



**VISHAL
FABRICS LTD**

ANYONE ANYTIME ANYWHERE

**Investor Presentation
Q2FY22**

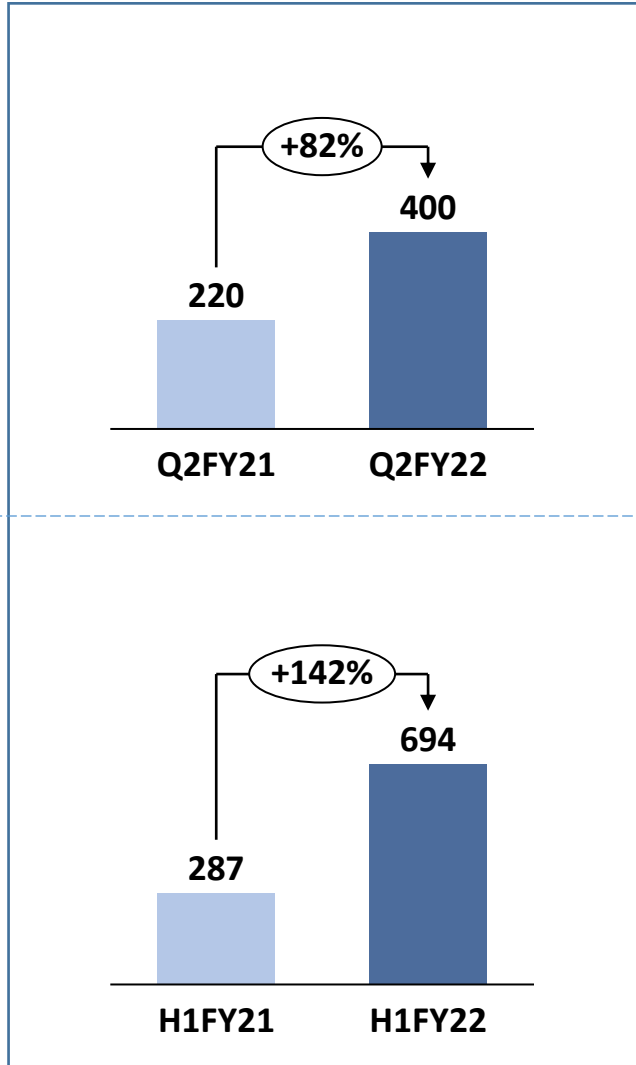
The graphic features a central light blue rectangular box with a subtle gradient, containing the text 'PERFORMANCE HIGHLIGHTS'. This box is overlaid on a dark blue vertical bar on the left and a light blue horizontal bar that spans the width of the page. The background is white.

PERFORMANCE HIGHLIGHTS

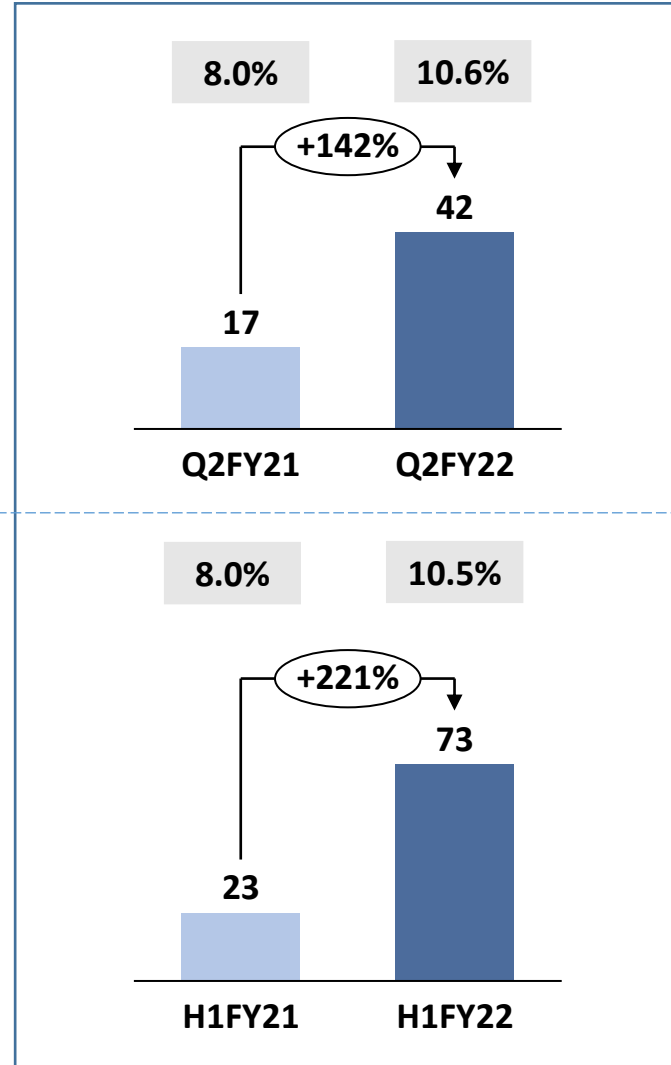
Q2 & H1FY22 CONSOLIDATED PERFORMANCE

Rs. In Crs

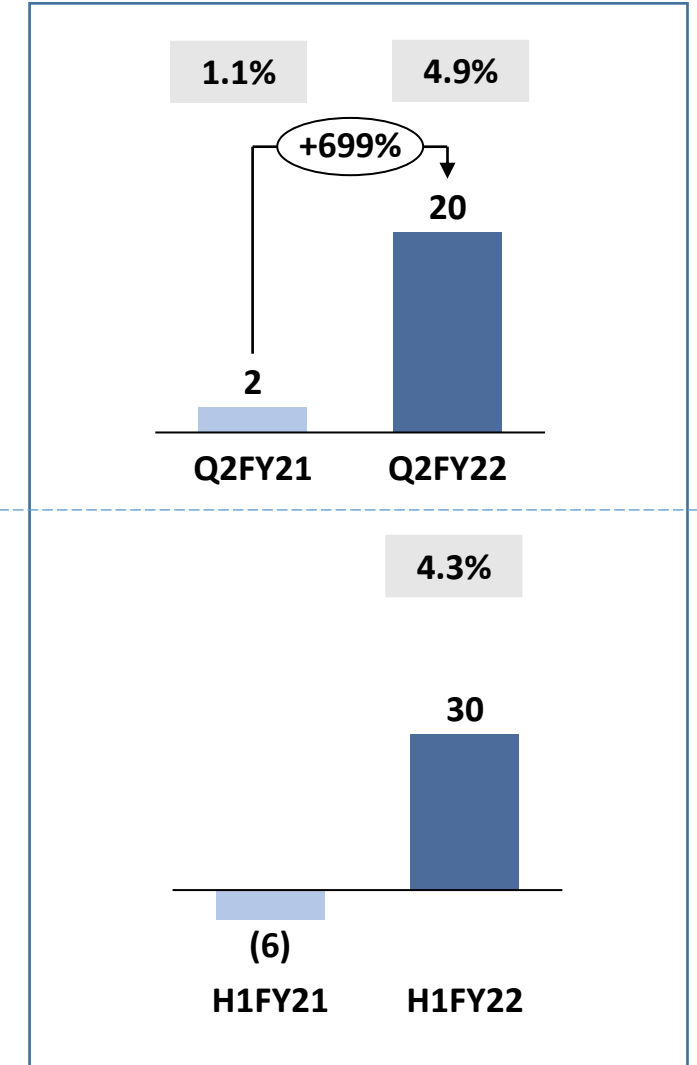
REVENUE



EBITDA



PAT



Margins

CONSOLIDATED P&L

Particulars (INR Crs)	Q2 FY22	Q2 FY21	YoY	Q1 FY22	QoQ	H1 FY22	H1 FY21	YoY
Revenue from Operations	400	220	82%	295	35%	694	287	142%
COGS	327	176		242		569	229	
Gross Profit	72	44	65%	53	36%	125	58	115%
Gross Profit Margin	18.0%	19.9%	(190)bps	18.0%	-	18.0%	20.3%	(230)bps
Employee Cost	19	15		15		34	20	
Other Expenses	11	11		7		18	16	
EBITDA	42	17	142%	31	37%	73	23	220%
EBITDA Margin	10.6%	8.0%	260 bps	10.5%	10 bps	10.5%	8.0%	250 bps
Depreciation	7	6		8		16	11	
Other Income	0.5	0.2		0.1		0.6	0.2	
EBIT	36	12	203%	23	58%	58	12	382%
EBIT Margin	9.0%	5.4%	360 bps	7.7%	130 bps	8.4%	4.2%	420 bps
Finance Cost	9	9		9		18	17	
Profit before Tax	27	3	820%	14	92%	41	(4.8)	-
Profit before Tax Margin	6.7%	1.3%	540 bps	4.7%	200 bps	5.9%	-	-
Tax	7	0.4		4		11	1	
Profit After Tax	20	2	699%	10	93%	30	(5.7)	-
Profit After Tax Margin	4.9%	1.1%	380 bps	3.5%	140 bps	4.3%	-2.0%	-
EPS	3.00	0.57		1.55		4.56	-1.32	
Cash PAT	27	8		19		46	5	

CONSOLIDATED BALANCE SHEET

Particulars (in Rs. Crs)	Sep-21	Mar-21
Shareholder's Funds	294	265
Equity Share Capital	33	33
Reserves & Surplus	261	232
Non-Current Liabilities	232	250
(i) Borrowings	215	236
(ii) Other Financial Liabilities	6	4
Provisions	4	4
Deferred Tax Liabilities	7	7
Current Liabilities	275	284
(i) Borrowings	166	151
(ii) Trade Payables	90	123
Other Current Liabilities	4	3
Current tax liabilities (net)	13	4
Provisions	2	2
Total Equity & Liabilities	802	799

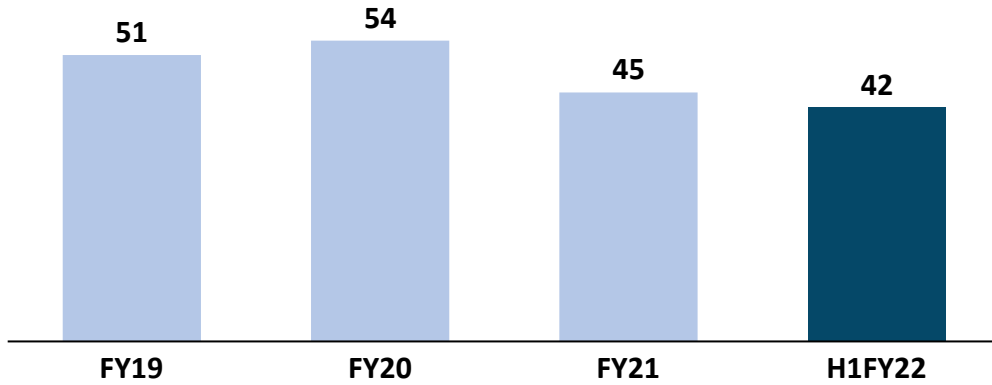
Particulars (in Rs. Crs)	Sep-21	Mar-21
Non-Current Assets	302	307
Property Plant & Equipment	268	244
CWIP	8	33
Investments	22	22
Other Financial Assets	0.1	0.1
Other Non-Current Assets	5	8
Current Assets	499	491
Inventories	79	59
Financial Assets		
(i)Trade receivables	362	361
(ii)Cash and cash equivalents	1	13
(iii)Bank balances	21	7
Other Current Assets	36	50
Total Assets	802	799

CASH FLOW STATEMENT

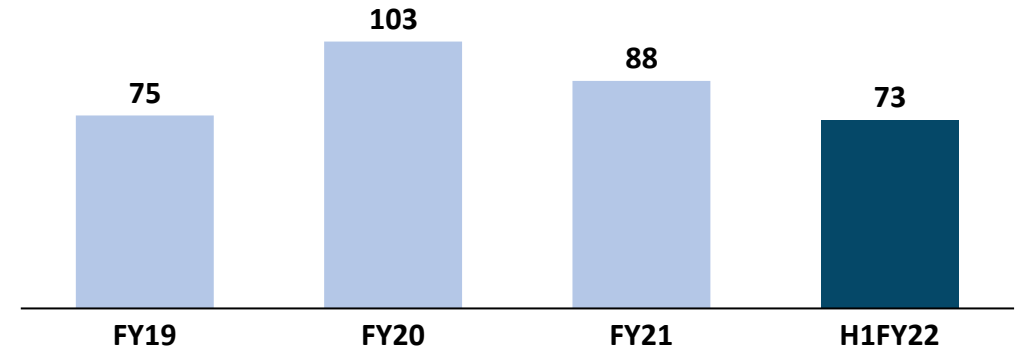
Particulars (Rs. Crs)	Sept-21	Mar-21
Profit before Tax & Exceptional	41	30
Adjustment for Depreciation & other items	29	55
Operating profit before working capital changes	70	84
Changes in working capital	(28)	(59)
Cash generated from operations	42	25
Direct taxes paid (net of refund)	10	11
Net Cash from Operating Activities	32	14
Net Cash from Investing Activities	(10)	(11)
Net Cash from Financing Activities	(21)	(8)
Net Change in cash and cash equivalents	1	(5)
Cash and cash equivalents at the beginning of the year	21	26
Cash and cash equivalents at the end of the year	22	21

PERFORMANCE RATIO

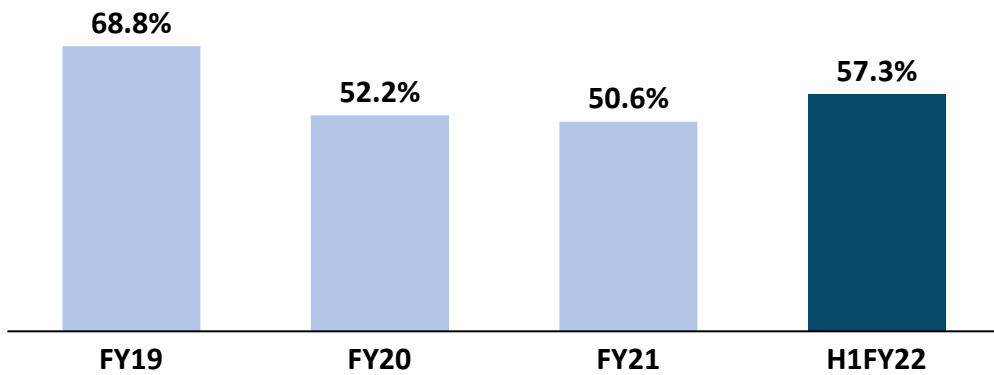
Operating Cash flow (in Rs. Crs)



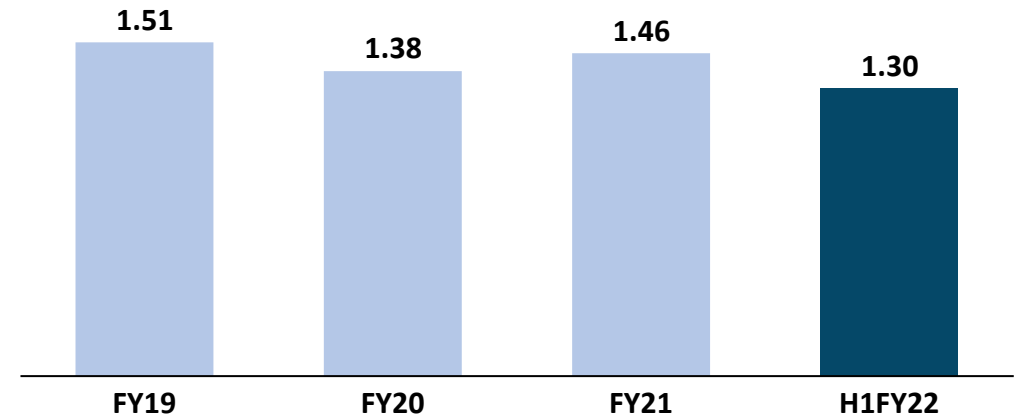
EBITDA (in Rs. Crs)





Operating CF: EBITDA



DEBT/EQUITY



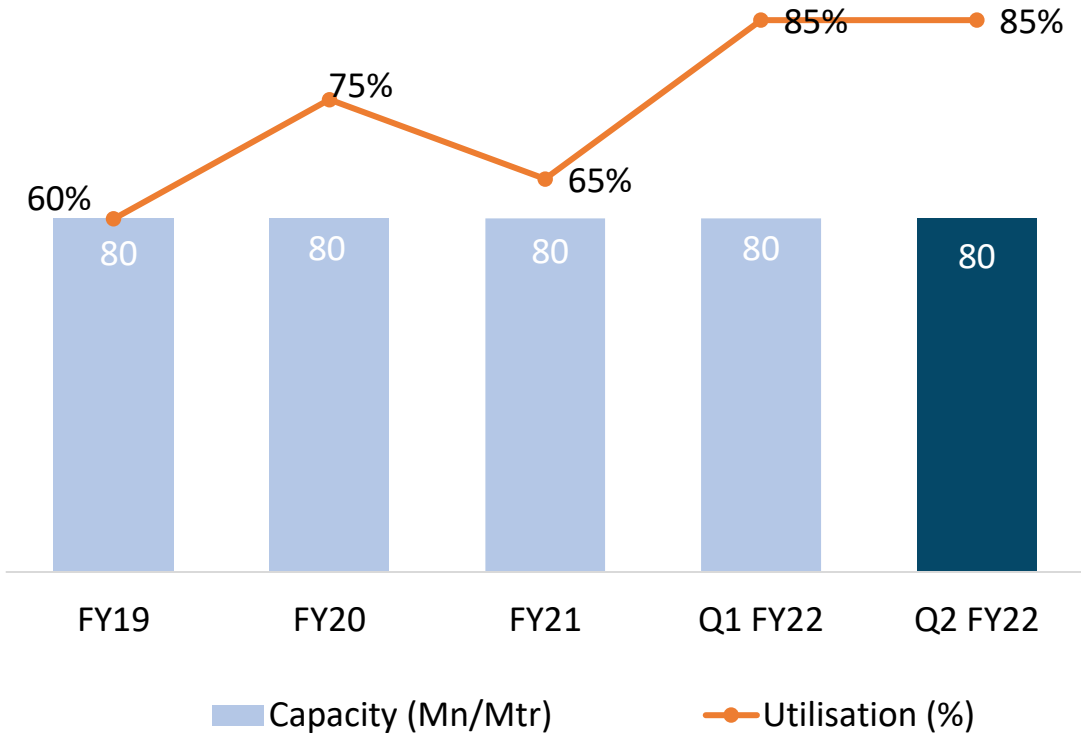
Particulars (Amt in Cr.)	Sept-21	Mar-21	Change
Long Term Debt	261	280	19 
Short Term Debt	120	107	13 

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 long term debt of **Rs. 40 Crs** by March 2022 out of which Rs. 19 Crs has been reduced in H1FY22

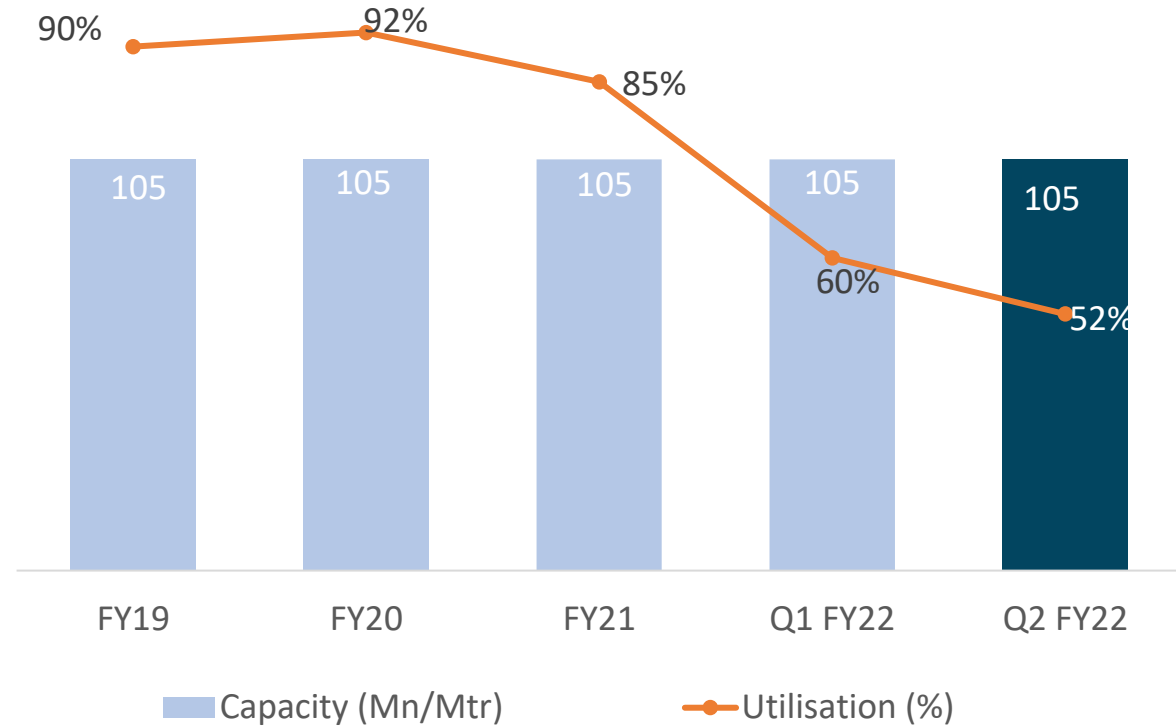
CAPACITY UTILIZATION

Dholi Unit



Capacity Utilisation in Dholi Unit is at a Consistent level

Narol Unit



Due to Steep surge in RM prices major companies in nearby area decided to shut manufacturing for certain days of the quarter leading to dropout in Utilisation level in Narol unit

MEDIUM TERM TARGETS

Growth Drivers

	FY20	FY21	FY23E
REVENUE (Rs. Crs)	1,297	967	1,500-1,600
EBITDA (Rs. Cr)	103	88	150-170
EBITDA Margin (%)	8.0%	9.1%	10.0% -11.0%

- ✓ Optimize operational efficiencies
- ✓ Additional Capacity to drive next leg of growth
- ✓ Plans to expand 25% of the existing capacity in phases



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**



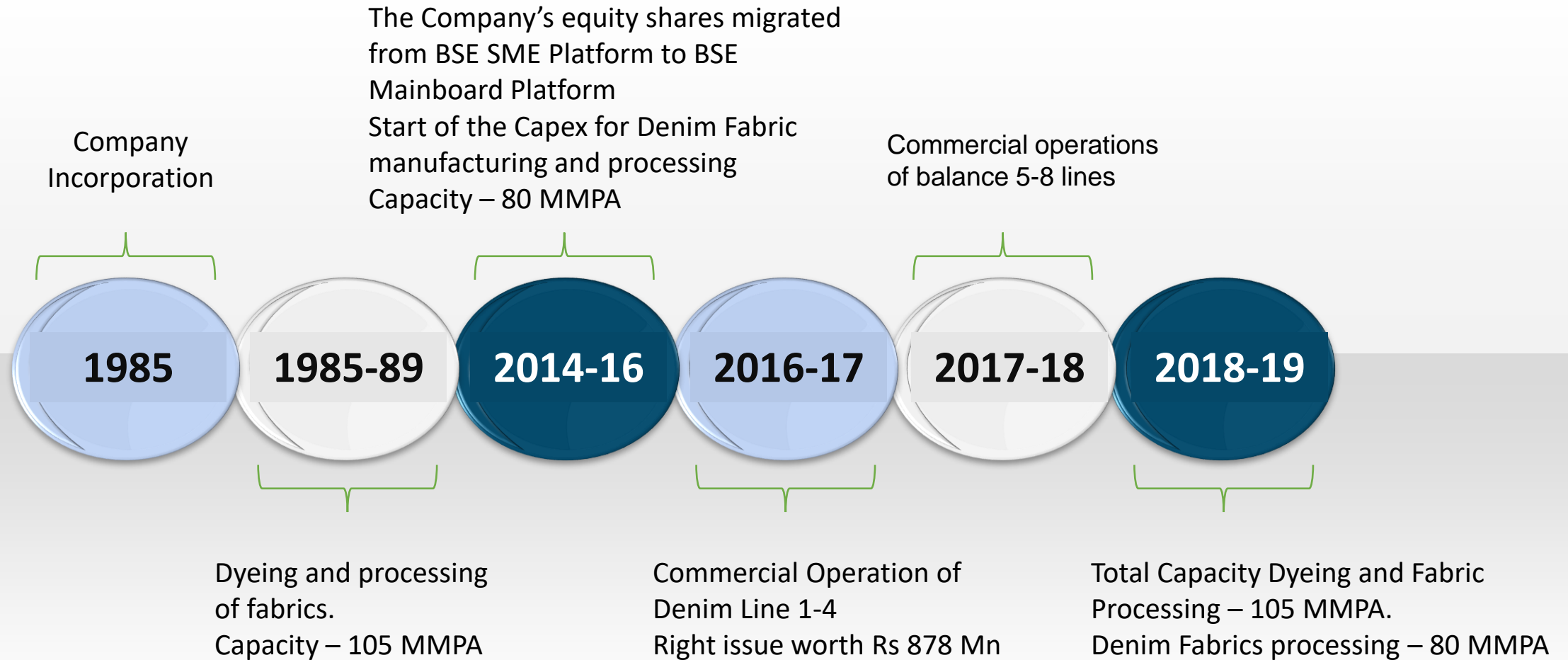
**ZLD (Zero Liquid Discharge) &
ETP (Effluent Treatment Plant)**



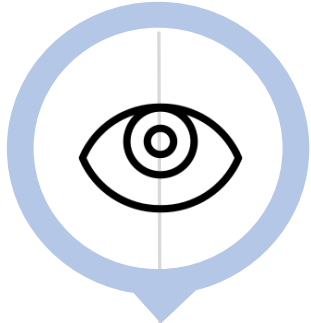
**80 MMTPA Dyeing Capacity
105 MMTPA processing capacity**



OEKO-TEX certified



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

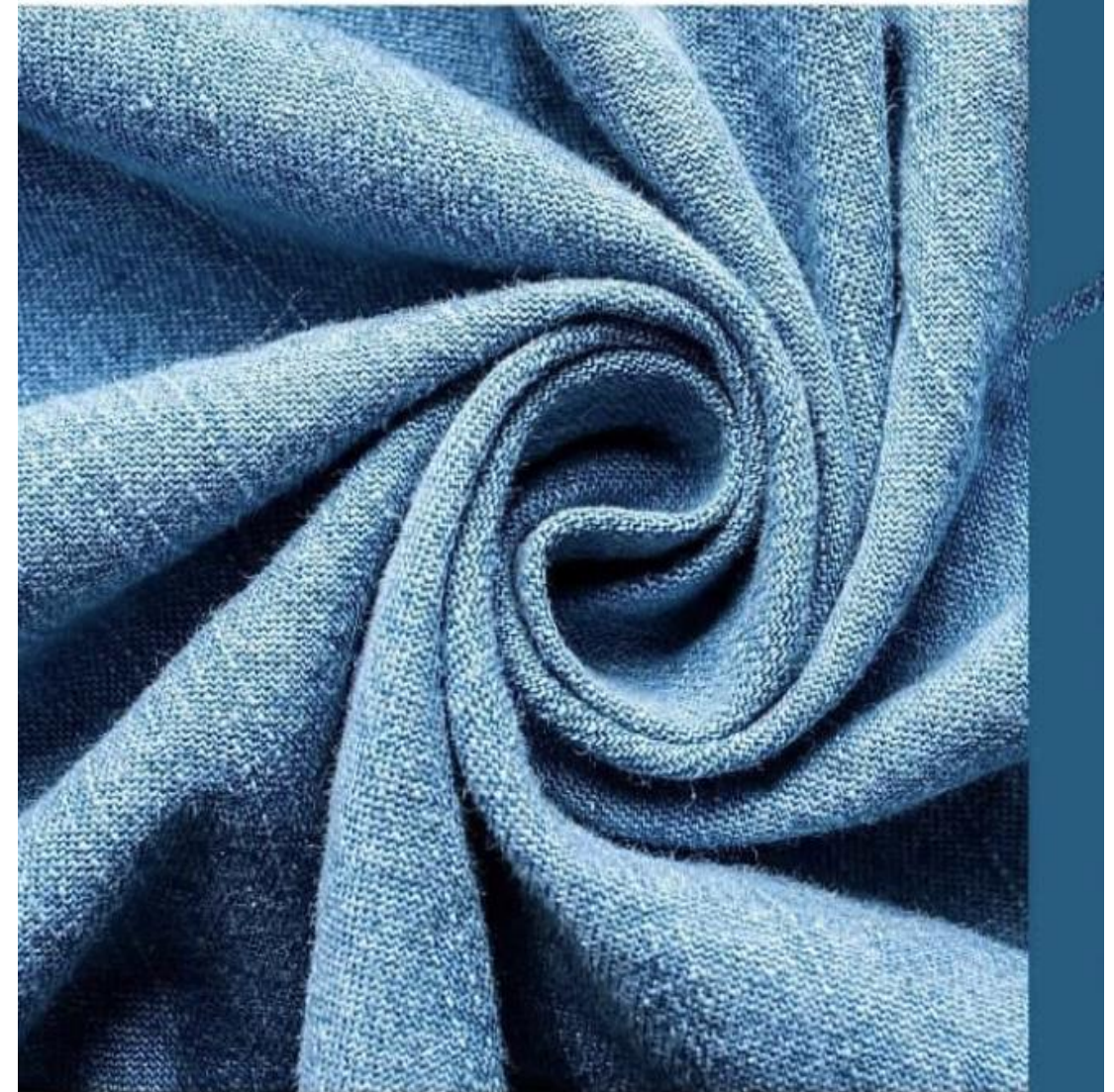
For us, denim is a fabric that weaves people together in a thread of unity. Our mission is to produce premium quality denim that breaks the barriers of age, gender and location. We aim to keep doing what we do best –keeping our customers, their likes and their needs first, always!



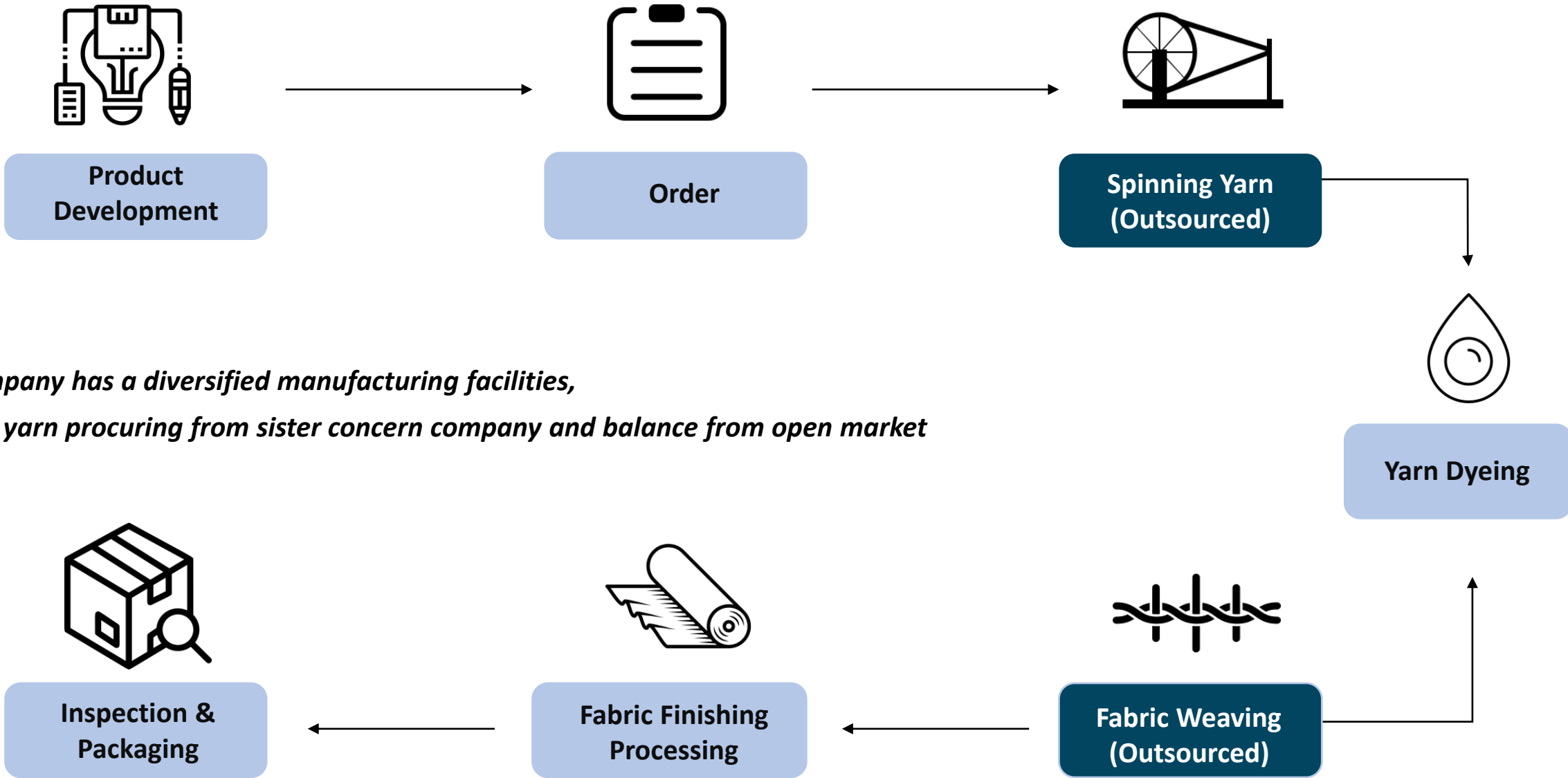
Goal

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



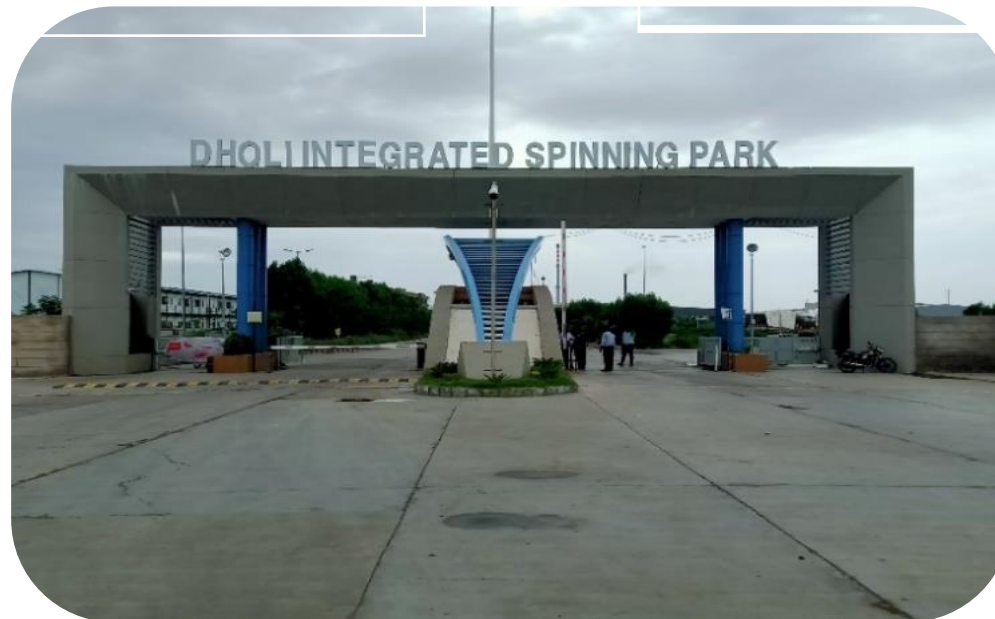
*The Company has a diversified manufacturing facilities,
~40% of yarn procuring from sister concern company and balance from open market*

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



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%

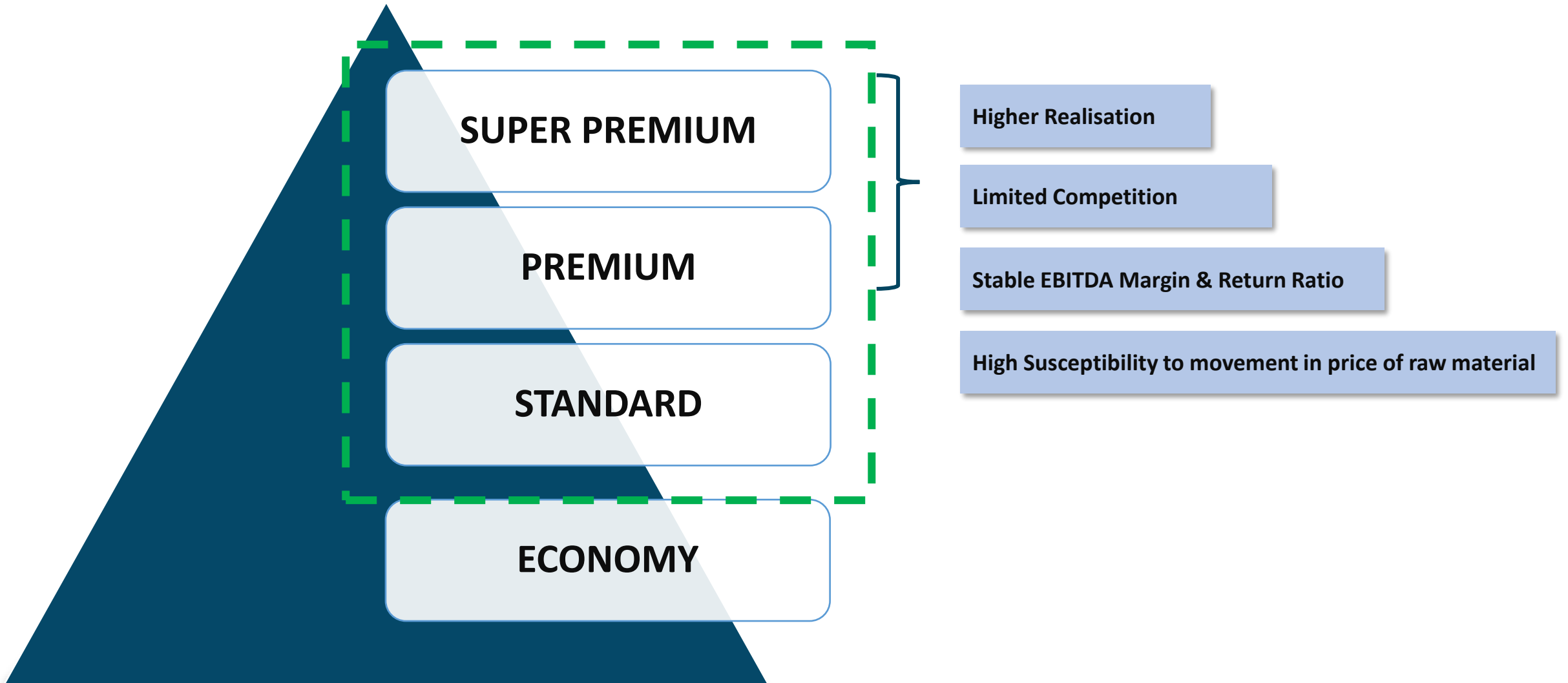
04

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



ZARA



TOMMY  HILFIGER

1985-now

EMPORIO

ARMANI

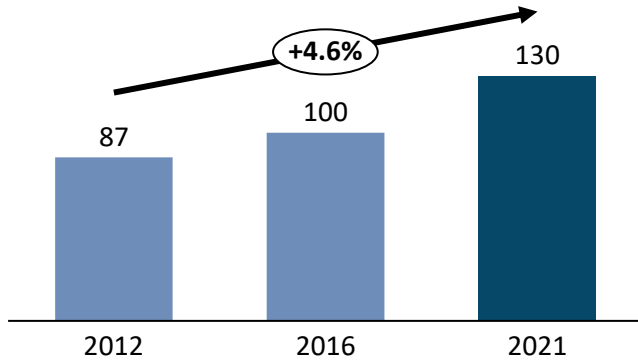




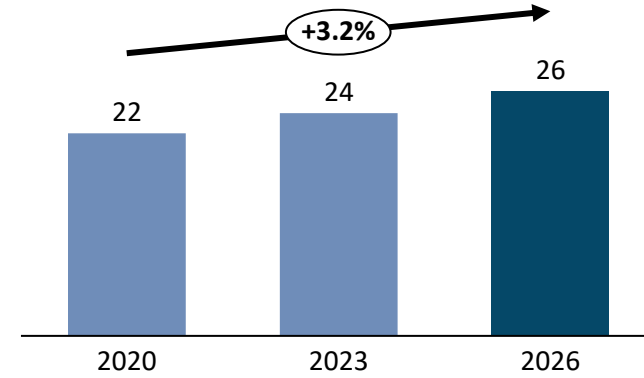
INDUSTRY

INDUSTRY OVERVIEW

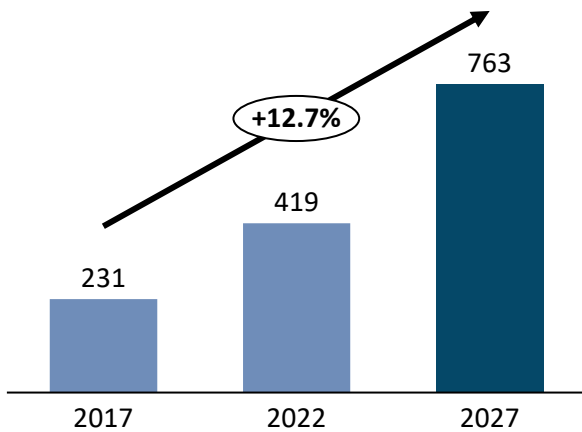
Global Denim Jeans Sales (US\$ Bn)



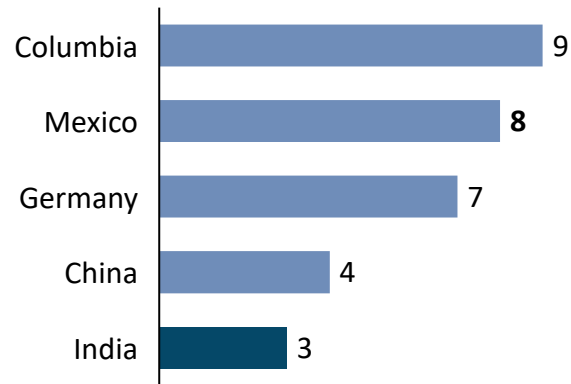
Global Denim Fabric Market (US\$ Bn)



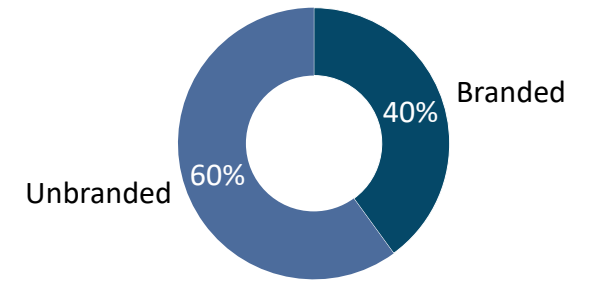
Domestic Denim Apparel Market (Rs. Bn)



Low Consumption in Indian Market (2018)

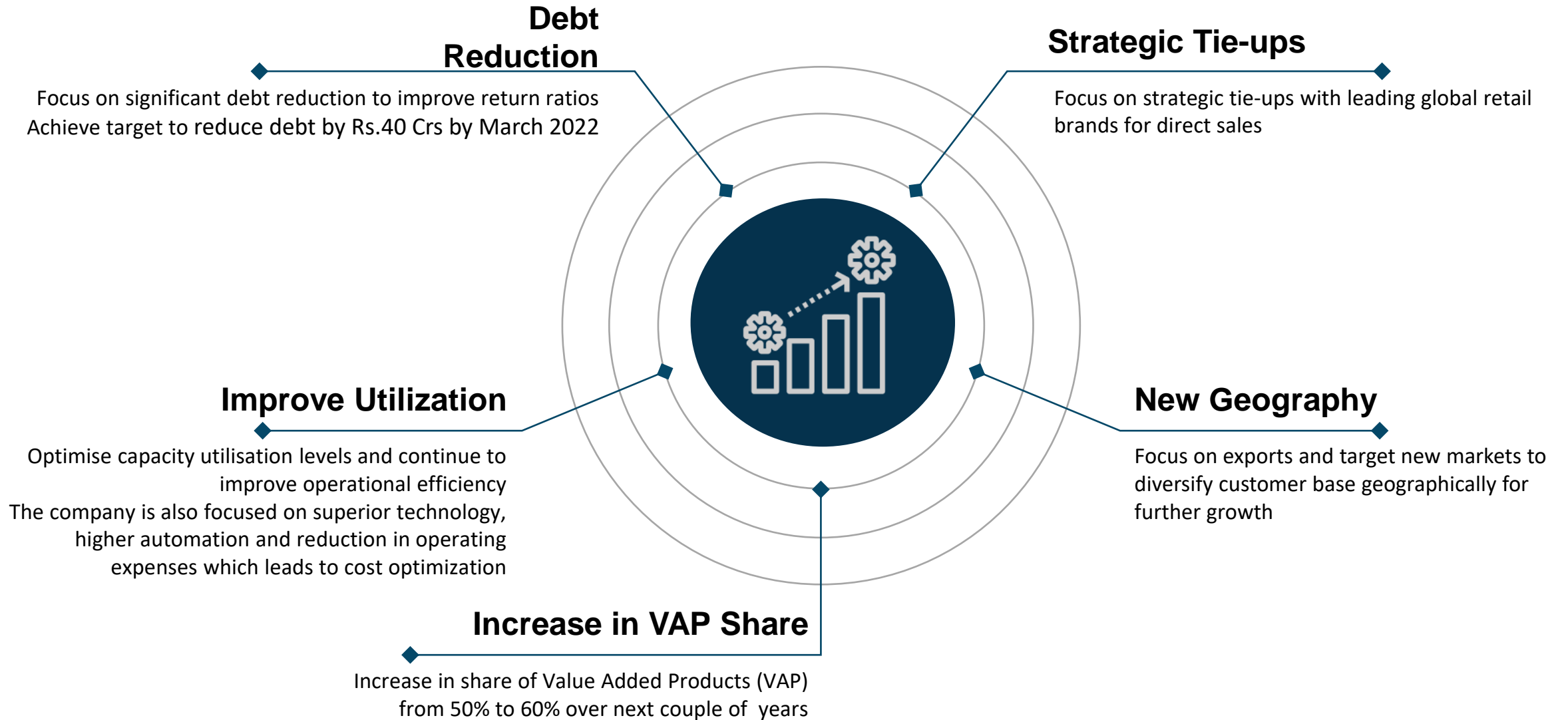


Market Contribution



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.



**HISTORICAL
FINANCIALS**

CONSOLIDATED P&L

Particulars (INR Crs)	FY19	FY20	FY21
Revenue from Operations	998	1,297	968
COGS	808	1,077	775
Gross Profit	191	220	193
Gross Profit Margin	19.1%	16.9%	19.9%
Employee Cost	74	76	64
Other Expenses	42	40	41
EBITDA	75	103	88
EBITDA Margin	7.5%	8.0%	9.1%
Depreciation	29	30	26
Other Income	1	2	2
EBIT	46	75	64
EBIT Margin	4.7%	5.8%	6.6%
Finance Cost	26	32	34
Profit before Tax	20	43	30
Profit before Tax Margin	2.0%	3.3%	3.1%
Tax	3	13	12
Profit After Tax	18	30	18
Profit After Tax Margin	1.8%	2.3%	1.9%
EPS	4.1	4.57	2.75
Cash PAT	47	60	44

CONSOLIDATED BALANCE SHEET

Particulars (in Rs. Crs)	Mar-19	Mar-20	Mar-21
Shareholder's Funds	217	247	265
Equity Share Capital	22	22	33
Reserves & Surplus	195	225	232
Non-Current Liabilities	258	235	250
(i) Borrowings	251	225	236
(ii) Other Financial Liabilities	3	4	4
Provisions	4	4	4
Deferred Tax Liabilities	0	2	7
Current Liabilities	268	288	284
(i) Borrowings	76	115	151
(ii) Trade Payables	156	139	123
(iii) Other Financial Liabilities	30	24	-
Other Current Liabilities	3	4	3
Current tax liabilities (net)	1	4	4
Provisions	1	2	2
Total Equity & Liabilities	742	770	799

Particulars (in Rs. Crs)	Mar-19	Mar-20	Mar-21
Non-Current Assets	342	322	307
Property Plant & Equipment	286	263	244
CWIP	23	30	33
Investments	22	22	22
Other Financial Assets	1	0	0.1
Current Tax Assets (Net)	4	0	-
Other Non-Current Assets	6	6	8
Current Assets	400	449	491
Inventories	61	66	59
Financial Assets			
(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
Total Assets	742	770	799



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

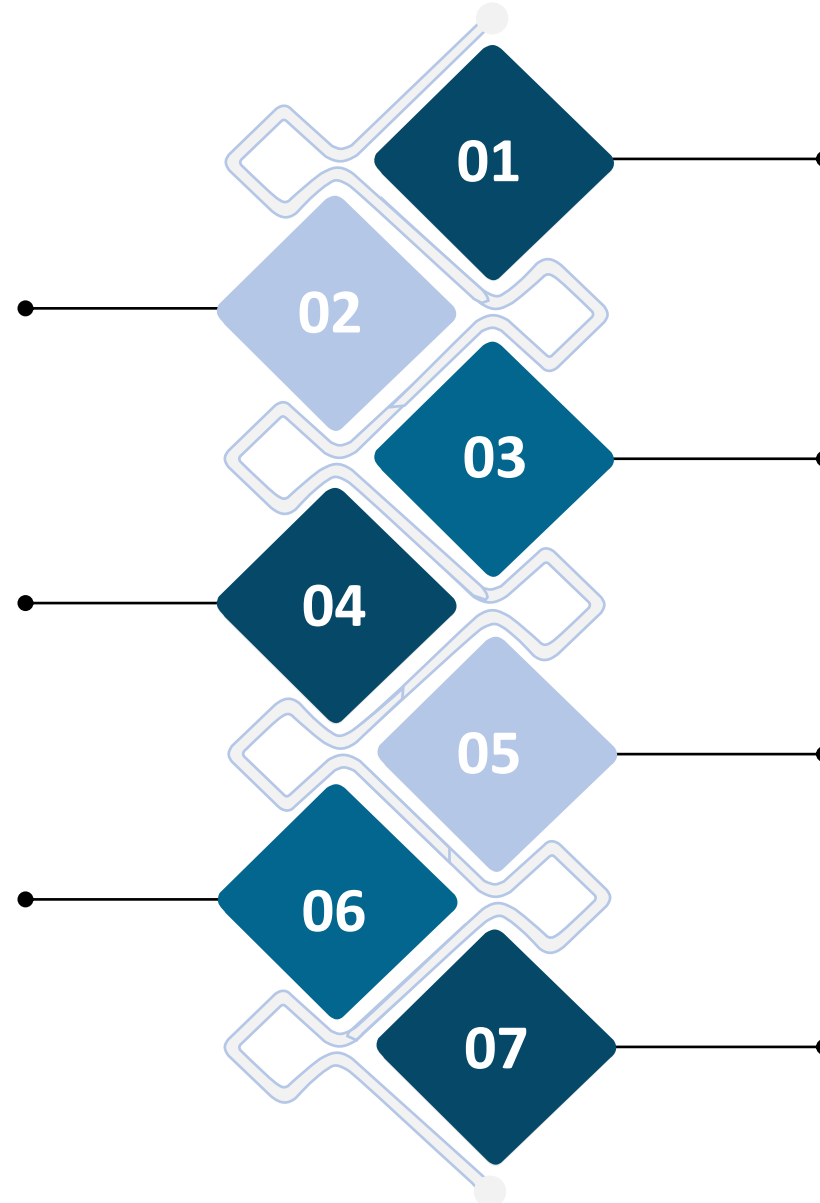
The value growth within the denimwear owes to increased demand for enhanced product attributes. This trend is emerging across both men's and women's segments which will drive growth of the Mid Premium and Premium/Luxury segments

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

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