

Date: 20<sup>th</sup> February , 2018

The Manager  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeeboy Towers  
Dalal Street, Fort,  
Mumbai 400 001  
BSE Scrip Code: 535467

The Assistant Vice President  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor  
Plot No. C/1, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
NSE Scrip Symbol: AIFL

**Ref: Ashapura Intimates Fashion Limited**

**Sub: Submission of Investor Presentation Q3 FY2018**

Dear Sir/Madam,

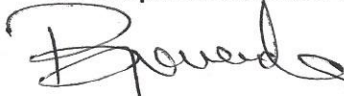
Pursuant to Regulation 30 (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the copy of the Investor presentation for the quarter ended 31<sup>st</sup> December, 2017

Please take the above information on record.

Thanking you

Yours Faithfully,

For Ashapura Intimates Fashion Limited



**Bhoomi Mewada**  
Company Secretary  
and Compliance Officer





# Investor Presentation

## February 2018



## COMPANY AT A GLANCE



### MODEL



Fashion house that designs, markets and retails clothing products.



Product Basket: Lounge wear, Sleep wear, Inner wear, Sports wear.



Brand name: VALENTINE.  
Headquartered in Mumbai, India.

### SCALE & REACH



15,000 Point of sales;  
Pan India Presence.



35 EBO Stores;  
Presence in 15 Cities.



Own online portal;  
Presence on 30+ market places;  
Mobile Application.

### CONSOLIDATED FINANCIALS



Revenue (Mn):  
FY14 INR 1,979  
FY17 INR 3,123  
3 Year CAGR 16.4%



EBITDA (Mn):  
FY14 INR 290  
FY17 INR 480  
3 Year CAGR 18.3%



Net Profit (Mn):  
FY14 INR 71  
FY17 INR 169  
3 Year CAGR 33.5%

Made with Love

## **MR. HARSHAD THAKKAR**

Chairman and Managing Director



- Mr. Harshad Thakkar a strong visionary who has two decades of hands-on experience in conceptualizing, executing, developing and expanding comfort wear & lounge wear market in India and abroad.
- His foresightedness can be well depicted by his ventures which he started in 1999 and in the coming years launched apparel wear under the brand name “Valentine” and recently launched “TRICCI”, a dedicated brand for menswear and boys wear in India.
- With his vast experience in the apparels market, Mr. Thakkar has a keen eye for design, with the company’s major focus being on creating excellent designs. He also has a great understanding of the buying trends of consumers in the apparel business.
- He has served as the Chairman of the Lingerie Committee, Clothing Manufacturing Association of India (CMAI).

## **Mr. Dinesh Sodha**

Director- Marketing Head

In the intimate garments business for 16 years. Responsible for day to day management of the centralised warehousing facility. Joined the Board of Directors in 2012.

## **Mr. Hitesh Punjani**

Director- Production Head

Experience in the intimate garments business for about 12 years. In-charge of ensuring quality production process, timely delivery of goods and quality output.

## **Other Key Management Personnel**

## END TO END INTEGRATED FASHION COMPANY

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### INTEGRATED FASHION PLAY IS THE WAY TO GO

#### Brand

- Valentine is our flagship owned brand inclusive of entire family.
- Recently launched TRICCI, a male-oriented brand.
- Focus on wardrobe essentials ubiquitous wear which can be used both at home & outside.
- Focus on Quality & Fit.



#### Retail

- Current investment in EBO & SIS model will accelerate growth momentum.
- Continued focus to integrate stores & E-Commerce platform.
- Presence through Mobile Application.
- Strategic expansion to improve brand awareness.

Investment in fashion entities accelerate growth momentum.



## THE BRAND - VALENTINE

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- Valentine, the symbol of luxurious comfort in fashionable intimate wear industry.
- Company is leading retailer of women's loungewear, men's & also into kid's loungewear, covering almost every corner in India making us a market leader in the loungewear segment.
- Valentine's products are sold in more than 15,000 stores pan India. The products are available online at [www.valentineclothes.com](http://www.valentineclothes.com), through other various online marketplaces and mobile application enabling customers to shop the brand anywhere, anytime, from any place.
- AIFL's CMD, Mr. Harshad Thakkar leads the designing and conceptualisation of the brand.

LUXURIOUS  
COMFORT



 VALENTINE

## THE BRAND - TRICCI

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- "TRICCI", ideated to bring a dedicated brand for menswear and boys wear in India.
- With the phenomenal success that the company has received in its flagship "Valentine" brand, which has primarily focused on the women category, the company has taken a bold step to enter into the USD 25Bn+ Menswear market in India.
- The brand will ensure superior quality and fashionable styles to meet the evolving tastes of today's men and boys. The same distribution network would be used to offer a new segment of apparels.
- AIFL's CMD, Mr. Harshad Thakkar leads the designing and conceptualisation of the brand.



## **OUR STRENGTHS**

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### **PROMOTER EXPERTISE**

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Two decades industry experience has aided in building business relationships.

Promoter's association since incorporation has allowed him to develop an intimate knowledge of the business.

### **LARGEST PRODUCT BASKET**

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Range of products handled by the company includes lounge wear, night wear, innerwear, maternity wear, bridal wear, bathrobes, leggings, sports wear and kids wear, which is larger than any of the peer companies.

### **STRONG BRAND IDENTITY**

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Valentine brand owned by AIFL.

High brand recall and brand pull.

Recently launched TRICCI, a male-oriented brand.

### **LARGE DISTRIBUTION NETWORK**

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Strong network of 115 distributors, 14 C&F agents and salesmen all over India catering to over 15,000 point of sales along with a strong online presence.

### **BACKWARD INTEGRATION & DESIGNING**

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AIFL has merged with Momai Apparels which is engaged in the business of manufacturing intimate garments which has a capacity of 50 Lacs pieces per annum at Vapi, Gujarat.

Best of fabrics and materials are used to create most unique designs in each product category to with innumerable options.



## OUR JOURNEY & TIMELINE

**1999**

- Ashapura Apparels, a proprietorship firm was started by Mr. Harshad Thakkar. Brand Valentine was born to market loungewear products.

**2007**

- New facility was established at Thane for designing and marketing to support the growth in sales.

**2011**

- Added new product categories Women Inner wear and Lingerie under the brand name extensions 'Valentine Pink' and 'Valentine Secret Skin' respectively.

**2015**

- Launched several EBO in Mumbai and across India.
- Migrated to the BSE Main Board & Listed on NSE.
- Won National Marketing Excellence Award.
- Launched E-commerce Portal.

**2017 Onwards**

- Awarded by 'THE ECONOMIC TIMES BEST BRANDS AWARD 2017'.
- Signed a new deal with HT Media for aggressive advertisement.
- Launched A new brand, "Tricci".



**2006**

- Ashapura Apparels Private Limited was incorporated.

**2008**

- Machineries were modernized and marketing network was expanded along with the launch of the brand 'N-Line' and 'Night & Day'

**2013**

- Company got listed on BSE SME segment.
- Launched Valentine Sportswear.

**2016**

- Launched Multiple EBO's, SIS Model among several stores and Mobile Application for all mobile users to strengthen the distribution network.

## OUR DESIGN INNOVATION

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- Young and energetic professional creative team from the best design schools in the country.
- Process flow commences with the conceptualization based on specific researched fashion trends, range, choice of fabric, color, designing pattern, outlook of the product and other details.
- Trends forecast prior to season commences, drawing various product inspiration.
- Setting & bringing new trends in the market by introducing 125 SKU's designs every month by breaking the old seasonality trending.
- Focused design development based on demographic, tradition and geographical measures.
- Planned fabric materials, embellishments and styling are produced, based on the inspirations board developed as samples. Thus, marketing team approved samples brought in final mass manufacturing of product on parameters (size, price).

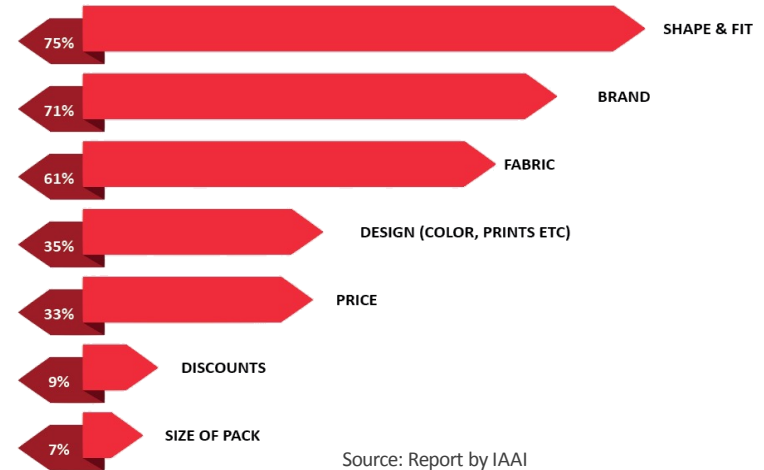


## OUR IDEATION STRATEGY

Shape, Fit and Brand are the most dominant factors.

- Shape and fit are the most important criteria being looked upon by consumers while buying clothing products.
- Though very limited brands are recognized in the market, brand is still the second most important factor and it is almost in par with the shape and fit.
- Innerwear products are considered as second skin because it is in direct contact with the skin. Owing to the importance of this aspect, the fabric of the innerwear is the most important criteria that is considered while buying innerwear.
- The Indian consumers also have keen eye on changing styles and pricing of each product while purchasing any clothing products.

### Influencing Parameters/ Purchase Decision Drivers



## THE 4P's OF EMERGING BRAND

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The company has got one of the biggest product basket in the entire industry which covers one's entire life span.

### PRODUCT

Available in every corner of the country either through MBO, LFS, EBO, Own Website, Mobile App. and other online Market places. The brand is also available in Middle East and Asian Countries.

### PLACE



### PRICE

Price of the product affects the profit margins, supply, demand and marketing strategy for the company. The cost is imperative as it decides the organization's benefit and thus, survival.

### PROMOTION

The company promotes its brand through various news papers, magazines, social media, hoarding, etc.

# LUXURIOUS COMFORT

For  
ENTIRE FAMILY

Lounge &  
Sleep Wear



Bridal  
Nightwear



Inner Wear



Sports Wear



Men Lounge  
& Sleep Wear



Kids Lounge  
& Sleep Wear



 VALENTINE

## BUSINESS OVERVIEW

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AIFL markets and retails a large variety of products catering to all age groups of women, men and children.



### LOUNGE WEAR

Leisure wear  
T-Shirts  
Shorts  
Hoodies  
Bermuda  
Capris  
Yoga pants  
Other comfort wear

#### FOR WHOM

Men + Women + Kids



### NIGHT WEAR

Nighties  
Night Pyjama  
Maternity feeding nighty  
Bridal night wear  
Honeymoon sets

#### FOR WHOM

Women



### INNER WEAR

Slips  
camisoles  
Bathrobes  
Maternal wear  
Brassieres  
Panties  
Corsets  
Other Lingerie

#### FOR WHOM

Women



### SPORTS WEAR

Gym wear  
Yoga wear  
Sports Bra  
Track Pants  
T-Shirts

#### FOR WHOM

Men + Women



## DISTRIBUTION CHANNELS

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### MULTI-BRAND OUTLETS

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Pan-India presence with a network of 115 distributors and 14 carrying and forwarding agents cater 15,000 point of sales.



### SHOP IN SHOP MODEL

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A new approach to reach to consumers giving higher profitability to the company initiated since Q4 - FY17.



### LARGE FORMAT STORES

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Retails directly to various LFS operating in different regions of India such as: VIJAY STORES | GLOBUS | CENTRAL | CHUNMUN | BIG LIFE | LA LINGERIE | a few to name.

### EXPORTS

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The company caters Valentine products to the Middle East and Asian countries.



Presence in India

### Global Presence



UAE



BAHRAIN

## DISTRIBUTION CHANNELS

### EXCLUSIVE BRAND OUTLETS (EBO)

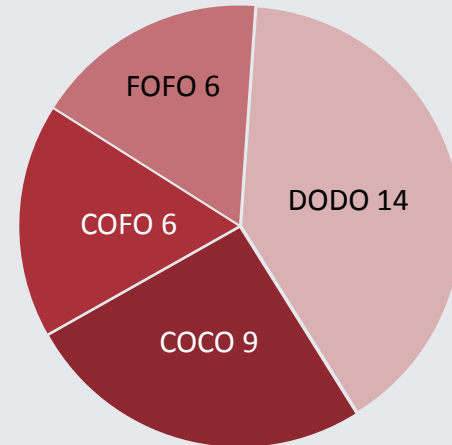
- The organized retail formats such as EBO's, departmental stores and LFS (Large Format Stores) are gaining traction and popularity as more and more brands are entering into the premium range.
- AIFL currently has several Exclusive Brand Outlets across India. The company started with its first EBO in Mumbai in December 2014.
- EBITDA margins are higher by 15-20% in the EBO model along with a lower credit period compared to an MBO network model.

### FUTURE PLAN

- To open 100 more EBO's on PAN India basis in the next three to five years.



EBO Stores



## DISTRIBUTION CHANNELS

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### ONLINE MARKET PLACES

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Besides marketing through our own portal, Valentine products are available on 30+ other market places like Myntra, Jabong, Amazon, Paytm, Flipkart, eBay, Snapdeal, Firstcry, Limeroad, Nykaa, Tatacliq, Homeshop18.

### FUTURE PLANS

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AIFL is developing more selling windows online & hence targeting to increase the sales through this online digital medium.

### MOBILE APPLICATION

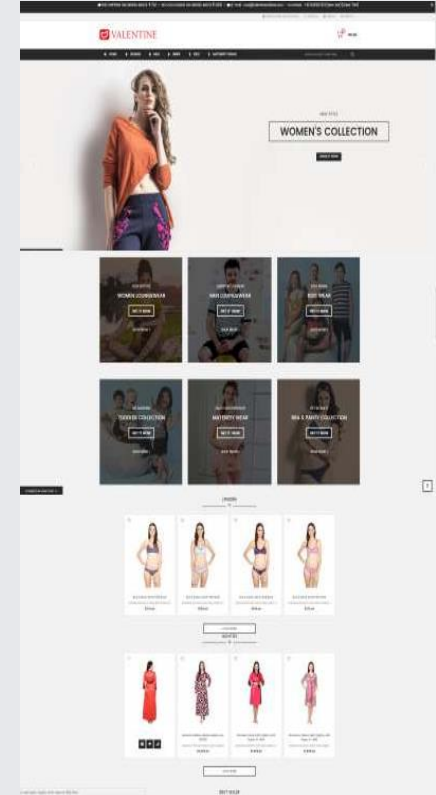
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The company has launched Mobile App, Valentine Clothes for all smart phone users.

### Online Partners

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### VALENTINE E-COMMERCE MODEL

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We market our products through our own e-commerce website since 2015:  
[www.valentineclothes.com](http://www.valentineclothes.com)

# MEDIA PRESENCE

AIFL has an Advertisement Deal with Bennett Coleman & Company for the period of three years starting from October 2015.

To strengthen it's advertisement reach, AIFL has signed new deal with Hindustan Times Media Limited.

Brands are promoted through various hoardings, event sponsorships, special event advertisements and advertising in selected print media.

Company's brand "VALENTINE" has been awarded by 'THE ECONOMIC TIMES BEST BRANDS AWARD 2017' presented for being a symbol of excellence in best brand.

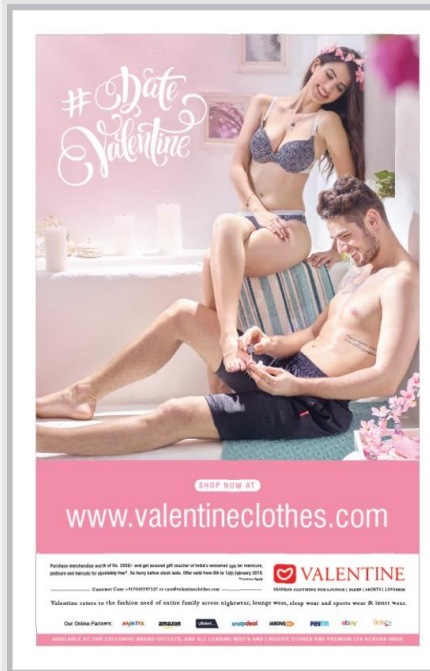
## OUR PRESENCE

- Newspaper Ads.
- Magazine Ads.
- Metro Branding
- Festival Sponsors
- Festival Branding

## OUR ADVERTISING PUBLICITY WINDOW



## NEWS PAPER ADS.



## MAGAZINE ADS.



## GROWTH DRIVERS

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### FOCUS AREAS TO DRIVE PROFITABILITY

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#### CUSTOMER VALUE ENHANCEMENT

SIS Model

Online presence



#### RETAIL

100+ EBO's

High volume channel

Presence in Metro



#### DESIGN TO VALUE

In-house designing team



#### EFFICIENCY IMPROVEMENTS

Merger with Momai Apparel Ltd.

Reduction in working capital cycle days



#### MATERIAL USED

Best of fabric and material used



#### NEW BUSINESS MODEL

Introduction of Men's wear brand "TRICCI"

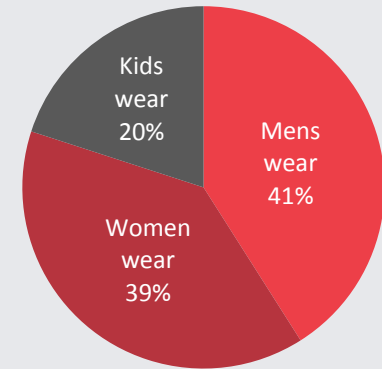
Introduction of Brand Ambassador

## INDUSTRY OVERVIEW

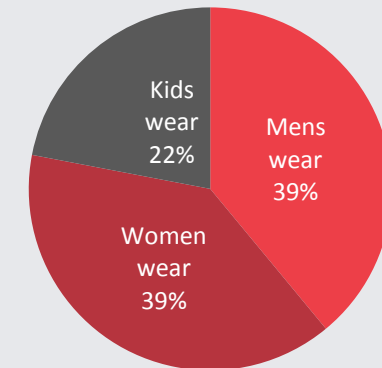
### INDIAN APPAREL INDUSTRY

- India's apparel market estimated at Rs~3,300bn in 2015 which is expected to grow to Rs~7,500bn by 2022 at a CAGR of 13%.
- Branded apparels market expected to grow at 1.5x overall market. Introducing 125 SKU's designs every month by breaking the old seasonality trending.
- Setting & Bringing new trends in the market. Men's wear is the largest segment in India's apparel market, accounting for 41% of the overall market.
- In comparison, women's wear makes up 39%, while kids wear comprises 20% of the market.
- The men's wear market is expected to grow at a CAGR of 8.5% over the next five years and women's wear market is expected to grow at a CAGR of 9% for the next five years.
- India's share of the world's apparel exports stands at 4.5%.
- It is estimated that due to the increasing shift of apparel and textile production to Asian nations and the deteriorating export competitiveness of China, this figure will grow to 8% by 2021, with a total exports value of \$82 billion, which is currently \$41 billion.
- The per capita monthly income in India is estimated to reach \$1,979 by 2017 from \$1,595 in 2014.

### Indian Apparel Market - 2015



### Indian Apparel Market - 2019E



Source: Report by IAAI, Technopak Analysis, Monte Carlo, I-Sec research.

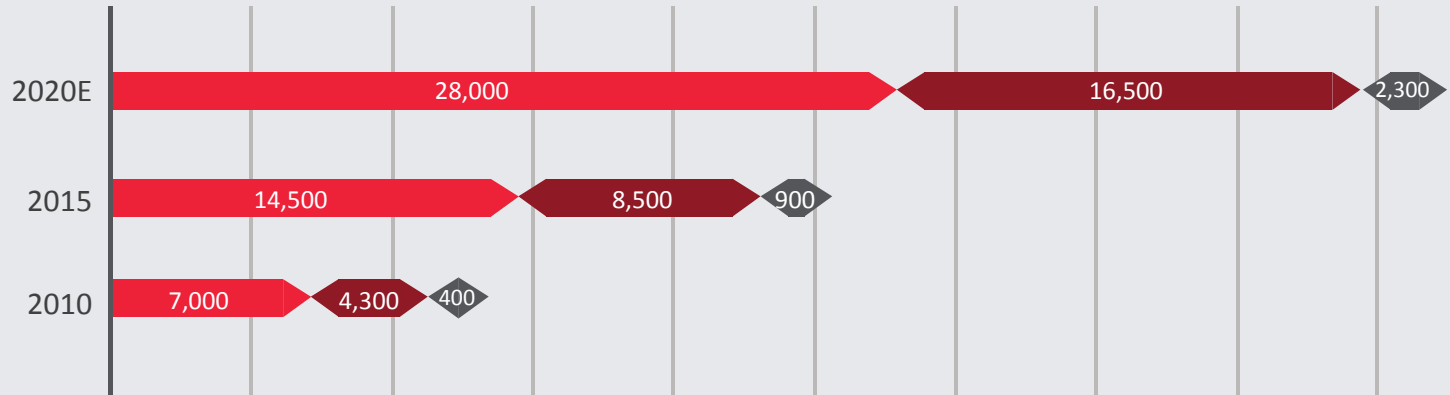


## INDUSTRY OVERVIEW

### Indian Intimate Wear Market Size

- Indian intimate wear market is dominated by women's segment which currently forms over 60% of the overall market and is valued at Rs. 14,500 crores.
- This segment has outperformed the overall market as well as men's segment, which currently holds ~ 35% of the total market. Kid's intimate wear market merely has a 4% share in total market.

### Category wise Market Size (Values – Rs./Crore)



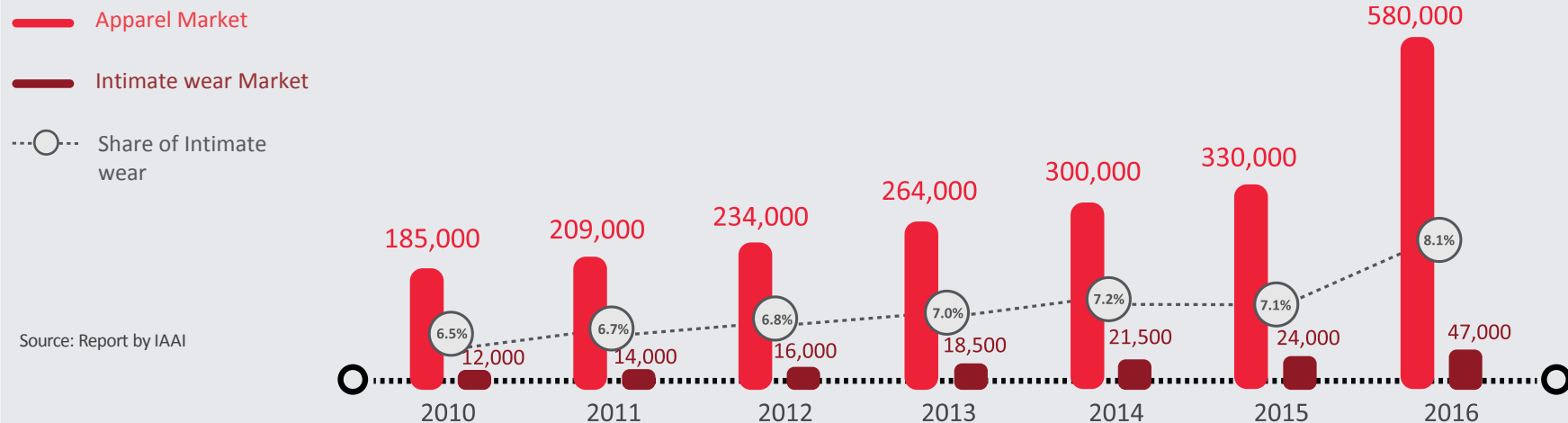
Source: Report by IAAI

## INDUSTRY OVERVIEW

### Indian Innerwear - Market Size and Segmentation

The Indian innerwear market is currently estimated at Rs. 24,000 crore. The segment has grown at 15% during the period from 2010 to 2015. During this period, the share of intimate wear in the total apparel market increased from 6.4% to 7.1%. The innerwear market is estimated to continue at the same growth rate over the next five years and expected to become a Rs. 47,000 crore market which is nearly 8% of the total estimated apparel market, by the year 2020. Out of the organized inner-wear market, listed players hold only 22% which means 78% is still untapped market.

### Category wise Market Size (Values – Rs./Crore)



## FINANCIAL PERFORMANCE

### STANDALONE INCOME STATEMENT

^ As per IndAs Standards  
and Merged financials  
(Consolidation of AIFL &  
MAL)



Particulars (INR Mn)	FY14	FY15	FY16	FY17**	9M-FY18^
<b>Total Revenue*</b>	<b>1,676</b>	<b>1,792</b>	<b>1,875</b>	<b>2,275</b>	<b>2,415</b>
Total Expenses	1,475	1,543	1,606	1,940	1,630
<b>EBITDA</b>	<b>201</b>	<b>249</b>	<b>269</b>	<b>335</b>	<b>785</b>
<b>EBITDA Margins (%)</b>	<b>12.00%</b>	<b>13.90%</b>	<b>14.30%</b>	<b>14.73%</b>	<b>32.51%</b>
Depreciation	25	14	23	25	23
Finance Cost	90	77	59	80	138
<b>PBT</b>	<b>86</b>	<b>158</b>	<b>187</b>	<b>230</b>	<b>624</b>
Tax	32	71	63	76	137
<b>PAT</b>	<b>54</b>	<b>87</b>	<b>124</b>	<b>154</b>	<b>487</b>
<b>PAT Margins (%)</b>	<b>3.20%</b>	<b>4.90%</b>	<b>6.60%</b>	<b>6.77%</b>	<b>20.17%</b>
Other Comprehensive Income	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>54</b>	<b>87</b>	<b>124</b>	<b>154</b>	<b>487</b>
Diluted EPS	3.80	4.45	6.27	7.84	19.29

\*Includes other income

\*\*IND AS

# STANDALONE BALANCE SHEET

(As per IND AS)

Assets (INR Mn)	H1-FY18	FY17
<b>Non-Current Assets</b>		
(a) Property, Plant & Equipment	103	111
(b) Capital work-in-progress	-	-
(c) Other intangible assets	-	-
(d) Financial Assets		
(i) Investments	18	18
(ii) Other Financial Assets	-	-
(e) Deferred Tax Assets	6	7
(f) Income Tax Assets	-	-
Other Non-Current Assets	-	-
<b>Total Non-Current Assets</b>	<b>127</b>	<b>136</b>
<b>Current Assets</b>		
(a) Inventories	572	499
(b) Financial Assets		
(i) Investments	-	-
(ii) Trade Receivables	527	519
(iii) Cash & cash equivalents	25	13
(iv) Other Bank balances	1	0
(v) Other Financial Assets	294	433
(C) Other Current Assets	337	103
<b>Total Current Assets</b>	<b>1,756</b>	<b>1,567</b>
<b>Total Assets</b>	<b>1,883</b>	<b>1,703</b>

Equity & Liabilities (INR Mn)	H1-FY18	FY17
(a) Equity Share Capital	199	195
(b) Other Equity	803	617
<b>Total Equity</b>	<b>1,002</b>	<b>812</b>
<b>Non-Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	253	261
(ii) Other Financial Liabilities	-	-
(b) Other Non-Current Liabilities	36	49
<b>Total Non-Current Liabilities</b>	<b>289</b>	<b>310</b>
<b>Current Liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	395	323
(ii) Trade and other payables	65	154
(iii) Other Financial Liabilities	-	-
(b) Provisions	124	84
(C) Other Current Liabilities	8	20
<b>Total Current Liabilities</b>	<b>592</b>	<b>581</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,883</b>	<b>1,703</b>



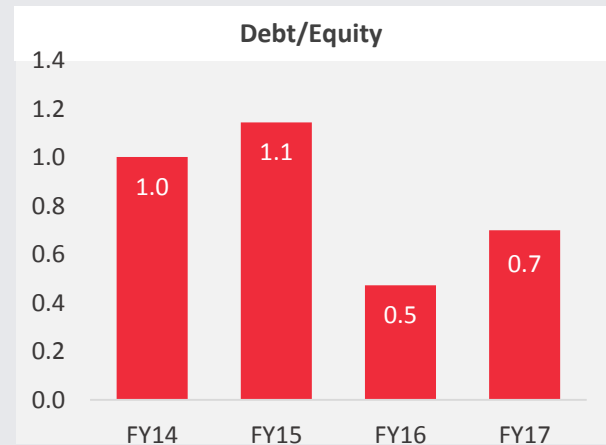
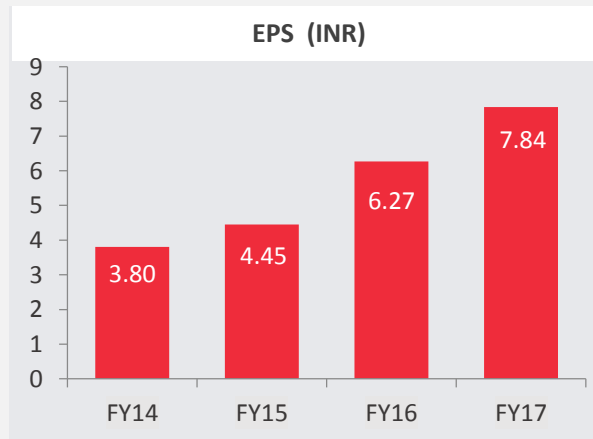
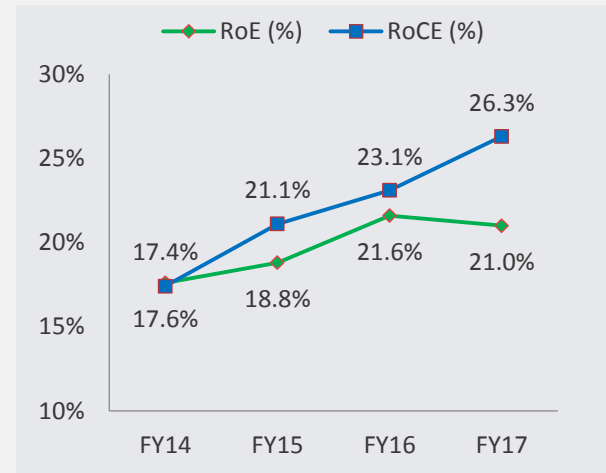
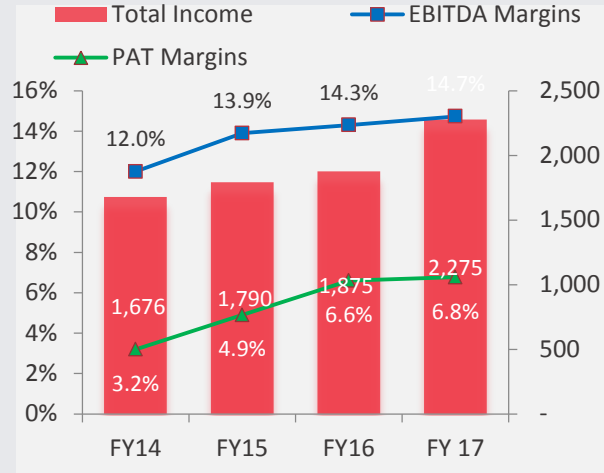
## MERGED BALANCE SHEET



Liabilities (INR Mn)	FY17
<b>Shareholder's Fund</b>	
Share Capital	248
Reserves and Surplus	1,211
Share Application Money Pending Allotment	41
<b>Total Shareholder's Fund</b>	<b>1,500</b>
<b>Non-Current Liabilities</b>	
Long Term Borrowings	422
Other Long Term Liabilities	49
<b>Total Non-Current Liabilities</b>	<b>471</b>
<b>Current Liabilities</b>	
Short Term Borrowings	672
Trade Payables	210
Other Current Liabilities	44
Short Term Provisions	105
<b>Total Current Liabilities</b>	<b>1,031</b>
<b>Total</b>	<b>3,002</b>

Assets (INR Mn)	FY17
<b>Non-Current Assets</b>	
Tangible Assets	200
Capital Work-in-Progress	-
Other Non Current Assets	2
Deferred Tax Asset	3
<b>Total Non-Current Assets</b>	<b>205</b>
<b>Current Assets</b>	
Inventories	944
Trade Receivables	998
Cash & Cash Equivalents	19
Short Term Loans and Advances	731
Other Current Assets	105
<b>Total Current Assets</b>	<b>2,797</b>
<b>Total</b>	<b>3,002</b>

# STANDALONE FINANCIAL PERFORMANCE

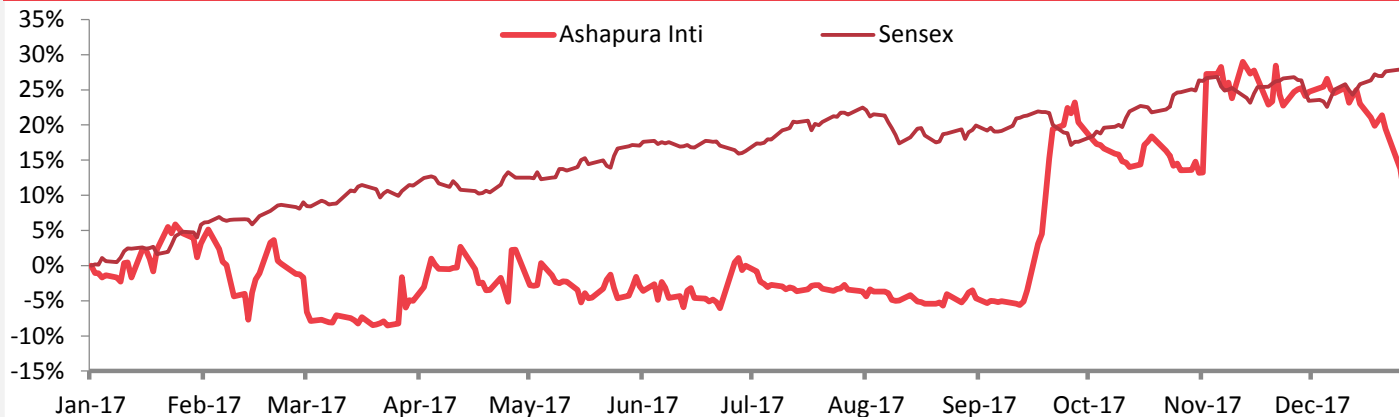




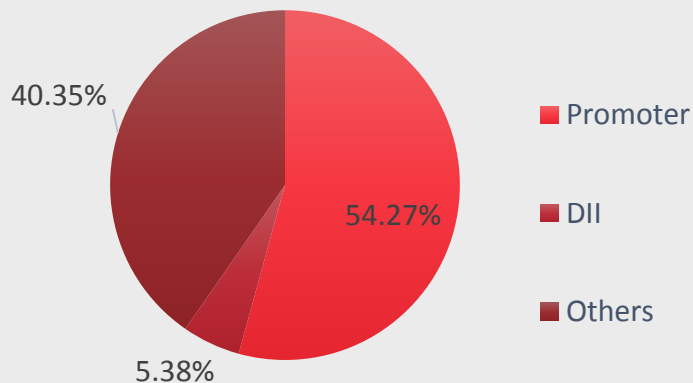
## CAPITAL MARKETS

**ASHAPURA INTIMATES FASHION LTD.**

### SHARE PRICE PERFORMANCE (AS ON DECEMBER 31<sup>st</sup>, 2017)



### SHAREHOLDING PATTERN (AS ON DECEMBER 31<sup>st</sup>, 2017)



### PRICE DATA (AS ON DECEMBER 31<sup>st</sup>, 2017)

Face Value (INR)	10
Market Price (INR)	471.6
52 week H/L (INR)	568.95/354.20
Market Cap (INR Mn)	9,370
Equity Shares Outstanding (Mn)	25.21
12 Month Avg. Trading Volume ('000)	150.63

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