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VINOD PITTIE
SVP GROUP

Sustaining a legacy

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SV PITTIE:

SPINNING THE INDIAN TEXTILE DREAM GLOBALLY

Taking a century-old business legacy forward is no mean feat, but father-son duo **Vinod and Chirag Pittie** of Shri Vallabh Pittie Group (or the SVP Group) have not only done it with pride and gratitude but also transformed its flagship entity SVP Global Ventures into the fastest-growing leading cotton yarn manufacturing multinational company.

Text * **Neha Rege**

AS CHAIRMAN OF THE SVP GROUP, VINOD PITTIE belongs to a business house that embarked upon its journey to fame and fortune more than a century ago. Starting with trading in cotton yarn, over the decades the group diversified into finance, trading, retail, textiles, real estate and import-export, while growing simultaneously in both scope and size. Along the way, it achieved many other milestones besides and today commands a significant presence in compact and specialised cotton yarn, manufactured by SVP Global Ventures.

Laying the foundation

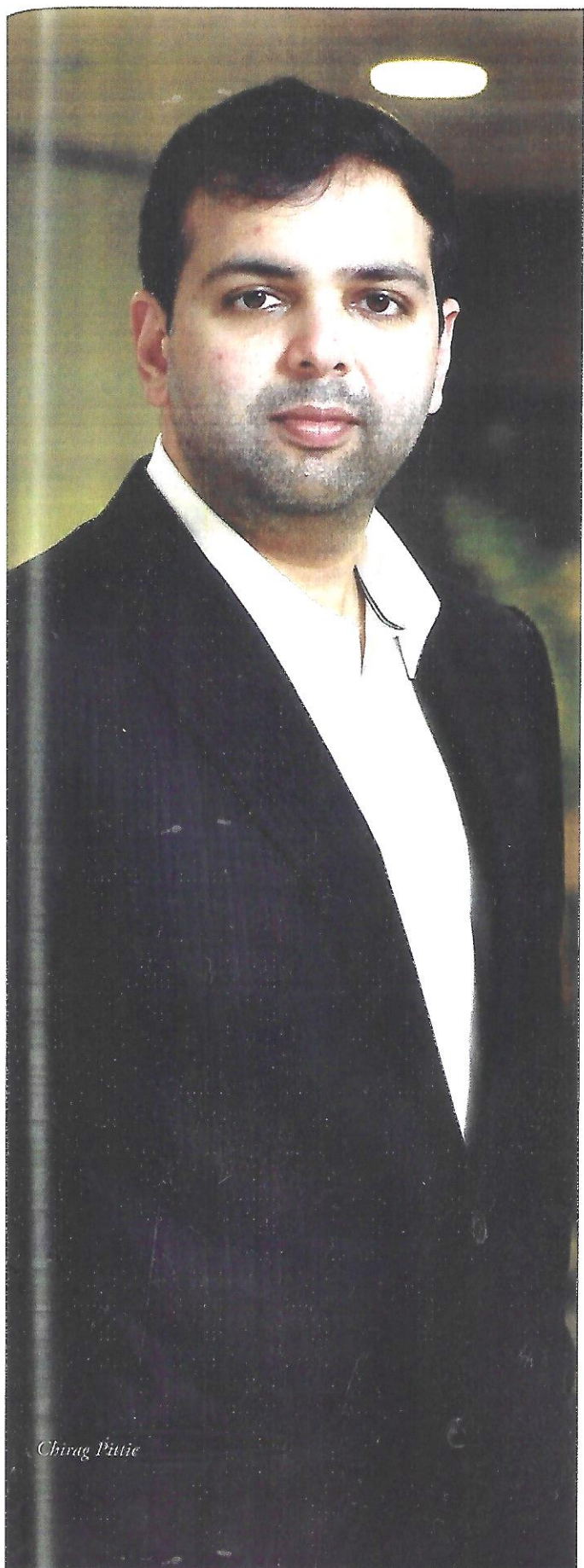
It all began with patriarch Seth Shri Vallabh Pittie, whom grandson Vinod Pittie holds in high regard. With his foresight and early successes as a businessman, Seth Shri Vallabh Pittie founded the SVP Group in 1898. Vinod Pittie outlines the journey: "In 1895, my grandfather, then a young teenager from Nagaur, Rajasthan, decided to try his luck and follow the path that he felt destiny had laid out for him. The journey of a thousand miles began on foot as he walked from Nagaur to Ajmer, from where he boarded a train to Hyderabad. After working there for a while, he headed to Bombay [now Mumbai], making it his new home. Here, he began trading in cotton yarn and established the SVP Group."

The rest, as they say, is history. Even though Seth Shri Vallabh Pittie was a rank outsider in Bombay, with his business acumen and hard work, his newly established business soon found its footing in the city. Alongside textiles, he also took a keen interest in bullion and began trading and brokering in metals. Eventually, he became one of the founding members of the Bombay Bullion Exchange Ltd (renamed the Bombay Bullion Association Ltd, and later, the India Bullion and Jewellers Association Ltd). Even today, the SVP Group is an active member of the association.

Winds of change

As the years passed by, it was time for the new generation to take the reins of the business, and Ramdev Pittie (Seth Shri Vallabh Pittie's son and Vinod Pittie's father) took over. He continued with the firm's trading and investment activities and then was on the road to expansion and diversification. Vinod Pittie says, "Under his leadership, the SVP Group forayed into verticals including finance, retail, textiles and real estate. We also entered the business of import-export and finally, into yarn manufacturing."

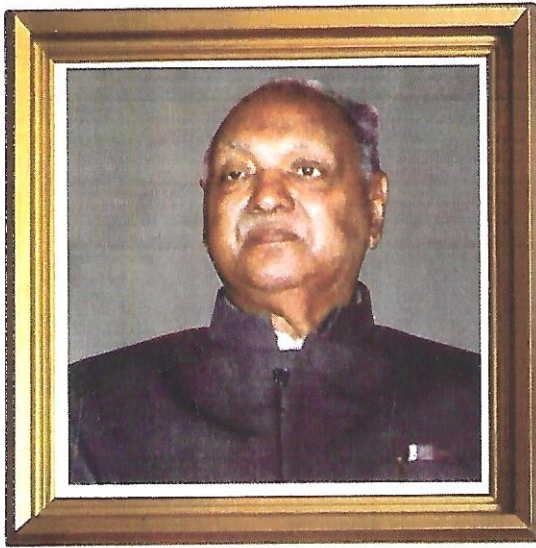
Vinod Pittie in the meanwhile was preparing to join the family business. This ultimately happened in the 1970s, after



Chirag Pittie



Vinod Pittie



Above: Ramdev Pittie



Above: Seth Shri Vallabh Pittie

he acquired his Bachelor in Commerce (Honours) degree with a gold medal from Jodhpur University. Later, he pursued business studies and also took an advanced course in management and economics from the USA.

Under Vinod Pittie's leadership, SVP Global Ventures forayed into textile manufacturing in 2007, when it acquired its first plant in Palani, Tamil Nadu. By 2013, it had acquired plants at Coimbatore and Ramanathapuram (in Tamil Nadu) also and ramped up the capacities of manufacturing cotton and cotton blended traditional yarn. In 2016, SVP Global Ventures set up a state-of-the-art manufacturing unit with an installed capacity of 1,00,000 spindles in Jhalawar, Rajasthan and commenced production of compact cotton yarn—all this in a record time of under nine months! A year later, the company expanded the capacity by adding 50,000 spindles and 2,400 rotors and became the leading compact cotton yarn manufacturer in India. Despite the pandemic and its challenges, this plant continues to run at more than 95 per cent capacity.

The enterprising man that Vinod Pittie is, he knew that global expansion was the way to go. He identified the SOHAR Port and Freezone (located at Sohar in Oman, at the centre of global trade routes, between Europe and Asia) as an area of great opportunity and set up a project for the manufacture of a wide range of cotton yarn. Divided into two phases, Phase I of the project (which involved an investment of USD 150 million) is already operational with a capacity of 1,50,000 spindles and 3,500 rotors, while Phase 2, which would add an equivalent capacity, is being planned. Vinod Pittie says that this investment is expected to reach peak utilisation levels soon, and thus contribute hugely to the company's overall revenue.

At the Oman plant, the operations are built on lean manufacturing and industry 4.0 practices, using automated machinery with artificial intelligence (AI) and Internet of Things (IoT) capabilities. About 1,000 Omani women have been trained and employed here. The plant is also a 'green project' with no smoke, effluent or wastage, and has a safe, clean environment.

Positivity in the pandemic

In 2020, the Covid-19 pandemic put a halt to many business activities across the globe, as countries shut down their ports, airports and domestic transport. SVP Global Ventures, fortunately, has regained the momentum that it had reached before the pandemic hit. Vinod Pittie says, "For us, Q1FY21 went completely in lockdown, while Q2 went in recovering. We bounced back in Q3 and Q4. Since then, we have posted sustained growth." What helped the company to a large extent in these times was the fact that its plants are equipped with technologically advanced machines based on AI, which minimised the requirement of manual labour. Consequently, the plants were able to meet lockdown restrictions of allowing only a limited number of employees on the premises. Vinod Pittie adds, "Our plants run at 95-98 per cent capacity utilisation—a very high rate in the industry. Apart from adding to our company's

“ SVP Group has undertaken projects in most backward areas of Rajasthan, creating employment for over 3,500 people directly and 10,000 indirectly. We also support approximately two lakh cotton-growing farmers and bring about social upliftment



Clockwise from top left: A worker at Jhalawar manufacturing plant; State-of-the-art, world-class plant at Sohar in Oman; Manufacturing plant at Jhalawar in Rajasthan

efficiencies, the technology we have adopted has helped improve our operating margins and, in turn, increase our EBITDA [earnings before interest, taxes, depreciation and amortisation] by 41 per cent in Q4FY21, right before the second Covid-19 wave began.”

Gen-next

Vinod Pittie has his son Chirag to help him with the business now. A graduate of the prestigious Boston University, he has a degree in Bachelor of Science in Business Administration (BSBA), with a specialisation in finance and management. Chirag Pittie has experience of more than 15 years in finance and management, and currently, he is the managing director of SVP Global Ventures, having joined hands with his father in 2004.

Chirag Pittie's focus from the beginning has been to introduce niche technology and systems that will help the

company achieve its vision of becoming one of the leading textile players globally. “We are proud to be among the two per cent of the world's manufacturers having technology that is less than five years old. The remaining 98 per cent of yarn manufacturers are using technology that is more than five years old. Our state-of-the-art machinery uses AI to enable the company to manufacture yarn of the highest quality, and at optimum operational efficiency, resulting in higher operating margins than traditional spinning mills,” he says. Chirag Pittie's academic background and professional experience have also helped him transform the family business into a leading public limited company and deliver superior returns to shareholders.

Of course, his journey has not been without challenges. Chirag Pittie elaborates: “The biggest challenge was to modernise the old textile plants which we acquired. I decided to go for greenfield projects, establishing state-





Left: Seth Shri Vallabh Ramdev Pittie Dharmsala at Nagaur in Rajasthan

Below: Seth Shri Vallabh Ramdev Pittie Hospital at Nagaur in Rajasthan



of-the-art technology at these plants. The first plant we set up was at Jhalawar, a remote and backward area. The plant was set up in just nine months and equipped with the most modern technology available in the world. We imported most of the technology.”

Another challenge for him was to successfully execute his father’s vision of expanding the company’s global footprint. He says, “We chose Oman to set up a plant—despite there being no textile industry there—as it provided us with substantial operational and logistics efficiencies and benefits. The plant is entirely export-oriented, with AI-based technology from Rieter (Switzerland), Electro-Jet (Spain), Schlafhorst (Germany) and Lakshmi Machine Works (India).”

Family matters

Vinod Pittie has by his side wife Kavita, who has a Bachelor of Arts degree and is actively involved in the family business, apart from religious and social activities. They have two daughters, Pooja and Payal, and, of course, son Chirag. Pooja has acquired Bachelor of Commerce, Chartered Accountant (CA) and Certified Public Accountant (CPA) degrees, along with an MBA from the University of Chicago, USA. She presently lives in Chicago. Payal, who lives in Atlanta, USA, has a Bachelor

of Arts degree and has taken an advanced course in arts and literature.

Philanthropic leanings

The Pittie family is not only known for building successful businesses, but through their philanthropic work, they have also inspired others to be good, responsible and concerned citizens. Seth Shri Vallabh Pittie built many charitable organisations in Nagaur for the welfare of the people. Once, when a famine struck Rajasthan, he left behind his business and went to Nagaur to help everyone with water and food. He also donated the first one lakh rupees he earned towards building a dharmsala for travellers in Nagaur. Further, in Nagaur, his family has set up Seth Shri Vallabh Ramdev Pittie Hospital and contributed majorly to the Govt College (now known as Sri Baldev Ram Mirdha Govt College). They have also donated 5,545 bighas of land as *gochar bhoomi* to the district administration in Nagaur and built temples, which include a Hanuman temple and Sheetala Mata temple in Nagaur and an Ayyappa Swamy temple in Tamil Nadu.

These apart, from 2016, Vinod Pittie has been organising a noble *seva* 'Jimo Sa', which distributes free meals to the needy in Jhalawar. There is also the Shri Vallabh Ramdev Pittie Trust that serves orphanages



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Left: Vinod Pittie

and *gaushalas* and provides medical support and food to the needy all year round. As for Chirag Pittie, he has provided oxygen concentrators and other medical help to the citizens of Nagaur, Jhalawar and Churu during the pandemic. He has also set up a hostel in Mumbai for needy students from Jodhpur who want to pursue higher studies.

Further, the SVP Group supports the Government of India in three of its major agendas: creating employment, supporting agriculture and farmers and generating foreign exchange. Vinod Pittie says, “The group has undertaken projects in most backward areas of Rajasthan, creating employment for over 3,500 people directly and 10,000 indirectly. We also support approximately two lakh cotton-growing farmers and bring about social upliftment. Our plants in India are export-oriented and we export yarn to Bangladesh, Vietnam, Pakistan, Turkey and China, generating substantial foreign exchange in the process.”

Looking ahead

SVP Global Ventures has posted consolidated revenue of around ₹1,500 crore in FY21. The market capitalisation of the company is around ₹1,800 crore, and it caters to customers across the Middle East, Turkey, Pakistan,

Egypt, Portugal, Italy, the USA, and others, a majority of its clientele being vendors of the IKEA and Zara brands.

Along the way, the company has been honoured with top awards and certificates, including the Global Organic Textile Standard (GOTS), Organic Content Standard (OCS), Global Recycled Standard (GRS), STANDARD 100 by OEKO-TEX®, Fairtrade Textile Standard and ISO.

Asked about the group’s future plans, Chirag Pittie says, “We are focusing on expansion in high-margin compact cotton yarn manufacturing over traditional yarn. Then, we have a major expansion of our plant in Oman in mind—or Phase 2, which will be a replica of Phase 1 and will double the existing yarn manufacturing capacity. We are also looking at forward integration and plan to set up a garment unit to make our company a fully integrated textile company.” In a bid to consolidate its core business of high-margin compact cotton yarn, from 2021, SVP has also started exiting from its low-margin traditional yarn business. “We also look to achieve business sustainability by continuous technology upgradation, upskilling the manpower, concentrating on higher productivity and better quality products, coupled with operational and logistics efficiency,” concludes Chirag Pittie. ✽