BRFL Textiles completes INR 2.4 Bn equity investment from marquee private equity investors

BRFL Textiles Private Limited (BTPL), housing the largest single-roof fabric processing unit in India, has completed an INR 2.4 Bn equity infusion from a consortium of marquee financial investors led by JM Financial India Fund II (an Indian growth private equity fund), Think Investments (a San Francisco-based investment firm), and others.

BTPL was recently formed as a separate entity in August 2020 as part of a restructuring process undertaken by Bombay Rayon Fashions Limited, in which it hived-off its Yarn Dyeing & Fabric Processing units located in Tarapur, into BTPL by way of a slump sale on a going concern basis. The Company's brands, including Bombay Rayon, BRFL, Linen Vogue, Giza Classe, Dickens & Browne and others, are also a part of this transaction.

BTPL has a strong presence in the B2B and B2C space alongwith long-standing relations with leading brands across the globe, and sells through large garmenters in India who also sell to domestic brands. On the domestic branded sales front, the distribution network of BTPL is spread across its own EBOs, over 100 distributors and over 8000 retailers.

The equity capital will be utilized primarily to fund the business' growth and for initial capex to bring the plant upto speed. The new entity, committed to 'Make in India', will also look to export its products and to take advantage of the "China plus One" strategy, prompting global firms to diversify their sourcing away from China to India. The strengths of the Indian Textile & Apparels Industry lies in availability of raw material (especially cotton), cost competitiveness and presence of the entire value chain, while its weakness lies in limited availability of organized quality fabric processors of scale.

Speaking on the fundraise, **Mr. Prashant Agarwal, Managing Director at BTPL,** said "Over the years, the fabrics from our Tarapur plant have earned the trust of our customers for their superior quality and design innovation & uniqueness. We are confident that now with a fully funded operation with almost no debt, the Tarapur unit housed in BTPL is poised to grow into one of the leading fabric processing houses in India. We shall aim to set new benchmarks in servicing our customers with timely deliveries of new age fabrics and by supplying innovative designs. BTPL is augmenting its talent pool by hiring senior professionals and spending on maintenance capex to ensure full utilisation of its 400,000 meters per day capacity. **We shall further**

invest in technology to ensure increased efficiency of our state-of-the-art machineries at our plant that adheres to all regulatory and business compliances."

Commenting on the investment, **Mr. Darius Pandole, Managing Director & CEO, PE & Equity AIFs at JM Financial Limited,** said, "We believe BTPL has a huge growth potential and the fund infusion will help the company scale-up its business. Increased consumption of branded apparels will drive growth for organized fabric manufacturers, both in domestic and export markets, which can deliver large volumes with consistent quality and within agreed timelines. With its in-house design, R&D and sampling, the company offers differentiated, and superior quality products, in a timely manner, to its customer base. We believe that BTPL will benefit from the 'Make in India' push in our country. This is the sixth investment from our Fund II, and is in line with its stated strategy of investing in growth companies in the mid-market space."