

**RESILIENT.
DYNAMIC.
RESPONSIVE.**

UNLOCKING VALUE



Contents

CORPORATE OVERVIEW

- 02** About Chiripal Group
- 04** About Vishal Fabrics
- 05** Our Clientele
- 06** Performance Overview
- 07** Message from the Chairman
- 08** CFO's Message
- 09** Our Manufacturing Capabilities
- 10** Human Resources
- 12** Corporate Information

STATUTORY REPORTS

- 13** Management Discussion and Analysis
- 18** Notice
- 31** Directors' Report
- 47** Report on Corporate Governance

FINANCIAL STATEMENTS

- 61** Independent Auditors' Report
- 68** Balance Sheet
- 69** Statement of Profit And Loss
- 70** Cash Flow Statement
- 73** Notes to the Standalone Financial Statements

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forwardlooking statement, whether as a result of new information, future events, or otherwise.





While challenges continue to pose hurdles on our path, we remain resiliently focused on meeting changing expectations.

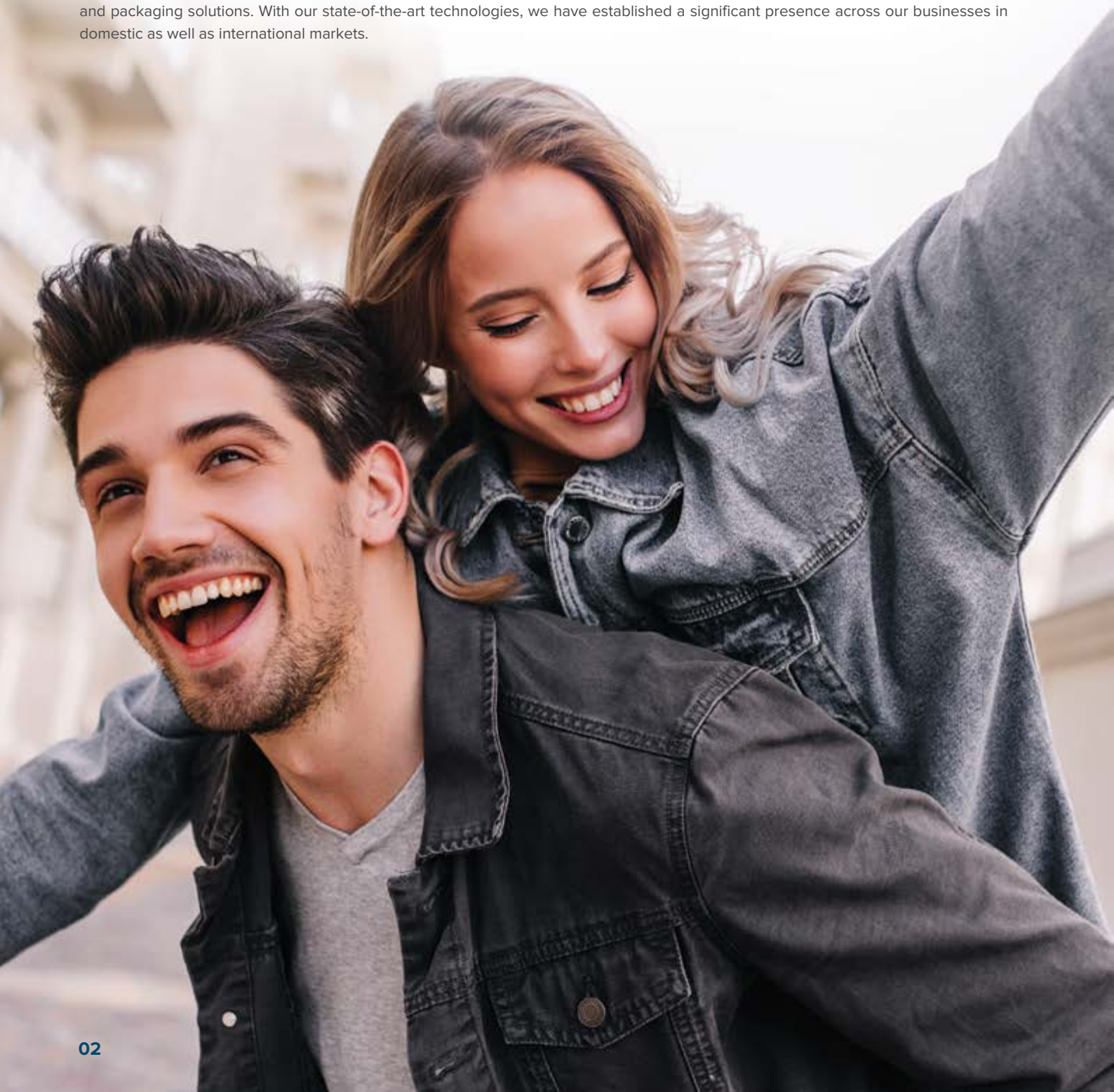
Our agile processes, dynamic approach and responsive methods have empowered us to overcome odds and establish excellence.

Today, we are strengthening our core, adopting newer methods and delivering results for stakeholders across the vertical. As we nurture aspirations to further cement our position in the industry and rise higher, we are dedicated to unlock value – to truly redefine our capabilities and explore newer avenues of success.

About **Chiripal Group**

We are among the largest manufacturers and exporters of various types of Textile and BOPP Film products in India.

Incorporated in 1972, Chiripal Group is a professionally governed business conglomerate embodying a team of experts from different fields and proficiency. Forming our roots from a few power looms, we have now evolved into multi-faceted textile house, petrochemicals and packaging solutions. With our state-of-the-art technologies, we have established a significant presence across our businesses in domestic as well as international markets.



COMPANY PORTFOLIO

Business Division	Group Companies	Details
Textile	Nandan Demin Ltd.	The country's largest denim fabric manufacturer, engaged in manufacture of denims, cotton fabrics and yarn.
	Chiripal Industries Ltd. (Fabric Division)	Comprises of different divisions namely Process Division, Woven Fabrics Division, Knitting Division, Polar Fleece Division, Flock Division, Cotton Hosiery Division, Embroidery Division and Chemical Division.
	Vishal Fabrics Ltd.	A leading processing house, engaged in textile fabrics processing and manufacturing with a wide product spectrum across categories for men, women and kids.
Yarn & Petrochemicals	Chiripal Industries Ltd. (Petrochemical Unit)	Engaged in manufacture of a variety of products that are customized as per the customers' requirements. The Company has facilities and infrastructure to produce yarns with consistent superior quality.
	CIL Nova Petrochemicals Ltd.	A leading producer of POY, FOY, PTY, and DTY yarns. Its rich experience in processing of various fabrics greatly enhances its ability to deliver high quality standards enabling it to expand its presence in international markets.
Packaging Solutions	Chiripal Poly Films Ltd.	Country's leading manufacturer of flexible packaging solutions, CPFL provides tailor-made packaging solutions by producing BOPP films, BOPET films, and PET resin chips.
Textile Park	Vraj Integrated Textile Park Ltd.	A dream project of Chiripal Group and a hub of modern textile industry. It offers comprehensive textile manufacturing solutions to the all processes under one roof and enhances competitiveness of the products by lowering overall manufacturing costs.
Education	Shanti Educational Initiatives Ltd.	A school management solutions provider and one of the fastest growing education company that plans, builds and manages educational institutions right from play school to grade 12.

About Vishal Fabrics

We at Vishal Fabrics Limited (VFL), stand for a denim revolution, that brings equality back to fashion, and change the market trend, forever. Driven by dreams, aspirations and desire to create a mark in the world, we started the company with a humble beginning a bit more than 35 years ago.

Vishal Fabrics Limited (VFL) is a reputed entity that 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. Along with that, we are a premier supplier of top quality stretch denim fabric which is very popular among people of all ages.



VISION

To 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 round 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!



VALUES

- 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.
- We keep customers first. Always.

₹967.54 crore

Revenue from operations in FY 2020-21

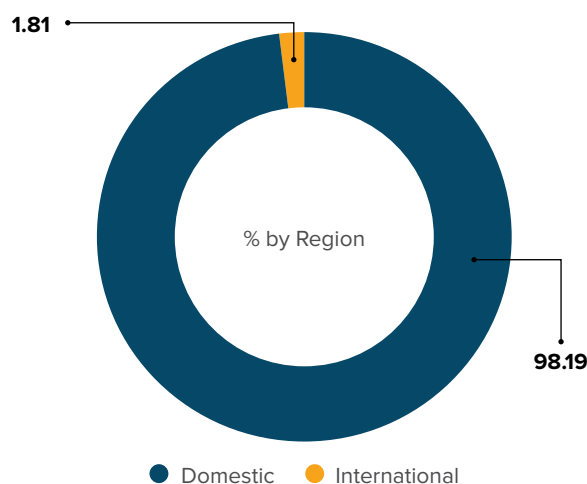
2,101

Number of employees as on 31st March, 2021

1.46x

Debt-equity ratio

REVENUE



Our Clientele

H&M

Lee

Levi's

ZARA

Wrangler

DIESEL
DENIM DIVISIONThe Roadster
Life Co.DICK
KILLERTOMMY
HILFINGER

GAS

cK
Calvin Klein

EMPORIO ARMANI

MANGO

Mr. Prince

PEP & CO

lifestyle
YOUR STYLE. YOUR STORE

Being human

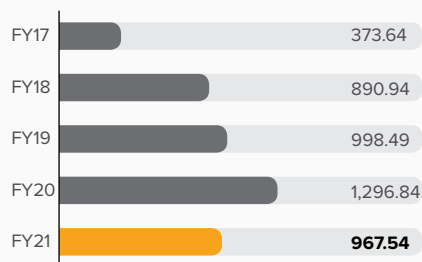
ADITYA BIRLA GROUP

mufti
alternative clothing

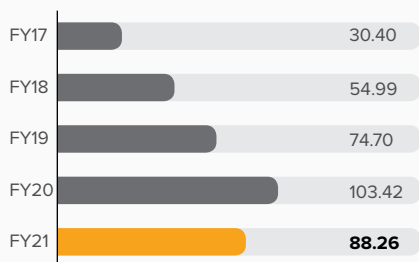
Performance Overview

FINANCIAL HIGHLIGHTS

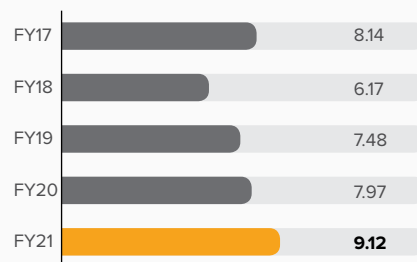
Revenue from Operations (₹ in Crore)



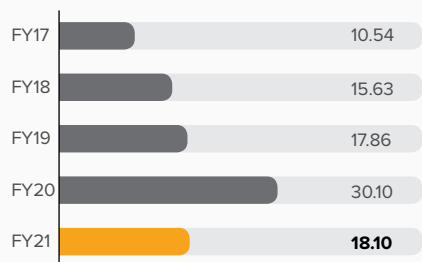
EBITDA (₹ in Crore)



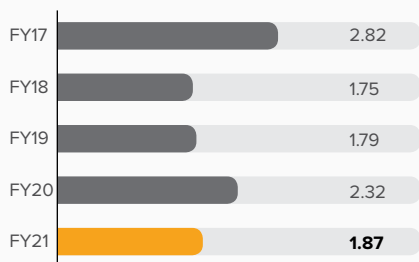
EBITDA Margin (%)



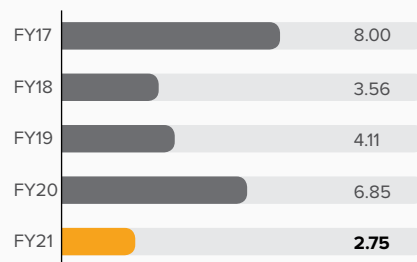
PAT (₹ in Crore)



PAT Margin (%)



EPS



Message from the Chairman



Dear Shareholders,

It has been a year like no other for Vishal Fabrics. The COVID-19 pandemic posed unforeseen challenges for businesses around the world and Vishal Fabrics too had to undergo significant hardships. However, the changes that we implemented more than a year ago have resulted in rapid transformations that contributed to our business resilience and enabled us to navigate the uncertainty with confidence and rigour.

From the beginning of the pandemic, our teams proactively strived to protect our people, our consumers and our business, all while positioning ourselves to accept the accelerated changes that are anticipated to shape the next decade. I am incredibly proud of our team, particularly the workers in our factories and distribution centres, who kept the business moving despite significant challenges. The strength and resolve of our teams give me immense confidence to emerge stronger and establish newer grounds for success.

We were able to achieve 75% of the top line, in comparison to last year, due to better realisation and use of available resources. Our EBITDA also increased by 115 bps. Moreover, the demand for denim shot up immediately after the relaxation granted by the government. It not only improved our business prospects, but also enabled us to fulfil the demand surge. We also realised the importance of expanding our foray in export markets to sustain our business amidst tough times.

The pandemic resulted in rapid shifts in consumer preferences. To swiftly adapt to a changing business environment, we continue

to adopt digital channels. We are working with latest technology, sophisticated machines, advanced accounting software and revamping modes of communication to reach more customers. The security systems have also been upgraded along with an accelerated push for digitisation of internal processes across design, merchandising and marketing.

Towards a sustainable future

For long, Vishal Fabrics has adopted a responsible approach to business and continues to engage in endeavours that ensure sustainability across our operations. As an organisation that is committed to improve the lives of people and contribute to the welfare of communities and the natural environment, we continue to modify our practices and adopt methods that ensure a better future for the planet.

This year, we have installed the ZDC (Zero Discharge) Effluent Treatment plant that treats liquid waste from the manufacturing process and makes it reusable. In the foreseeable future, we plan to install solar panels to increase our dependence on renewable energy and ensure energy conservation. We also strive to reduce energy consumption within our facilities through day-to-day practices and control the unnecessary usage of Air Conditioners, lights, fans and other electrical appliances. Further, we focus on energy consumption per meter of fabric production and aspire to increase the use of renewable energy for production processes.

Looking Ahead

Vishal Fabrics today holds a formidable position in the industry and is making the most of emerging opportunities. Although the closure of shops in Q1FY21 did have a substantial impact on our performance, we are optimistic about reinstating growth in the days ahead.

As the Indian economy moves towards a steady recovery, we witnessed some revival during the festive season of FY21 and expect consumer spending to improve in the near future.

Looking forward, we remain confident about sustaining our performances in the long run and overcome obstacles with renewed enthusiasm. I want to take this opportunity to thank all our stakeholders for their unwavering support during turbulent times. We also remain grateful to our people for their passion and dedication to take the company to newer heights of success.

Brijmohan D. Chirpal
Managing Director

CFO's Message



Dear Shareholders,

Over the past year, we have been witness to radical changes and unforeseen circumstances. As the Coronavirus pandemic continued to wreak havoc around the world, businesses were forced to adopt newer methods of operation and sustain amidst chaos. Overcoming challenges, we gathered the strength to pursue operations and adapted to a 'new normal'.

Keeping the well-being of our people at the core of our operations, we implemented strict measures to ensure the health and safety of our employees. Smart working, a practice we had already tried in the past, became an integral part of our operations.

During the second half of FY2021, we recorded better performance in comparison to the last fiscal. We reported top line

of INR 969 crores and PAT of INR 18 crores. Our EBITDA also continues to grow since 2019 as it rose from 7.5% in FY2019 to 9.1% in FY2021. The PAT also simultaneously increased from Rs. 18 crores in 2019 to Rs. 30 crores in FY2020. However, due to volume loss it stood at Rs. 18 crores in FY2021. In addition, we have a debt equity ratio of 1.46, as compared to 1.51 in 2019.

We have always had some cushion for liquidity, even before the pandemic, in the form of undrawn line of credit from banks. However, due to the pandemic we adopted cost cutting measures that helped to take timely action to maintain liquidity. We have also availed moratorium for loans from banks and received Covid relief funds from the government. It enabled us to tide through difficult times and make notable changes to our product portfolio to meet changing consumer demands for obtaining low cost products. We also reduced the cost of production with our increased dependence on renewable sources of energy.

With an aim to eliminate structural inequalities and discrimination at the workplace, we significantly improved employee diversity at the workplace. We look forward to maintaining conducive, transparent and equitable working environment where employees are given ample opportunity to thrive and succeed.

In an extraordinary year, I'm proud of what the company has accomplished. We remain cautiously optimistic about the future as we intend to make the most of emerging opportunities while actively mitigating risks. We believe, our brand reputation and the indomitable spirit of our people will continue to unlock newer avenues of growth in the days ahead – as we strive to expand our horizons and remain enthusiastic about relentless progress.

Regards,

Mr. Vinay Thadani
CFO & COO