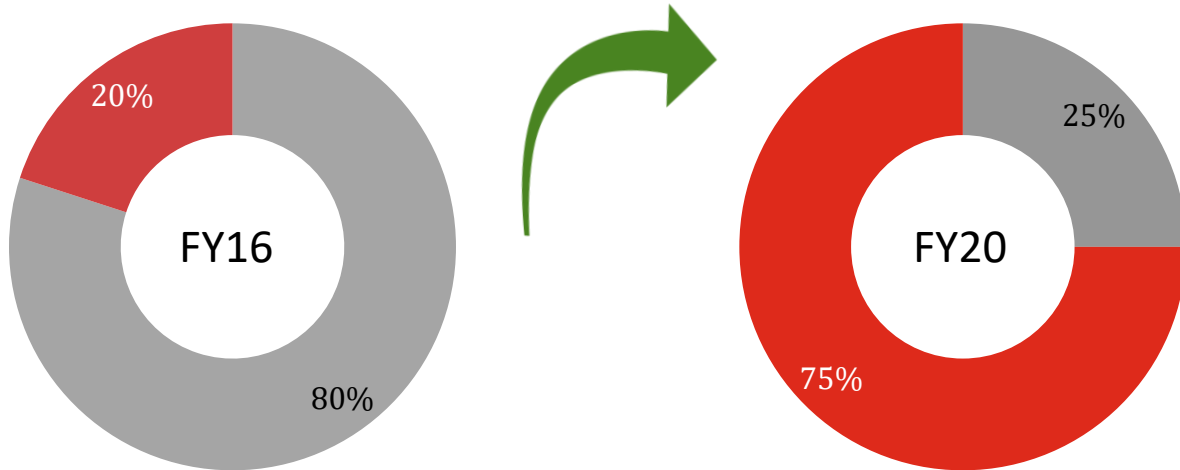
Smaller mass irregularity

~8% increase in production

3.0 Change in the Product Mix – Leading to Margin Expansion

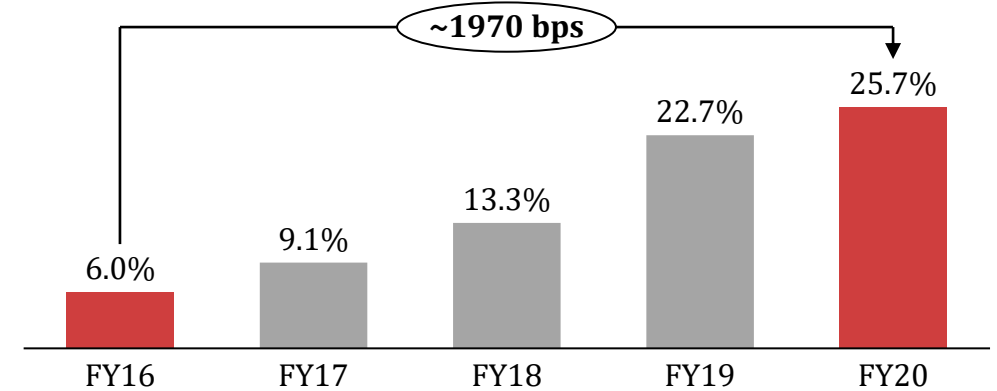
Revenue Mix (%)

Traditional yarn
Compact yarn

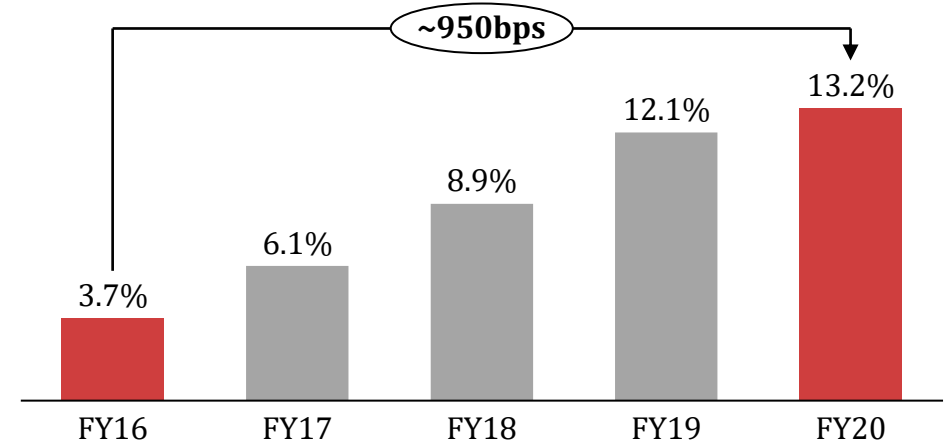


Spinning mills with exclusive Automation & Technology

Gross Margin (%)



EBITDA Margin* (%)



*EBIDTA excludes other income

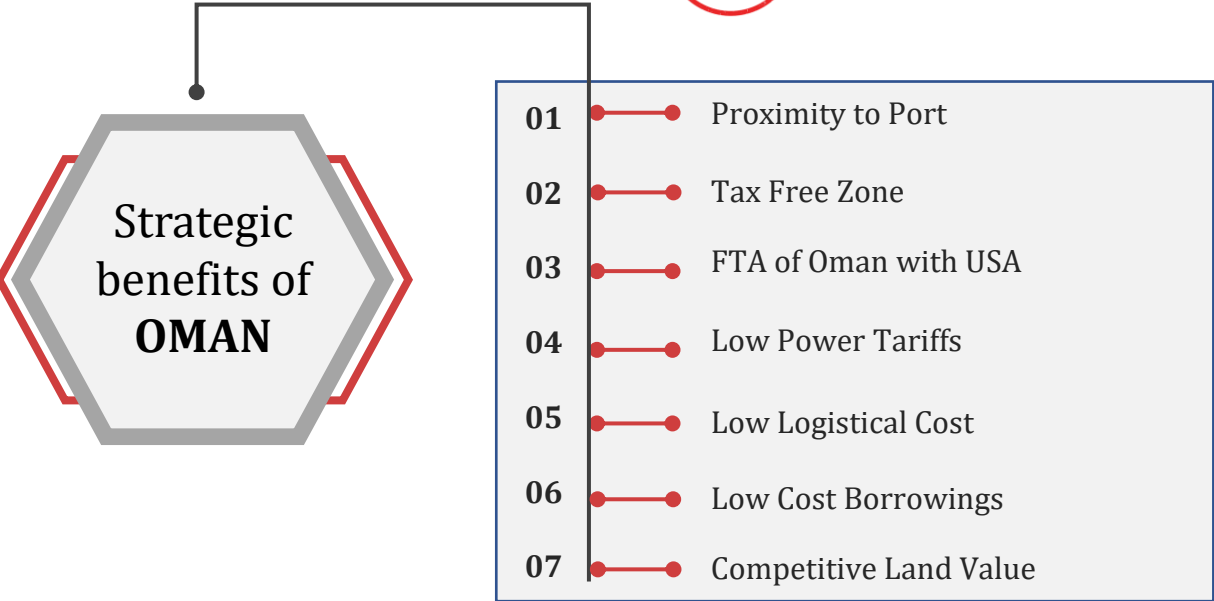
4.0: Expanding Reach – Strategic decision to expand Exports

SVP is establishing a **new \$300-million plant in Sohar Freezone** to manufacture a wide range of cotton yarn

Particulars	Phase 1	Phase 2
Capacity	1,50,000 Spindles & 3,500 Rotors	1,50,000 Spindles & 3,500 Rotors
Status	Completed & Operational	End of FY22
Project Cost	\$150 mn	\$150 mn

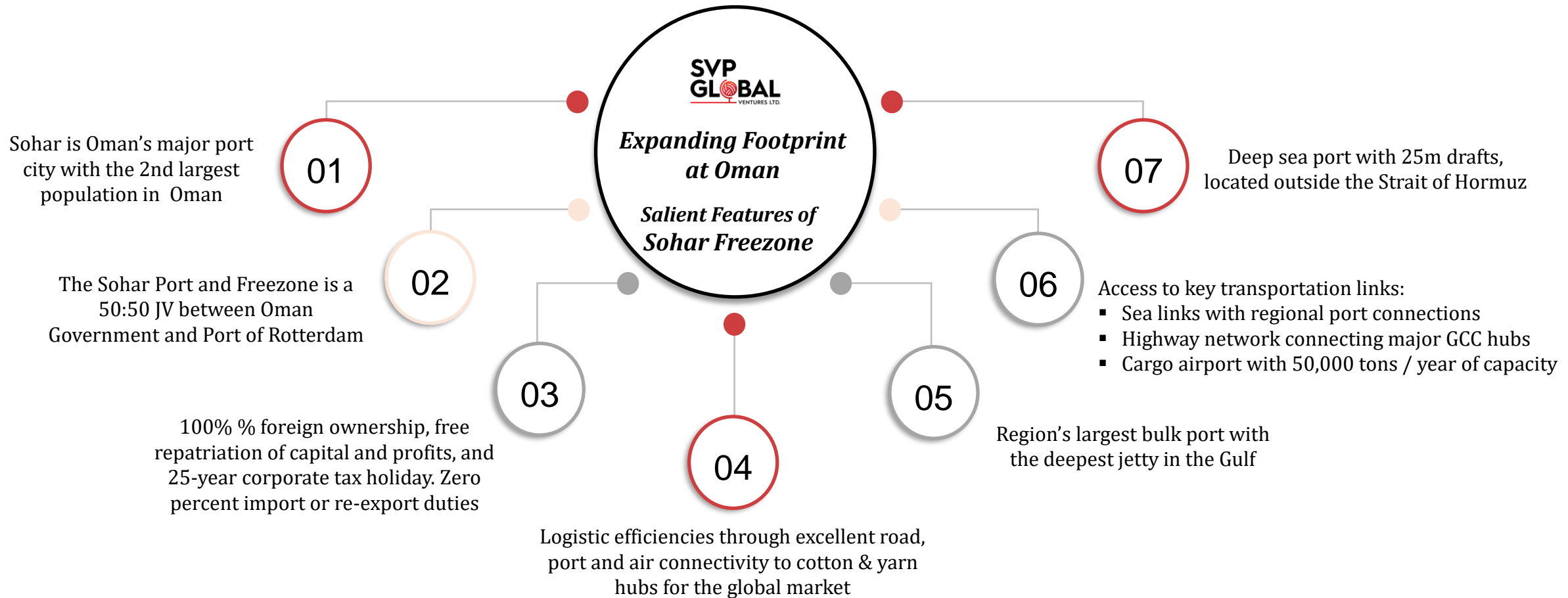


- First major Cotton Spinning Unit in GCC Region to promote **development of Textile cluster in Oman**. Technology from Schlafhorst/Leopfe/Savio/Uster/Batliboi Limited/Lakshmi machine Works Limited
- Exclusive **state of art infrastructure** equipped with latest and **most modern technology** from Blow 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**

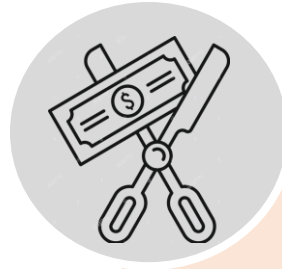


5.0 De-leveraging Balance sheet



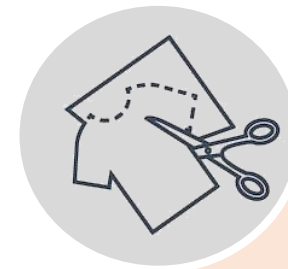
Hive off Non-Core Assets

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



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



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

Release of Working Capital & Monetization of Old Assets

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

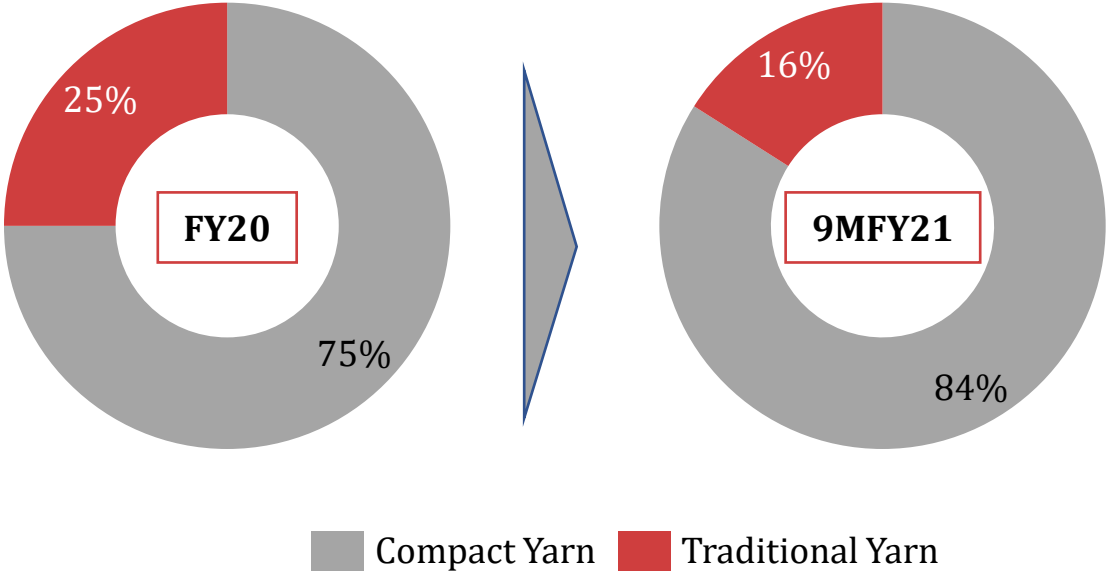
Becoming an Integrated Textile Garment Manufacturer

Financial Performance



Q3 FY21 Operational & Other Highlights

Revenue mix between
Traditional & Compact Yarn

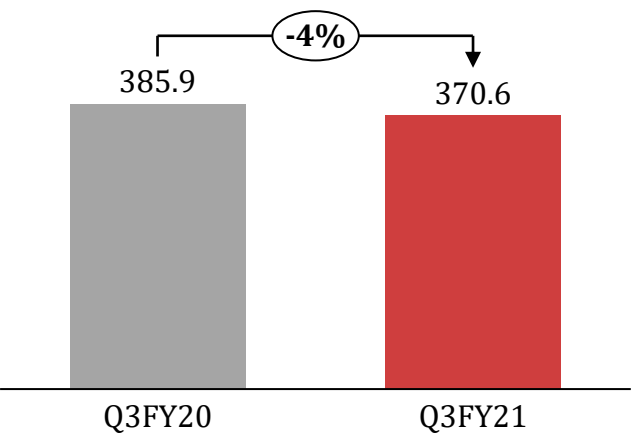


Preferential Issue of Warrants Convertible in Equity Shares of **Rs. 235 crs** by Promoter for business expansion

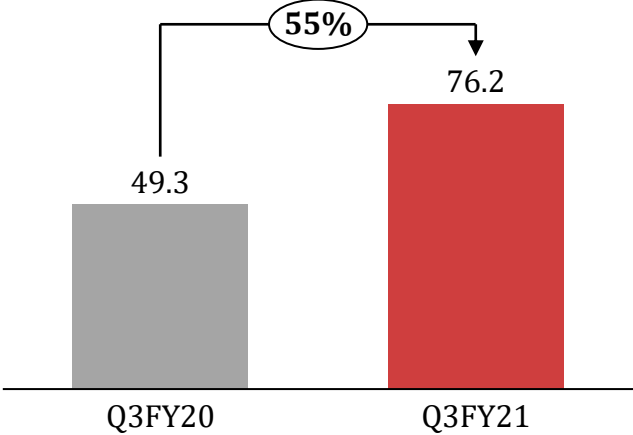
Sr. No	Particulars	Details
1	Type of Securities	Warrants convertible into equivalent no. of equity shares
2	Type of issuance	Preferential basis
3	Total amount for which the securities will be issued	Rs. 235 crs
4	Name of Investor	M/s Shri Vallabh Pittie Ventures Pvt Ltd
5	Post allotment of securities	<p>Number of Investors: 1</p> <p>The warrants will be issued at a price determined in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</p> <p>Warrants would be allotted only upon receipt of 25% of the Issue Price.</p>
6	In case of convertible – intimation on conversion of securities or on lapse of the tenure of the instrument	<p>Each warrant is convertible into equivalent no. of equity shares, conversion can be exercised at any time within a period of 18 months from the date of allotment, in one or more tranches.</p> <p>Option for conversion of warrants will be available upon payment of full price of warrant before such exercise of option.</p>

Q3 FY21 Financial Highlights

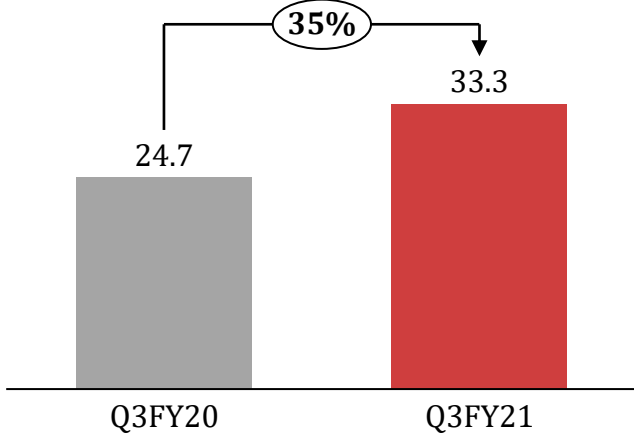
Revenue (Rs. In Crs)



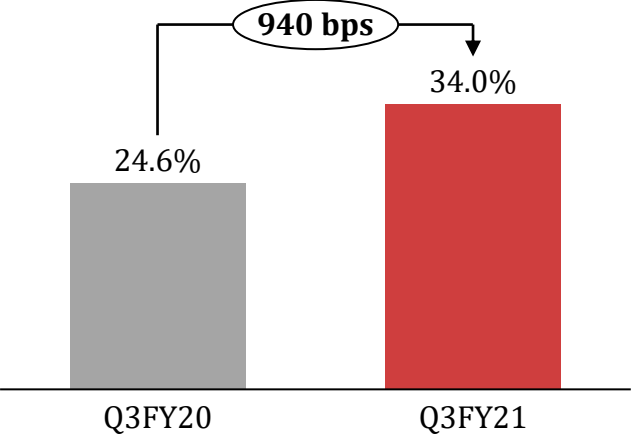
EBIDTA* (Rs. In Crs)



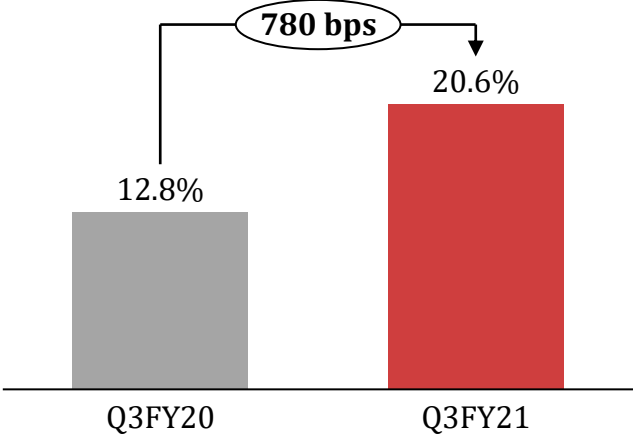
PAT (Rs. In Crs)



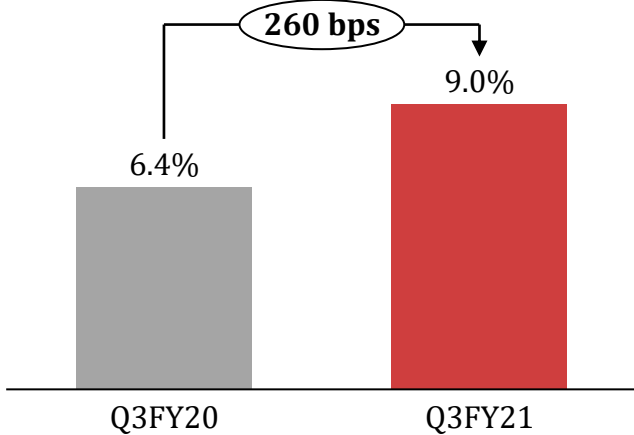
Gross Margin (%)



EBIDTA Margin* (%)



PAT Margin (%)



Q3 & 9MFY21 Consolidated Profit & Loss Statement

Particulars (Rs. In Crs)	Q3FY21	Q3FY20	Y-o-Y	Q2FY21	Q-o-Q	9MFY21	9MFY20	Y-o-Y
Revenue from Operations	370.6	385.9	-4%	364.0	2%	826.4	1,059.2	-22%
Cost of Goods Sold	244.7	291.2		275.3		596.6	792.7	
Gross Profit	125.9	94.8	33%	88.7	42%	229.7	266.6	-67%
Gross Margin (%)	34.0%	24.6%	940 bps	24.4%	960 bps	27.8%	25.2%	260 bps
Employee Expenses	6.7	10.8		5.1		17.3	22.7	
Other Expenses	42.9	34.6		34.3		96.7	106.5	
EBIDTA	76.2	49.3	55%	49.3	55%	115.8	137.4	-16%
EBIDTA Margin (%)	20.6%	12.8%	780 bps	13.6%	700 bps	14.0%	13.0%	100 bps
Depreciation	21.2	14.9		20.6		63.0	44.5	
Other Income [#]	1.6	17.3		0.7		2.8	37.0	
EBIT	56.6	51.8		29.5		55.6	129.9	
Finance Cost [*]	23.3	24.2		18.8		68.9	67.6	
PBT	33.3	27.6		10.8		-13.4	62.3	
Tax	0.0	2.8		0.0		0.0	2.8	
PAT	33.3	24.7	35%	10.8	210%	-13.4	59.4	
PAT (%)	9.0%	6.4%	260 bps	3.0%	600 bps	-1.6%	5.6%	
EPS	26.4	19.5		8.5		-10.6	47.0	

Commenting on the results and performance for Q3 & 9MFY21, Major General O. P. Gulia – President for SVP Global Ventures Limited said:

“We are pleased to report positive results for this quarter and are optimistic of growth for the coming quarter and next financial year.

Strong demand revival in yarn market, better pricing and change in the product mix led to increase in revenue to the pre-covid levels.

Compact cotton yarn contributed 84% & traditional yarn contributed 16% for 9MFY21 as compared to 75% & 25% for FY20, respectively.

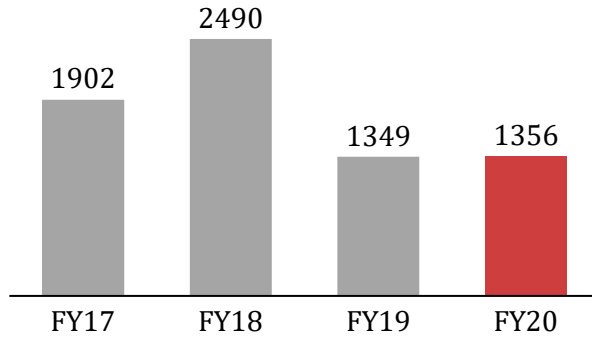
Our consolidated EBIDTA stood for Q3FY21 at Rs. 76 crs with an EBIDTA margin of 20.6%. Our cost rationalization initiatives during the first half of the year coupled with better product mix and operational efficiencies led to a margin expansion of 780 bps as compared to same period last year.

Consolidated PAT for Q3FY21 stood at Rs. 33.3 crs with a PAT margin of 9%

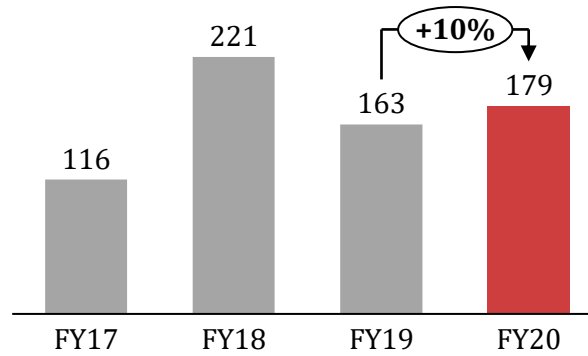
With increase in volumes and strong order book in hand we are envisaging a positive momentum in the business. Shift in product mix with export opportunities in the hindsight from our Oman facility, should give a boost to our operating margins going forward.”

Historical Consolidated Financial Performance

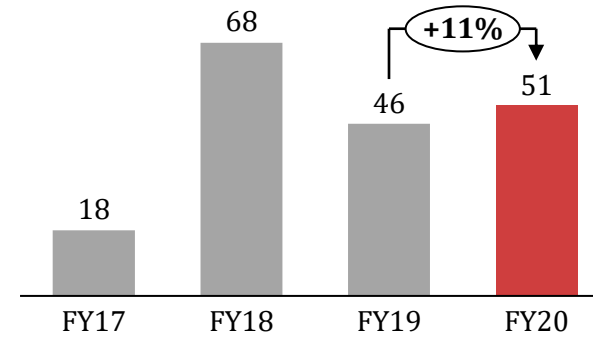
Revenue



EBIDTA*



PAT



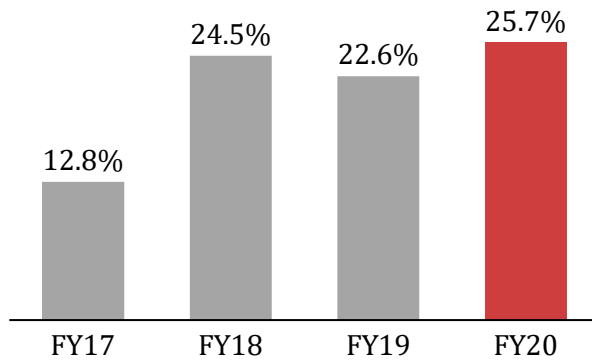
Exit from low margin
business leading to
revenue rationalisation



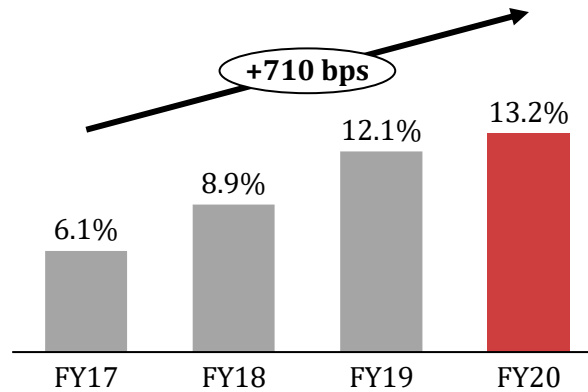
Focus on high compact
yarn



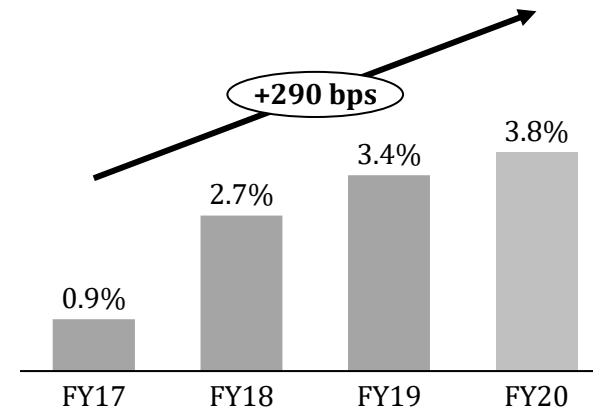
Gross Margin (%)



EBIDTA Margin* (%)



PAT Margin (%)



Technology & Operational
Excellence



Leading to Expansion
in Margins

Historical Consolidated Profit & Loss Statement

Particulars (Rs. In Crs)	9MFY21	FY20	FY19	FY18	FY17
Revenue from Operations	826.4	1,355.5	1,348.6	2,490.3	1,901.7
Cost of Goods Sold	596.6	1,007.0	1,042.2	2,157.9	1,727.9
Gross Profit	229.7	348.5	306.4	332.4	173.8
Gross Margin (%)	27.8%	25.7%	22.6%	24.5%	12.8%
Employee Expenses	17.3	34.1	8.0	11.0	6.7
Other Expenses	96.7	135.9	135.3	100.4	51.6
EBIDTA	115.8	178.6	163.0	220.9	115.5
EBIDTA Margin (%)	14.0%	13.2%	12.1%	8.9%	6.1%
Depreciation	63.0	84.7	60.9	74.4	33.3
Other Income [#]	2.8	54.3	44.1	8.3	6.1
EBIT	55.6	148.1	146	155	88
Finance Cost [*]	68.9	95.3	95.6	86.3	69.2
PBT	-13.4	52.8	50.7	68.6	19.1
Tax	0.0	1.7	4.5	0.6	1.5
PAT	-13.4	51.1	46.2	68	17.6
PAT (%)	-1.6%	3.80%	3.40%	2.70%	0.90%
EPS	-10.6	41.2	36.8	53.3	13.9

Historical Consolidated Balance Sheet

Particulars (Rs. In Crs	Sep-20	Mar-20	Mar-19	Mar-18	Mar-17
Non-Current Assets	2,154.7	2,166.0	1,288.9	1,242.7	1,235.3
Property, plant and equipment	1,053.3	1,104.2	733.1	771.8	715.3
Capital work-in-progress	698.2	665.8	0.0	18.2	49.8
Goodwill	0.0	390.3	444.0	444.2	444.2
Other intangible assets	395.7	0.1	0.2	0.3	0.4
Financial assets					
(i) Investments	7.5	5.7	108.2	3.2	0.3
(ii) Loans	-	-	-	-	9.4
Other non-current assets	-	-	3.5	5.1	15.9
Current Assets	1,541.4	1,711.2	1,124.3	1,058.8	916.5
Inventories	445.1	425.2	280.0	181.3	81.0
Financial assets					
(i) Trade receivables	580.9	726.3	626.7	728.0	636.8
(ii) Cash and cash equivalents	33.3	105.4	4.8	3.3	18.2
(iii) Bank balances	22.3	22.1	16.7	31.4	36.3
(iv) Loans, Deposits & Advances	-	-	47.1	8.5	108.5
Other current assets	459.7	432.2	149.0	106.4	35.6
Total Assets	3,696.1	3,877.2	2,413.2	2,301.6	2,151.8

Particulars (Rs. In Crs	Sep-20	Mar-20	Mar-19	Mar-18	Mar-17
Equity	1,061.7	1,075.6	625.9	579.3	513.4
Equity share capital	12.7	12.7	12.7	12.7	12.7
Other equity	795.9	839.3	613.0	566.5	500.7
Non controlling interest	253.1	223.7	0.2	0.2	0.0
Non-Current Liabilities	1,730.8	1,740.6	1,058.3	1,017.9	1,032.5
Financial liabilities					
(i) Borrowings	1,724.9	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	903.6	1,061.0	729.0	704.3	605.9
Financial liabilities					
(i) Borrowings	676.7	677.5	448.9	513.9	408.4
(ii) Trade payables	70.7	291.0	153.1	66.0	112.0
Other current liabilities	156.0	92.2	122.4	109.7	77.5
Provisions	0.2	0.2	4.6	14.8	7.9
Total Equity & Liabilities	3,696.1	3,877.2	2,413.2	2,301.6	2,151.8

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