

May 19, 2022

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

Sub: Investor Presentation- Q4 & FY22.

Ref.: Vishal Fabrics Limited, Scrip Code: 538598, Security ID: VISHAL

Dear Sir/Ma'am,

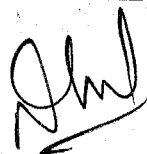
With reference to above captioned subject, please find attached herewith Investor presentation- Q4 & FY22.

The Investor Presentation-Q4 & FY22 will also be available on the website of the Company at www.vishalfabricsltd.com.

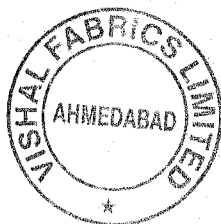
We request you to take the above information on record.

Thanking you.

Yours faithfully,
For **VISHAL FABRICS LIMITED**



Nikhil Vadera
Company Secretary & Compliance Officer
Membership No. A49435



Encl.: a/a

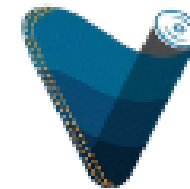
Corporate Office :

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.vfl@chiripalgroup.com | www.vishalfabricsltd.com | CIN : L17110GJ1985PLC008206



VISHAL
FABRICS LTD

Investor Presentation
Q4 & FY22



Mr. Brijmohan D. Chiripal
Managing Director



Mr. Vinay Thadani
Chief Executive Officer

We are delighted to elevate Mr. Vinay as the CEO of Vishal Fabrics. His rich experience in the Denim Industry space coupled with his expertise in building long-term partnerships will be invaluable as we continue to accelerate our growth strategy.

His exceptional abilities in Corporate Banking, Finance, Risk Analysis, and other operational disciplines have constantly aided the organization's equitable financial orientation.

Given his strong understanding of our business and proven ability to generate outcomes in our market, we feel he will be the perfect leader to take on this responsibility

I am honored to accept this new challenge and committed to exceeding our customers', partners', workers', and other stakeholders' high expectations for VFL. I am privileged to be given the opportunity to scale this to the next level. My continuous engagement with Mr. Brijmohan Chiripal and the Board of Vishal Fabrics gives me confidence that Vishal Fabrics is the long-term home for achieving my professional goals."

Old Guidance

FY23E

REVENUE
(Rs.in Crs)

1,500-1,600

EBITDA
(Rs.in Crs)

150-170

EBITDA Margin
(%)

10.0% -11.0%



FY22 Actual

1,547

161

10.4%

New Guidance

FY23E

1,800-1,850

180-185

10.0% -11.0%

The company has achieved guidance given for FY23 in FY22 itself and revised its future guidance

Growth Drivers

- ✓ Additional Capacity to drive next leg of growth
- ✓ Targeting new geographies in export market
- ✓ Optimize operational efficiencies

Strong Performance in FY22 despite challenging environment

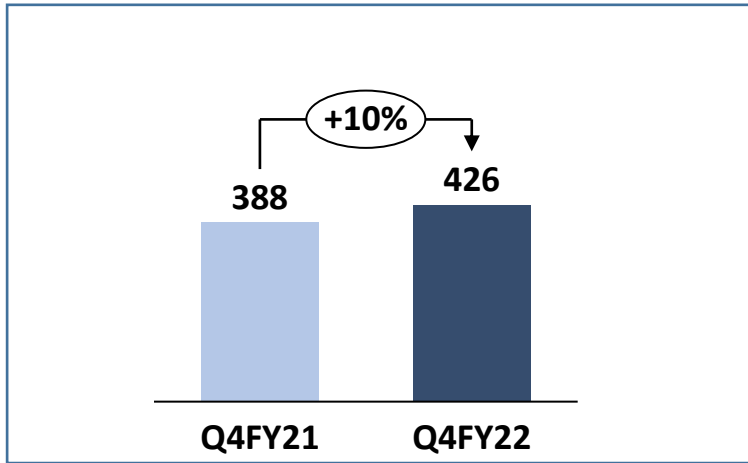
- The Company has achieved stellar performance with highest ever Revenue, EBITDA and PAT in FY22
- For Q4FY22, the company increased its top line by 10%, and during FY22, it increased by 60%
- Various cost-control measures implemented throughout the year contributed to better EBITDA margins
- Compared to the previous year, capacity utilisation in the Dholi unit improved from 65% to 85% in FY22, indicating that the company is better utilising capacity through exploring new locations and customer bases for our product. In FY22, capacity utilisation in the Narol unit fell from 85 percent to 70%, compared to last year, as the unit in the municipal area remained closed in the second wave of covid
- Despite a challenging economic environment over the last two years, the debt-to-equity ratio remains favourable at 1.13x, reflecting underlying balance sheet resilience
- The company has installed a new denim line with a total capacity of 10 million metres per year, which started production at the end of March 2022
- For the upcoming quarter, our order book remains healthy
- In FY23, we will focus on growing topline growth while simultaneously remaining committed to improving profitability

Q4 & FY22 STANDALONE PERFORMANCE

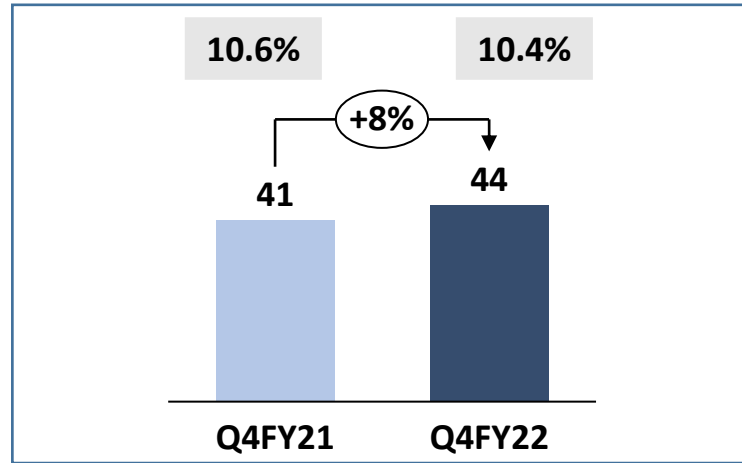
Rs. in Crs



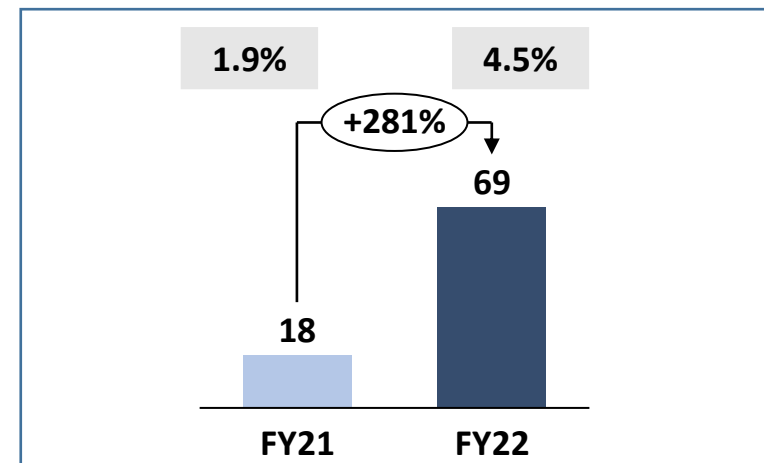
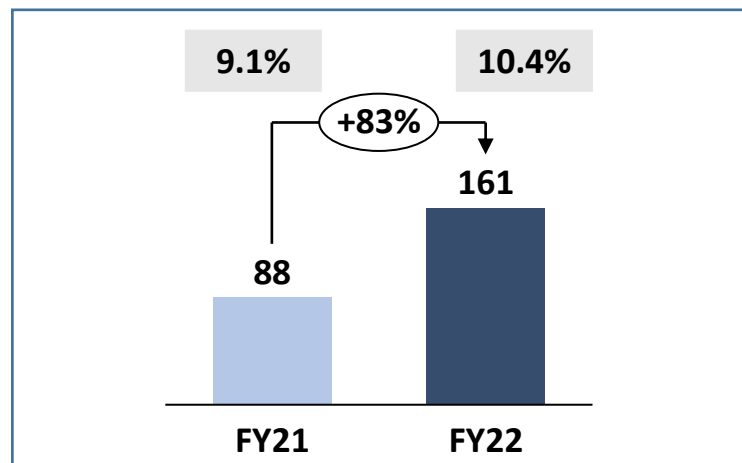
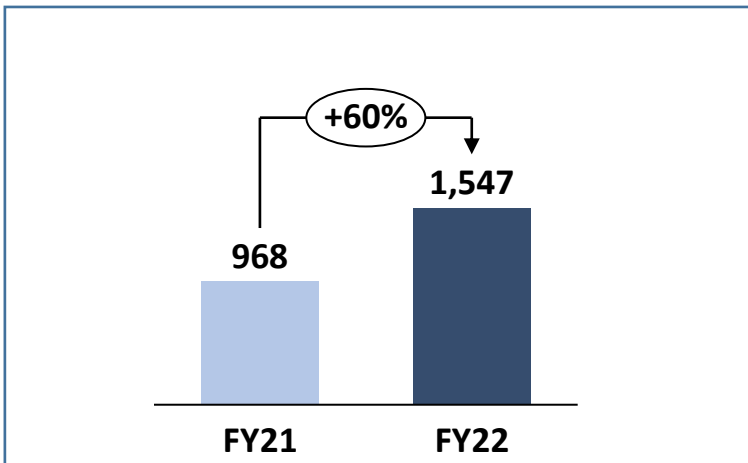
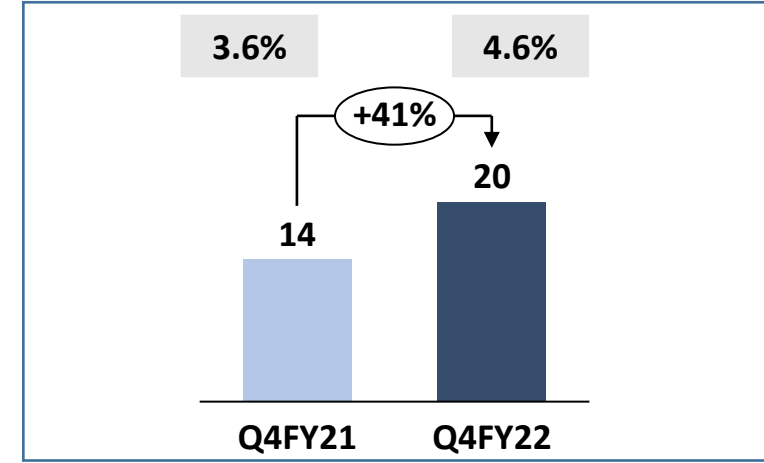
REVENUE



EBITDA



PAT



Margins

STANDALONE P&L

Particulars (Rs. in Crs)	Q4FY22	Q4FY21	YoY	Q3 FY22	QoQ	FY22	FY21	YoY
Revenue from Operations	426	388	10%	427	(0.3%)	1,547	968	60%
COGS	347	312		353		1269	775	
Employee Cost	24	24		19		77	64	
Other Expenses	9	11		11		39	41	
EBITDA	44	41	8%	44	2%	161	88	83%
EBITDA Margin	10.4%	10.6%	(13)bps	10.2%	20bps	10.4%	9.1%	131bps
Depreciation	10	7		8		33	26	
Other Income	2	0		1		3	2	
EBIT	36	33	9%	36	0.2%	131	64	104%
EBIT Margin	8.6%	8.6%	(0.9)bps	8.5%	5bps	8.5%	6.6%	184bps
Finance Cost	11	10		10		38	34	
Profit before Tax	26	24		27		93	30	
Tax	6	10		7		24	12	
Profit After Tax	20	14	41%	19	1%	69	18	281%
Profit After Tax Margin	4.6%	3.6%	103bps	4.5%	8bps	4.5%	1.9%	259bps
EPS	0.99	0.71		0.98		3.49	0.92	
Cash PAT	30	21		27		102	44	

STANDALONE BALANCE SHEET

Particulars(Rs. in Crs)	Mar-22	Mar-21
Shareholder's Funds	335	265
Equity Share Capital	99	33
Reserves & Surplus	236	232
Non-Current Liabilities	176	207
Financial Liability		
(i) Borrowings	163	192
(ii) Other Financial Liabilities	5	4
Provisions	2	4
Deferred Tax Liabilities	6	7
Current Liabilities	367	327
Financial Liability		
(i) Borrowings	215	195
(ii) Trade Payables	138	123
Other Current Liabilities	8	4
Current tax liabilities (net)	2	4
Provisions	4	2
Total Equity & Liabilities	878	799

Particulars (Rs. in Crs)	Mar-22	Mar-21
Non-Current Assets	301	307
Property Plant & Equipment	270	244
CWIP	3	33
Investments	24	22
Other Financial Assets	2	2
Other Non-Current Assets	2	6
Current Assets	576	491
Inventories	97	59
Investments	26	0
Financial Assets		
(i)Trade receivables	393	361
(ii)Cash and cash equivalents	0	13
(iii)Bank balances	22	7
Other Current Assets	39	50
Total Assets	878	799

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

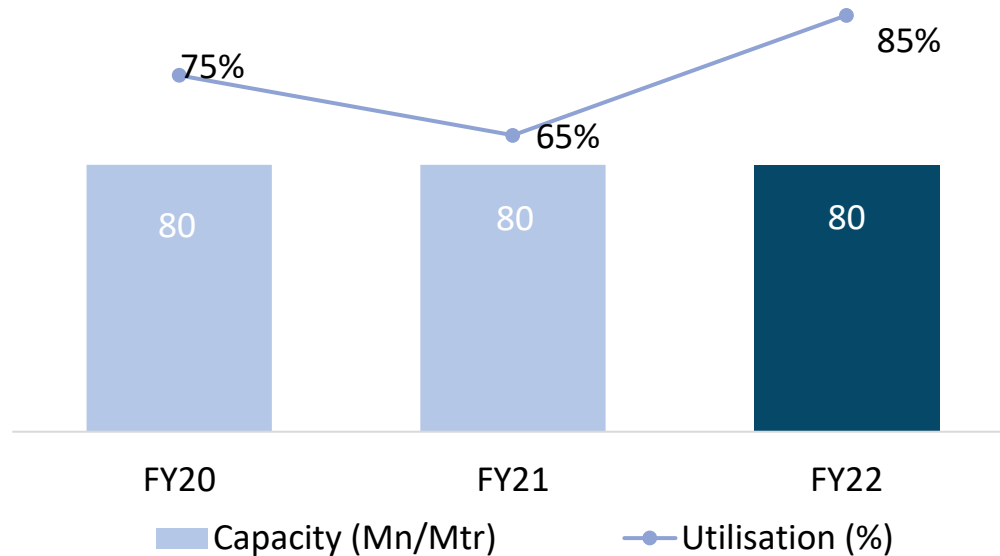
Commentary

- 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.9 Crs has already paid in April 2022



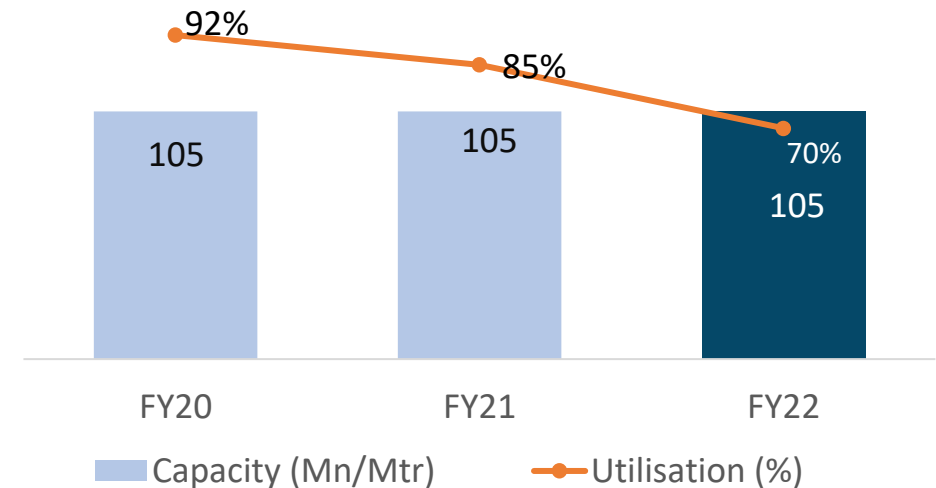
Dholi Unit

Yarn dyeing and denim processing plant having installed capacity of 80 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



- Compared to the last year, capacity utilisation in the Dholi unit improved from 65% to 85% in FY22, indicating that the company is better utilising capacity through exploring new locations and customer bases for our product.
- In FY22, capacity utilisation in the Narol unit fell from 85 percent to 70%, compared to last year, as the unit in the municipal area remained closed in the second wave of covid%

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

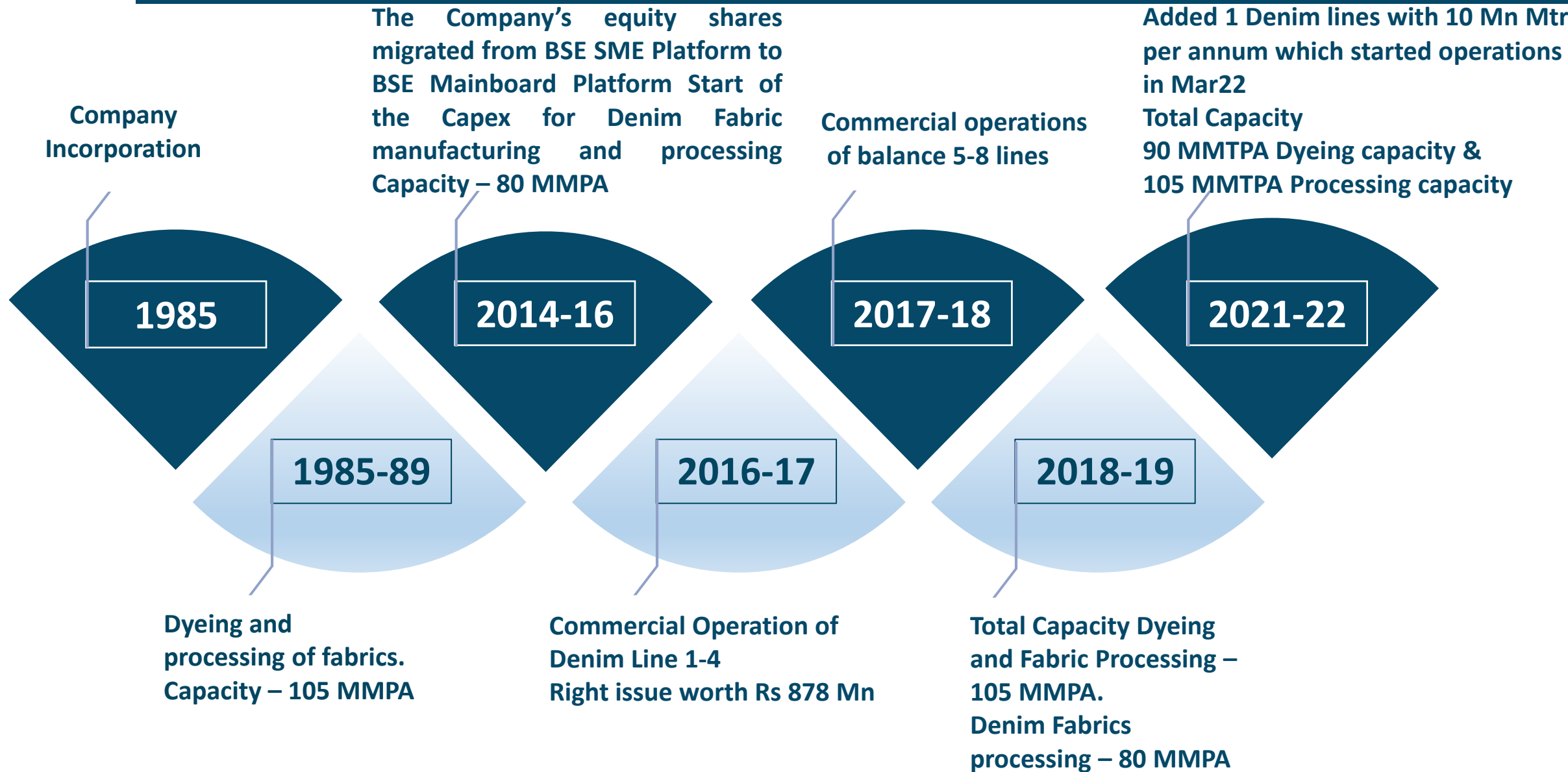
- Headquartered in Ahmedabad
- Established in 1985
- 2,200+ Employees

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

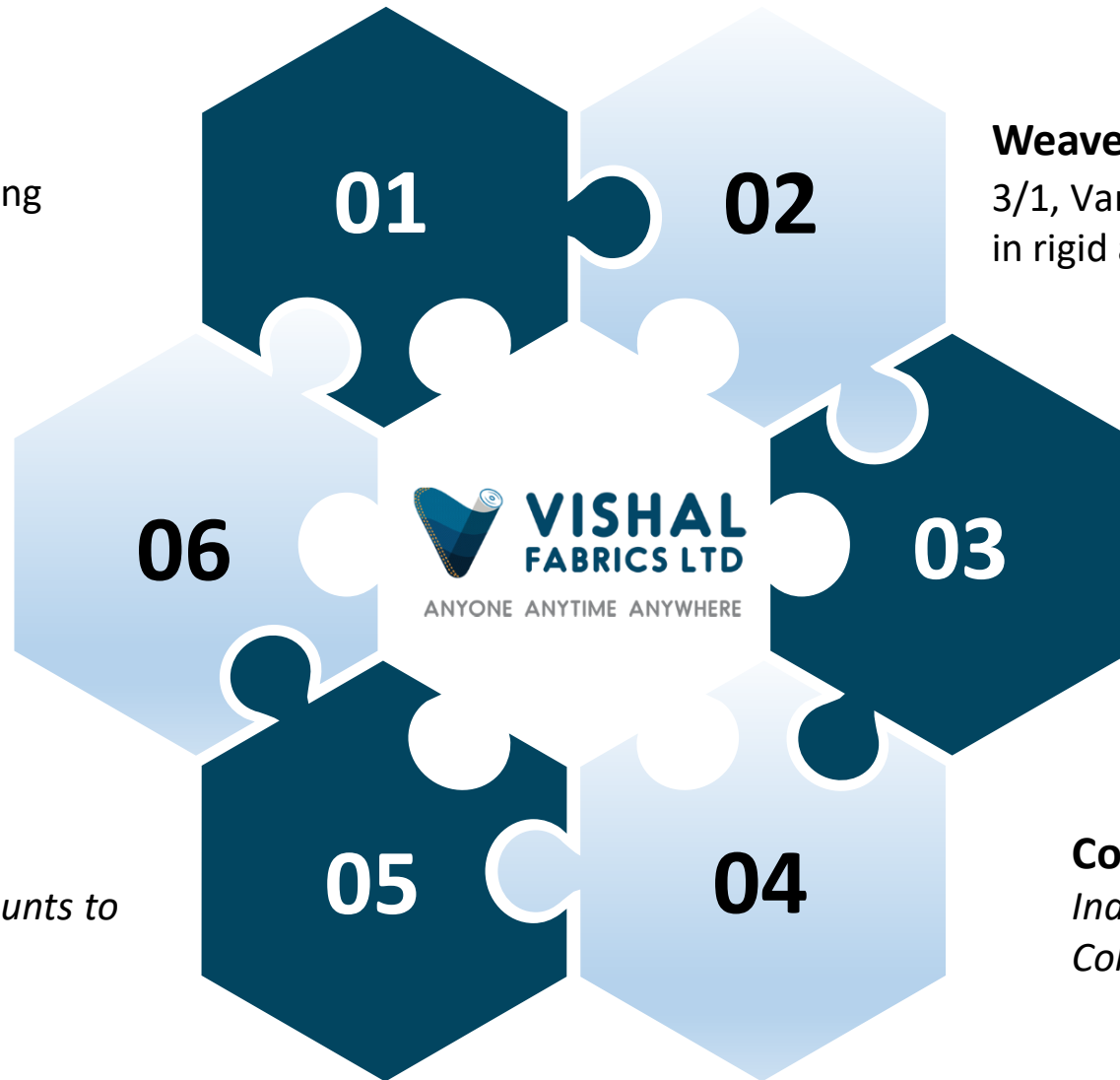
Dyes, Desize, Mercerize, Coating and Liza finishes

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

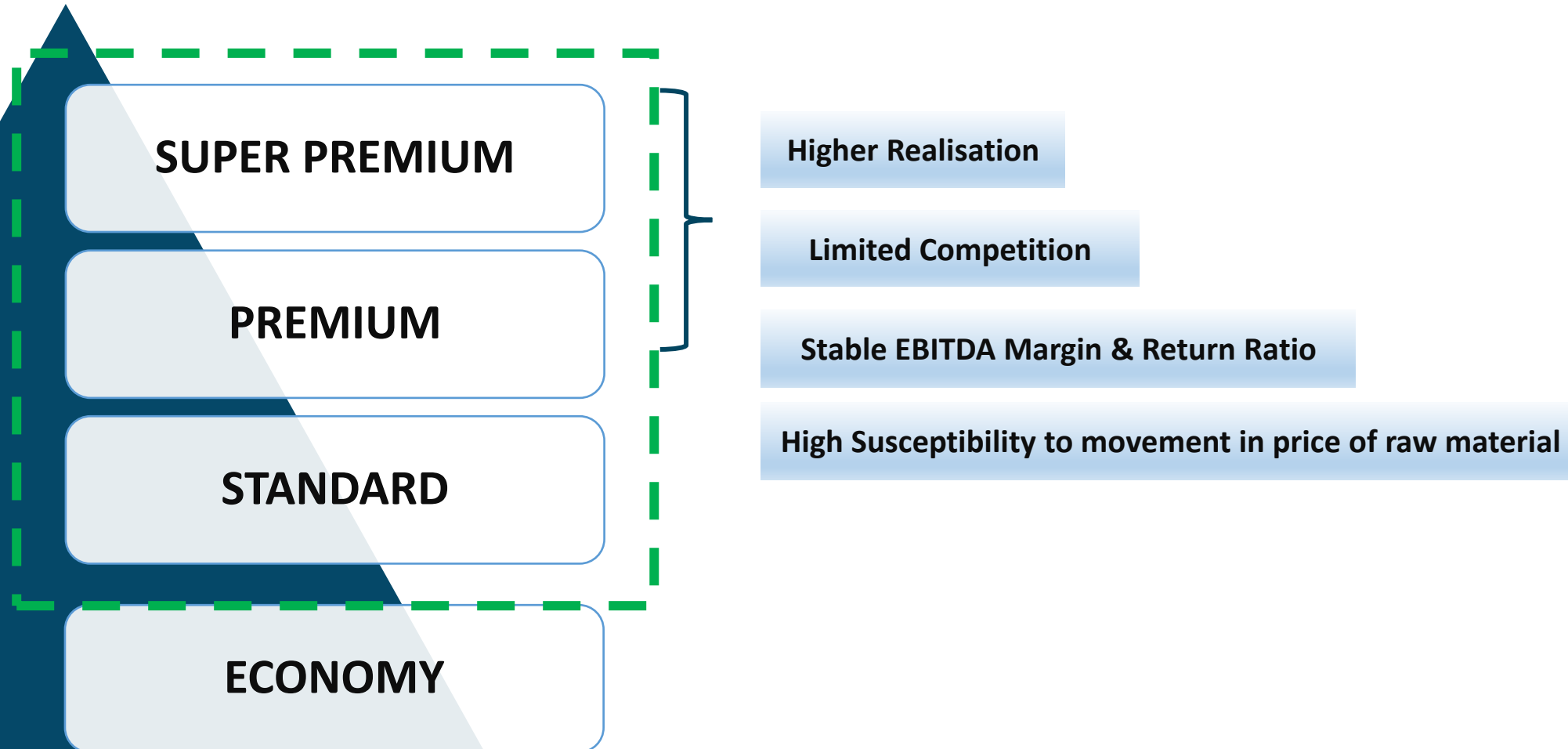
Fabric Blend

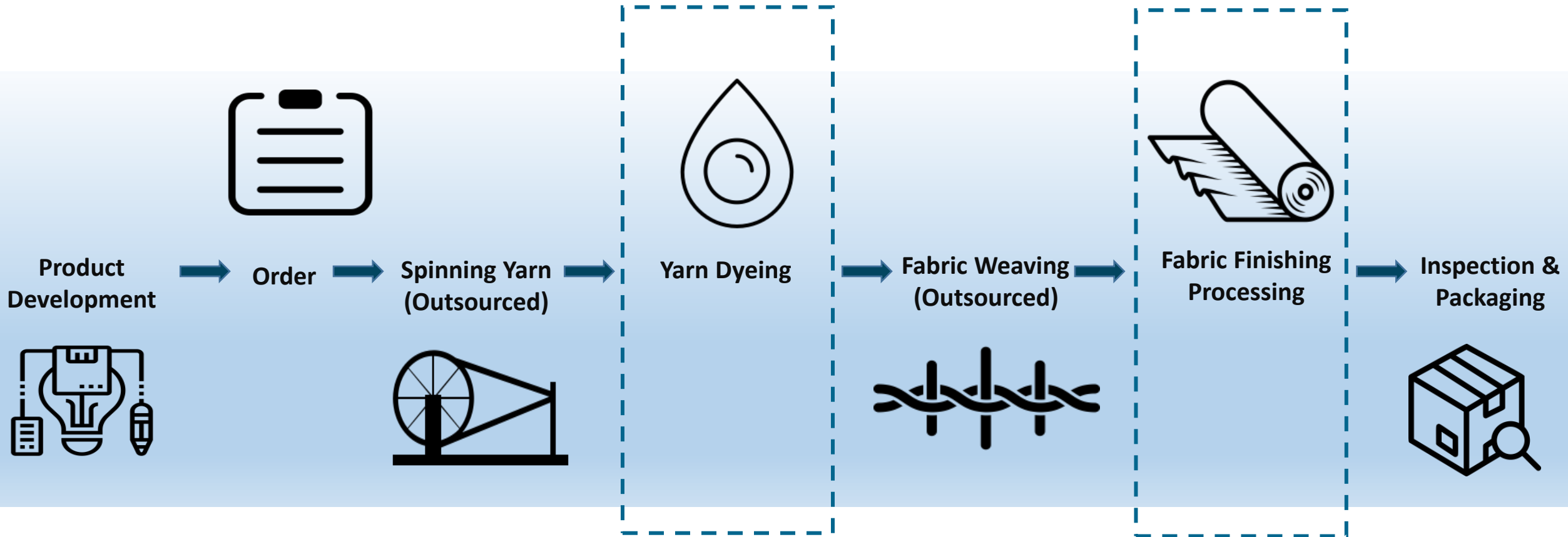
Cotton, Polyester and Lycra


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

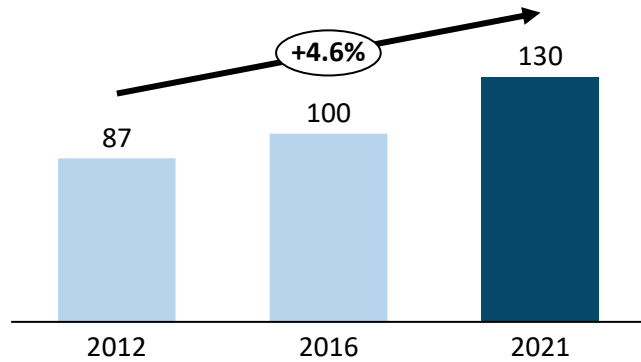


Advantage of Gujarat

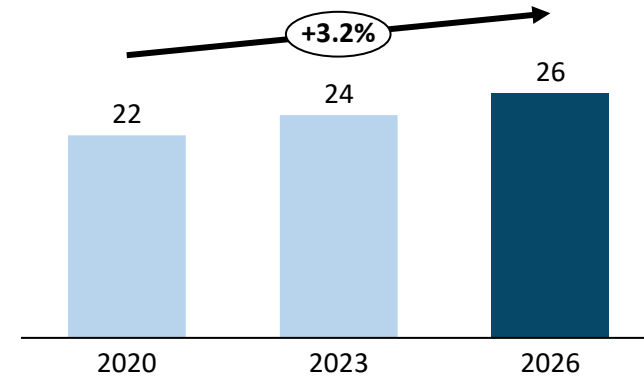
- 1 Gujarat is a textile hub of India**
 - Largest producer of denim fabric in India
 - Housing the entire textile value chain
- 2 Gujarat Textile Policy Benefits**
 - 10% capital subsidy from central government for plant and machinery
 - 5% interest rate subsidy from state government
 - 2.5% SGST subsidy 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

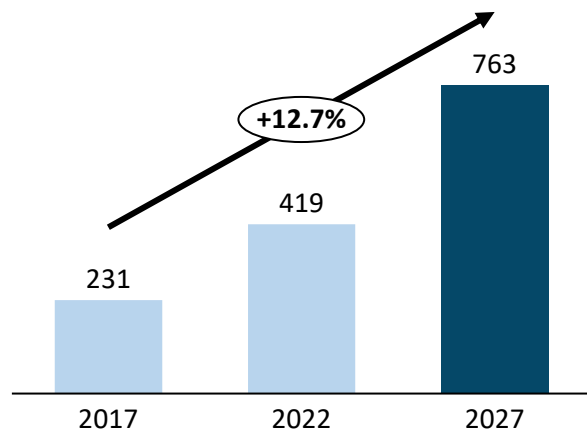
Global Denim Jeans Sales (US\$ Bn)



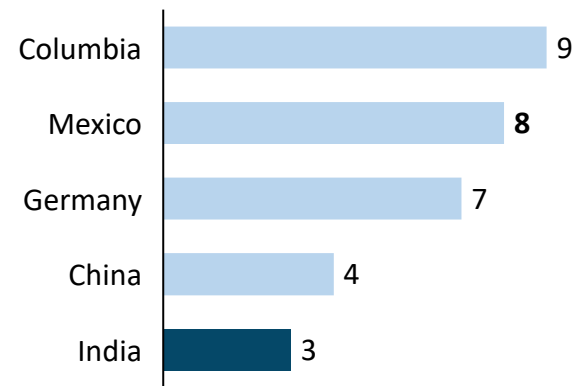
Global Denim Fabric Market (US\$ Bn)



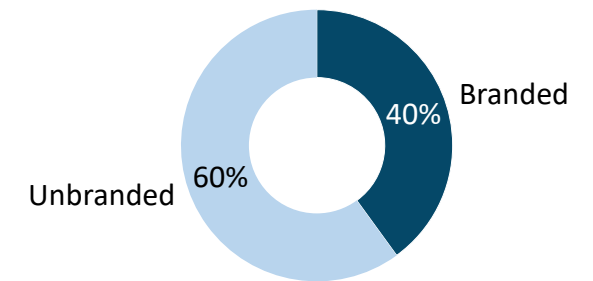
Domestic Denim Apparel Market (Rs. Bn)



Low Consumption in Indian Market (2018)



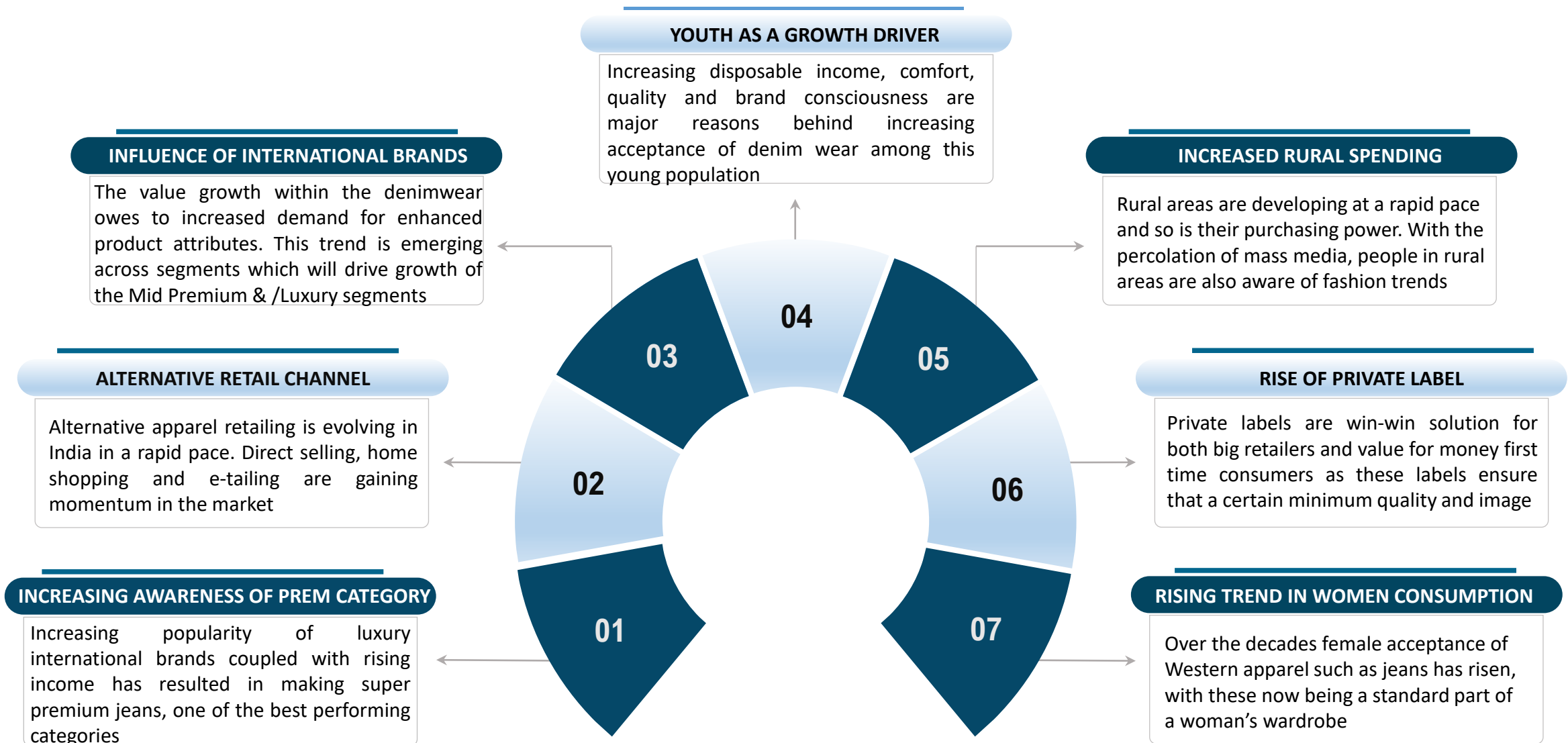
Market Contribution



Opportunity for the private label play in the denim market

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

Average Pair of Jeans



- 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. 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

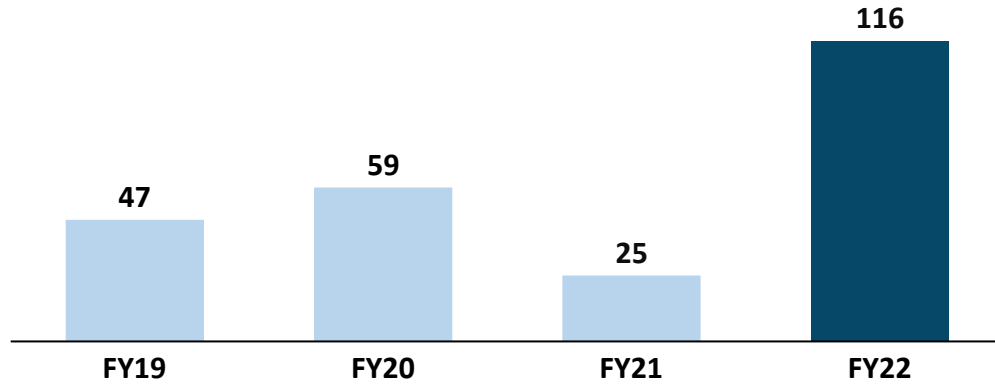
Particulars(Rs. in Crs)	FY19	FY20	FY21	FY22
Revenue from Operations	998	1,297	968	1,547
COGS	808	1,077	775	1,269
Employee Cost	74	76	64	77
Other Expenses	42	40	41	39
EBITDA	75	103	88	161
EBITDA Margin	7.5%	8.0%	9.1%	10.4%
Depreciation	29	30	26	33
Other Income	1	2	2	3
EBIT	46	75	64	131
EBIT Margin	4.6%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

STANDALONE BALANCE SHEET

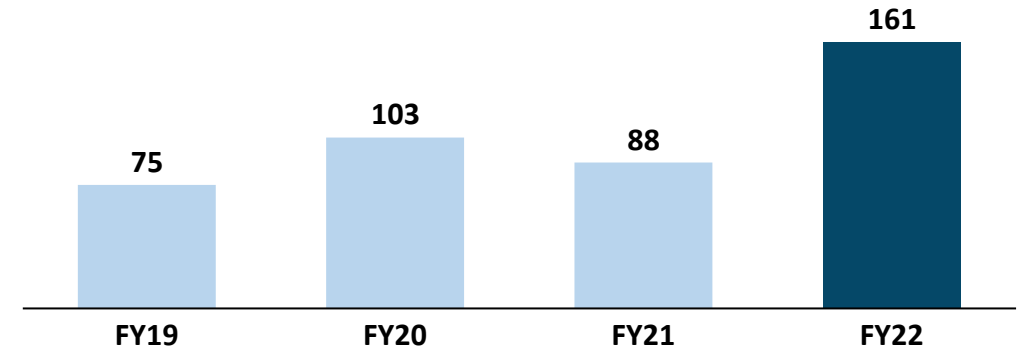
Particulars(Rs. in Crs)	Mar-19	Mar-20	Mar-21	Mar-22
Shareholder's Funds	217	247	265	335
Equity Share Capital	22	22	33	99
Reserves & Surplus	195	225	232	236
Non-Current Liabilities	258	235	207	176
Financial Liability				
(i) Borrowings	251	225	192	163
(ii) Other Financial Liabilities	3	4	4	5
Provisions	4	4	4	2
Deferred Tax Liabilities	0	2	7	6
Current Liabilities	268	288	327	367
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
Total Equity & Liabilities	742	770	799	878

Particulars(Rs. in Crs)	Mar-19	Mar-20	Mar-21	Mar-22
Non-Current Assets	342	322	307	301
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
Current Assets	400	449	491	576
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
Total Assets	742	770	799	878

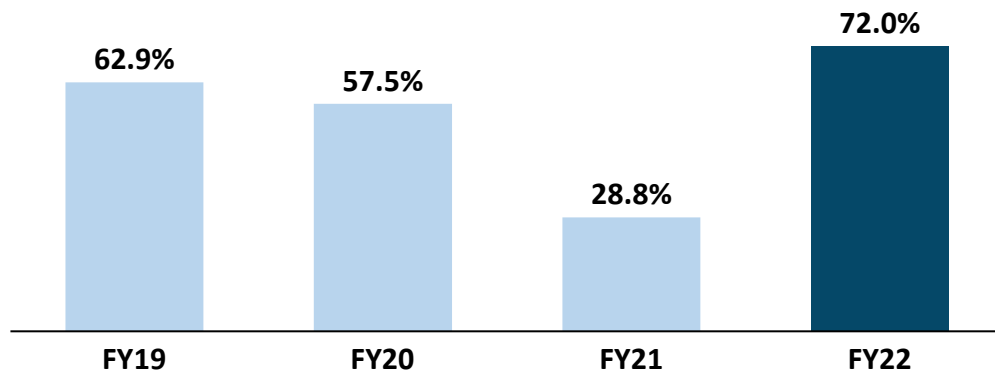
Operating Cash flow (Rs. in Crs)



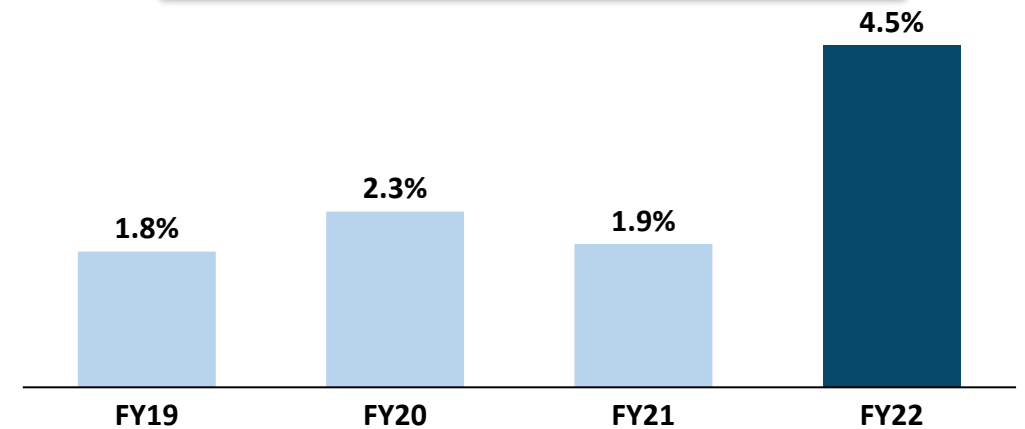
EBITDA (Rs. in Crs)



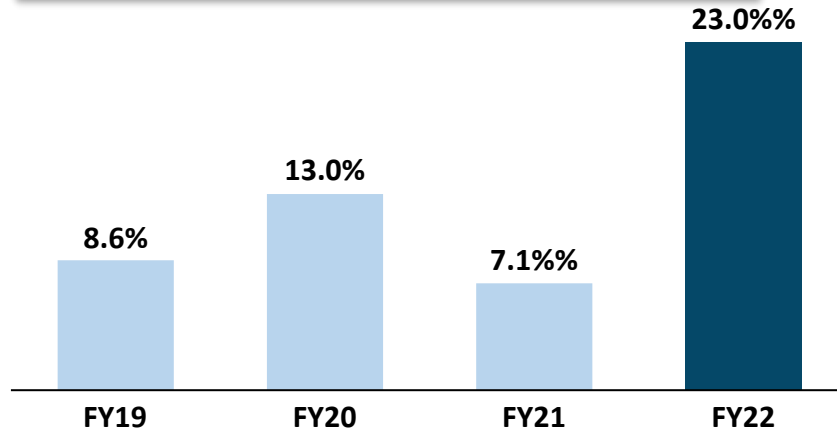
Operating CF: EBITDA



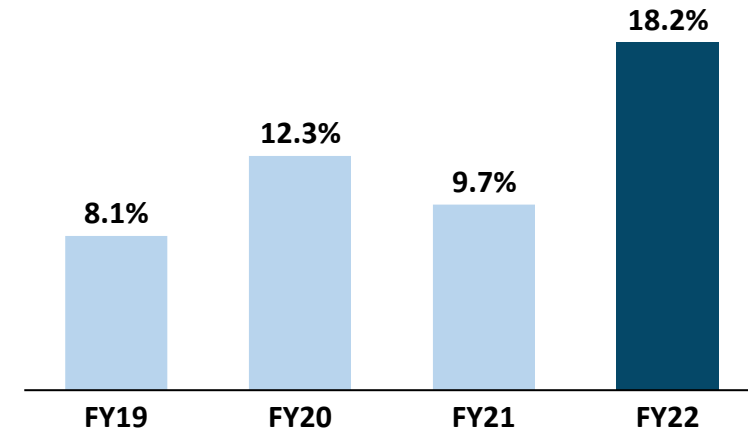
Net Profit Ratio



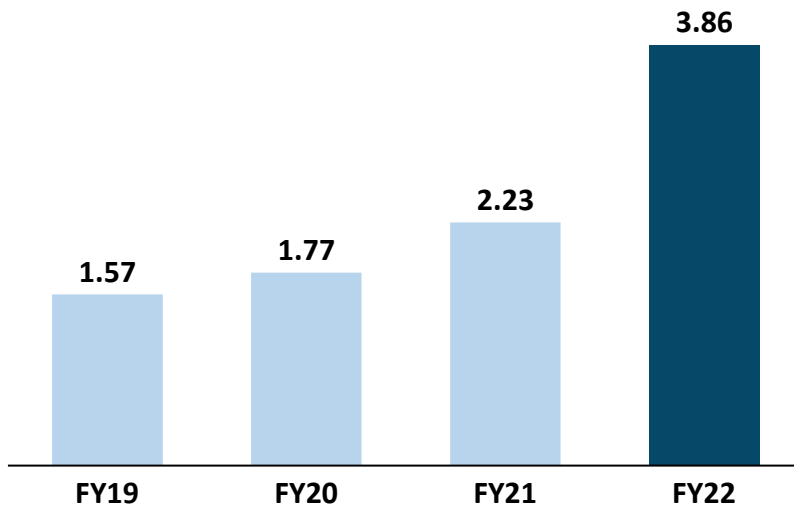
Return on Equity



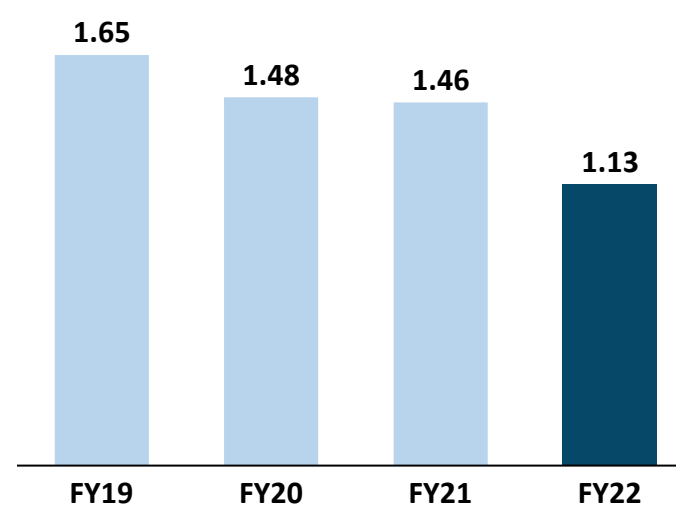
Return on Capital Employed



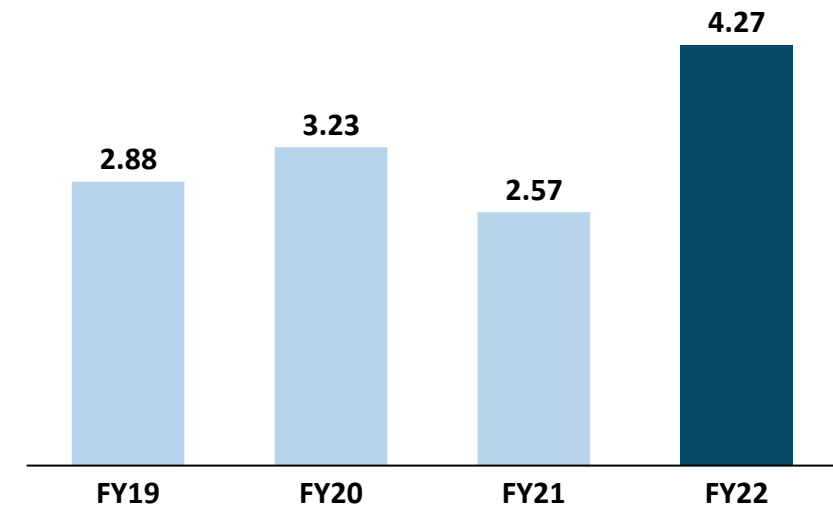
Debt Service Coverage Ratio



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

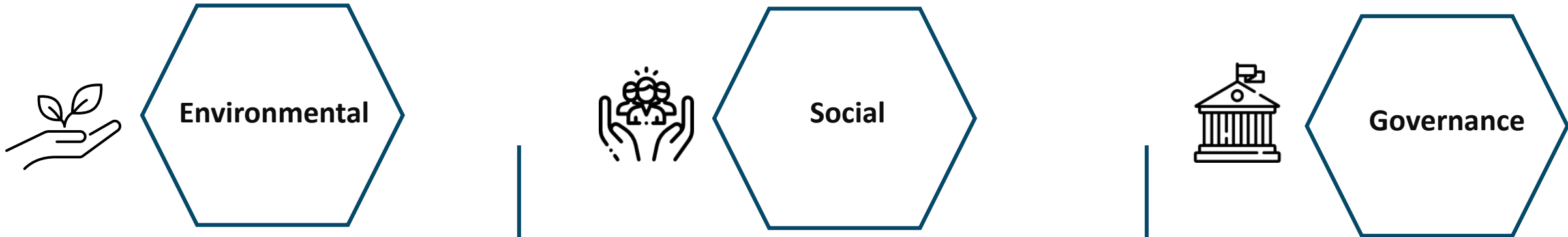
- The leftover material like cotton fiber is **utilized as a raw material** to produce denim bags, tablecloths, mats, covers, etc.

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

Investor Relations Advisors :

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.
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