

August 08, 2022

To,  
The Manager  
The Department of Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001

**Sub: Investor Presentation- Q1 FY23.**  
**Ref.: Vishal Fabrics Limited, Scrip Code: 538598, Security ID: VISHAL**

Dear Sir/Ma'am,

With reference to above captioned subject, please find attached herewith Investor presentation- Q1 FY23.

The Investor Presentations-Q1 FY23 will also be available on the website of the Company at [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).

We request you to take the above information on record.

Thanking you.

Yours faithfully,  
For **VISHAL FABRICS LIMITED**



**Nikhil Vadera**  
Company Secretary & Compliance Officer  
Membership No. A49435



Encl.: a/a

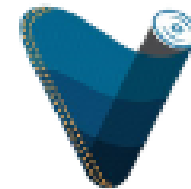
**Corporate Office :**

Shanti Corporate House, Nr. Hira Rupa Hall, Bopal-Ambli Rd,  
Bopal, Ahmedabad - 380058, Gujarat, India.  
Ph : +91 6359701763 | 6359701796

**Registered Address :**

Ranipur, Narol road, Ahmedabad - 382405,  
Gujarat, India.

denim@chiripalgroup.com | info.vfi@chiripalgroup.com | [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com) | CIN : L17110GJ1985PLC008206



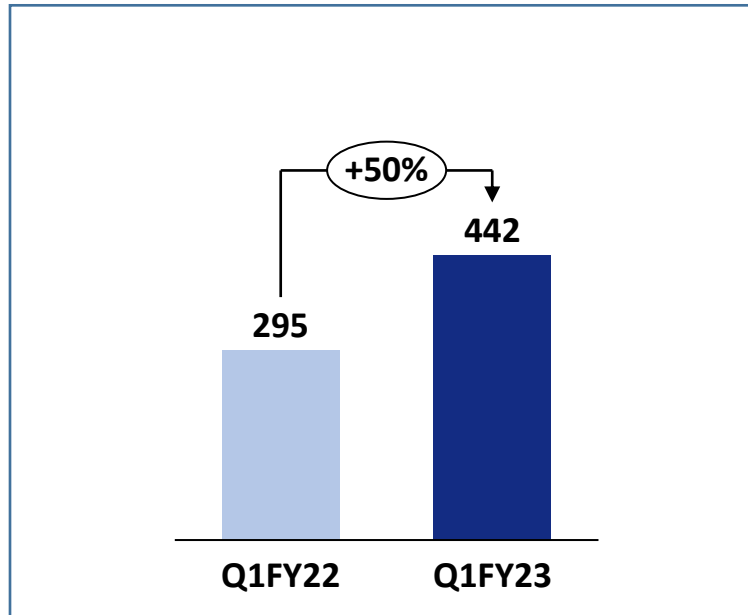
**VISHAL**  
FABRICS LTD

**Investor Presentation**  
**Q1 FY23**

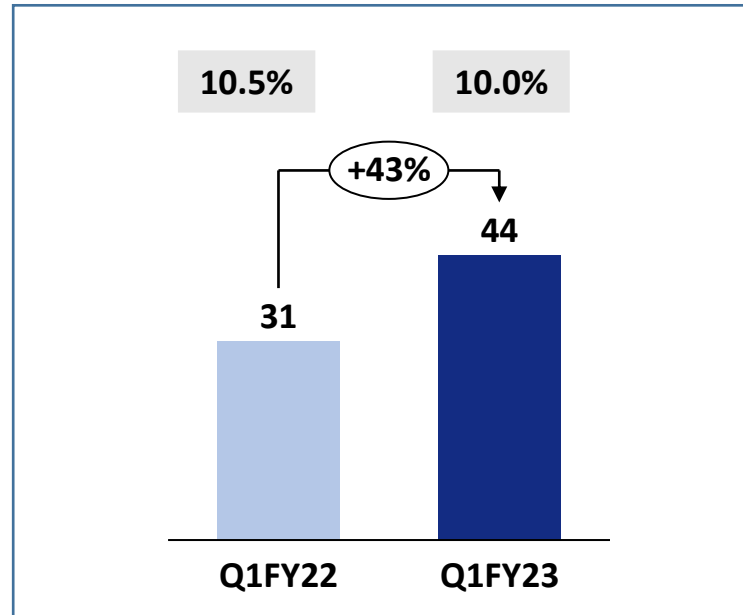
- The company has achieved 50% Top line growth in Q1FY23 on the back of new capacity which was operationalised during the quarter
- Efforts taken to control operational cost helped to achieve EBITDA growth of 43% in Q1FY23 with EBITDA of Rs. 44 Crs v/s Rs. 31 Crs in Q1FY22
- Capacity utilization at Dholi unit for Q1FY23 stands at 79% v/s 85% in Q4FY22. Drop in the capacity utilization at Dholi unit is on the back of new capacity line which was operationalized in the current quarter. However, at Narol plant capacity utilization stayed the same at 86% from Q4FY22 To Q1FY23
- For the upcoming quarter, our order book remains healthy
- Upcoming quarter we will focus on growing topline growth while simultaneously remaining committed to improving profitability

Rs. in Crs

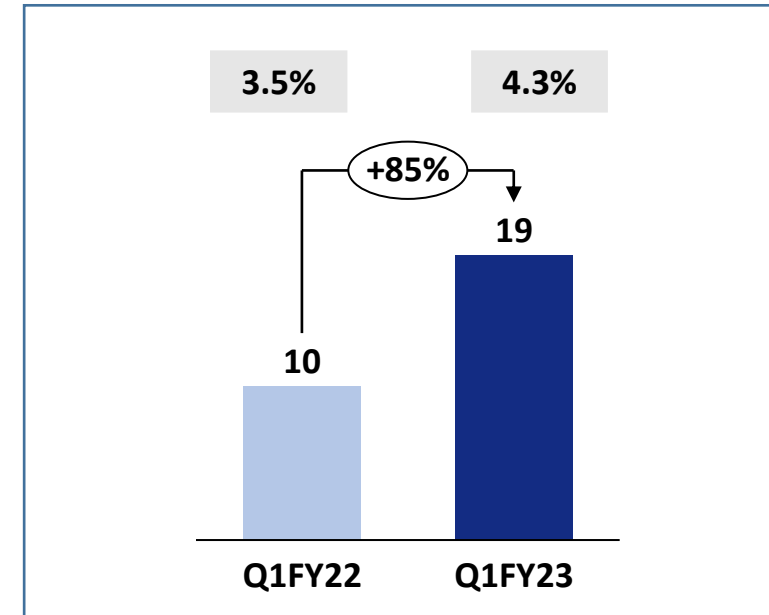
## REVENUE



## EBITDA



## PAT



■ Margins

# STANDALONE P&L

Particulars (Rs. in Crs)	Q1FY23	Q1FY22	YoY%	Q4FY22	QoQ	FY22
<b>Revenue from Operations</b>	<b>442</b>	<b>295</b>	<b>50%</b>	<b>426</b>	<b>4%</b>	<b>1,547</b>
COGS	365	242		347		1269
Employee Cost	20	15		24		77
Other Expenses	12	7		9		39
<b>EBITDA</b>	<b>44</b>	<b>31</b>	<b>43%</b>	<b>44</b>	<b>-0.4%</b>	<b>161</b>
<b>EBITDA Margin</b>	<b>10.0%</b>	<b>10.5%</b>		<b>10.4%</b>		<b>10.4%</b>
Depreciation	8	8		10		33
Other Income	0.9	0.1		1.9		3.1
<b>EBIT</b>	<b>37</b>	<b>23</b>	<b>64%</b>	<b>36</b>	<b>1%</b>	<b>131</b>
<b>EBIT Margin</b>	<b>8.4%</b>	<b>7.7%</b>		<b>8.6%</b>		<b>8.5%</b>
Finance Cost	10	9		10		38
<b>Profit before Tax</b>	<b>26</b>	<b>14</b>	<b>91%</b>	<b>26</b>	<b>2%</b>	<b>93</b>
Tax	8	3.7		6		24
<b>Profit After Tax</b>	<b>19</b>	<b>10</b>	<b>85%</b>	<b>20</b>	<b>-4%</b>	<b>69</b>
<b>Profit After Tax Margin</b>	<b>4.3%</b>	<b>3.5%</b>		<b>4.6%</b>		<b>4.5%</b>
EPS	0.96	0.52		0.99		3.49
Cash PAT	27	19		30		102



Particulars (Rs. in Crs)	Mar-21	Sept-21	Mar-22	June-22
Long Term Debt	223	208	193	177
Short Term Debt	164	173	185	210

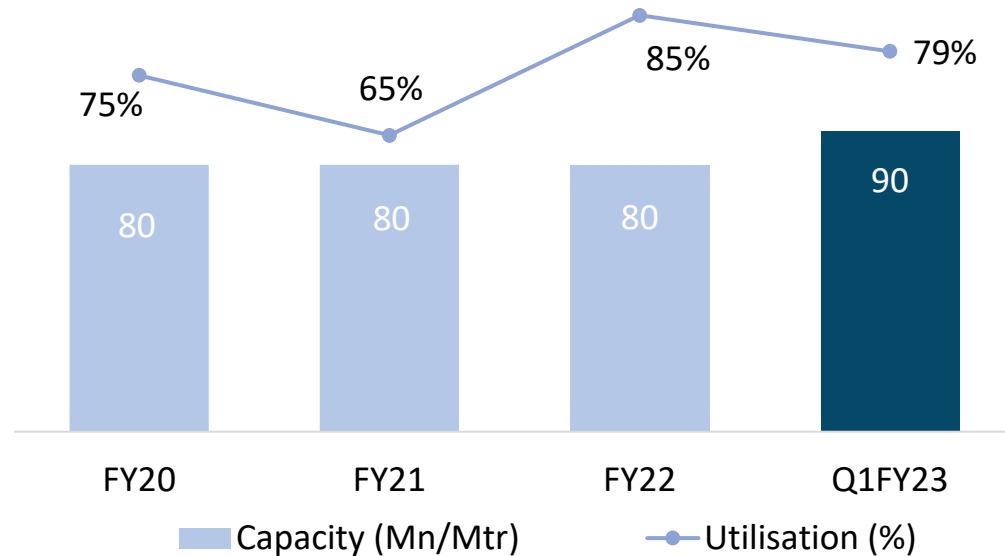
## Commentary

- The Company's consistent efforts towards debt reduction will help to strengthen the Balance sheet position.
- Short term debt mainly includes working capital limits
- We target to reduce debt by Rs. 35 - 40 Crs in FY23 out of which Rs.15 Crs has already paid in June 2022



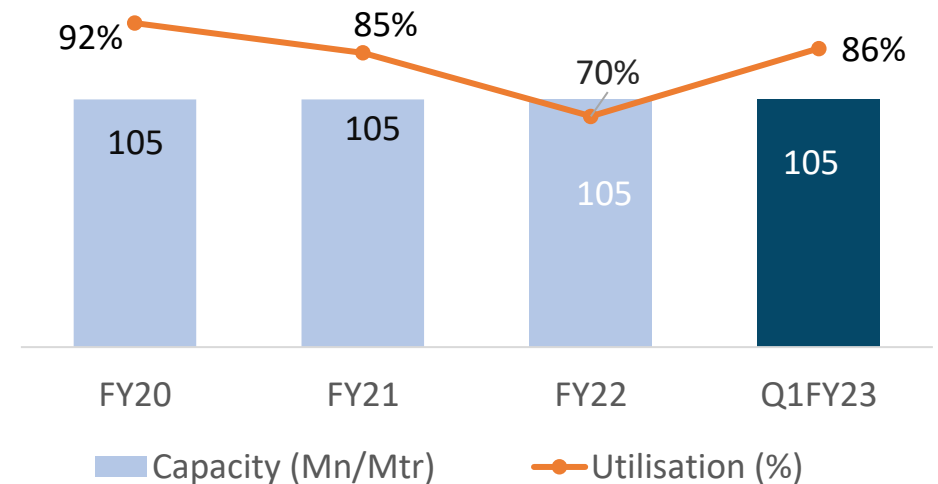
## Dholi Unit

Yarn dyeing and denim processing plant having installed capacity of 90 MMTPA at Dholi Integrated Spinning Park, Dholi, Dholka.



## Narol Unit

Narol Plant is having capacity of 105 MMTPA. The plant is mainly used for Job work purpose such as Printing, dyeing, and processing wide range of fabrics



- Capacity utilization at Dholi unit for Q1FY23 stands at 79% v/s 85% in Q4FY22. Drop in the capacity utilization at Dholi unit is on the back of new capacity line which was operationalized in the current quarter. However, at Narol plant capacity utilization stayed the same at 86% from Q4FY22 To Q1FY23

# ABOUT US



*A flagship company of the Chiripal Group,  
**Vishal Fabrics Limited** is a leading manufacturer of premium denim fabrics*

## DOMESTIC & GLOBAL CLIENTELE

Serving Domestic & Export markets  
Focussing on exports and target new markets to diversify customer base geographically for further growth

## FINANCIAL PERFORMANCE

**FY22 Revenue: Rs. 1547 Crs**  
**FY22 EBITDA: Rs. 161 Crs**  
**FY22 PAT: Rs. 69 Crs**

## STATE OF THE ART MANUFACTURING FACILITY

State-of-the-art manufacturing facilities equipped with latest technology  
**90 MMTPA Dyeing capacity &**  
**105 MMTPA Processing capacity**



## STRONG PEDEGREE

VFL is a Part of Chiripal group – One of the leading manufacturer and exporter of Textile

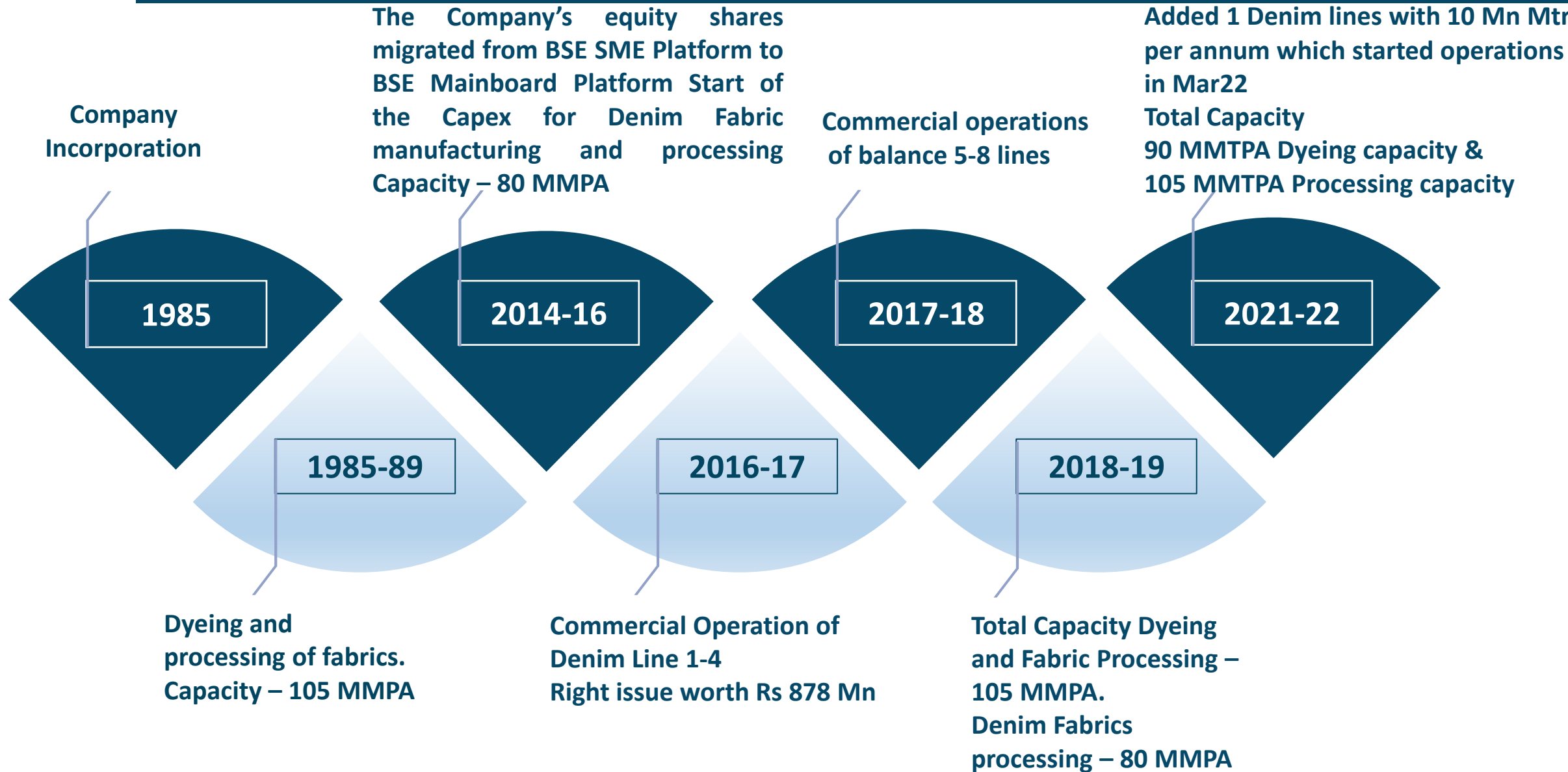
- Headquartered in Ahmedabad
- Established in 1985
- 2,200+ Employees

## ESG FOCUSED

ZLD (Zero Liquid Discharge) &  
ETP (Effluent Treatment Plant )  
OEKO-TEX certified

## BRAND RECOGNITION

Producing a wide range of products for men, women and kids. Recognized for manufacturing standard to premium grade denim fabric



- Vishal Fabrics Limited (VFL) is known for **dyeing, printing and processing** of denim, and other wide range of fabrics
- The fabric composition consists of 100% cotton, cotton spandex, cotton-poly, cotton poly spandex, cotton modal, and cotton tencel
- Vishal Fabrics manufactures fabric ranging from Standard to Super Premium Segment but more focused on the Premium segment
- Along with that, we are a **premier supplier** of top quality **stretch denim fabric** which is very popular among people of all ages

## END USE OF OUR FABRIC



## CREATING INNOVATION FABRIC SOLUTIONS FOR ICONIC BRANDS



## Finishes

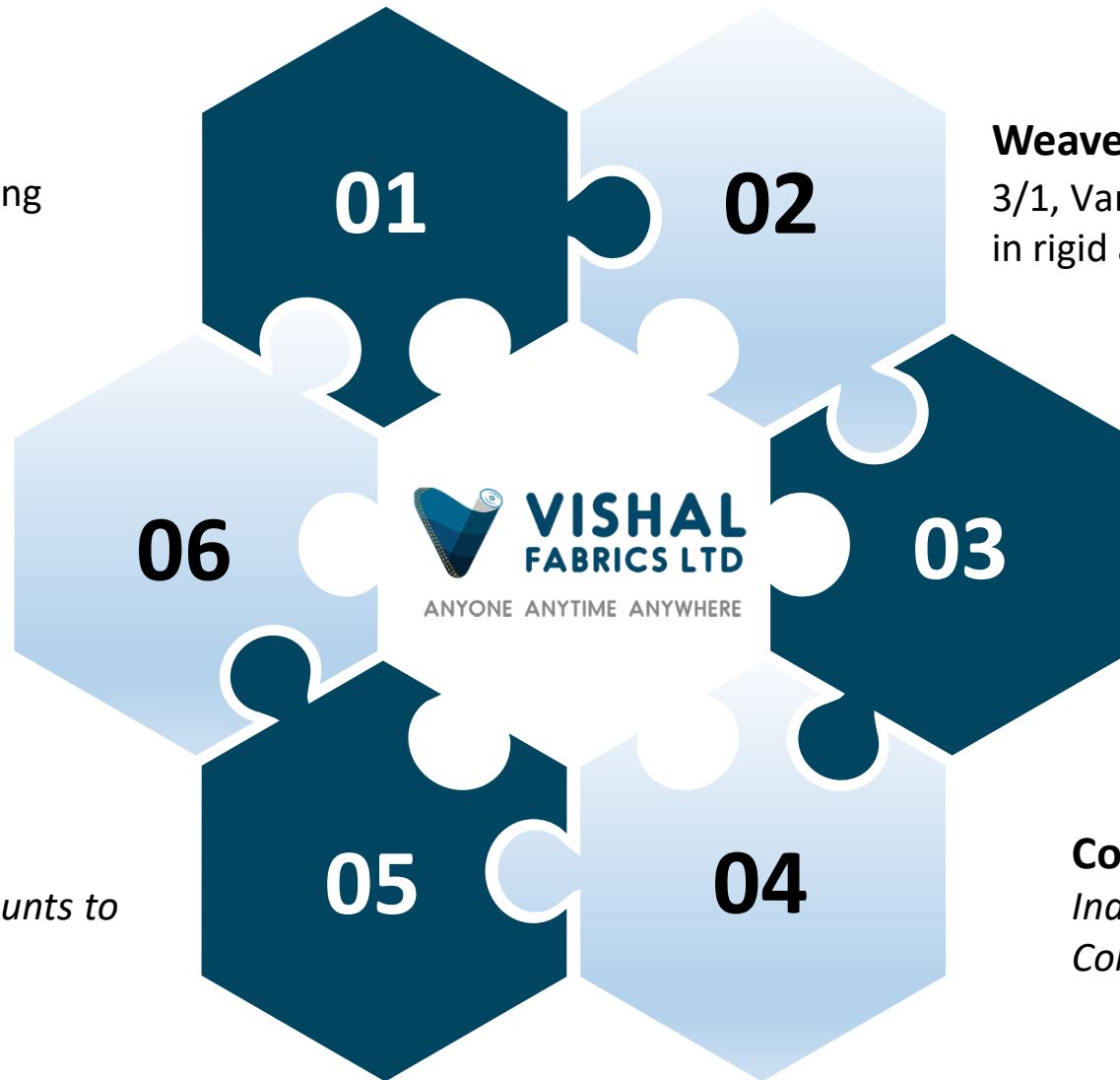
Dyes, Desize, Mercerize, Coating and Liza finishes

## Fabric Type

*Denim Bottoms, Denim Shirting and Joggings Fabric in narrow as well as wider widths*

## Weight

*3 Oz. to 15 Oz. With finest counts to coarser counts*



## Weaves

3/1, Various Structure, Jacquard, Dobby, Knits in rigid and Stretch fabrics

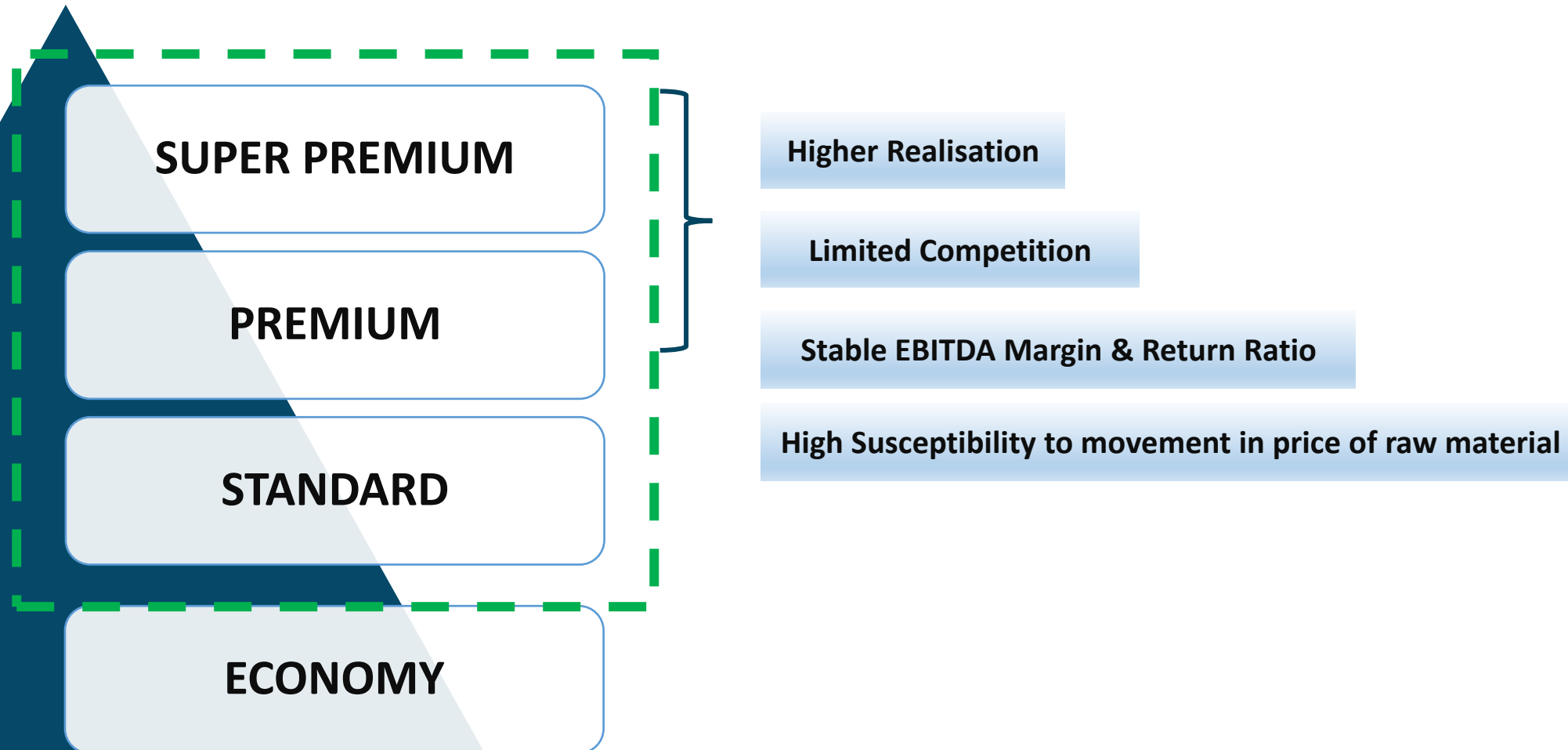
## Fabric Blend

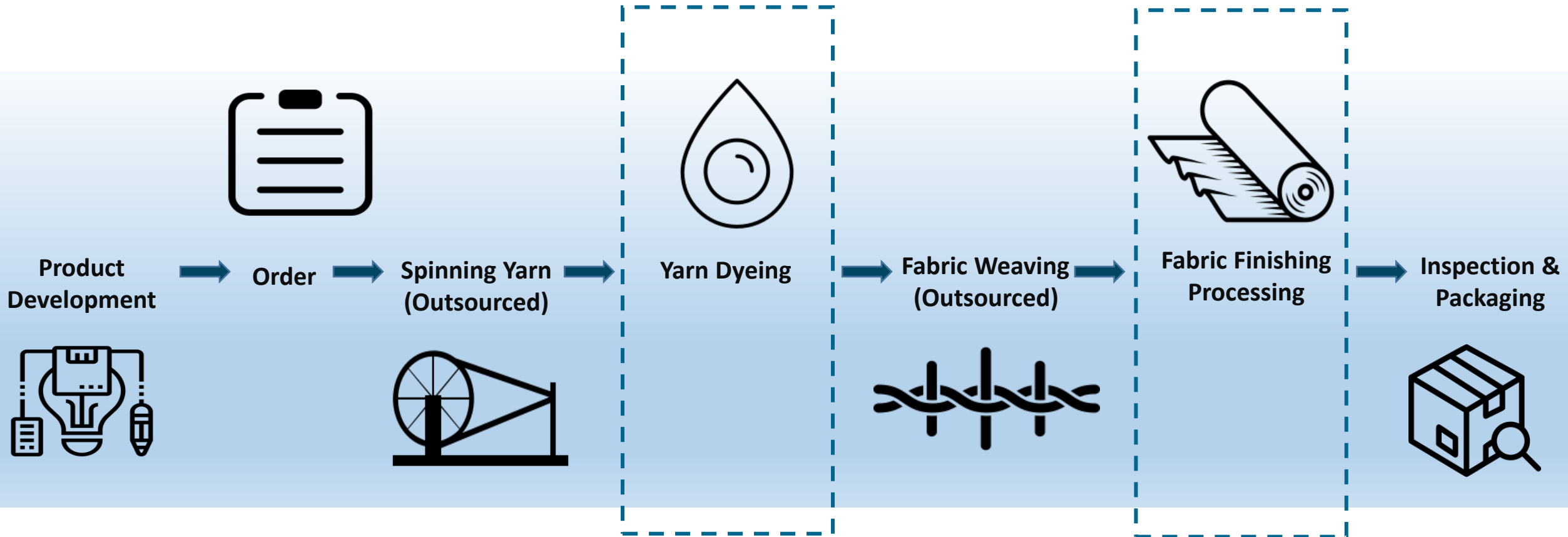
*Cotton, Polyester and Lycra*

## Colours

*Indigo, Sulphur and Darkest Deep Colour*

Vishal Fabrics manufactures fabric ranging from Standard to Super Premium Segment but more focused on the Premium segment



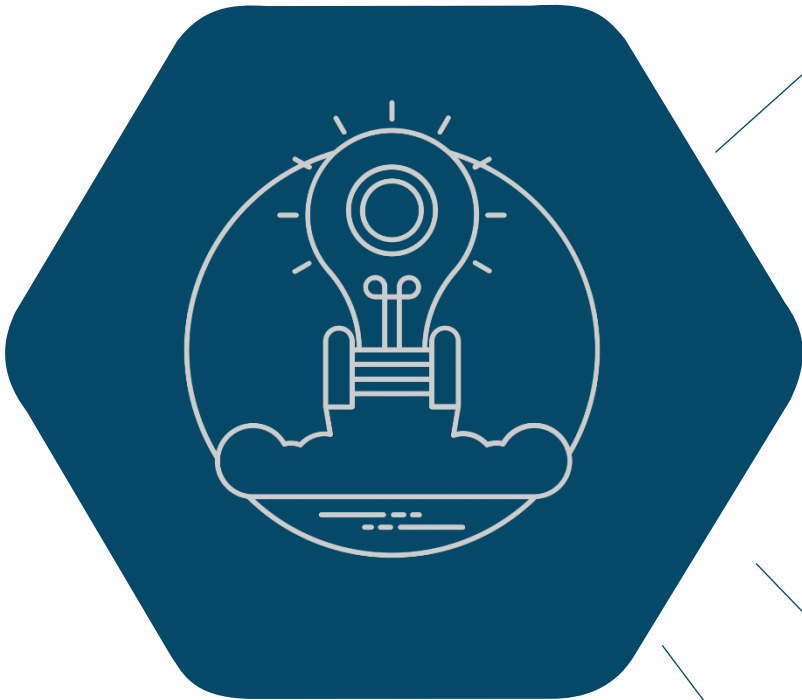


 Vishal's Operating Area

***The Company has a diversified manufacturing facilities***

***~40% of yarn is procured from sister concern company and balance from open market***





01

Our Denim products have **less water retention** so that they can be quickly dried and reduce the carbon footprint

02

**We have Wider denim fabric width** between 62"–90" and the industrial players typically have a weaving width of 62"–68" fabric capacity

03

**Our products are made of Wider width loom**; Larger fabric width helps minimize clothing waste by 5% - 7%

04

**We have In-house creative design studio** and product development cell managed by team of designers and technocrat from premier institution

05

Our Goods are made from **easily stretchable fabrics** so that less wash is necessary

## Manufacturing Location & Processes



## Advantage of Gujarat

1

### Gujarat is a textile hub of India

- Largest producer of denim fabric in India
- Housing the entire textile value chain

2

### Gujarat Textile Policy Benefits

- 10% capital subsidy from central government for plant and machinery
- 5% interest rate subsidy from state government
- 2.5% SGST subsidy on sales

3

### Superior infrastructure connectivity through roads, rail, airport and ports

4

### Close proximity to fabric dealers, garment manufacturer resulting in faster delivery and services and lower operating overheads

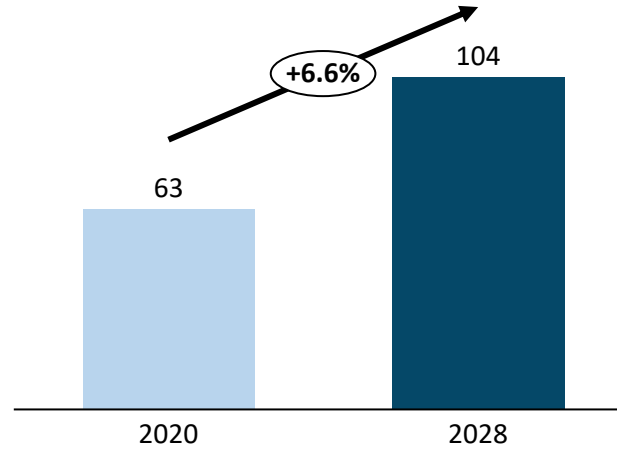
5

### Low cost production

- Easy availability key raw material – Yarn
- One of the largest producer of yarn
- Uninterrupted power supply
- Easy availability of skilled and unskilled labour

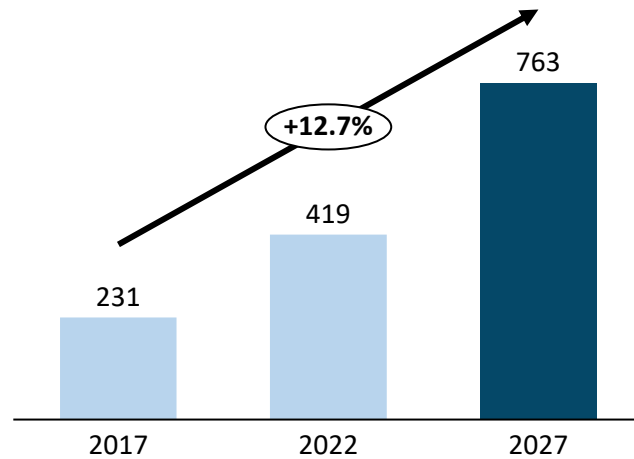
# INDUSTRY OVERVIEW AND WAY FORWARD

## Global Denim Jeans Market (US\$ Bn)



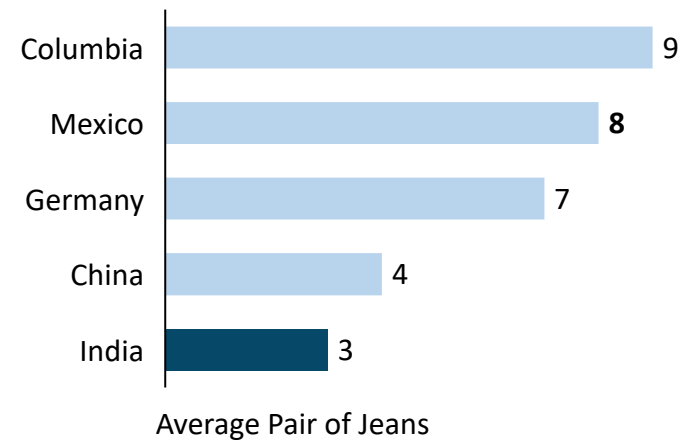
Source: Verifiedmarketresearch.com

## Domestic Denim Apparel Market (Rs. Bn)

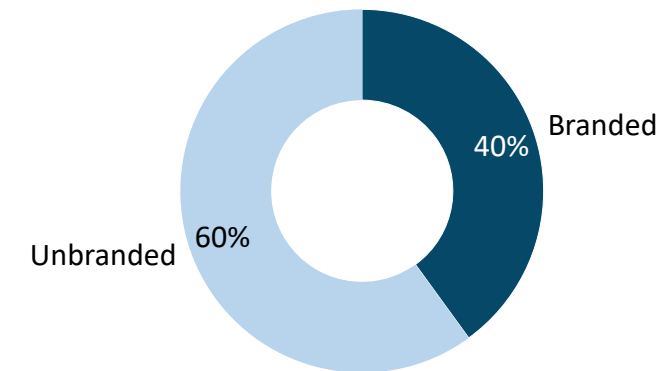


Source: Fibre2Fashion.com, Statista  
Lifestyle Monitor Survey, Technopark

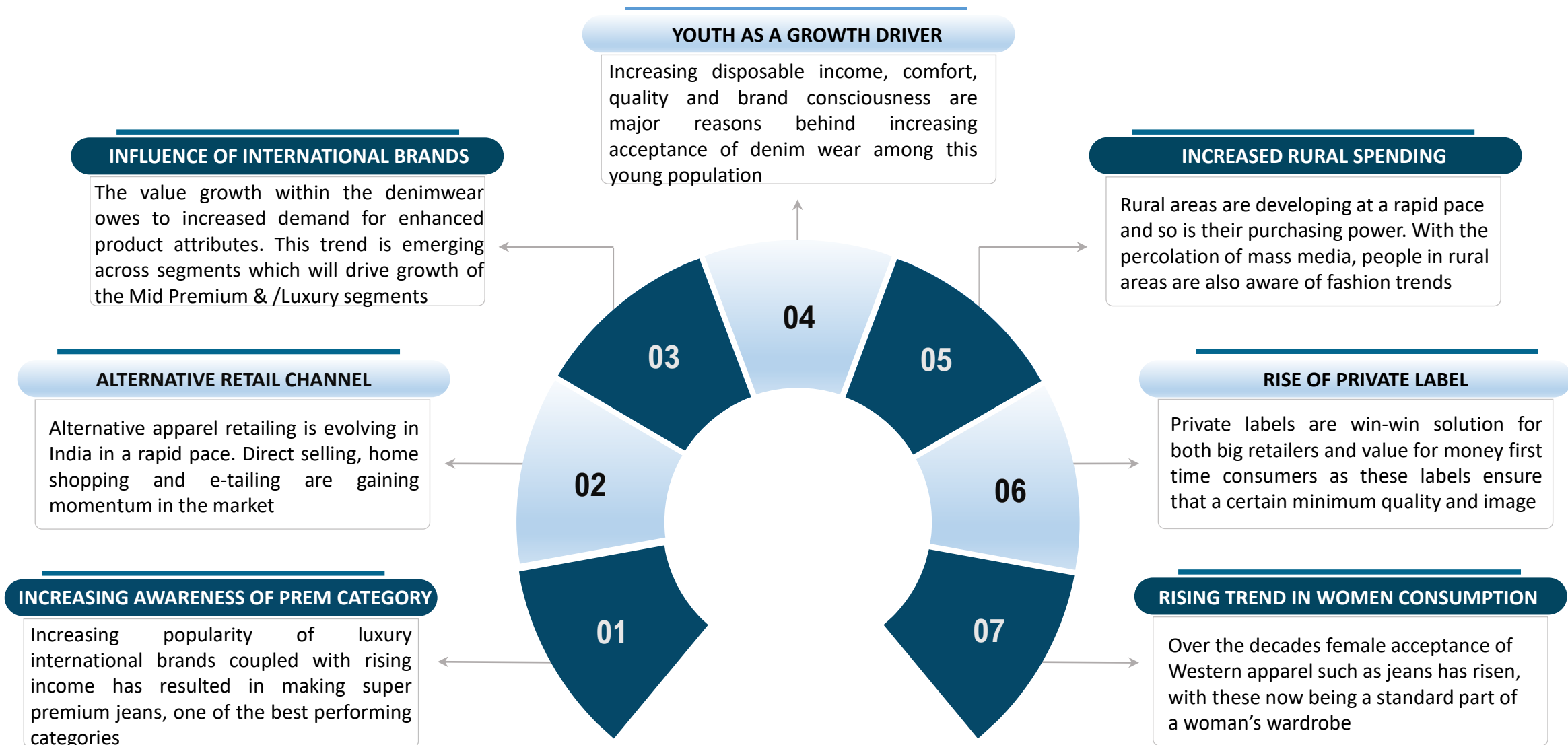
## Low Consumption in Indian Market (2018)



## Market Contribution



Opportunity for the private label play in the denim market



- 01 Debt Reduction**

Focus on significant debt reduction to improve return ratios  
Target to reduce debt by Rs.35-40 Crs in FY 2023
- 02 Strategic Tie-ups**

Focus on strategic tie-ups with leading global retail brands for direct sales
- 03 New Geography**

Focus on exports and target new markets to diversify customer base geographically for further growth
- 04 Increase in VAP Share**

Increase in share of Value Added Products (VAP) from 50% to 60% over next couple of years
- 05 Improve Utilization**

Optimise capacity utilisation levels and continue to improve operational efficiency  
The company is also focused on superior technology, higher automation and reduction in operating expenses which leads to cost optimization



MANAGEMENT  
TEAM

**Mr. Brijmohan D. Chiripal**  
**Managing Director**

Mr. Chiripal is a visionary, think tank, and a beacon of astute leadership in the Chiripal Group. He is a Chemical Engineer with 21+ years of business experience in Textile Processing as well as export and domestic trading.

**Mr. Vinay Thadani**  
**Chief Executive Officer**

A fellow member of Institute of Chartered Accountants of India. Joined the Chiripal group of Companies in 2017. His outstanding competence in Corporate Banking, Finance, and other operational fields helped the organization in effective business practices.

**Mr. Dharmesh Dattani**  
**Chief Financial Officer**

He is Commerce Graduate with a specialization in Statistics and a Master's degree of M.B.A in finance from IGNOU University. He joined the Chiripal Group in the year 2014-15 and worked in the area of corporate loans, debt syndication, project funding

**Mr. Amit Kadmawala**  
**Whole Time Director**

Played a major role in escalating VFL to new heights Since 2006. Under his leadership, VFL was able to reduce functional costs while simultaneously increase the standard of quality.

**Mr. Ravindra Bajaj**  
**Whole Time Director**

Appointed as Director of VFL on May 25, 2019. Expertise in spinning cotton, synthetics, cotton-yarn, manufacturing of cloth, operations of plant, experience in fabric, yarn business and knitted apparels.

**Mr. Susanta Kumar Panda**  
**Independent Director**

An Indian Revenue Service (IRS) officer of 1982 Batch of Indian Customs, Excise and Service Tax. Superannuated from Government of India in Apr19 and prior to superannuation he held office in Ministry of Finance, and as special secretary to Government of India.

**Ms. Dhara Shah**  
**Independent Director**

A Practicing Company Secretary by profession. Appointed as Independent Director VFL on March 03, 2015. She has completed her Bachelor of Commerce and LLB from Gujarat University.

**Mr. Shubankar Jha**  
**Independent Director**

Appointed as Independent Director of VFL on May 28, 2015. A veteran with 40+ years of experience in the Banking Sector, brings valuable guidance in his sphere of knowledge.

# HISTORICAL FINANCIALS

# STANDALONE P&L

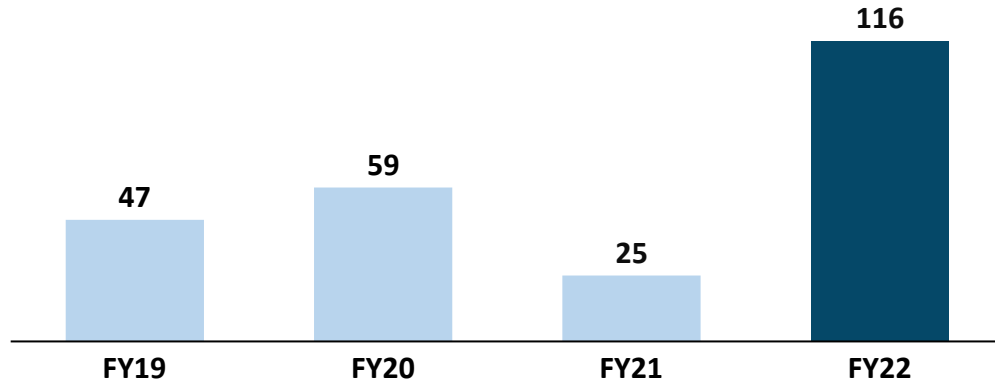
Particulars(Rs. in Crs)	FY19	FY20	FY21	FY22
<b>Revenue from Operations</b>	<b>998</b>	<b>1,297</b>	<b>968</b>	<b>1,547</b>
COGS	808	1,077	775	1,269
Employee Cost	74	76	64	77
Other Expenses	42	40	41	39
<b>EBITDA</b>	<b>75</b>	<b>103</b>	<b>88</b>	<b>161</b>
<b>EBITDA Margin</b>	<b>7.5%</b>	<b>8.0%</b>	<b>9.1%</b>	<b>10.4%</b>
Depreciation	29	30	26	33
Other Income	1	2	2	3
<b>EBIT</b>	<b>46</b>	<b>75</b>	<b>64</b>	<b>131</b>
<b>EBIT Margin</b>	<b>4.6%</b>	<b>5.8%</b>	<b>6.6%</b>	<b>8.5%</b>
Finance Cost	26	32	34	38
<b>Profit before Tax</b>	<b>20</b>	<b>43</b>	<b>30</b>	<b>93</b>
<b>Profit before Tax Margin</b>	<b>2.0%</b>	<b>3.3%</b>	<b>3.1%</b>	<b>6.0%</b>
Tax	3	13	12	24
<b>Profit After Tax</b>	<b>18</b>	<b>30</b>	<b>18</b>	<b>69</b>
<b>Profit After Tax Margin</b>	<b>1.8%</b>	<b>2.3%</b>	<b>1.9%</b>	<b>4.5%</b>
EPS	4.10	4.57	0.92	3.49
Cash PAT	47	60	44	102

# STANDALONE BALANCE SHEET

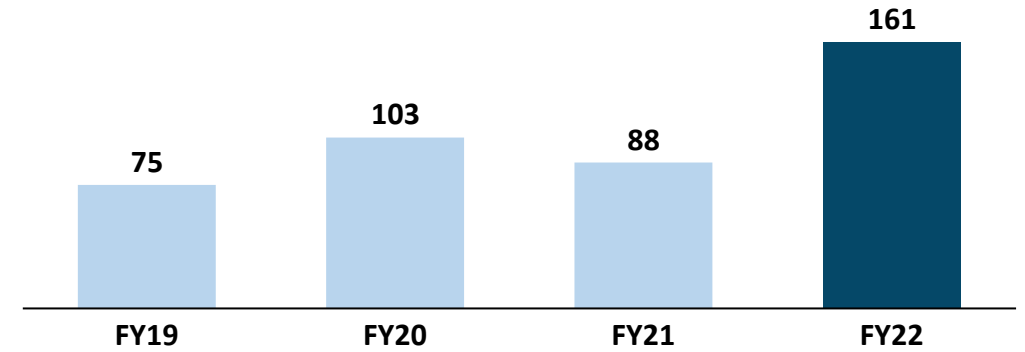
Particulars(Rs. in Crs)	Mar-19	Mar-20	Mar-21	Mar-22
<b>Shareholder's Funds</b>	<b>217</b>	<b>247</b>	<b>265</b>	<b>335</b>
Equity Share Capital	22	22	33	99
Reserves & Surplus	195	225	232	236
<b>Non-Current Liabilities</b>	<b>258</b>	<b>235</b>	<b>207</b>	<b>176</b>
Financial Liability				
(i) Borrowings	251	225	192	163
(ii) Other Financial Liabilities	3	4	4	5
Provisions	4	4	4	2
Deferred Tax Liabilities	0	2	7	6
<b>Current Liabilities</b>	<b>268</b>	<b>288</b>	<b>327</b>	<b>367</b>
Financial Liability				
(i) Borrowings	106	140	195	215
(ii) Trade Payables	156	139	123	138
(iii) Other Financial Liabilities			-	-
Other Current Liabilities	3	4	4	8
Current tax liabilities (net)	1	4	4	2
Provisions	1	2	2	4
<b>Total Equity &amp; Liabilities</b>	<b>742</b>	<b>770</b>	<b>799</b>	<b>878</b>

Particulars(Rs. in Crs)	Mar-19	Mar-20	Mar-21	Mar-22
<b>Non-Current Assets</b>	<b>342</b>	<b>322</b>	<b>307</b>	<b>301</b>
Property Plant & Equipment	286	263	244	270
CWIP	23	30	33	3
Investments	22	22	22	24
Other Financial Assets	1	0	2	2
Other Non-Current Assets	10	6	6	2
<b>Current Assets</b>	<b>400</b>	<b>449</b>	<b>491</b>	<b>576</b>
Inventories	61	66	59	97
Investments	0	0	0	26
Financial Assets				
(i)Trade receivables	246	306	361	393
(ii)Cash and cash equivalents	2	19	13	0
(iii)Bank balances	5	7	7	22
Other Current Assets	86	51	50	39
<b>Total Assets</b>	<b>742</b>	<b>770</b>	<b>799</b>	<b>878</b>

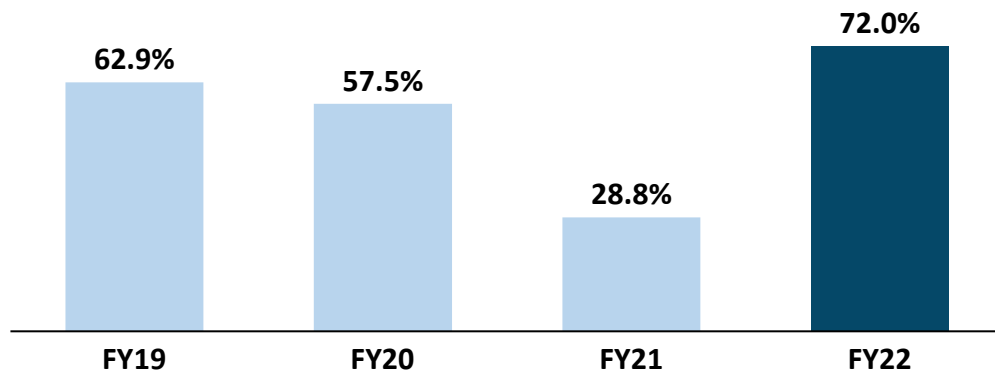
## Operating Cash flow (Rs. in Crs)



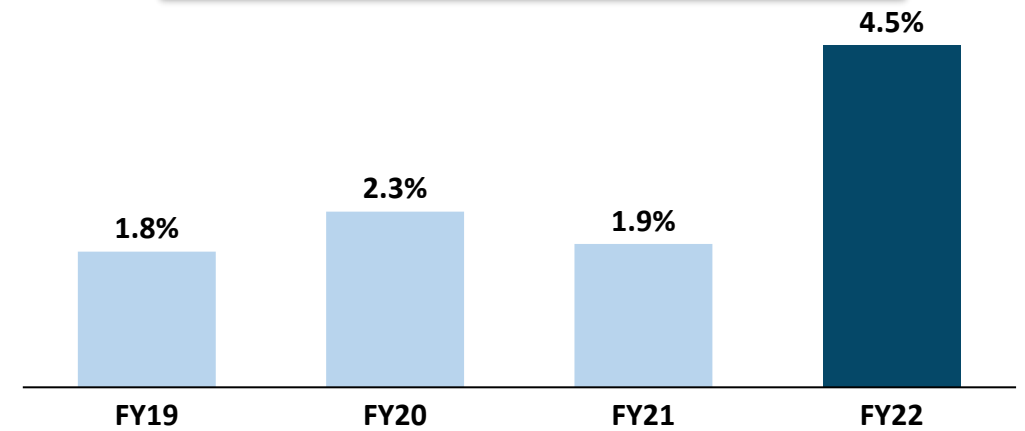
## EBITDA (Rs. in Crs)



## Operating CF: EBITDA

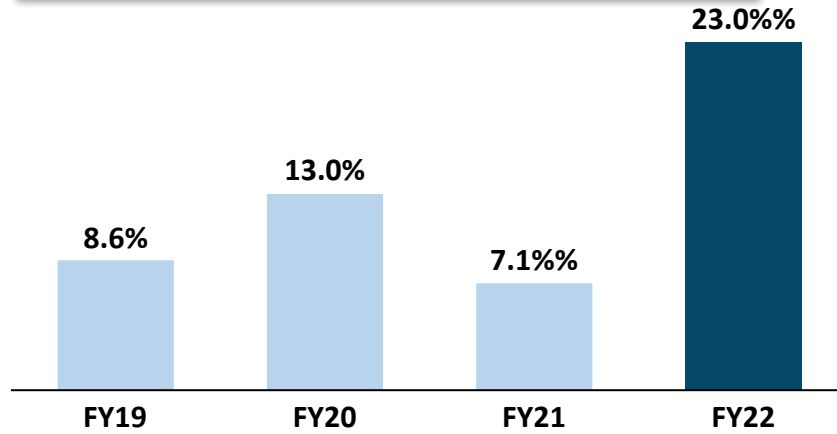


## Net Profit Ratio

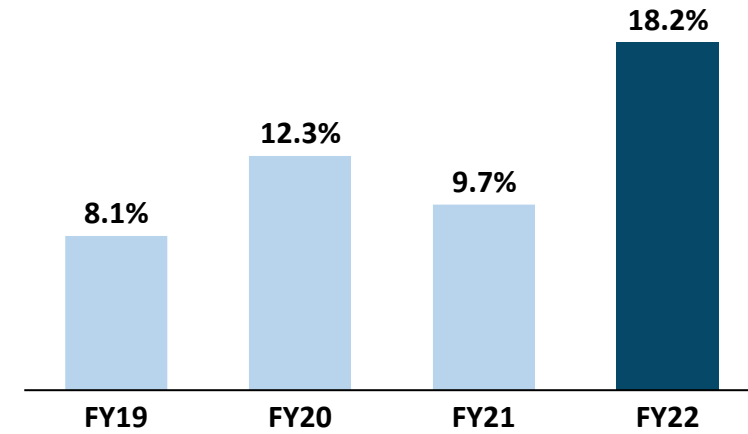




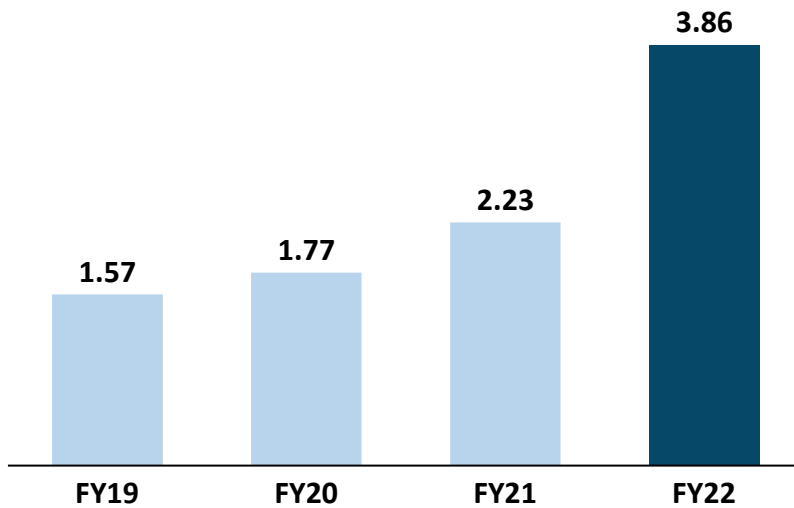
## Return on Equity



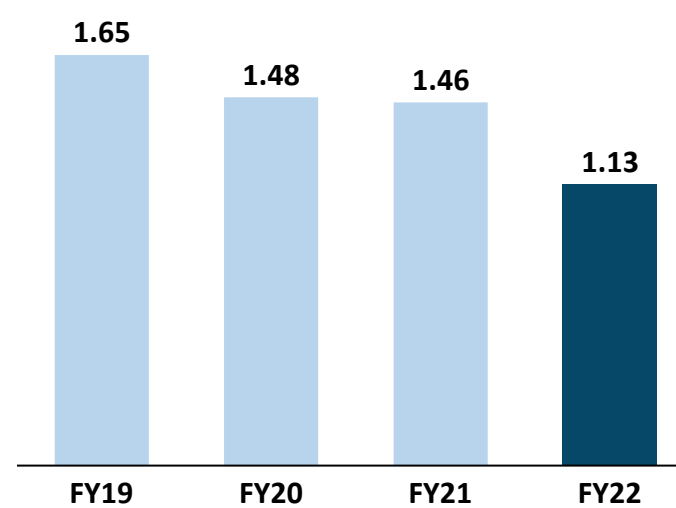
## Return on Capital Employed



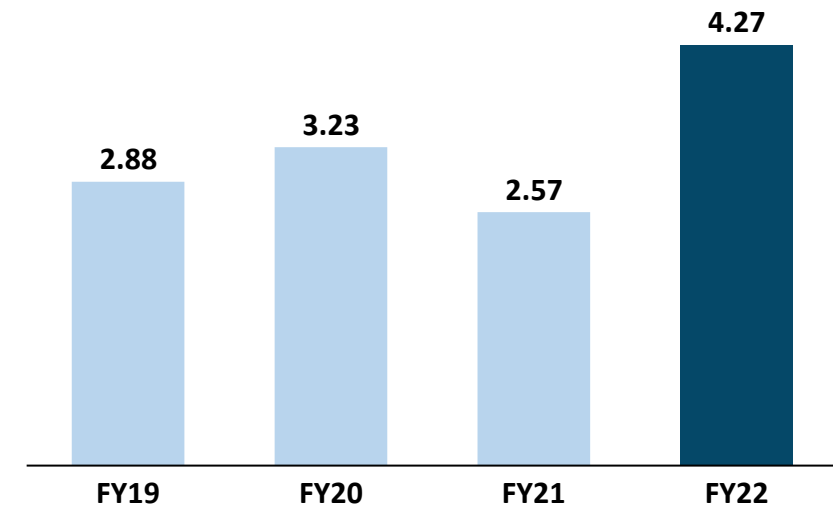
## Debt Service Coverage Ratio



## DEBT/EQUITY



## Interest Service Coverage Ratio



# SUSTAINABILITY

## Water Management

- Our facility is a **Zero Discharge** plant where the entire water supply is reused through counterflow

## Certification

- VFL is a proud member of the **BCI**
  - VFL is **GOTS Certified**
  - VFL has attained the **Oeko-Tex certification**
- BCI:** The Better Cotton Initiative  
**GOTS Certified:** The Global Organic Textile Standard GOTS

## Chemical

- Chemicals and dyes** used are certified as safe for environment and ecology



## Waste Management

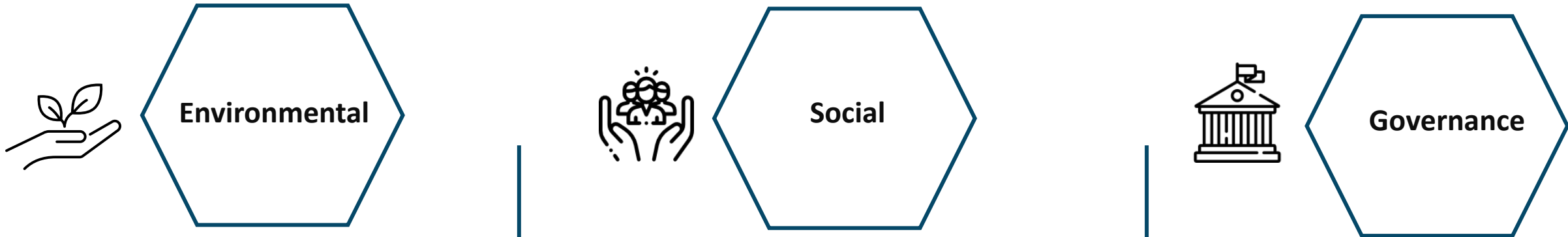
- The leftover material like cotton fiber is **utilized as a raw material** to produce denim bags, tablecloths, mats, covers, etc.

## Ecology Preservation

- VFL has created a **massive green cover** at the plant and also at the industrial park in an attempt to preserve, enhance and encourage green spaces

## Energy Conservation

- In-house Solar Plant**
- Facility energy is generated by **captive power plant**



- Uses go green washing machine for sampling and development;
- Using water spray technology for washing to save ~803 KL water per annum.
- Eco-friendly dyes are used , alternatives to chemical dyes.
- VFL has created a massive green cover at the plant and also at the industrial park in an attempt to preserve, enhance and encourage green spaces.

- Conducts its CSR activities through educational welfare activities through its registered trust, 'Chiripal Charitable Trust', 'Happiness Reserves Foundation' and 'Milestone Educom Trust', which has an impressive track record of making educational development a reality
- VFL Promotes education by providing educational material, computer & study material, student books & periodicals, teaching aids, library setups, scholarships, coaching classes
- The company organises one of the largest robotics festivals called "Robotex India" to create opportunities for youngsters to explore science & innovation through robotics.

- Established various committees of board members to ensure smooth functioning of government policies
- Chairman and CEOs position held by two different people signifying proper governance
- Policy on Related Party Transactions to ensure alignment with the applicable laws and regulations

## CONTACT US

Company :



**Vishal Fabrics Limited**  
CIN:L17110GJ1985PLC008206

**Mr. Vinay Thadani**

*Chief Executive Officer*

[www.vishalfabricsltd.com](http://www.vishalfabricsltd.com)

Investor Relations Advisors :

**SGA** Strategic Growth Advisors

**Strategic Growth Advisors Pvt. Ltd.**  
CIN: U74140MH2010PTC204285

**Ms. Ami Parekh / Ms. Manasi Bodas**

[ami.parekh@sgapl.net](mailto:ami.parekh@sgapl.net) / [manasi.bodas@sgapl.net](mailto:manasi.bodas@sgapl.net)

[www.sgapl.net](http://www.sgapl.net)