



February 07, 2019

To,

The Listing Department,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

**Scrip Code : 532613**

To,

The Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (East), Mumbai-400 051.

**Trading Symbol : VIPCLOTHNG**

**Subject : Investor Presentation - Q3 - F.Y. 2018-19.**

Dear Sir/Madam,

Pursuant to Regulation 30 and any other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed Investor Presentation for Q3 F.Y. 2018-19, the same has been uploaded on the website of the Company [www.vipclothing.in](http://www.vipclothing.in).

Requested you to kindly take the same on your record and disseminate the same on your website for the information of the public at large.

Thanking you

Yours faithfully,  
**For VIP Clothing Limited**  
(Formerly known as Maxwell Industries Limited)

**Chief Financial Officer & Company Secretary**  
Encl : As above.



**VIP Clothing Ltd.**  
(Formerly known as Maxwell Industries Ltd.)

Registered Office: C-6, Street No. 22, MIDC,  
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**PIONEERS**  
IN THE **INNERWEAR**  
**CATEGORY**

**SINCE 1971** VIP Clothing revolutionised the inner wear category with branded comfort.

**Investor Presentation**  
**February 2019**



## Safe Harbor

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This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



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## Q3 & 9Months FY19 Financial Highlights

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## Q3 & 9Months FY19 Financials

₹ millions

Particulars	Q3 FY 19	Q2 FY19	Q3 FY 18	9M FY19	9M FY 18	FY 18
Revenue from operations	495.5	466.9	463.1	1,672.3	1,667.3	2,223.8
Gross Profit	201.9	200.1	209.0	678.1	704.3	940.4
<b>GP Margin (%)</b>	<b>40.7%</b>	<b>42.9%</b>	<b>45.1%</b>	<b>40.5%</b>	<b>42.2%</b>	<b>42.3%</b>
<b>EBDITA</b>	<b>18</b>	<b>(17)</b>	<b>33</b>	<b>29</b>	<b>102</b>	<b>105</b>
<b>EBDITA Margin (%)</b>	<b>3.6%</b>	<b>-3.7%</b>	<b>7.1%</b>	<b>1.7%</b>	<b>6.1%</b>	<b>4.7%</b>
Other Income	0.5	11.6	1.5	14.2	9.2	12.8
Depreciation and amortization expense	8.3	8.3	8.3	25.0	25.3	33.5
Finance costs	22.6	21.9	31.5	65.7	89.9	109.3
PBT before Exceptional Item	(12.4)	(36.1)	(5.3)	(47.9)	(4.0)	(25.1)
<b>PBT Margin(%)</b>	<b>-2.5%</b>	<b>-7.7%</b>	<b>-1.2%</b>	<b>-2.9%</b>	<b>-0.2%</b>	<b>-1.1%</b>
Exceptional items	0.0	0.0	(3.5)	0.0	(3.5)	(0.2)
Profit / (Loss) from continuing operations	(11.4)	(34.8)	(8.3)	(45.2)	(5.3)	(29.9)
Profit / (Loss) from discontinuing operations	0.0	-	(0.3)	-	(0.4)	(0.9)
<b>Profit / (Loss) for the year (Total)</b>	<b>(11.4)</b>	<b>(34.82)</b>	<b>(8.6)</b>	<b>(45.2)</b>	<b>(5.7)</b>	<b>(30.7)</b>



## Balance Sheet as per Ind AS

Particulars	₹ million	
	H1FY19	FY18
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	165	165
Other equity	1,758	1,782
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	3	3
Other financial liabilities	56	53
Provisions	8	9
Deferred tax liabilities (net)	539	540
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	824	798
Trade payables	204	241
Other financial liabilities(other than specified above)	25	21
Provisions	43	21
Other current liabilities	2	3
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>3,627</b>	<b>3,636</b>

Particulars	₹ million	
	H1FY19	FY18
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	399	410
Intangible assets	1,248	1,251
<b>Financial assets</b>		
Investments	0	0
Others	12	12
Other non-current assets	4	4
<b>Current assets</b>		
Inventories	1,121	1,135
Financial assets		
Trade receivables	648	652
Cash and cash equivalents	1	0
Bank balances other than above	55	51
Loans	4	2
Other	0	0
Current Tax Assets (Net)	1	1
Other current assets	134	118
<b>TOTAL - ASSETS</b>	<b>3,627</b>	<b>3,636</b>



## Company Overview

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## Company Overview

01

VIP Clothing Limited was incorporated in the year 1991 to satiate the discerning taste of Indian Consumer.

02

Engaged in Business of Manufacturing and selling innerwear, the Company went Public in year 1993.

03

VIP has in-house manufacturing facility located in Gujarat and Tamil Nadu. Accredited with TUV- ISO 9000 certificate that reflects its emphasis on Quality Management System, designing, manufacturing and delivery.



One of India's leading intimate apparel company providing intimate wear to consumers across various segments under different brands. VIP enrich and expand fashion quotient in multiple trends and style from inner comfort to fashionable garments

04

The Company possesses one of the widest and largest sales and distribution network for innerwear products

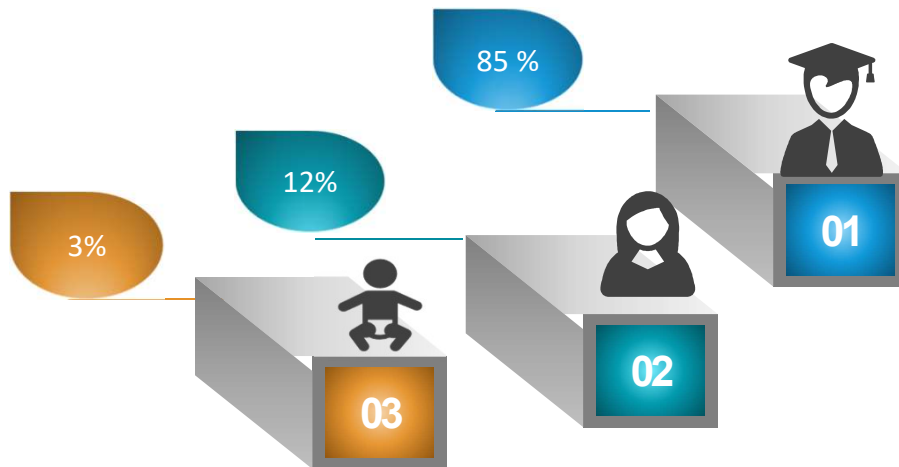
05

The Company focus is to become an International Symbol of Excellence through continuous customer satisfaction, innovation, manpower development, productivity improvement, quality improvement, cost reduction and time management

06

# Sales & Distribution

## Sales Mix



## Network



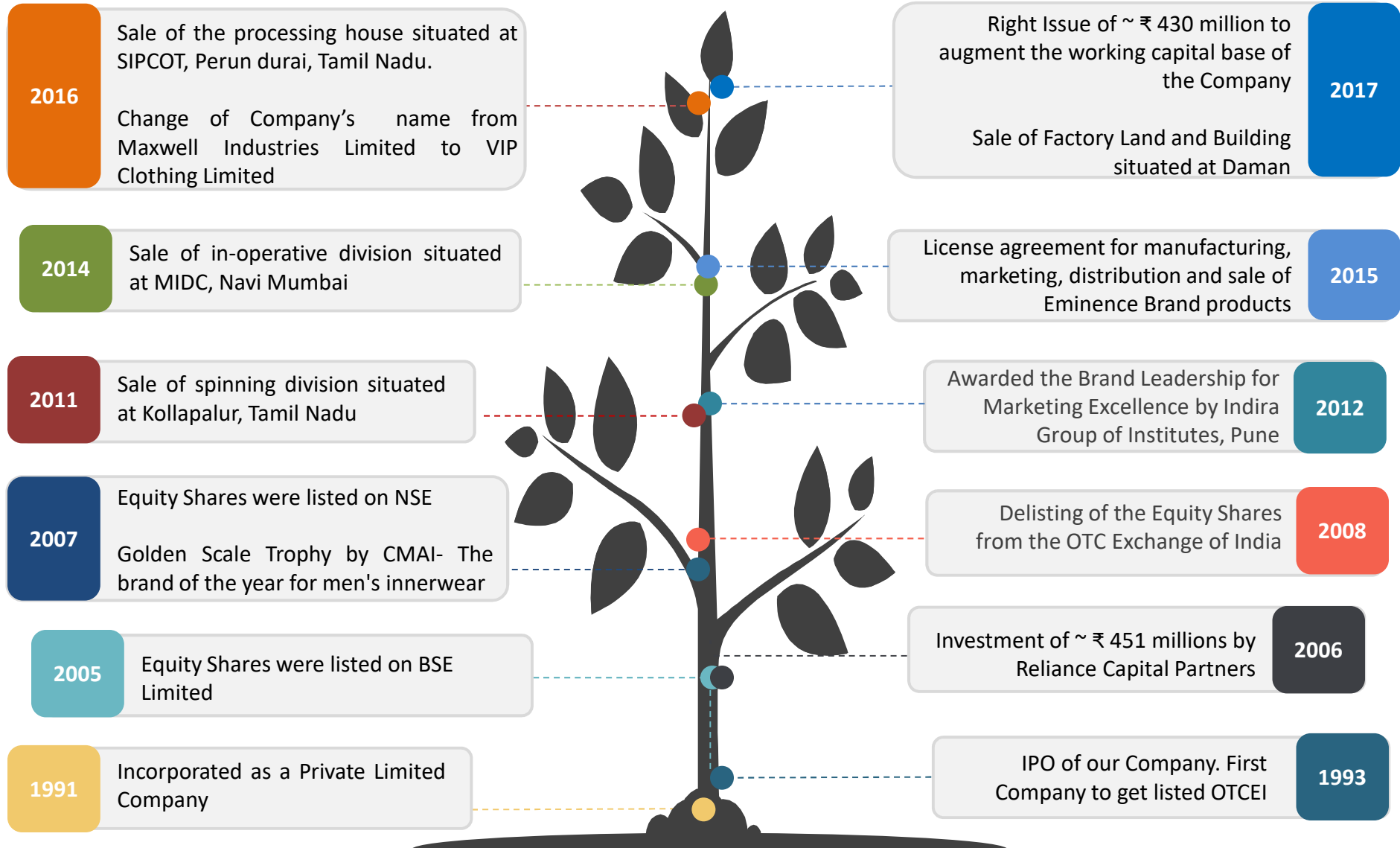
**VIP has Pan India Presence with largest distribution network**

- Distributors & Wholesalers - 330
- Retailers – 35,000
- Sales & Marketing Professionals - 221
- Brand Outlets – 2
- Warehouses – 2

The globe is our canvas today. We enjoy long- standing relationships with our customers. We enjoy leadership position in our chosen geographies. Leveraging years of experience, we have developed a keen perception of the markets we operate in. Consequently our varied product profile has always been bolstered by unique strategies that go a long way in forging an indelible market presence.



## Significant Milestone





## Infrastructure

Manufacturing Facility Umbergaon, Gujarat	
<b>Location</b>	Umbergaon, GIDC Gujarat (Garmenting Unit)
<b>Products Manufactured</b>	Briefs, Vests, Trunks for Men & Juniors & ladies Panties, BRA
<b>Facility details</b>	Garmenting unit; with fabric inspection, cutting, stitching, ironing, inspection & packing facilities
<b>Capacity</b>	1,60,000 boxes per month



Manufacturing Facility - Thingalur, Tamilnadu	
<b>Location</b>	Thingalur, Tamilnadu (Garmenting Unit)
<b>Products Manufactured</b>	Briefs, Vests, Trunks for Men & Juniors & ladies Panties, BRA
<b>Facility details</b>	Garmenting unit; with fabric inspection, cutting, stitching, ironing, inspection & packing facilities
<b>Capacity</b>	2,20,000 boxes per month

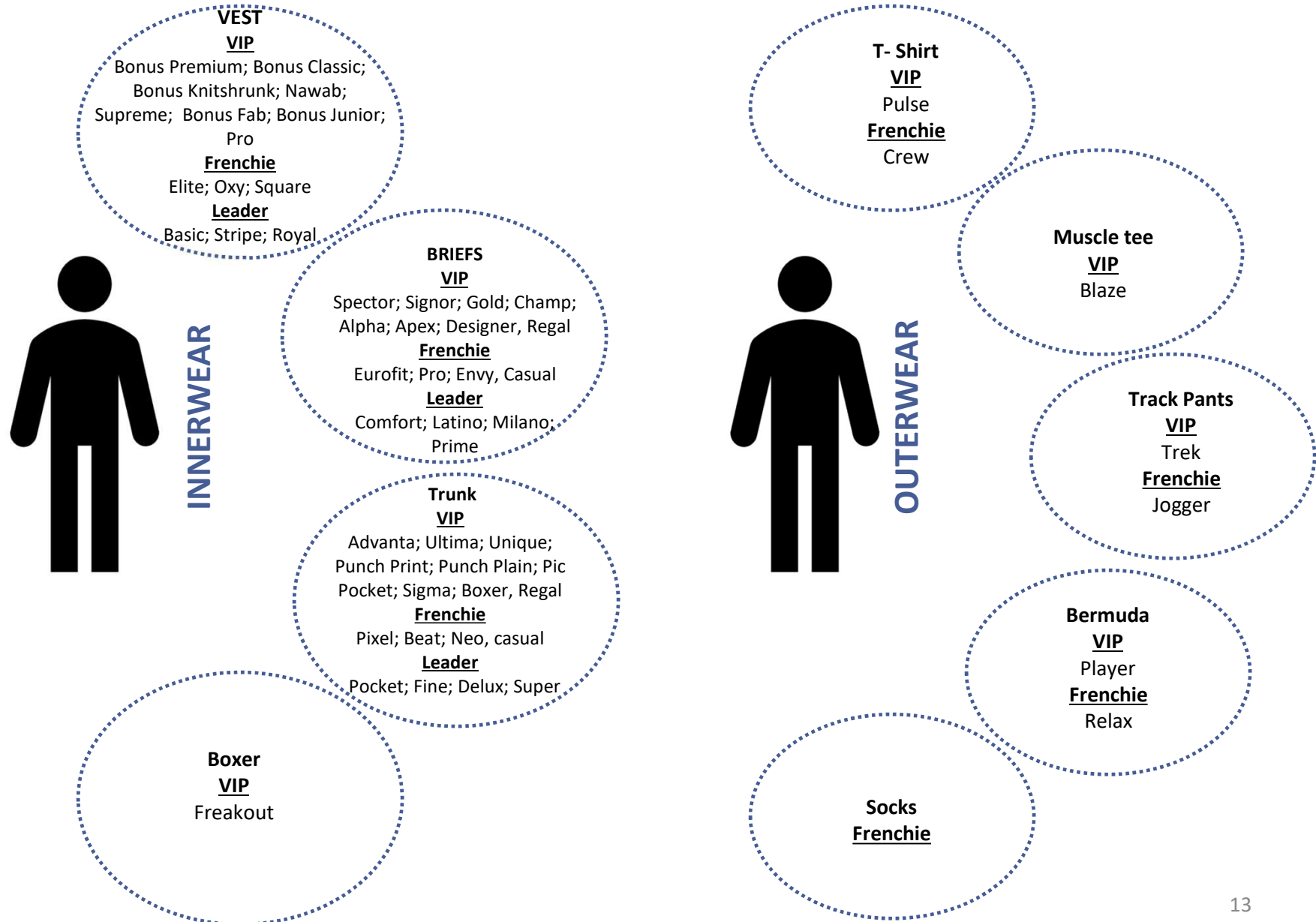


## Factory - Facilities





# Product & Brand Portfolio





# Product & Brand Portfolio

**Fundamental Bra**  
Feelings  
Criss-cross; Dew; Charm; Cheer-up; Breeze; Pep; Snow;  
**Nursing Bra;**  
Feelings  
New mom

**T-Shirt Bra**  
Feelings  
Beam; Trendy; Glitz; Elle; Cosmo; Ornate Verve; Curve; Flair; Glam; Sparkle

**Sports Bra**  
Feelings  
Ease; Savvy; Rhythm, Evolve; Active; Vital; Edge; Zeal;

**Panties**  
Feelings  
Intimate; Dreamz; Moodz; Passion; Flora; Expression; Ultrasoft; Shy; Amelie  
**Leader**  
Sapney

**Camisole**  
Feelings  
Princess; Elegance, Innocence; Poise; Cute; Shine; Smile

**Track Pants**  
Feelings

**Capri**  
Feelings

**T-shirts**  
Feelings

**Leggings**  
Feelings

**Night Suits**  
Feelings



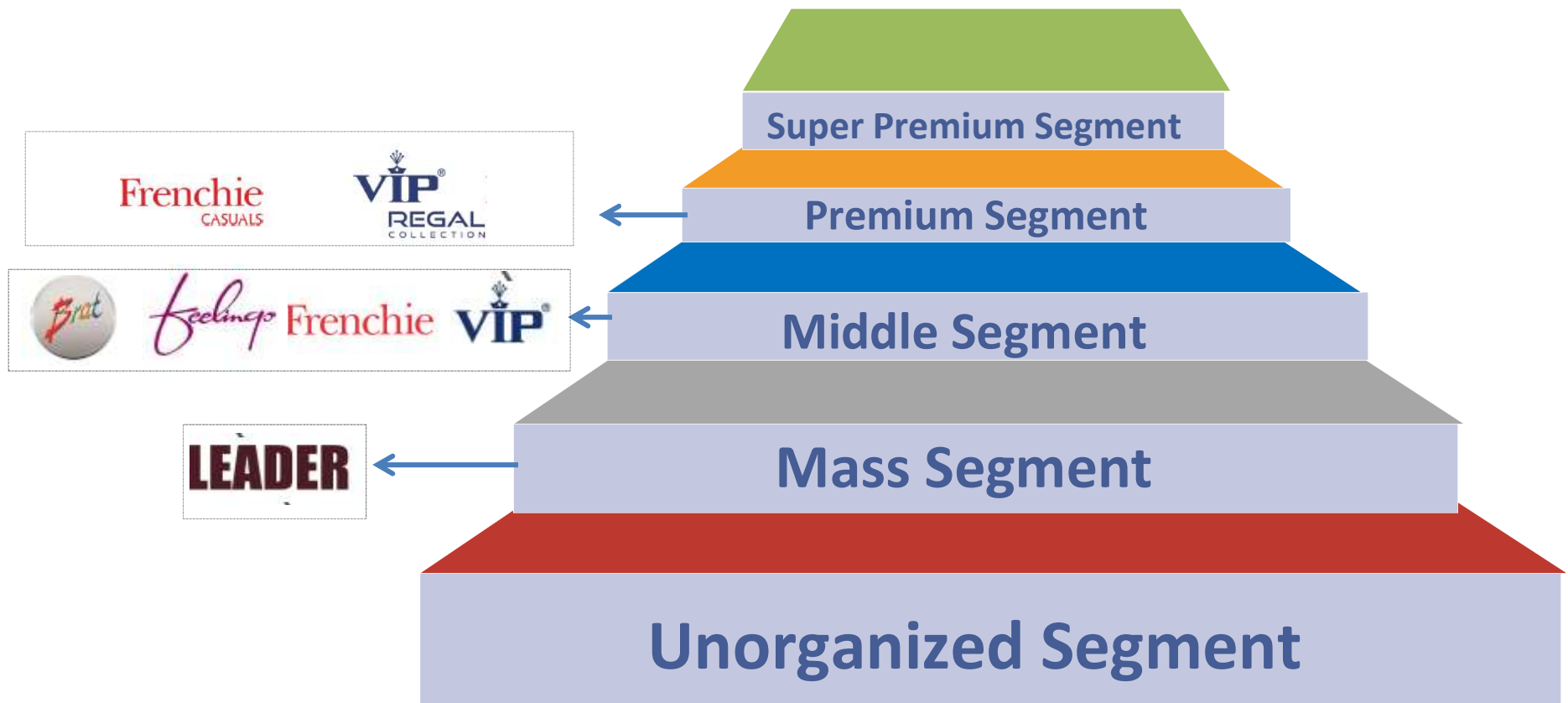
INNERWEAR



OUTERWEAR



Category Presence







## Brand and Advertising

1

- Contemporary Classic' brand catering to sober tastes.
- Draw on the 40+years heritage of claiming 'authority' on underwear making.
- Advertised through mass media like TV & Print and high impact hoardings
- Use of International Models in order to be distinct from others.

2

- Young edgy fashion' brand meant for the fashion conscious.
- Draw on the edgy imagery of the brand earlier & make it relevant for the times.
- Advertised through mass media like TV & Print, high impact media hoardings and also extensive use of Digital media for youth connect. Use of International Models.

3

- Positioned as 'Real Contemporary' brand meant for the modern woman's need of 'everyday essentials.
- Will have modern contemporary classics.
- Advertised through mass media like Print / Magazines and rely on 'sampling' for inducing product trials and also extensive use of Digital media for youth connect & product range discovery.



## Presence in format Stores

### Large Format store tie -ups



### E-commerce Tie -ups





## Presence in format Stores







## Key Awards and Achievements



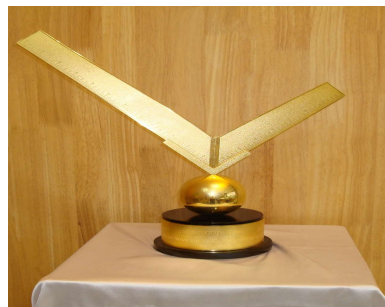
Brand 'VIP Frenchie' as Power Brand of the year 2012.



"SUPERBRANDS" –The Economic Times – February 17<sup>th</sup>, 2012



"BRAND LEADERSHIP AWARD" for pioneering work in innerwear segment in India.



Golden Scale Trophy ( 2007-2008 ) - The Brand of the year Men's Inner Wear By CMAI



Apex Award 2007 - " The Brand of the year -Women's Inner wear " by CMAI



Apex Awards – 2006 : The Brand of the year - Men's Inner Wear By CMAI



## The Board

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### **Mr. Sunil J. Pathare, Chairman & Managing Director**

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Mr. Sunil J. Pathare, aged 46 years, is the Promoter and the Chairman & Managing Director of our Company.

- He holds a Bachelor's degree in Commerce.
- He looks after the overall management of the Company.
- He has been awarded the “Entrepreneurship Excellence Award” by the Small and Medium Business Development Chamber of India in 2007, Indira Group of Institutes award for Marketing excellence in March, 2012, Inside Fashion Brand Award (VIP) for excellence in Retail.

### **Mr. Kapil J. Pathare, Whole Time Director**

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Mr. Kapil J. Pathare, aged 38 years, is the Promoter and the Whole time Director of our Company.

- He holds a Bachelor's degree in Commerce and Masters in Business Administration (Entrepreneurship and Family Business).
- He looks after the overall production activities of the Company.



### **Mr. Robin Banerjee, Independent Director**

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Mr. Robin Banerjee, aged 62 years, is the Non- Executive Independent Director of our Company.

- He holds degree of Chartered Accountant , Cost Accountant and Company Secretary.
- He has over 35 years of professional experience in finance and corporate management, including strategic planning, mergers and acquisitions, corporate finance and strategic business development.





## The Board

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### **Mr. Gopal Sehjpal, Independent Director**

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Mr. Gopal Sehjpal aged 73 years, is the Non- Executive Independent Director of our Company.

- He holds a Master's Degree in Arts (Philosophy) and a Post Graduate Diploma in Personnel Management.
- He is also a member of the Institute of Management Consultants of India and a Life Member with the Bombay Management Association, Indian Institute of Quality Management and Consultancy Development Centre (Ministry of Science and Technology, Government of India).



### **Mr. Chetan Sheth, Independent Director**

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Mr. Chetan Sheth, aged 54 years, is the Non- Executive Independent Director of our Company.

- He holds a Diploma in Production Engineering, awarded by the Board of Technical Examinations on behalf of the Government of Maharashtra on May 22, 1987 and has over 26 years of professional experience in the manufacturing engineering and corporate management.



### **Mrs. Meher Castelino, Independent Director**

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Mrs. Meher Bruno Castelino aged 73 years, is the Non- Executive Independent Director of our Company.

- She has been associated with the Company since 2015.
- She has headed the designing departments of export as well as local fashion houses.
- She is the official writer for Lakmé Fashion Week since 2006 reporting all over the globe.
- She has appeared in over 2000 live fashion shows around the globe, many of which were conceived and directed by her.





## Management Team

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**Mr. Ashish Mandaliya**  
**CFO & Company Secretary**

Mr. Mandaliya holds the degree of Chartered Accountant, Company Secretary and LLB.

He has an experience of more than 15 years in the field of finance and secretarial compliances.



**Mr. Devendra Vyas**  
**Chief finance Controller**

Mr. Vyas is a Chartered Accountant and holds a degree of Master's in Business Administration

He has an experience of more than 17 years in variant industries

He has extensive experience in Costing, Accounting, MIS, Internal & Statutory Audit and Taxation



## Key Strengths

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## Key Strength





## Business Strategy

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# Capitalize on Growing Market Opportunities

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## Focus on Product Design

Focus on product design and development to cater to ever evolving fashion trends with stress on quality and packaging.



## Expand Product Portfolio

Capitalize on the Brand Recall by enhancing our product offering in various segments.



## Improving sales network

Augmenting the sales force and distribution network to enhance our product reach and availability



## Enhance Brand Visibility

Promotion through intelligent Marketing & Advertising . Advertisement focussed towards creating a pull for our products



## Smart Sales Tracking

Enhancing our digital footprints to track our sales force performance on real time basis.



## Focus on Product Availability

Focus on - On Time In Full Supply. This will help us to better utilise our manufacturing capacities, improve product availability and better our inventory turnover.



## Industry Overview

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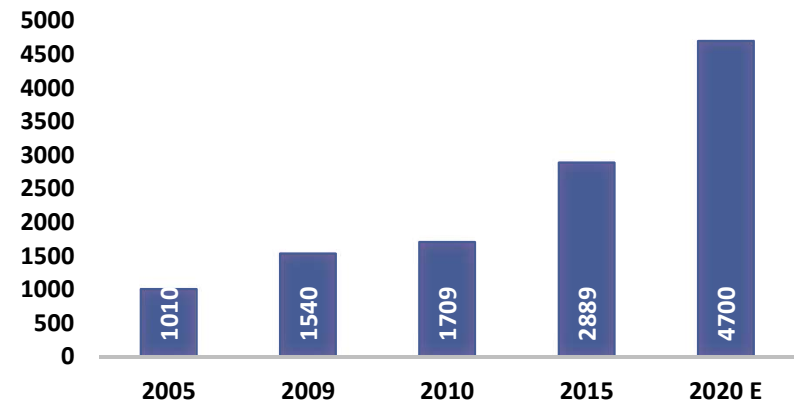


## Innerwear Segment Overview

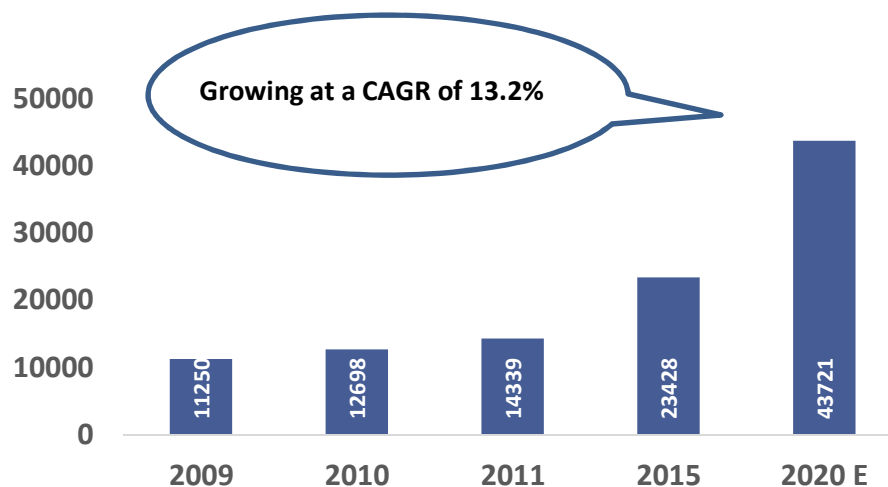
### Overview

- Among the core apparel categories, innerwear appears to be a potential growth category across all segments
- The Indian apparel sector is expected to grow from ₹ 1,709 billion in 2010 to ₹ 4,700 billion by 2020E, representing a CAGR of 10.6%.
- Of this, the innerwear market currently valued at ₹ 14,339 crore (in 2011) is expected to grow to ₹43,721 crore by 2020E, growing at a CAGR of 13.2%, outpacing the growth of the overall apparel market.
- Also, the women's segment that has historically been smaller in size compared to the men's segment is expected to grow at a faster pace (CAGR of 15% over 2010-2020E as compared to 10% CAGR in the men's segment). The women's innerwear segment is likely to touch ₹30,000 crore from the current ₹8,500 crore. On the other hand, the men's innerwear segment is likely to grow from ₹5,800 crore in 2010 to ₹13,700 crore in 2020E. Improving Indian demographics and increased preference for proper fits, sizes, etc. lend credence to the growth of organised players in the Indian innerwear market

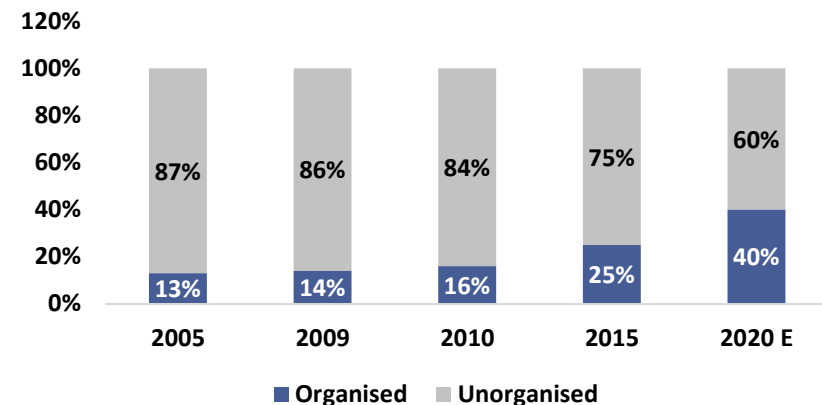
### India's Growing apparel Market



### INDIAN INNERWEAR MARKET



### Organised & Unorganised Market



Source: ICICIdirect.com Research

## Industry Overview

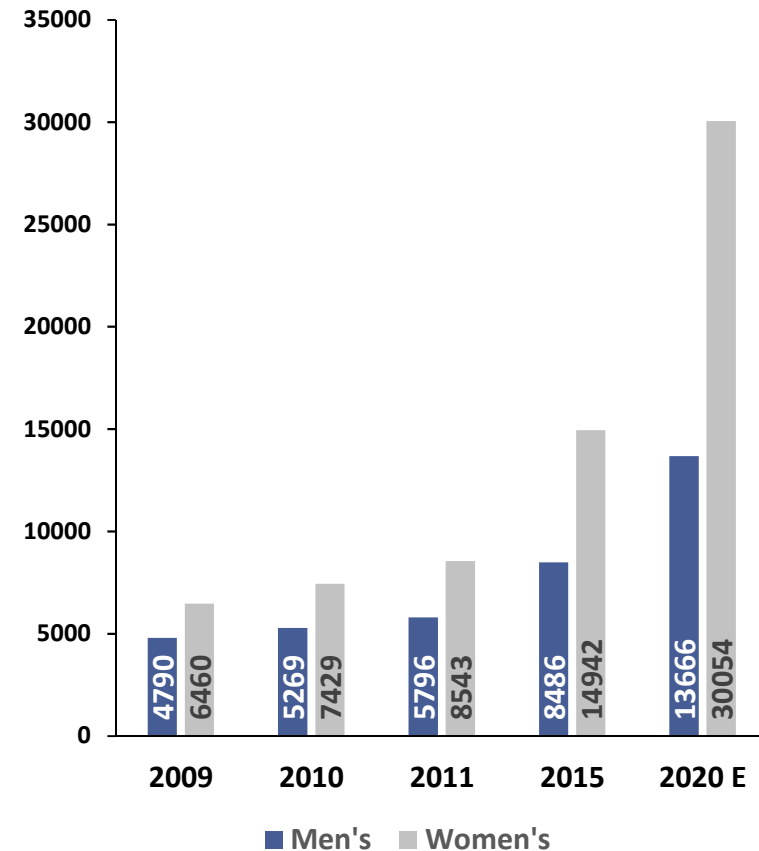
### The Men's Innerwear Market

- The men's innerwear market, in India, is increasing its base size at a promising rate.
- the men's innerwear segment is likely to grow from ₹ 4,790 crore in 2009 to ₹ 13,666 crore in 2020E.
- On the basis of product pricing, this market is further subdivided into super premium, premium, medium, and economy segments. The economy segment contributes around 55% to the market, while the mid-price segment makes up 36%, the remaining 14% comes from premium and super premium segments. In these segments, the consumer seeks higher fashion orientation and higher comfort, as well as a strong brand name.

### The Women's Innerwear Market

- With growing consumption and shift from low-end to high-end products, the women's innerwear segment is set to outpace the men's innerwear segment expects the women's innerwear segment to grow from 6,460 crore in 2009 to 30,054 crore in 2020E.
- When it comes to price-wise segmentation, the women's innerwear market is dominated by products of mid-price and economy segment. These segments together contribute 80% of the market, while the remaining 20% comes from the premium and super premium segments. Like men's innerwear, the mid-price and premium segments are expected to grow more rapidly within women's innerwear categories.

Women's segment set to outpace Men's segment



Source: ICICIdirect.com Research



## Financial Highlights

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## Financial Highlights - Profit & Loss Accounts

₹ millions

Particulars	FY 18	FY 17
Revenue from operations	2,224	2,315
Gross Profit	940	906
<b>GP Margin (%)</b>	<b>42%</b>	<b>39%</b>
<b>EBDITA</b>	<b>105</b>	<b>155</b>
<b>EBDITA Margin (%)</b>	<b>5%</b>	<b>7%</b>
Other Income	13	12
Depreciation and amortization expense	34	34
Finance costs	109	122
PBT before Exceptional Item	(25)	11
<b>PBT Margin(%)</b>	<b>-1%</b>	<b>0%</b>
Exceptional items	(0)	(72)
Profit / (Loss) from continuing operations	(30)	(57)
Profit / (Loss) from discontinuing operations	(1)	(16)
<b>Profit / (Loss) for the year</b>	<b>(31)</b>	<b>(74)</b>
Other Comprehensive Income	0	(1)
<b>Total Comprehensive Income for the period</b>	<b>(30)</b>	<b>(75)</b>

As per Ind AS





## Financial Highlights - Balance Sheet

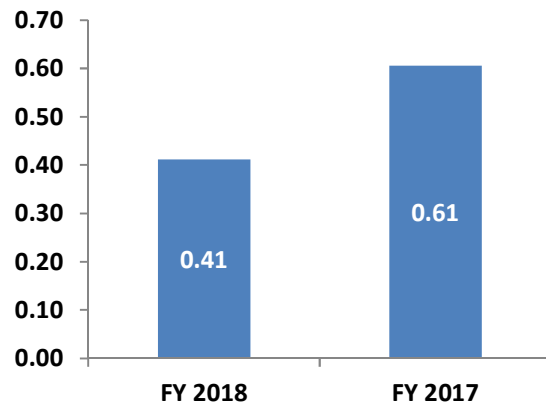
₹ million			₹ million		
Particulars	FY 2018	FY 2017	Particulars	FY 2018	FY 2017
<b><u>EQUITY AND LIABILITIES</u></b>			<b><u>ASSETS</u></b>		
<b><u>Equity</u></b>			<b><u>Non-current assets</u></b>		
Equity Share capital	165	132	Property Plant & Equipment	410	456
Other Equity	1,781	1,430	Intangible Assets	1,250	1,255
<b><u>Non-Current liabilities</u></b>			Financial Assets		
Financial Liabilities			<i>Investments</i>	0	0
<i>Borrowings</i>	3	4	<i>Others</i>	12	12
<i>Other Financial Liabilities</i>	55	50	Other Non Core Assets	4	4
Provisions	9	6	<b><u>Current Assets</u></b>		
Deferred Tax Liabilities (Net)	540	543	Inventories	1,135	1,033
<b><u>Current liabilities</u></b>			Financial Assets		
Financial Liabilities			<i>Trade Receivables</i>	652	529
<i>Borrowings</i>	798	942	<i>Cash and cash equivalents</i>	0	0
<i>Trade payables</i>	241	227	<i>Bank Balance other than above</i>	51	40
<i>Other Financial Liabilities</i>	19	47	<i>Loans</i>	2	2
Provisions	21	19	<i>Others</i>	0	0
Other current liabilities	3	9	Current Tax Assets (Net)	1	13
			Other Current Assets	118	66
<b>Total Equity &amp; Liabilities</b>	<b>3,636</b>	<b>3,410</b>	<b>Total Assets</b>	<b>3,636</b>	<b>3,410</b>

As per Ind AS

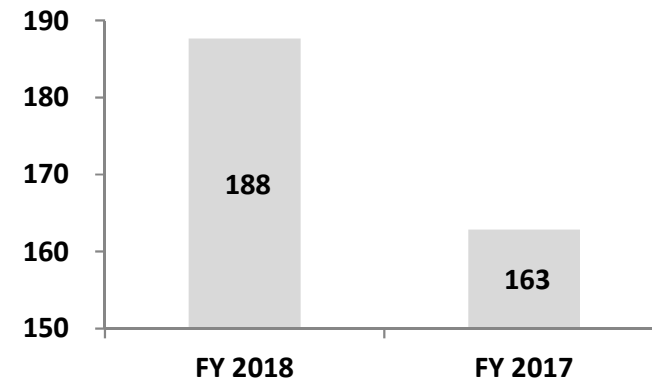


## Key Operating Metrics

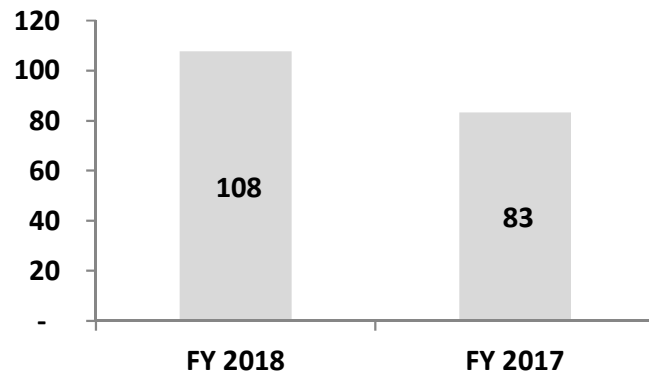
### Debt Equity Ratio



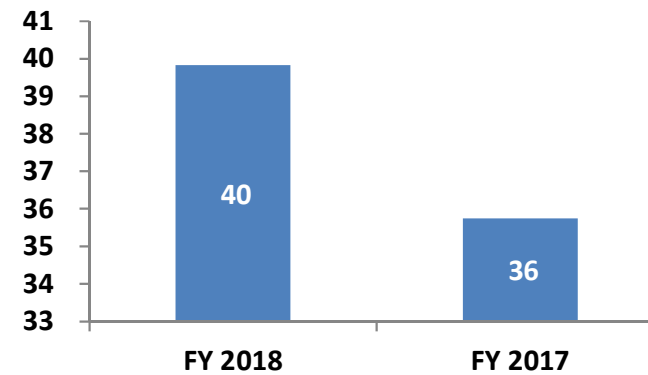
### Inventory holding Days



### Debtor Days



### Creditor Days





**For further information, please contact**

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**COMPANY:**

**VIP Clothing Limited**

**CIN: L18101MH1991PLC059804**

**Mr. Ashish Mandaliya (CFO & Company Secretary)**

**Tel: +91 -22 - 40209000**

**Email: [investor.relations@viporg.com](mailto:investor.relations@viporg.com)**

**INVESTOR RELATIONS ADVISORS:**

**Marathon Capital Advisory Private Limited**

**CIN: U67190MH2003PTC143425**

**Mr. Amit Porwal**

**Tel : +91-22-40030610**

**Email : [vip.ir@marathoncapital.in](mailto:vip.ir@marathoncapital.in)**

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