

September 06, 2021

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

**Sub: Investor Presentation- Q1FY22.**

**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- Q1FY22.

The Investor Presentation-Q1FY22 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**



**Brijmohan D. Chiripal**  
Managing Director & CEO  
DIN: 00290426



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.



**VISHAL  
FABRICS LTD**

ANYONE ANYTIME ANYWHERE

**Investor Presentation  
Q1FY22**



# **ABOUT US**

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



**Established in 1985**



**FY21 Revenue: Rs. 968 Crs**



**Headquartered in Ahmedabad**



**2,600+ Employees**



**Recognized for  
manufacturing standard to  
premium grade denim fabric**



**ZLD (Zero Liquid Discharge) &  
ETP (Effluent Treatment Plant)**

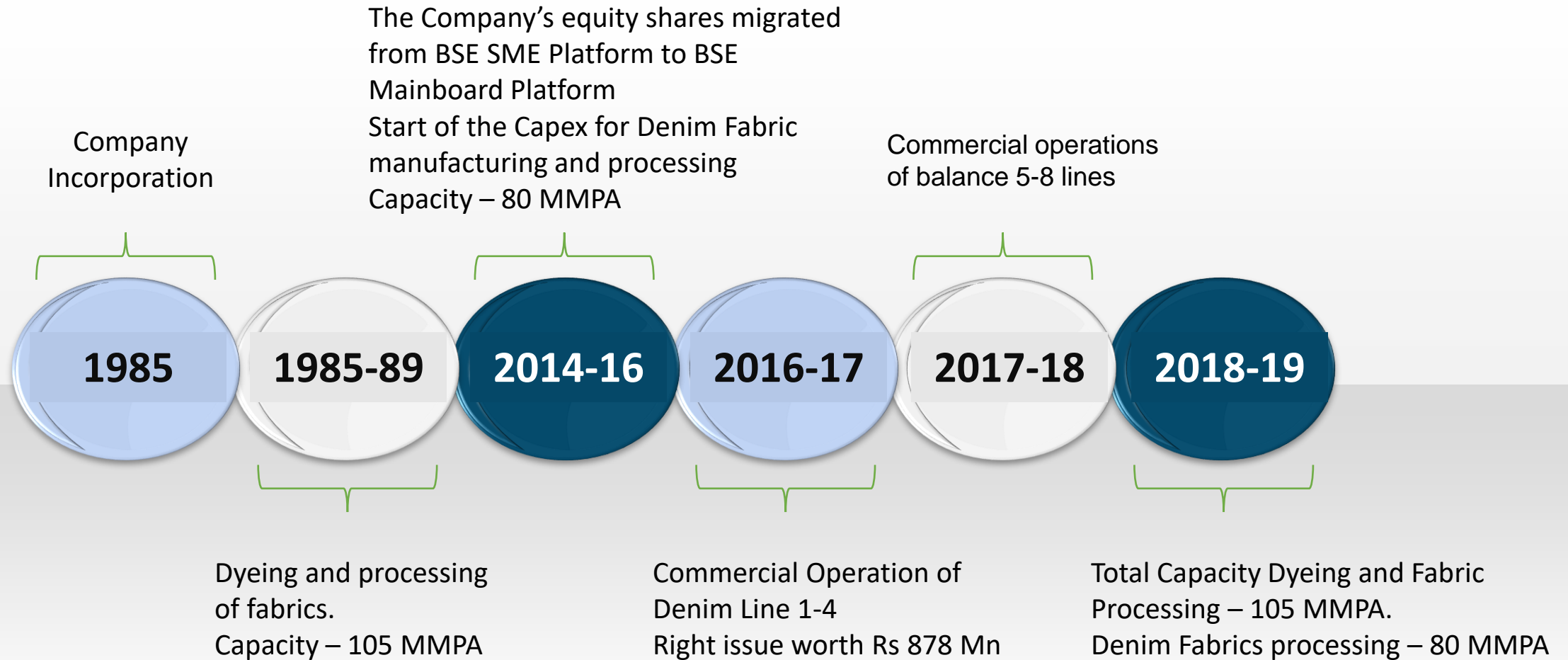


**80 MMTPA Dyeing Capacity  
105 MMTPA processing capacity**



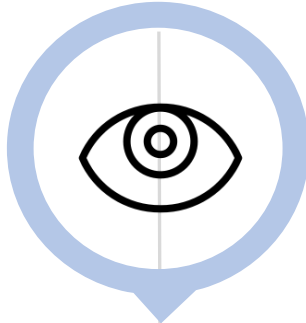
**OEKO-TEX certified**

# OUR JOURNEY





# VISION MISSION VALUES



## Vision

Promote Denim from an occasional lifestyle product to a fully accepted lifestyle necessity, from youth-centric fashion wear to a premium fabric that caters to all ages and from an outdoor attire to a fabric that is worn around the clock.

Vishal fabrics wants to create a world where denim is a household narrative and not just a style statement.



## Mission

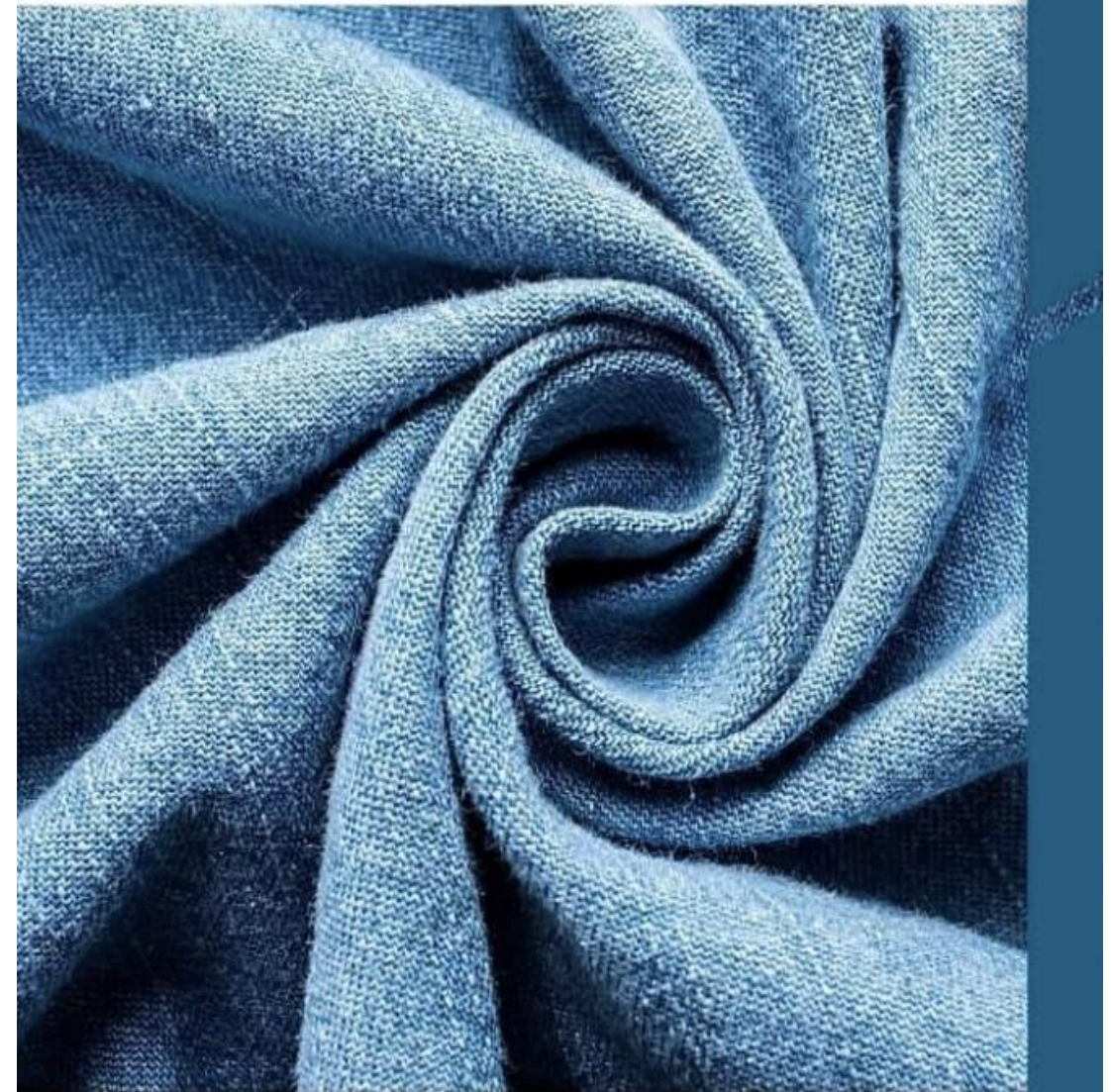
For us, denim is a fabric that weaves people together in a thread of unity. Our mission is to produce premium quality denim that breaks the barriers of age, gender and location. We aim to keep doing what we do best –keeping our customers, their likes and their needs first, always!



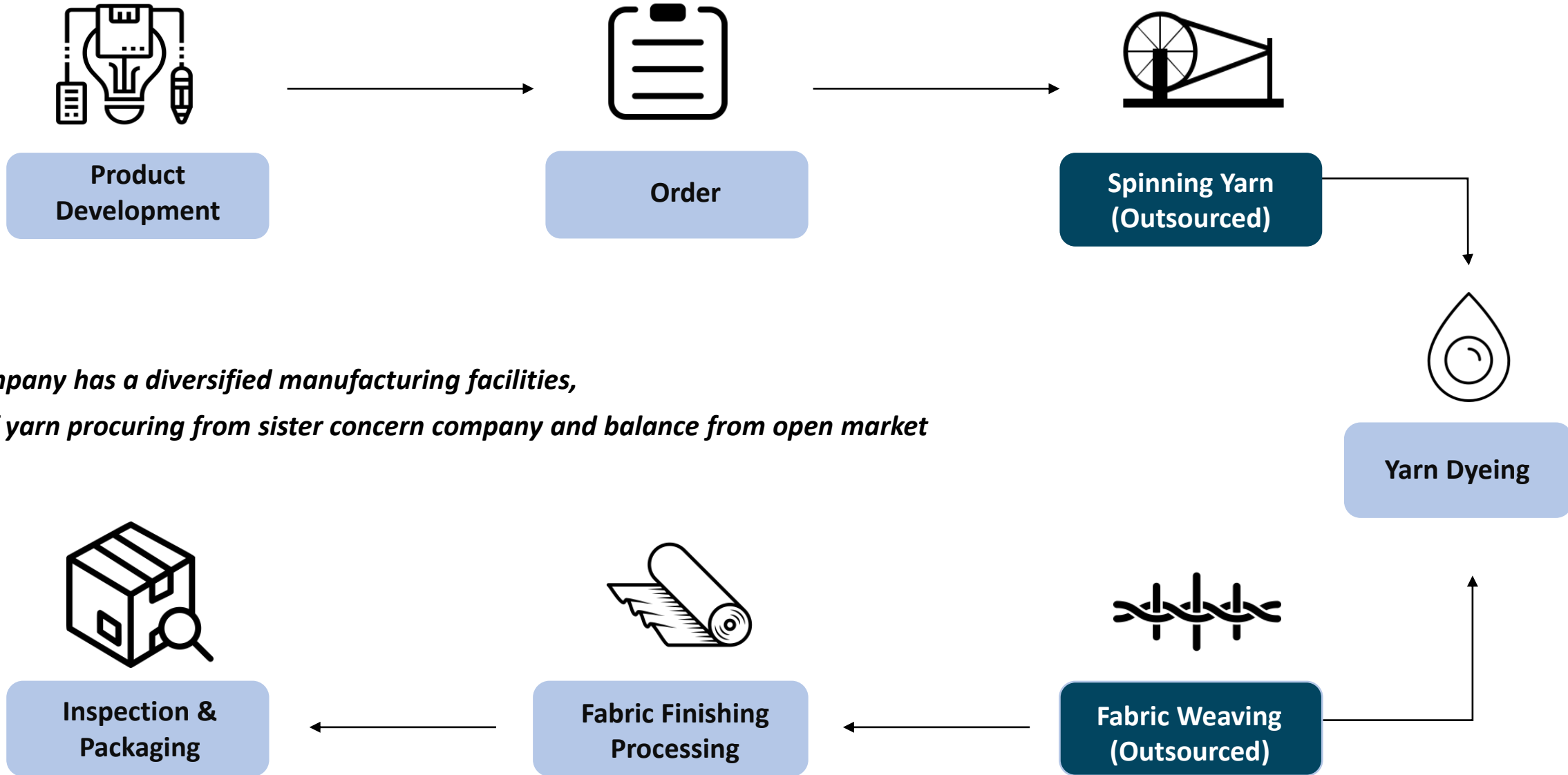
## Goal

We credit our success to the foundation of our unflinching core values. We never compromise on production quality and are in a constant hunt for innovations that can help us in scaling up our quality levels.

We pledge to follow the fairest business practices to ensure a healthy, just and all-inclusive business ecosystem.



# ASSET LIGHT BUISNESS MODEL



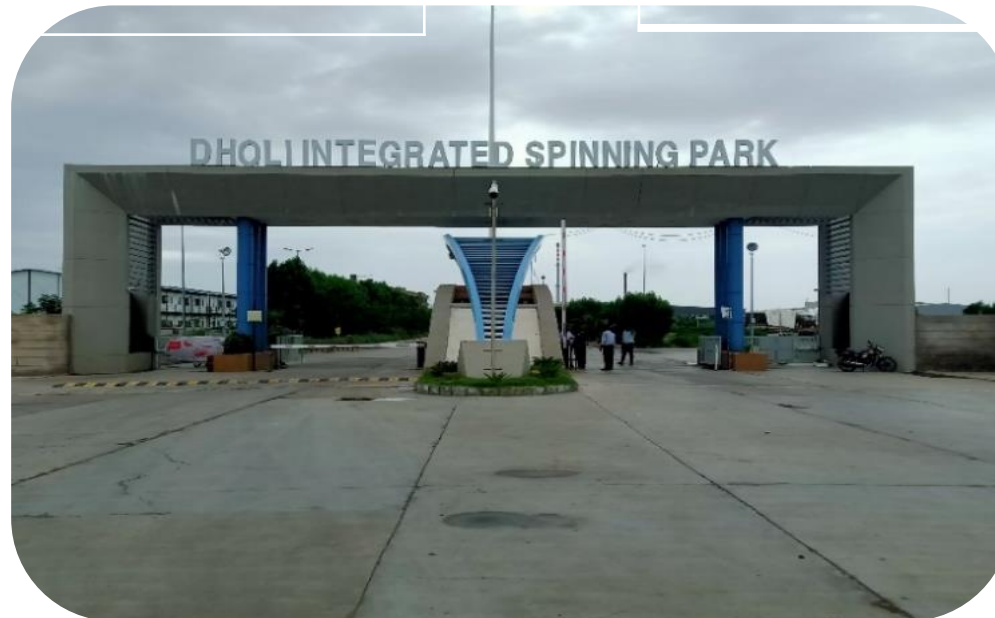
*The Company has a diversified manufacturing facilities,  
~40% of yarn procuring from sister concern company and balance from open market*

## Dholi Unit

As part of expansion strategy, the company had set up yarn dyeing and denim processing plant having installed capacity of 80 MMTPA at Dholi Integrated Spinning Park, Dholi, Dholka. It also has 6MW Captive Thermal Power plant. The Company is manufacturing the premium Denim Product having wider width than available in market

## 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 i.e. cotton, polyester, viscose and man-made & blended fabrics suitable for men's wear, women's wear, home furnishing and many other applications. The plant can handle fabrics like cotton, polyester, viscose, nylon etc. of width upto 3200 mm





## 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

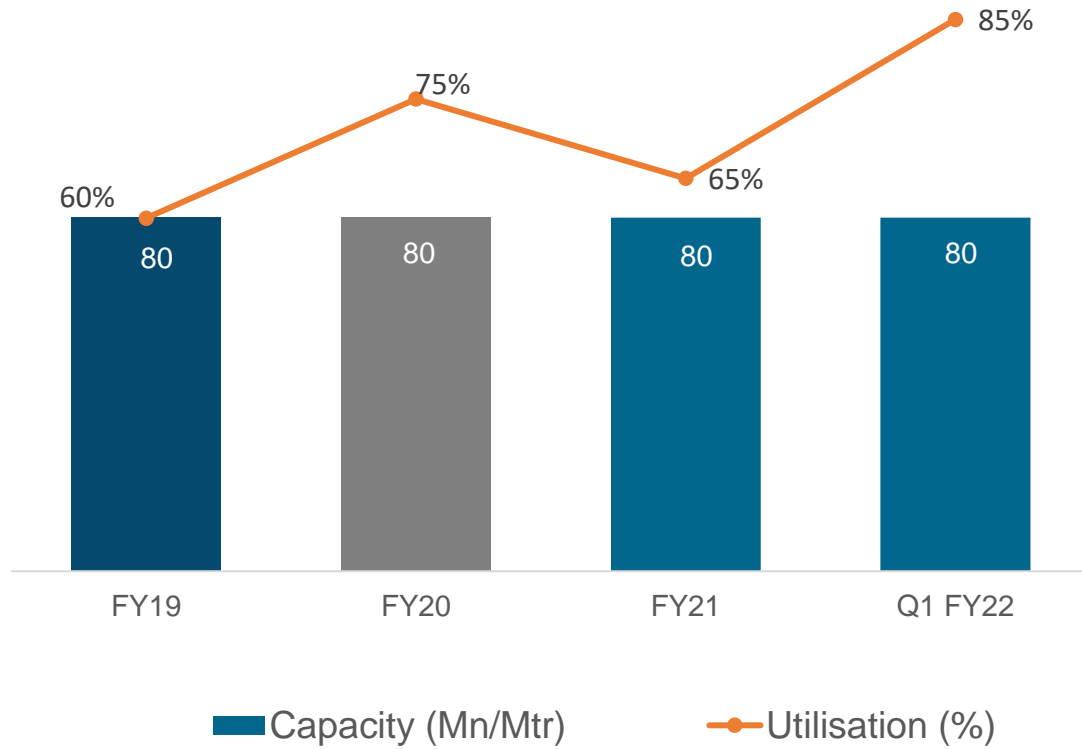
5

### Low cost production

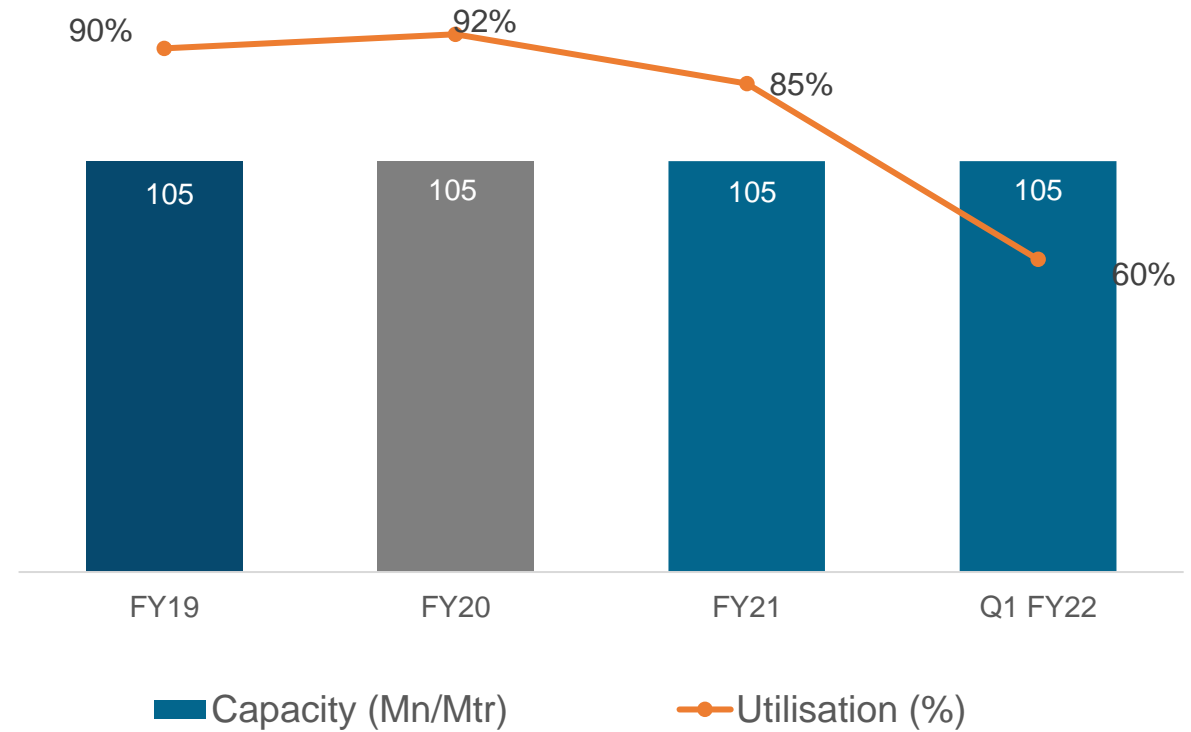
- Easy availability key raw material – Yarn
- One of the largest producer of yarn
- Uninterrupted power supply
- Easy availability of skilled and unskilled labour

# CAPACITY UTILIZATION

## Dholi Unit



## Narol Unit





Dive deep  
**in the shade**  
of  
*indigo*

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%

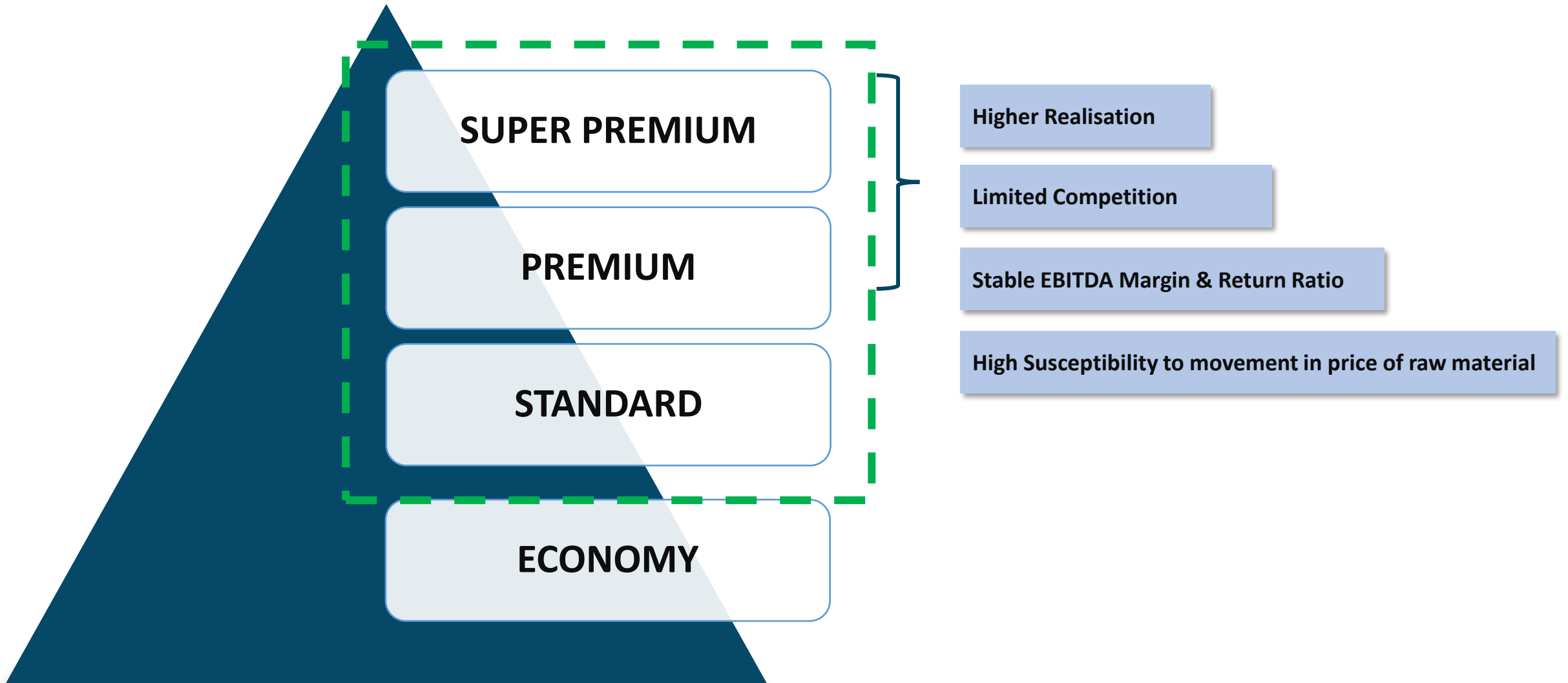
04

**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

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





01

## Finishes

Dyes, Desize, Mercerize, Coating and Liza finishes

02

## Fabric Type

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

03

## Weight

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

04

## Weaves

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

05

## Fabric Blend


*Cotton, Polyester and Lycra*

06

## Colours

*Indigo, Sulphur and Darkest Deep Colour*

# OUR CLIENTELE

The logo for H&M, featuring the letters 'H' and 'M' in a large, red, stylized font with an ampersand between them.The logo for KILLER >K, with 'KILLER' in white and '>K' in orange on a black background, with the tagline 'this is us' below.The logo for Lee, featuring the word 'Lee' in a white, stylized font on a dark brown background.The logo for ZARA, featuring the word 'ZARA' in a bold, black, serif font.The logo for The Roadster Life Co., featuring the text 'The Roadster' in a stylized, brown font with a star, and 'Life Co.' below it.The logo for Calvin Klein, featuring the letters 'ck' in a large, black, sans-serif font, with 'Calvin Klein' written below.The logo for Levi's, featuring the word 'Levi's' in white on a red, batwing-shaped background.The logo for Being human, featuring a black, hand-drawn cloud shape with the text 'Being human' inside.The logo for DIESEL DENIM DIVISION, featuring a red batwing shape with a white 'D' inside, followed by 'DIESEL' and 'DENIM DIVISION' on a dark blue background.The logo for Wrangler, featuring the word 'Wrangler' in a black, cursive script font.The logo for TOMMY HILFIGER, featuring the text 'TOMMY HILFIGER' in a blue, sans-serif font with a small red and white flag icon between the words.

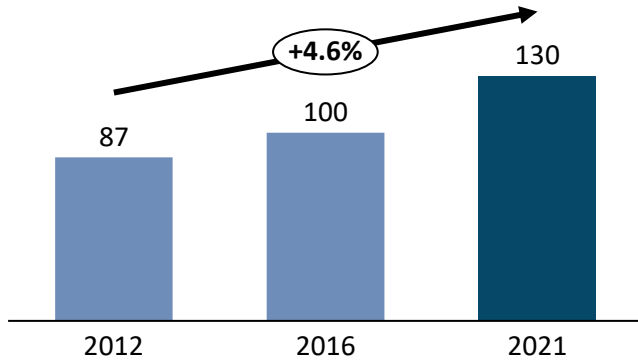
1985-now

The logo for EMPORIO ARMANI, featuring the text 'EMPORIO ARMANI' in a black, serif font with a stylized eagle icon between the words.The logo for GAS, featuring a dark blue, stylized 'G' shape followed by the word 'GAS' in a bold, dark blue, sans-serif font.

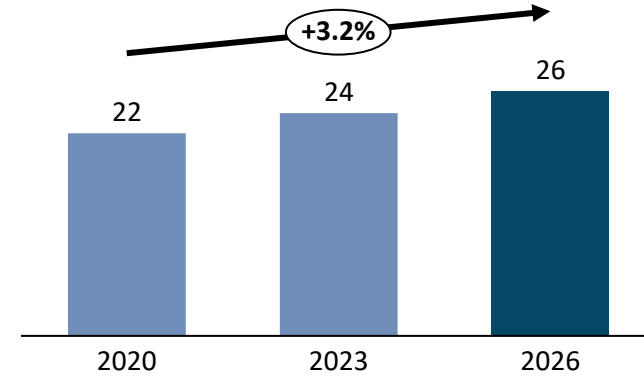


**INDUSTRY**

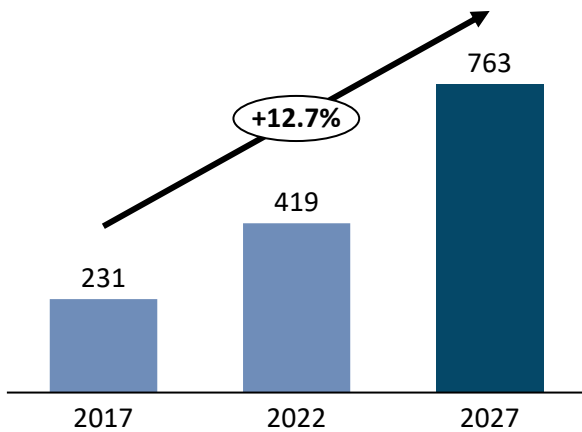
Global Denim Jeans Sales (US\$ Bn)



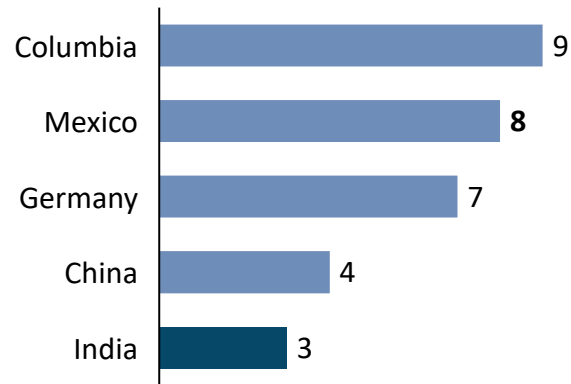
Global Denim Fabric Market (US\$ Bn)



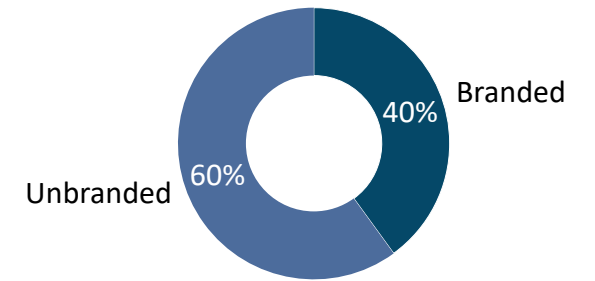
Domestic Denim Apparel Market (Rs. Bn)



Low Consumption in Indian Market (2018)



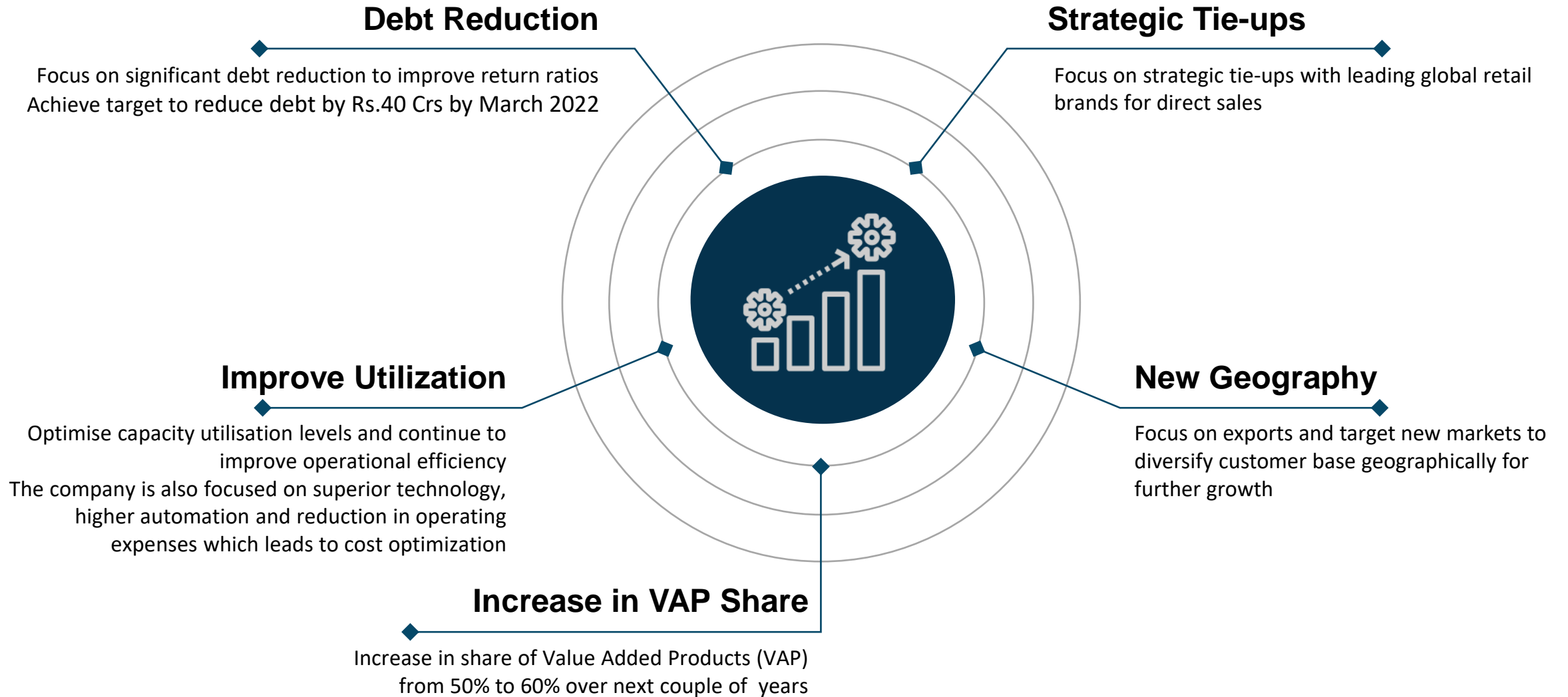
Market Contribution



Opportunity for the private label play in the denim market

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







**MANAGEMENT TEAM**

# BOARD OF DIRECTORS & KEY MANAGEMENT PERSONNEL



## **Mr. Brijmohan D. Chiripal**

### **Managing Director & CEO**

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 Financial 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. 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.



# **FINANCIALS**



# CONSOLIDATED P&L

Particulars (INR Crs)	FY19	FY20	FY21	Q1 FY22
<b>Revenue from Operations</b>	<b>998</b>	<b>1,297</b>	<b>968</b>	<b>295</b>
COGS	808	1,077	775	242
<b>Gross Profit</b>	<b>191</b>	<b>220</b>	<b>193</b>	<b>53</b>
<b>Gross Profit Margin</b>	<b>19.1%</b>	<b>16.9%</b>	<b>19.9%</b>	<b>18.0%</b>
Employee Cost	74	76	64	15
Other Expenses	42	40	41	7
<b>EBITDA</b>	<b>75</b>	<b>103</b>	<b>88</b>	<b>31</b>
<b>EBITDA Margin</b>	<b>7.5%</b>	<b>8.0%</b>	<b>9.1%</b>	<b>10.5%</b>
Depreciation	29	30	26	8
Other Income	1	2	2	0
<b>EBIT</b>	<b>46</b>	<b>75</b>	<b>64</b>	<b>23</b>
<b>EBIT Margin</b>	<b>4.7%</b>	<b>5.8%</b>	<b>6.6%</b>	<b>7.7%</b>
Finance Cost	26	32	34	9
<b>Profit before Tax</b>	<b>20</b>	<b>43</b>	<b>30</b>	<b>14</b>
<b>Profit before Tax Margin</b>	<b>2.0%</b>	<b>3.3%</b>	<b>3.1%</b>	<b>4.7%</b>
Tax	3	13	12	4
<b>Profit After Tax</b>	<b>18</b>	<b>30</b>	<b>18</b>	<b>10</b>
<b>Profit After Tax Margin</b>	<b>1.8%</b>	<b>2.3%</b>	<b>1.9%</b>	<b>3.5%</b>
EPS	4.1	4.57	2.75	1.55
Cash PAT	47	60	44	19

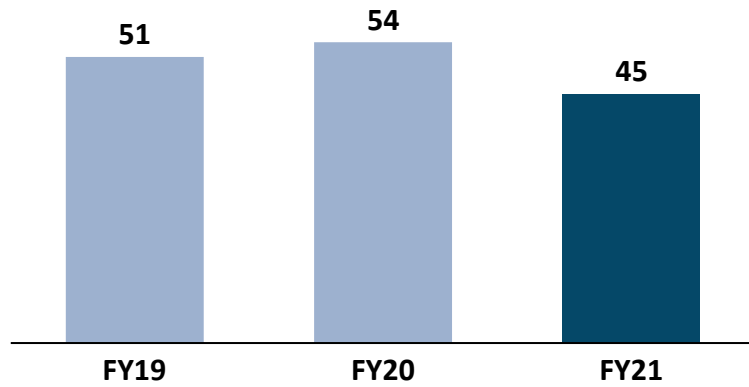
# CONSOLIDATED BALANCE SHEET

Particulars ( in Rs. Crs)	Mar-19	Mar-20	Mar-21
<b>Shareholder's Funds</b>	<b>217</b>	<b>247</b>	<b>265</b>
Equity Share Capital	22	22	33
Reserves & Surplus	195	225	232
<b>Non-Current Liabilities</b>	<b>258</b>	<b>235</b>	<b>250</b>
(i) Borrowings	251	225	236
(ii) Other Financial Liabilities	3	4	4
Provisions	4	4	4
Deferred Tax Liabilities	0	2	7
<b>Current Liabilities</b>	<b>268</b>	<b>288</b>	<b>284</b>
(i) Borrowings	76	115	107
(ii) Trade Payables	156	139	123
(iii) Other Financial Liabilities	30	24	44
Other Current Liabilities	3	4	3
Current tax liabilities (net)	1	4	4
Provisions	1	2	2
<b>Total Equity &amp; Liabilities</b>	<b>742</b>	<b>770</b>	<b>799</b>

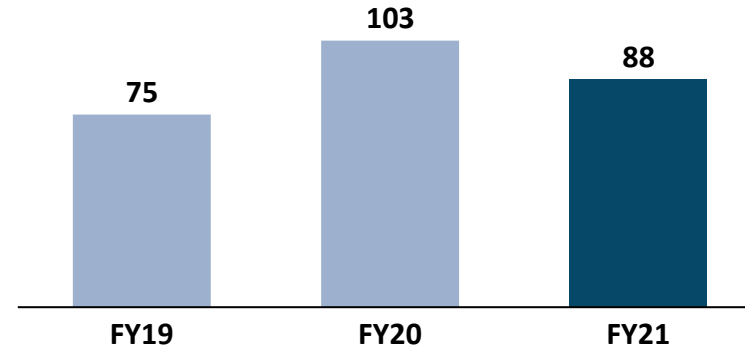
Particulars ( in Rs. Crs)	Mar-19	Mar-20	Mar-21
<b>Non-Current Assets</b>	<b>342</b>	<b>322</b>	<b>307</b>
Property Plant & Equipment	286	263	244
CWIP	23	30	33
Investments	22	22	22
Other Financial Assets	1	0	0
Current Tax Assets (Net)	4	0	0
Other Non-Current Assets	6	6	8
<b>Current Assets</b>	<b>400</b>	<b>449</b>	<b>491</b>
Inventories	61	66	59
<b>Financial Assets</b>			
(i) Trade receivables	246	306	361
(ii) Cash and cash equivalents	2	19	13
(iii) Bank balances	5	7	7
Other Current Assets	86	51	50
<b>Total Assets</b>	<b>742</b>	<b>770</b>	<b>799</b>

# PERFORMANCE RATIO

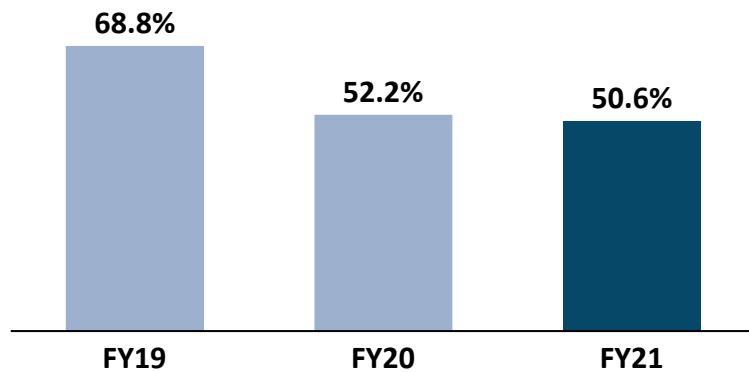
## Operating Cash flow (in Rs. Crs)



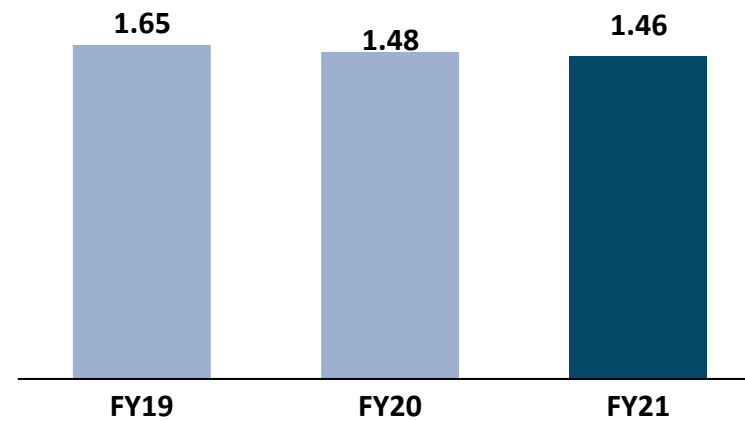
## EBITDA (in Rs. Crs)



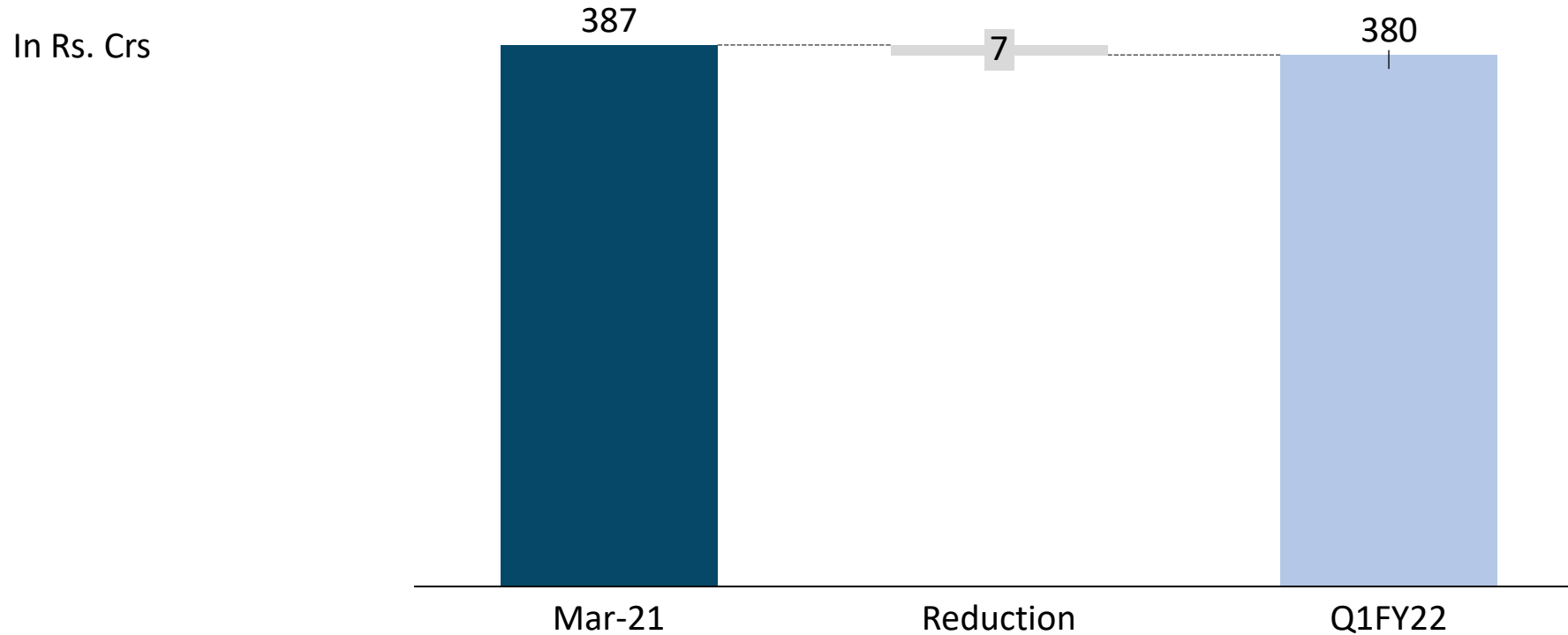
## Operating CF: EBITDA



## DEBT/EQUITY



# DEBT REDUCTION



The Company's consistent efforts towards debt reduction will help to strengthen the Balance Sheet position

We target to reduce debt by **Rs. 40 Crs** by March 2022





**SUSTAINABILITY**



## Environmental

- 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.



## Social

- 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 for four years
- 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 children and youngsters to explore science and innovation through robotics.



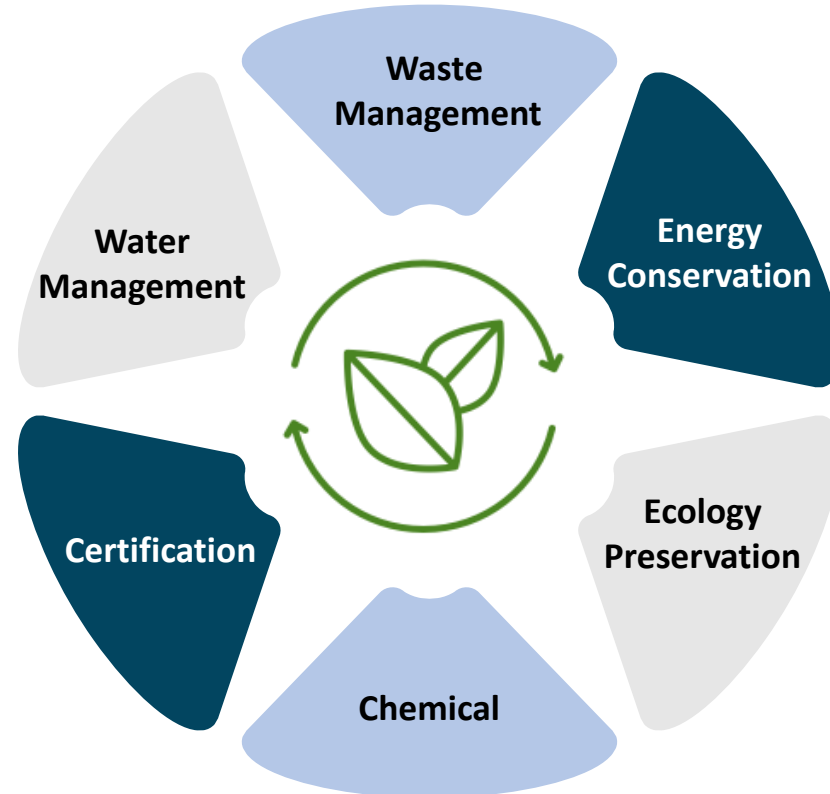
## Governance

- 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

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

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

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



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

- 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

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

## INFLUENCE OF INTERNATIONAL BRANDS

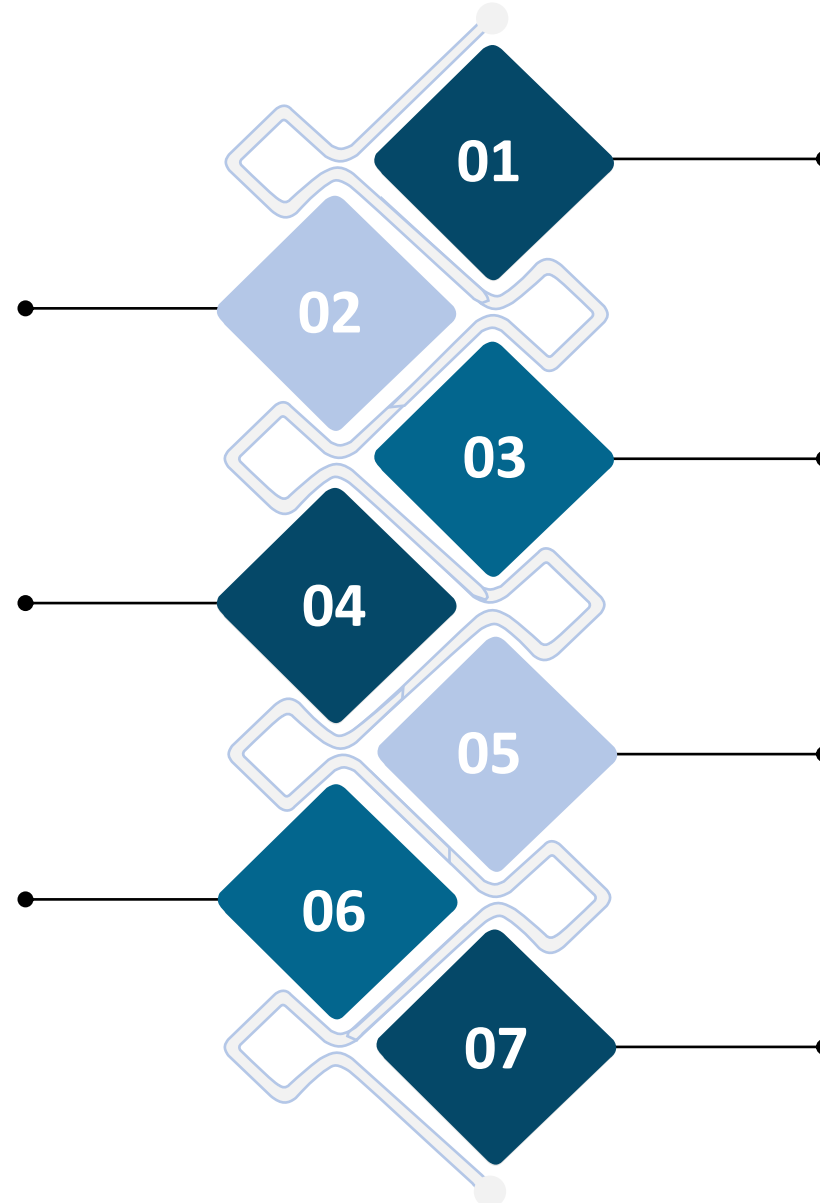
The value growth within the denimwear owes to increased demand for enhanced product attributes. This trend is emerging across both men's and women's segments which will drive growth of the Mid Premium and Premium/Luxury segments

## ALTERNATIVE RETAIL CHANNEL

Alternative apparel retailing is evolving in India in a rapid pace. Direct selling, home shopping and e-tailing are gaining momentum in the market

## INCREASING POPULARITY OF PREMIUM CATEGORY

Increasing popularity of luxury international brands coupled with rising income has resulted in making super premium jeans, one of the best performing categories



## YOUTH AS A GROWTH DRIVER

Increasing disposable income, comfort, quality and brand consciousness are major reasons behind increasing acceptance of denim wear among this young population

## INCREASED RURAL SPENDING

Rural areas are developing at a rapid pace and so is their purchasing power. With the percolation of mass media, people in rural areas are also aware of fashion trends

## RISE OF PRIVATE LABEL

Private labels are win-win solution for both big retailers and value for money first time consumers as these labels ensure that a certain minimum quality and image

## RISING TREND IN WOMEN CONSUMPTION

Over the decades female acceptance of Western apparel such as jeans has risen, with these now being a standard part of a woman's wardrobe

<b>Vishal Fabrics Ltd</b> CIN: L17110GJ1985PLC008206	<b>Strategic Growth Advisors Pvt. Ltd.</b> CIN: U74140MH2010PTC204285
 <p>ANYONE ANYTIME ANYWHERE <b>Mr. Vinay Thadani</b> <i>Chief Financial Officer</i> <a href="mailto:vinay.thadani@chiripalgroup.com">vinay.thadani@chiripalgroup.com</a> <a href="http://www.vishalfabricsltd.com">www.vishalfabricsltd.com</a></p>	 <p><b>Ms. Ami Parekh / Ms. Manasi Bodas</b> +91 8082466052/ +91 9821043510 <a href="mailto:ami.parekh@sgapl.net">ami.parekh@sgapl.net</a> / <a href="mailto:manasi.bodas@sgapl.net">manasi.bodas@sgapl.net</a> <a href="http://www.sgapl.net">www.sgapl.net</a></p>