



SHIVA TEXYARN LIMITED

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Website : www.shivatex.co.in CIN : L65921TZ1980PLC000945 GSTRN : 33AABCA6617M1Z0

STYL/SEC/244/2019-20

12.11.2019

To

BSE Limited Floor 25 Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001 Scrip Code :- 511108	The Manager Listing Department National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex Bandra (East), Mumbai 400 051 Scrip Code : SHIVATEX
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Dear Sir,

SUB:- INVESTOR PRESENTATION - REG.

We are attaching herewith the Investors' Presentation to be made to the Investors for the Quarter ended 30.09.2019 as per Regulation 30(6) of SEBI (Listing Obligations and Disclosure Requirements), Regulation 2015 read with Part A of Schedule III of the Listing Regulations.

Pursuant to Regulation 46(2)(o) of the Listing Regulations, the aforesaid information is also available on the website of the Company www.shivatex.in.

Thanking you

Yours faithfully

For Shiva Texyarn Limited

R. SRINIVASAN
Company Secretary
M.No.21254

Shiva Texyarn Limited

Result Update Presentation
Q2 & H1 FY20



Focus on Technologically Advanced, Innovative & Eco-friendly products

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Managing Director's Message



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An Integrated Textile Company

Corporate
Backpacks


SHIVA TEXYARN LIMITED

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SHIVA TEXYARN LIMITED



Managing Director's Message



**Commenting on the results,
Mr. S K Sundararaman,
Managing Director, Shiva
Texyarn Ltd. said :**

Our Company has withstood the ongoing market slowdown during the quarter and half year ended 30th September 2019. In a sluggish spinning industry scenario, our financial performance remained stable as compared to the corresponding previous period, despite a continued slowdown in yarn selling prices. The revenue grew 1.9% year-on-year to Rs. 95.7 cr in Q2 FY20, while EBITDA and PAT stood at Rs. 10.0 cr and Rs. 1.0 cr, respectively. We expect the technical textiles market to witness signs of recovery going forward, as is indicated by our quarter-on-quarter growth.

We continue to focus on our technical textile product portfolio. Our non-flex banner material witnessed a good growth in demand, especially with increasing concerns on environment leading to bans on the usage of flex in advertising and signage applications and other such products that could lead to a long-term damage to our environment. The ban is already in effect in a few places and this is expected to spread across the country. We are ready and poised for this anticipated demand for non-flex banner material, being one of the only few companies with the capacity to deliver at the required scale.

Moreover, our reusable fabric diaper – ‘Paw Paw’ – which we launched at the beginning of the year continues to gain good traction in Tamil Nadu and other regions across India. The product’s environment friendliness and competitive pricing enables us to reach out across all sections of society. The QuickDry product line is also seeing steady growth, having established itself as a trusted quality product. Our target is to have a pan India presence through a wide network of distributors and retailers, for all products in the Lamination division.

Shiva Texyarn stands to benefit from the strong opportunities in value-added functional products, as we continue to focus on product diversification. We aim to strengthen our focus on technology-driven products to support sustainable growth, while offering environment-friendly products.

I would like to thank the entire team of ‘SHIVA’ for their untiring efforts, hard work, sincerity and dedication. Also, I would like to thank our valued stakeholders, whose support and faith in our Company has given us the determination and ambition to set and achieve higher benchmarks.”



Financial Highlights

SHIVA TEXYARN LIMITED

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Backpacks

SHIVA TEXYARNS LIMITED.



SHIVA TEXYARN LIMITED

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Quarterly Financial Highlights (YoY)

Rs. Cr.	Q2 FY20	Q2 FY19	Y-o-Y %	Q1 FY20
Total Income from operations	95.68	93.89	1.91%	84.57
Raw Material Expenses	61.87	55.41		49.54
Employee Expenses	10.32	11.64		10.38
Other Expenses	13.45	14.00		15.14
Total Expenditure	85.63	81.06		75.06
EBITDA	10.04	12.83	(21.72%)	9.51
EBITDA Margin	10.50%	13.67%	(317 bps)	11.25%
Other Income	0.17	0.18		0.18
Depreciation	3.59	3.50		3.58
Interest / Finance Cost	5.80	5.34		5.51
Exceptional Item (Gain) / Loss	0.00	0.00		0.00
PBT	0.83	4.17		0.61
Tax	-0.15	0.90		(0.11)
PAT	0.98	3.28		0.72
Other Comprehensive Income	0.03	0.01		0.00
Net Profit	1.01	3.29	(69.37%)	0.71
Net Profit Margin	1.05%	3.50%	(245 bps)	0.84%
Basic EPS in Rs.	0.76	2.53	(69.96%)	0.55

- ~2% YoY growth in revenue despite slowdown in spinning and technical textiles industries
- Total revenue – 70% from Spinning, 30% from Non-Spinning
- EBITDA margins impacted due to continued decline in selling price of yarn and rise in material costs for non-spinning products

Half Yearly Financial Highlights (YoY)

Rs. Cr.	H1 FY20	H1 FY19	Y-o-Y %
Total Income from operations	180.25	179.82	0.24%
Raw Material Expenses	111.41	105.15	
Employee Expenses	20.70	22.47	
Other Expenses	28.59	29.51	
Total Expenditure	160.69	157.13	
EBITDA	19.56	22.69	(13.81%)
EBITDA Margin	10.85%	12.62%	(177 bps)
Other Income	0.35	0.37	
Depreciation	7.17	6.91	
Interest / Finance Cost	11.31	10.61	
Exceptional Item (Gain) / Loss	0.00	0.00	
PBT	1.44	5.54	
Tax	-0.26	1.21	
PAT	1.70	4.34	
Other Comprehensive Income	0.02	-0.03	
Net Profit	1.72	4.31	(60.06%)
Net Profit Margin	0.95%	2.40%	(145 bps)
Basic EPS in Rs.	1.31	3.34	(60.78%)

- Top line growth remains positive despite sluggish market scenario
- Growth in revenue contribution from lamination division
- Newly launched Paw Paw (reusable fabric diaper) and non-flex banners continue to gain traction, supporting QuickDry business

Balance Sheet Highlights

Rs. Cr	As on 30 th Sep 19	As on 31 st Mar 19
Equity	111.70	112.00
Equity Share Capital	12.96	12.96
Other Equity	98.74	99.03
Non-Current Liabilities	105.70	117.29
Financial Liabilities		
Borrowings	66.69	77.56
Deferred Tax Liabilities (Net)	38.69	39.13
Provisions	0.32	0.59
Current Liabilities	176.32	154.20
Financial Liabilities		
Borrowings	113.95	97.46
Trade Payables: Total o/s dues of micro & small enterprises	0.06	0.37
Trade Payables: Total o/s dues of creditors other than above	29.94	28.38
Other Financial Liabilities	30.31	26.18
Other Current Liabilities	2.07	1.81
Provisions	0.00	0.00
Total Equities & Liabilities	393.72	383.48

Rs. Cr	As on 30 th Sep 19	As on 31 st Mar 19
Non-current Assets	229.30	230.29
Property, Plant & Equipment	199.99	200.54
Intangible Assets	0.58	0.68
Capital work-in-progress	0.02	0.00
Intangible asset under development	3.36	3.36
Investment Property	0.03	0.03
Financial Assets		
Investments	0.65	0.66
Loans	0.00	0.00
Other Non-Current Assets	24.66	25.03
Current Assets	164.42	153.19
Inventories	88.00	80.43
Financial Assets		
Trade Receivables	55.50	49.94
Cash & Cash Equivalent	8.56	11.78
Loans	0.88	1.10
Other financial assets	1.40	1.60
Other Current Assets	10.09	8.35
Total Assets	393.72	383.48

- Overall industry slowdown adversely impacted working capital cycle



Company Overview



Company Overview

Among leading multifaceted Textile companies - strong focus on Technical Textiles

- First Company to introduce Reactive Polyurethane lamination technology in India (2005)
- Vertically & backward integrated operations
- Strong & Dedicated workforce

Diversified Product Portfolio

- Segments - Textiles, Quick Dry, Quick Fit, Q-Club, Paw-Paw Diaper, Defence, Tactical gear, Eco-friendly Flex replacement, Art, etc.

Certifications & Awards

- Oeko-Tex 100 Certification
- Five S(Workspace Management System)
- ISO 9001:2008
- WRAP Certification
- Affiliation Certifications
- GOTS – Global Organic Textile Standards
- Gold Award by Quality Circle Forum of India(QCFI)



Start of Art manufacturing facilities with advanced Technology in Tamil Nadu

- Spinning Division – 52,000 Spindles Spinning Capacity
- Lamination Division – 2 lines, 6,00,000 meters per month capacity
- Coating Division – 3 coating lines and 1 million meters per month capacity
- 58 windmills – 18.15 MW scattered all over Tamil Nadu

Integrated Business Operations

- Spinning Division
- Lamination Division
- Coating Division
- Processing Division – For Speciality Fabrics
- Military & tactical Gear
- Garment & Home Textile Division
- Bags Division – Backpacks & Rucksacks
- Windmill based power generation

Focus on Technologically Advanced, Innovative & Eco-friendly products

Journey So Far

1985-1989

1985 - Went Public
1989 - Spinning Mill unit I at Dindigul started

2009-2012

2009 - Knitting, Garment & Spinning mills II division started at Karanampettai
2012 - Started Processing division at Sipcot, Perundurai
2012 - Started Technical Textile division at Ganeshpuram

2017-2019

2017 - Scheme of arrangement (Demerger) between Shiva Texyarn Limited & Shiva Mills Limited (Formerly know as STYL Textile Ventures Limited)
2017 - Started supplying specialized Military products to Indian Defence
2019 - Launched Reusable Fabric Diaper - "Paw Paw" - based on patent pending unique Rapisoak Technology

1994-2006

1994 - Started Windmill division at Munduvelampatti
2002 - Finance and Spinning business merged
2006 - Started Lamination division at Karanampettai

2013-2016

2013 - Coating division started at Ganeshpuram
2014 - Started bag division at Karanampettai
2015 - Garment Division II (NBC) & III started at Karanampettai

Strong & Experienced Management Team



Mr. S V Alagappan – Chairman

- Law graduate and has rich experience in fields of textiles and automobiles for more than three decades



Mr. S K Sundararaman – Managing Director

- MBA from Cambridge Judge Business School, UK
- Chairman of Indian Technical Textiles Association (ITTA)
- Wide experience in field of textile industry especially technical textiles



Mr. Manesh Kumar – Chief Operating Officer

- Textile Engineer from PSG Tech Coimbatore and MBA from Anna University, Chennai
- Over 12 years of experience in Technical Textiles
- Associated with Company for over 8 years



Mr. C Krishnakumar – Chief Financial Officer

- Master of Commerce Graduate
- More than 15 years experience in Accounts, Finance & Taxation
- Member of ICAI and ICSI



Brig. Naveen Sodhi – Sr. Vice President

- Science & Economics Graduate
- Over 36 years of experience in planning and directing activities
- In-depth knowledge of emerging technologies and commercial applications
- Wide exposure in dealing with government ministries and officials



Mr. P. Baskar – Vice President

- Diploma in Technical Textile
- Over 25 years experience in field of Modernized Spinning Mills
- Vast experience in Construction of Factories and building premises
- Expertise skill in Administration



Business Overview

Business Segments

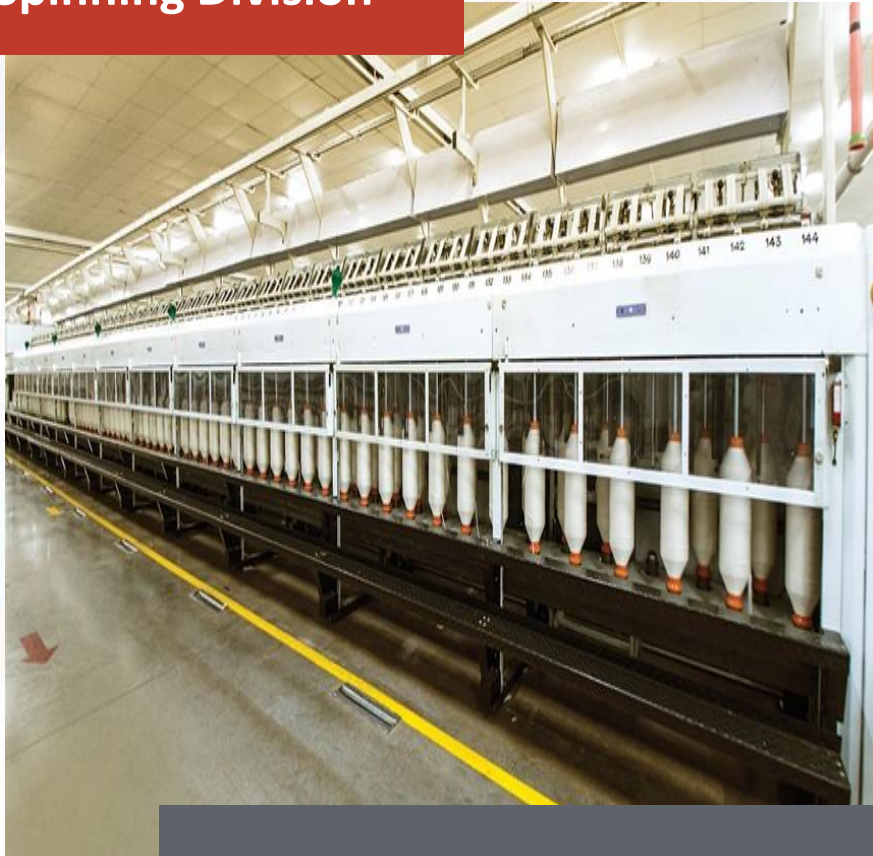
Spinning



Technical Textiles - Value added Products



Spinning Division



Makes some of finest cotton yarns

- More than 25 years of experience in Spinning Industry
- 52,000 Spindles capacity
- Raw material comes from selected ginneries of India and International sources in West Africa, Australia and US
- Manufacture Combed, Carded and Compact Yarns, Sub Yarns and Fancy Yarns
- Maintain & manage captive use windmill based augmentation infrastructure to tap 18.15 MW power from 58 owned and operated wind turbine installations

Lamination Division



First Company to introduce **Reactive Polyurethane Lamination** technology in India in 2005

- One of most innovative technologies used in Textile products
- Only Indian Company with more than decade of experience
- Two lines can produce approx. 6,00,000 meters per month
- **Applications**
 - Breathable, Waterproof membrane Lamination, Fleece to Fleece, Paper to Fabric, Flat Fabric to Raised Fabric Knit to Woven
- **Uses**
 - Outdoor Clothing fabric, Mattress Protectors, Medical Textiles, Industrial Application, Military Application
- **Laminated Products –Applications**
 - **Quick Dry** – Original Dry Sheet
 - **Quick Fit** – Mattress Protectors
 - **Q Club** – Active player in Baby Products

Lamination Division... Strong Retail Brand in India

Quick Dry



Quick Dry
SilQ

Quick Fit



Market leadership

- Market leader – combined with “Inventor & Innovator” of Dry Sheets in India
- Manufactures more than 100,000 mts/ month; millions in a year

Wide Retail Distribution Network in India

- Pan India presence – connecting to 10,000+ Retailers through 200+ Distributors and over 90 on-ground sales force
- Strong Retail Brand created across India

Exports to Middle East & South-East Asia

Lamination Division...First of its kind Reusable Fabric Diaper

Features

- ✓ Super Comfort - Feathery touch fabric
- ✓ Highly Absorbent
 - Side Tank System
 - Fully Laminated Layer
- ✓ Ergonomically designed - Unique T-Shaped pattern which fits perfectly around baby's body
- ✓ Super Stretch Fit – Fully Elasticated
- ✓ Completely safe and won't harm baby's skin
- ✓ Awaiting patent



UNIQUE RAPISOAK TECHNOLOGY



Benefits

- ✓ Quickest drying time- Baby feels dry fastest
- ✓ Maximum fluid holding
- ✓ Easy clean
- ✓ Hygienic
- ✓ Available in 3 Different Sizes
 - Small- 3-8 kg
 - Medium- 7-12 kg
 - Large- 9-14 kg
- ✓ Eco-friendly and can be reused for many times
- ✓ "Pocket-friendly" - Affordable across all sections of society

Already launched in Tamil Nadu – target to create Pan India Presence

Military & Tactical Gear



- **Military and Tactical Gear** : Makes most advanced military gear like Nuclear Biological Chemical Suits (NBC)
- **Extreme cold weather clothing** – Protection from 5 degree to minus 20 degree centigrade
- **Super high altitude Mountaineering clothing**
 - Among very few companies making specialised three layered suits
 - Protection in minus 50 degree centigrade
 - Specialised Bag packs for mountaineering

Business Divisions...(4)

Processing Division



- Unit started in year of 2012 at SIPOT, Perundurai, Erode
- Famous for Specialised, performance fabric processing, including high fastness, moisture wicking properties and for delicate fabrics

Coating Division



- 9 lakh meters material handling capacity per month
- **Wide range of applications**
 - Acrylic coated products, PU Coating, Art Canvas & Digital Canvas Products
- **Offers various range of finishes**
 - Fire retardant, water repellent, Soil & stain resistant, Anti-microbial, Anti-static, Rubber Finish, Oil resistant

Bag Division



- Bag ranging from School bags, exclusive girls range & professional range for camping & photography
- 100% Polyester and Nylon fabric, stitched with nylon bonded thread
- Photography range : Camera bags, Utility bags, Long Lens bags, Tripod bags, Storage Accessories, Messenger bags

Key Strengths

Continual focus on Innovation & New product development

- Strong capabilities backed by in-house manufacturing and R&D that enables developing innovative, new & better quality products

Integrated business operations & unique business model

- Multifaceted Company with strong focus on value added products
- Vertically & Backward Integrated operations
- First Company to introduce Reactive Polyurethane lamination technology to India in 2005
- Well diversified across segments and products

Multi product range with wide range of applications

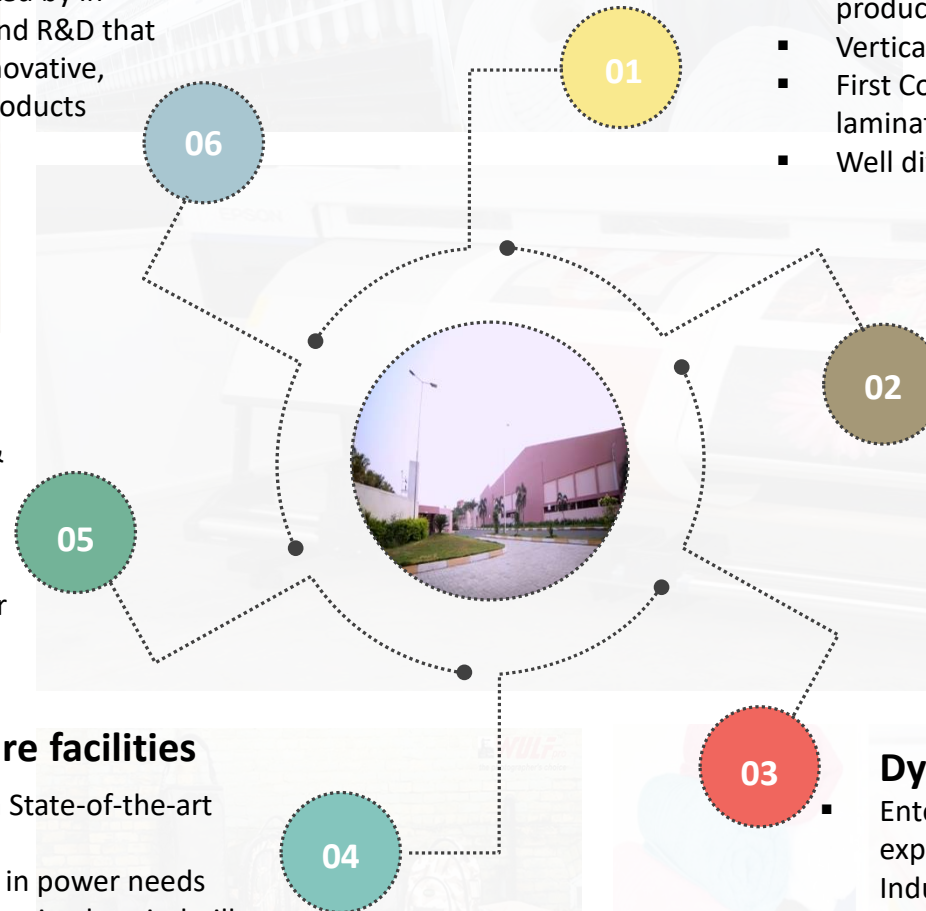
- Yarn, Combed, Carded and compact yarns/ Sub / Fancy yarns
- **Laminated Fabric** - Quick dry/Quick fit
- **Special garments** – Military and Tactical gear & Extreme cold weather clothing
- **Coated Fabric** - Canvas Rolls/ Canvas Boards/Stretched Canvas
- **Garments** - Home textile / Knitwear/outer wear
- **Bags**- Travel bags / Camera bags/ utility bags

Strong Retail Brand with pan India presence – Quick Dry & Paw Paw

- “Inventor & Innovator” Market leader of Dry Sheets in India
- Launched one of its kind Reusable fabric diaper with unique Rapisoak Technology
- Wide distribution - 10,000+ retailers through 200+ distributors with 90 sales team on ground

State of art infrastructure facilities

- Advanced Technology with State-of-the-art plant and machinery
- Substantial self-sufficiency in power needs through green power generation by windmill that reduces energy cost



State of Art Manufacturing Facilities



Spinning Unit

Kodangipalayam Village
Karadivavi Road, Paruvai Post
Coimbatore District, Tamilnadu



Processing Unit

Factory E-16, P-11 SIPCOT
Industrial Growth Estate
Perundurai, Erode 638 052
Tamilnadu



Lamination Unit

S.F. No. 371/5, Karadivavi Road
Paruvai Post, Karanampet
Palladam - 641 658



Bag Unit

S.F. No. 371/5, Karadivavi
Road Paruvai Post,
Karanampet,
Palladam 641 658



Coating Unit

S.F. No. 371/5, Karadivavi Road
Paruvai Post, Karanampet
Palladam - 641 658



Knitting Unit

Kodangipalayam Village
Karadivavi Road, Paruvai Post
Coimbatore District
Tamilnadu



Garment Division

S.F. No. 371/5, Karadivavi Road
Paruvai Post,
Karanampet,
Palladam 641 658



Windmills – Tamil Nadu

- Munduvelampatti Village
- Gudimangalam
Athukinathupatti & Uthukuli
Villages
- Vagatholubu Kongalnagaram

Certifications





Way Ahead



India's No-1 & Most Trusted

Quick Dry[®]

Baby Bed Protector



Way Ahead



01

Quick Dry - Expand Distribution & Consolidate market leadership in Dry sheets

- Target - 'Quick Dry' to be largest baby products provider in India
- Increase distribution network pan India – plans to reach 30,000+ retailers through 400+ distributors
- Increase wallet share of existing customers and add new customers - enhancing product offerings through innovation and technology

02

Increase in Paw-Paw diaper business

- Optimize on existing distribution channel and increase in online-offline network to have pan-India reach
- Continued focus on Innovation to make it more user-friendly and comfortable for babies

03

Add new point on non-flex material

Strong Opportunity from Non-Flex Banners

- Recent ban on flex banners in Kerala expected to open new opportunities for biodegradable signage material
- Poised to capitalize on this opportunity by offering non-flex biodegradable options for banners across Kerala & Bengaluru

Increase in Military & Tactical Gear business

- Add new & innovative products and increase product offerings in Defence segment, through innovation combined with integrated facilities & strong R&D capabilities

Way Ahead

01

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04

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Thank You



For further information, please contact:

Company :

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