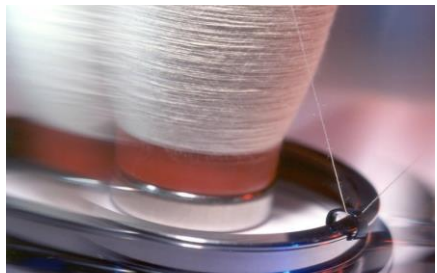




SVP Global Ventures Ltd.



INVESTOR PRESENTATION

August 2016

EXECUTIVE SUMMARY



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OVERVIEW



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OVERVIEW



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OVERVIEW

- SVP Global Ventures Ltd, incorporated in 1982, is a diversified yarn manufacturing company
- Professionally managed company, led by a dynamic promoter Mr. Chirag Pittie.
- Company has three units in Tamil Nadu with 98,000 Spindles Capacity for Specialized Polyester and Cotton Blended Yarn catering to wide base of customers.
- In August 2015, SVP Global acquired the entire business of CITRON and its subsidiaries for a book value of Rs. 103 Crore.

BUSINESS & REVENUE (%) MIX

- Product mix consists of Cotton, polyester & blended yarns which it sells in the domestic and export market
- Diversified Quality of Yarn manufacturing from Count 6 to Count 70
- FY16 Product mix: Cotton 50 %, Polyester and Blended 50 %
- FY16 geographic mix domestic 95 % and international 5 %

KEY STRENGTHS

- Flexibility in manufacturing cotton, polyester or blended yarn based demand & customer requirement.
- Strong client relationships of more than a decade.
- Expanding into value-added compact yarn segment by setting up greenfield units in Jhalawar, Rajasthan; Commercial production of first unit to begin in July 2016.
- This project to have state of the art machinery , lower power tariff benefits, and interest subsidies, making to project economically very attractive.

CONSOLIDATED FINANCIALS (FY16)

- **Total Income – INR 17,879 Mn**
- **EBITDA – INR 662 Mn**
- **PAT – INR 88 Mn**

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COMPANY OVERVIEW

- SVP Global Ventures (“SVP”) is a yarn manufacturing company.
- Headquartered in Mumbai, the company owns 3 units at Coimbatore, Palani, Madurai in Tamil Nadu with a installed capacity of 98,000 spindles for manufacturing Polyester & Cotton Blended Yarn. Manufacturing facility is fungible between specialized cotton, polyester and blended yarns depending on customer preference and demand scenario. There also is additional manufacturing capacity running on Job Work Basis/Contract Basis.
- The Company has built some good brands in the yarn market that enjoy a good standing and reputation like DG TEX/SVP/SVRP.
- SVP has strong expertise in sourcing best quality raw materials leading to higher quality yarns.
- In July 2016, the company has commissioned a new plant in Jhalawar district of Rajasthan with an installed capacity of 1,00,000 spindle of compact yarn, this facility will produce compact yarn which are Low on hairiness, higher strength and elongation, less fiber fly, significant advantages in downstream processing.
- SVP is also adding another unit for 2,400 rotors as well, which will commission in Q2FY2017.
- The company further plans to add another 50,000 spindles by Q2 FY18.

CURRENT MANUFACTURING FACILITIES AT TAMIL NADU

- Manufacturing of cotton yarn, compact yarn, Citra yarn, PC blended yarn, open end yarn
- Facilities are located in close proximity to each other and near major raw material and textile hubs.
- Facility locations ensure flexibility in operations, working capital requirement optimization and low logistical costs.
- Total Installed capacity of 98,000 spindles
- State of the art R&D facilities
- Count range 6 to 70

RAMNAD



Capacity: 82,000 spindles
Employee Strength: 550

COIMBATORE



Capacity: 9,000 spindles
Employee Strength: 100

PALANI



Capacity: 7,000 spindles
Employee Strength: 100

EXPANSION PLANS AT RAJASTHAN - COMPACT YARN FACILITY

JHALAWAR I & II

Jhalawar Plant 1

- Inaugurated on 22nd July by Mrs. Vasundhara Raje, CM of Rajasthan
- Commercial Production started in July 2016
- Project Cost: 445 Cr
- Funding: Equity mix - 170 Cr and Debt mix - 275 Cr.
- Manufacturing capacity: 1,00,000 spindles
- Manufacturing capacity in Tonnes: 22,000 tonnes p.a
- Facilities spread across 25 acres Land
- TUF Interest Subsidy: 2%
- State Subsidy: 6%+3% - *Customized package for SVPL*
- VAT benefit: 60% VAT to be paid back
- Power Benefit: 100% Electricity Duty Rebate

Jhalawar Plant 2

- Timeline: Q2FY2017
- Expected Project Cost: 91 cr
- Funding: Equity mix - 37 Cr and Debt mix - 55 Cr.
- Proposed to manufacturing 2,400 rotors
- Total capacity in tones: 11,000 p.a.
- Facility spread across 5.13 acres Land
- State Subsidy: 6%+3%: *Customized package for SVPL*
- VAT benefit: 60% VAT to be paid back
- Power Benefit: 50% Electricity Duty Rebate
- Count range 6 to 24s



JHALAWAR III

Jhalawar Plant 3

- Timeline: Q2FY2018
- Expected Project Cost: 225.29 Cr
- Funding: Equity ~ 65.29 Cr and Debt ~ 160 Cr.
- Proposed to manufacturing 50,000 spindles (10,867 tonnes)
- Total 10 acres Land bought to manufacture compact cotton yarn
- State Subsidy: 6%+3% - Customized package for SVPL
- VAT benefit: 60% VAT to be paid back
- Power Benefit: 100% Electricity Duty Rebate



STRATEGIC ADVANTAGE OF RAJASTHAN

Strategic Advantage of the New Facility

Introduction:

Rajasthan is a preferred business destination for people around the world. Abundant natural resources, investment-friendly policies, a vast and unexplored talent pool and a secular environment are some of the reasons why national and international business giants are drawn to this magnificent state.

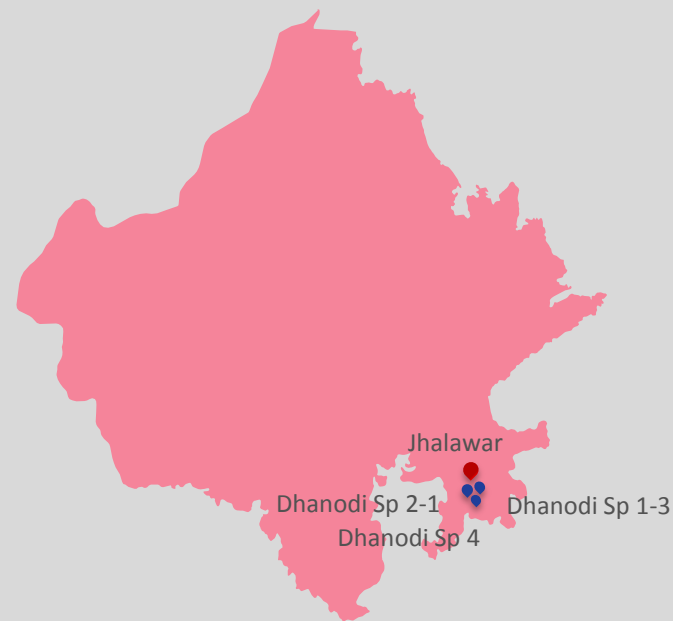
Policies:

- A number of innovative policies including the Industrial and Investment Promotion Policy (RIPS) announced by the current state government have boosted the investment prospects in the state.
- TUF Interest Subsidy: 2%
- State Subsidy: 6%+3% - *customized package for the group*
- VAT benefit: 60% VAT to be paid back
- Power Benefit: 100% Electricity Duty Rebate

Connectivity:

- **5 KM from city centre**
- **By Air:** 12 KM from Jhalawar Airstrip
- **By Rail:** Jhalawar has a newly constructed railway station. Railway station is 2 k.m. far from Jhalawar.
- **By Road :** 90 KM from Kota
220 KM from Indore
220 KM from Bhopal
340 KM from Jaipur

RAJASTHAN



CURRENT PRODUCT BASKET



- Cotton remains the most important natural fibre, so is treated in depth.
- It is used as the basic fiber for any textile making company.
- Its mainly used to make cloth fabric and readymade garments and other uses to.

- Polyester thread or yarn are used extensively in apparel and home furnishings, from shirts and pants to jackets and hats, bed sheets, blankets, upholstered furniture and computer mouse mats.
- Polyester fabrics are highly stain-resistant— in fact, the only class of dyes which *can* be used to alter the colour of polyester fabric



- Blended yarn production, process of combining fibres of different origins, length, thickness, or colour to make yarn.
- Blending is accomplished before spinning and is performed to impart such desirable characteristics as strength or durability, to reduce cost by combining expensive fibres with less costly types, or to achieve special colour or texture effects.

FORAY INTO COMPACT YARN

- Compact yarn is a revolution in spinning technology. Over recent years, the system of compact spinning has constituted a rapidly developing technological trend in most countries.
- The compact spinning is a process where fibre strand drawn by drafting system is condensed before twisting it.
- The Company is launching its compact yarn segment in Jhalawar district of Rajasthan.

It is entering the compact yarn business due to the following benefits

- Better smoothness
- Higher lustre
- Abrasion fastness better by 40-50%
- Hairiness lower by 20-30%, as measured with the use of the ster apparatus
- Increase Production by 8% approximately.
- Hairiness lower by 60%, as measured with the use of the Zweigle apparatus
- Tenacity and elongation at break higher by 8-15%, and smaller mass irregularity

Ring Spun Yarn



Compact Yarn



Compact Yarn advantage

- Low hairiness
- Higher strength and elongation
- Less fiber fly
- Significant advantages in downstream processing

MANAGEMENT TEAM



MR. CHIRAG PITTIE – MD

- Mr. Chirag Pittie is the second generation entrepreneur of SVPL.
- He has a BSBA degree in Finance and Management from Boston University, USA.
- He has a vision of converting the close family held business into a leading public company delivering superior returns to shareholders
- He is supported by a strong, well experienced and professional management team.

Well Experienced Management Team

Mr. V.S.Reddy –
Professional Director

•25+ Years

Mr. Praveen Shelley -
Professional Director

•30+ Years

Mr. Rupesh Nigam –
Chief Operating Officer

•20+ years

Mr. Narendra Jain –
Vice President Finance

•20+ Years

Mr. Bhanu Pareek –
Sr. Vice President (Operations)

•20+ Years

Mr. Harish Datti –
Chief Engineer

•20+ Years

Mr. R. Muthumanickam –
Vice President (Operations)

•35+ Years

Mr. Santosh Kumar Sinha -
Vice President (Technical)

•25+ Years

KEY MANAGEMENT BACKGROUND

Mr. Praveen Shelley – Professional Director	<p>Mr. Praveen Shelley is a Professional Director of our Company. He has a rich experience of more than 30 years driving strategic growth in India. Experienced in marketing, public relations, partnership building and product management. CHA, MIFPO, more than 20 years of project experience in various fields</p>
Mr. V.S.Reddy – Professional Director	<p>He holds Master Degree in Economics and also CAIIB. He was the Ex-Chairman of Lakshmi Vilas Bank. He has over 30 years of experience in the field of finance.</p>
Mr. Rupesh Nigam – Chief Operating Officer	<p>B. Tech, More than 20 years’ experience in companies like Arvind Mills, Maral Overseas, Reliance Industries Ltd etc</p>
Mr. Narendra Jain – Vice President Finance	<p>M.Com and MBA, more than 20 years experience.</p>
Mr. Bhanu Prakash Pareek – Sr. Vice President – Operations	<p>B. Tech. more than 20 years’ experience in companies like Welspun India Ltd and Maral Overseas</p>
Mr. Harish Datti – Chief Engineer	<p>MBA, B.E. more than 20 Years' experience in companies like Trident Group, Punjab and Vardhman fabrics, M.P</p>
Mr. Raghavarajen Muthumanickam - Vice President	<p>Diploma in Textile Technology. More than 35+ year experience in reputed mills like GTN, Birla, etc. Having skill to handle work with re-engineering and techno-commercial concepts and an exposure in cotton, cotton blended synthetic yarns production.</p>
Mr. Santosh Kumar Sinha Vice President (Technical)	<p>B. Tech and Diploma in Textile Technology, More than 25 years experience in mills like Jayshree Textiles, Surlata Spinning Mills, Punjab Fiber etc</p>

KEY STRENGTHS



Enterprising management team with over 200 years of combined experience in textile industry.



Flexible manufacturing Facilities



Procurement of the best quality cotton, facilitating smooth production plan besides high quality products.



Trusted and diversified client base, both National & International. Built some good brands in the Yarn Market like DG Tex, SVP & SVRP.



Advanced technology and state of the art manufacturing facilities.



Current Installed Capacity of 98,000 Spindles and company has commissioned further capacity of 100,000 Spindles in July 2016 and is further adding another 2,400 Rotors by Q2FY17



MULTIFOLD GROWTH IN REVENUES

- Addition of 1,00,000 spindles and 2,400 rotors to more than double the capacity
- High speed & automated machines to lead to higher throughput.
- Further addition of 50,000 spindles by Q2 FY18.

MARGIN EXPANSION:

- Expansion into high- value compact yarn segment.
- State of the art plant, latest machines, automation and technology to lead to better productivity, throughput and margins



INTEREST & OTHER SUBSIDIES TO SIGNIFICANTLY ENHANCE BOTTOMLINE

- Equity and Debt for the new project has been fully tied-up.
- Benefits such as TUF subsidy, additional state interest subsidies and subsidies in power, VAT etc.

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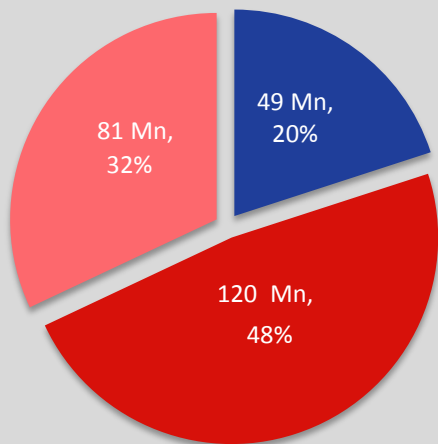
INDUSTRY OVERVIEW



FINANCIAL OVERVIEW

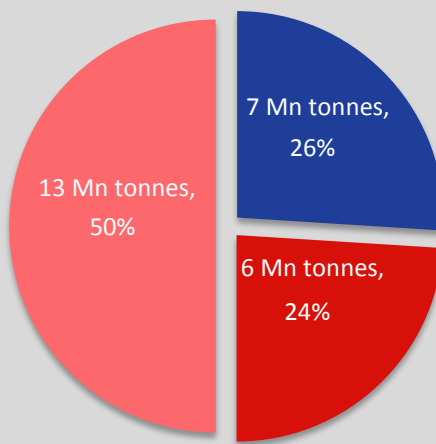
YARN INDUSTRY – COMPETITIVE LANDSCAPE

Global capacity 250 million spindles



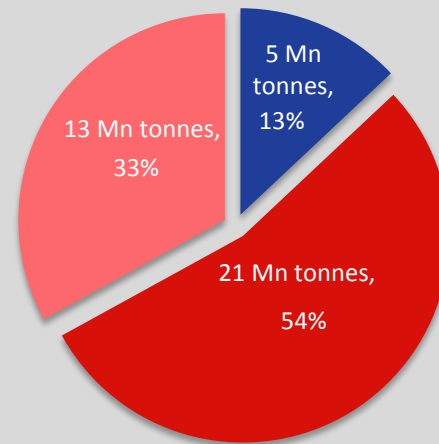
■ India ■ China ■ RoW

Global Cotton production 26 Mn Tonnes



■ India ■ China ■ RoW

Global Yarn Production 39 Mn Tonnes



■ India ■ China ■ RoW

Source: WTO, International Textile Outlook, Fiber organ and Internal Studies, Vardhman Textile.

YARN INDUSTRY – OPPORTUNITY FOR INDIA

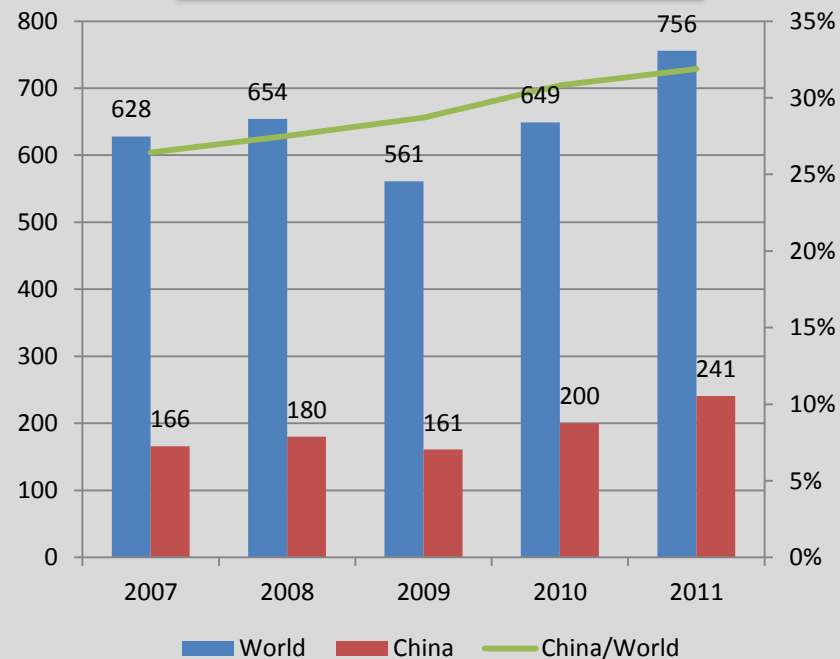
Lowering Competitiveness of Chinese manufacturers

- Higher Compliance Cost
- Increasing Labour Cost
- Pollution norms becoming stricter
- Currency Volatility: 20,400 yuan (\$3,400) per tonne of cotton last year
- Lower focus on value added products:

Opportunity for India

- Increasing shift of clients from China to other geographies
- Largest scale after China. (India Spindle Capacity: 50 mn.)
- Value added products and high customisation
- Localised raw material
- Better Compliance norms
- Higher adaptability to changing trends and client requirement

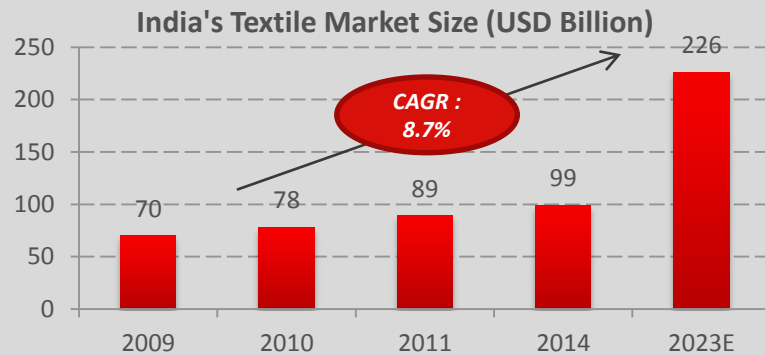
World v/s China Textile Exports



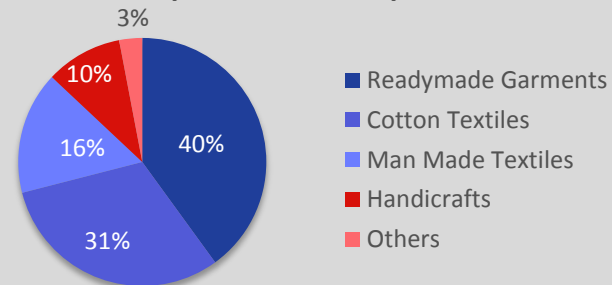
INDIAN TEXTILE INDUSTRY

- India was announced as the world's second largest exporter of textiles and clothing in the world.
- Textile Industry accounts for nearly 13% of the total exports.
- It contributes 14% to industrial production and 4% to the GDP.
- With over 45 million people, the industry is one of the largest source of employment generation in the country.
- Production of Yarn grew to 489.11 lakh kgs in FY14 from 346.03 lakh kgs in FY11 implying a CAGR of 12.2 %.
- Production of Yarn between April to December '15 stood at 385.06 lakh kgs.
- 100% FDI is approved in the sector. Till May'15 FDI inflow in Textile Industry stood at USD 1647.09 million.

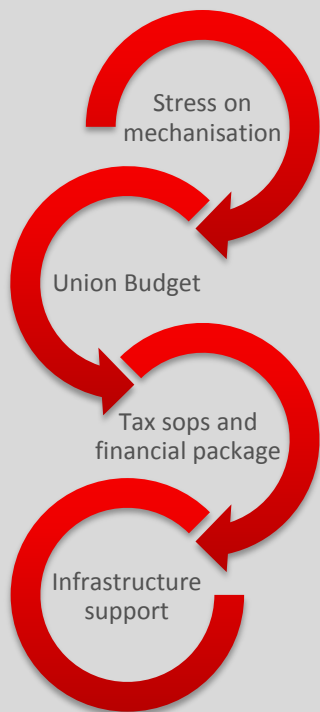
Source: IBEF



Export, Domestic Split



SUPPORT TO TEXTILE SECTOR BY GOI IN FY16

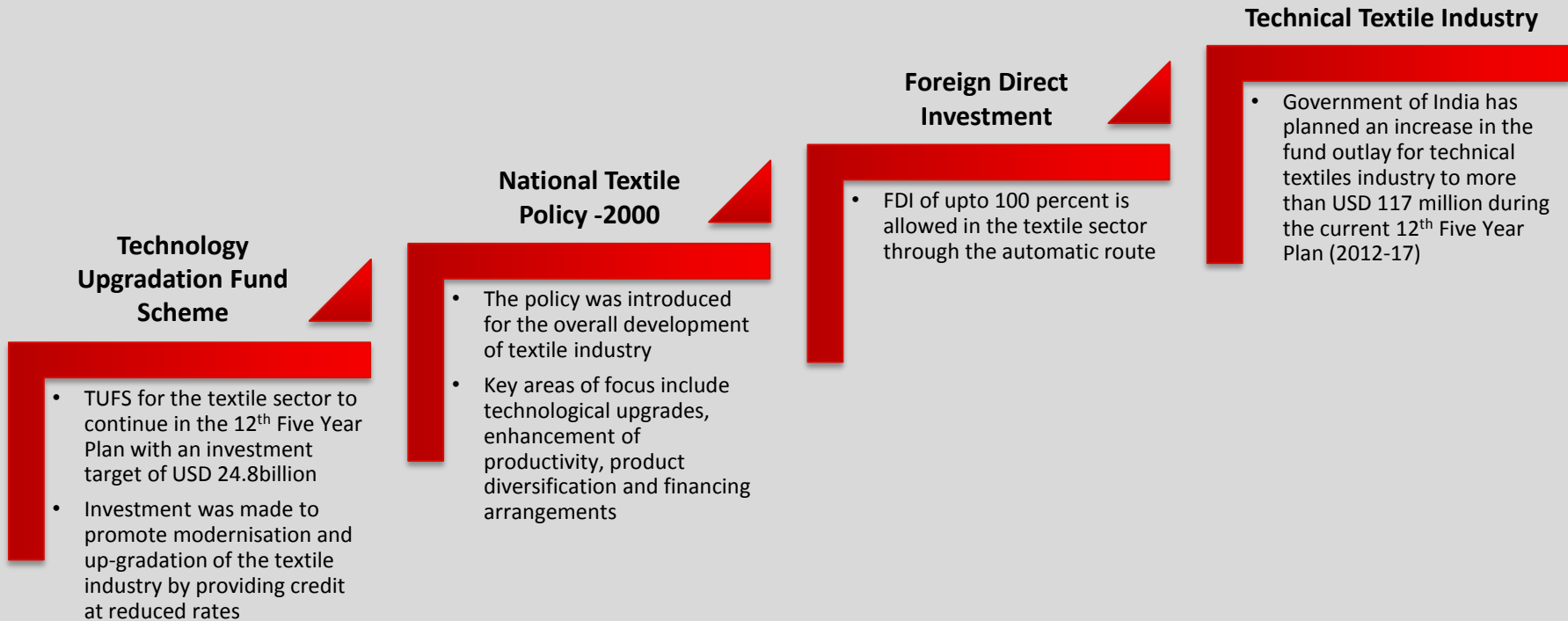


- USD 252 million has been allocated for TUFS scheme
- USD 24.8 million has been allocated for National Handloom Development Program
- USD 33.34 million has been allocated for Human Resource Development
- Allocation of USD 39.8 million for apparel parks under SITP
- USD 26.05 million have been allocated for NER Textile Promotion Scheme
- USD 1.33 million has been allocated to Trade Facilitation Centre and Craft Museum

Some of the key tax reliefs in Budget FY16:

- Zero excise duty for the cotton products
- Structure of the excise duty on Man-Made Fibre has been the same

POLICY SUPPORT – KEY INGREDIENT TO GROWTH



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CONSOLIDATED INCOME STATEMENT

INCOME STATEMENT (INR MN)	FY13	FY14	FY15	FY16	Q1FY17
Total Income	54.51	54.28	373.11	17,879	2551
Total Expenses	52.51	52.17	368.80	17,217	2362
EBITDA	2.00	2.11	4.31	662	189
EBITDA Margin	3.67%	3.89%	1.16%	3.70%	7.43%
Depreciation	1.52	1.53	1.38	44	19
Finance Cost	0.00	0.05	0.00	502	143
PBT	0.48	0.53	2.93	116	27
Tax	0.25	0.18	1.06	28	8
Profit After Tax	0.23	0.35	1.87	88	19
PAT Margin	0.42%	0.64%	0.50%	0.49%	0.73%
EPS (Diluted)	0.30	0.46	0.15	6.95	1.5

CONSOLIDATED BALANCE SHEET

PARTICULARS (INR in Mn)	FY14	FY 15	FY 16	PARTICULARS (INR in Mn)	FY14	FY15	FY16
EQUITIES & LIABILITIES				ASSETS			
Shareholder Funds				Non Current Assets			
(A) Share Capital	22.40	126.50	187	(A) Fixed Assets	7.22	5.89	1,726
(B) Reserves & Surplus	4.92	7.94	4,465	(B) Intangible Assets	0.00	0.00	3,236
(C) Share Application Money	107.48	0.00	0	(C) Non-current investments	2.90	2.90	46
Non Current Liabilities				(D) Long term Loans & Advances			
(A) Deffered tax liabilities	1.35	1.05	112	(E) Other Non Current Assets	0.05	0.00	56
(B) Long Term Borrowings	0.00	0.00	3,779	Current Assets			
(C) Other Long Term Liabilities	0.00	0.00	99	(A) Current investments	0.00	0.00	0
Current Liabilities				(B) Inventories	7.67	16.06	356
(A) Short term Borrowings	95.91	102.62	3,192	(C) Trade Receivables	135.80	150.07	5,162
(B) Trade Payables	19.16	132.15	1,023	(D) Cash & Bank Balances	1.90	2.33	172
(C) Other Current Liabilities	0.38	0.28	123	(E) Short-term loans & advances	93.27	194.11	2,027
(D) Short-term provisions	0.42	0.94	27	(F) Other current assets	3.21	0.12	182
GRAND TOTAL - EQUITIES & LIABILITES	252.02	371.48	13,007	GRAND TOTAL – ASSETS	252.02	371.48	13,007

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SVP Global Ventures Ltd.

**THANK
YOU!**

