

29TH ANNUAL REPORT

2013 - 2014



VISHAL FABRICS LIMITED

**Company Information****BOARD OF DIRECTORS**

Mr. Jyotiprasad Chiripal	<i>Managing Director</i>
Ms. Nitika Chiripal	<i>Non Executive Director</i>
Mr. Arakhita Khandual	<i>Independent Director</i>
Mr. Gautam Gandhi	<i>Independent Director</i>

CHIEF FINANCIAL OFFICER

Mr. Mahesh Kawat

COMPANY SECRETARY

Ms. Poonam Pabla

BANKERS

Oriental Bank of Commerce
IDBI Bank

REGISTERED OFFICE AND PLANT

Ranipur Narol Road,
Ahmedabad – 382 405
Phone: + 91 - 79 - 25353977/78
Fax: +91 - 79 - 25353981
CIN: L17110GJ1985PLC008206

CORPORATE OFFICE

‘Chiripal House’,
Shivranjani Cross Roads,
Satellite, Ahmedabad – 380 015
Phone: + 91- 79 – 26734660/2/3
Fax: + 91 – 79 - 26768656
Email: cs.vfl@chiripalgroup.com

COMMITTEES OF BOARD**AUDIT COMMITTEE**

Mr. Arakhita Khandual	<i>Chairman</i>
Mr. Jyotiprasad Chiripal	<i>Member</i>
Mr. Gautam Gandhi	<i>Member</i>

NOMINATION & REMUNERATION COMMITTEE

Mr. Gautam Gandhi	<i>Chairman</i>
Ms. Nitika Chiripal	<i>Member</i>
Mr. Arakhita Khandual	<i>Member</i>

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Arakhita Khandual	<i>Chairman</i>
Ms. Nitika Chiripal	<i>Member</i>
Mr. Gautam Gandhi	<i>Member</i>

AUDITORS

M/s. Anil S. Shah & Co.
Chartered Accountants,
302, Shailly Complex, Opp. Loha Bhavan,
Nr. Old High Court Road,
Navrangpura,
Ahmedabad – 380 009

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited.
C - 13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup West, Mumbai – 400 078
Tel. No.: +91 - 22 - 25963838
Fax No.: +91 - 22 - 25960329
Email: mumbai@linkintime.co.in

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VISHAL FABRICS LIMITED

VISHAL FABRICS LIMITED
(CIN: L17110GJ1985PLC008206)

Regd. Office: Ranipur Narol Road, Ahmedabad – 382 405

Phone: +91 - 79 - 25353977/78; Fax: +91 - 79 - 25353981

Email: cs.vfl@chiripalgroup.com; Website: www.vishalfabricsltd.com

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the Members of the Company will be held on Tuesday, September 30, 2014 at 3:30 P.M. at the Corporate Office of the Company situated at 'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380015 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2014 together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Jyotiprasad Chiripal (DIN: 00155695), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. Anil S. Shah & Co, Chartered Accountants as Statutory Auditors to hold office from conclusion of this Annual General Meeting upto the conclusion of next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**
"RESOLVED THAT Ms. Nitika Chiripal (DIN: 00154827) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f April 4, 2014 pursuant to the provisions of section 161 of the Companies Act, 2013 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Gautam Gandhi (DIN: 00049735) who was appointed as an Additional Director by the Board of Directors w.e.f April 4, 2014 pursuant to the provisions of section 161 of the Companies Act, 2013 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years commencing from September 30, 2014 to September 29, 2019."
6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arakhita Khandual (DIN: 00055601) who was appointed as an Additional Director by the Board of Directors w.e.f April 4, 2014 pursuant to the provisions of section 161 of the Companies Act, 2013 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years commencing from September 30, 2014 to September 29, 2019."

Date : September 3, 2014
Place : Ahmedabad

By order of the Board of Directors
Poonam Pabla
Company Secretary



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER SELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting is annexed hereto.
3. Electronic copy of the Annual Report for FY 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a Physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2013-14 are being sent through the permitted mode. Members may also note that the Notice of Annual General Meeting and Annual Report for 2013-14 will also be available on the Company's website www.vishalfabricsltd.com.
4. Corporate Members intending to send their authorized representatives to attend and vote at the Annual General Meeting are requested to send a duly certified copy of the Board Resolution at registered office of the company authorizing their representative to attend and vote on their behalf at the meeting.
5. Members are requested to bring their Attendance Slip along with copies of their Annual Report to the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
7. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees as stipulated under clause 52 of the Listing Agreement entered into with the Stock Exchange, are provided in the annexure to the notice calling Annual General Meeting.
8. Members holding equity shares in electronic form are requested to notify the change of address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company/Registrar of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent of the Company.
11. The Register of Members and Share Transfer Register shall remain closed for registering share transfer from Saturday, September 27, 2014 to Tuesday, September 30, 2014 (Both days inclusive).
12. All documents referred to in the accompanying notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Annual General Meeting.
13. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed there under, the Company is pleased to offer e-voting facility to its Members to enable them to cast their votes electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

14. Voting Through electronic means :-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:



	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none">Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly to the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting of resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Vishal Fabrics Limited> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- Please follow all steps from sl. no. (i) to (xvi) above to cast vote.
- The voting period begins on Monday, September 22, 2014 at 10.00 a.m. and ends on Tuesday, September 23, 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date August 29, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Mr. Jatin Kapadia (Membership No. 26725 and COP No.12043, Address:- D/22, Satellite Apartment, Jodhpur Cross Roads, Satellite, Ahmedabad -380 015 has been appointed as scrutinizer to scrutinize e-voting process.
- The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, and submit forthwith to the Chairman of the Company.



VISHAL FABRICS LIMITED

- E. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- F. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vishalfabricsltd.com within two working days of the passing of the resolutions at the 29th AGM of the Company and communicated to the BSE Limited where the shares of the Company are listed.
- G. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com. Other Contact Details :
(i) Company: Vishal Fabrics Limited, Ranipur Narol Road, Ahmedabad - 382405 and Email: cs.vfl@chiripalgroup.com (ii) Registrar & Transfer Agent : Link Intime India Private Limited – C – 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400078 and Email : mumbai@linkintime.co.in (iii) Scrutinizer : Mr. Jatin Kapadia and Email : csjatin@hotmail.com
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Reports, Notices, Circulars, etc. from the Company electronically.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4

The Board of Directors at its meeting held on April 4, 2014 appointed Ms. Nitika Chiripal as an Additional Director of the Company. According to the provisions of section 161 of the Companies Act, 2013, she holds office as Director only upto the date of the ensuing Annual General Meeting. As required under section 160 of the Companies Act, 2013, notice has been received from a member signifying its intention to propose the appointment of Ms. Nitika Chiripal as a Director along with the deposit of requisite amount.

The Board accordingly recommends the said resolution for your approval.

Except Mr. Jyotiprasad Chiripal and Ms. Nitika Chiripal, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested in the proposed resolution.

Item No. 5

Mr. Gautam Gandhi was appointed as an Additional Director by the Board of Directors w.e.f April 4, 2014 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to the said section the above director holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of section 160 of the Companies Act, 2013. Mr. Gautam Gandhi is not disqualified from being appointed as a Director in terms of section 164 of the act. Section 149 of the Act stipulates the criteria of Independence and pursuant to said section an Independent director can hold office for a term upto 5(five) consecutive years on the Board of the company and shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mr. Gautam Gandhi that he meets the criteria of Independence as prescribed under sub- section(6) of section 149 of the Act. Brief resume of Mr. Gautam Gandhi together with other details as required under clause 52 of the Listing Agreement is provided as an annexure to the notice calling Annual General Meeting. The Board feels that presence of Mr. Gautam Gandhi on the Board is desirable and would be beneficial to the company and hence recommend the resolution for adoption.

Except Mr. Gautam Gandhi, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested in the proposed resolution.

Item No. 6

Mr. Arakhita Khandual was appointed as an Additional Director by the Board of Directors w.e.f April 4, 2014 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to the said section the above director holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of section 160 of the Companies Act, 2013. Mr. Arakhita Khandual is not disqualified from being appointed as a Director in terms of section 164 of the Act. Section 149 of the Act stipulates the criteria of Independence and pursuant to said section an Independent director can hold office for a term upto 5(five) consecutive years on the Board of the company and shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mr. Arakhita Khandual that he meets the criteria of Independence as prescribed under sub- section(6) of section 149 of the Act. Brief resume of Mr. Arakhita Khandual together with other details as required under clause 52 of the Listing Agreement is provided as an annexure to the notice calling Annual General



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Meeting. The Board feels that presence of Mr. Arakhita Khandual on the Board is desirable and would be beneficial to the company and hence recommend the resolution for adoption.

Except Mr. Arakhita Khandual, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested in the proposed resolution.

Date : September 3, 2014

Place : Ahmedabad

By order of the Board of Directors

Poonam Pabla

Company Secretary



VISHAL FABRICS LIMITED

Details of Directors seeking Appointment / Re-appointment at the Annual General Meeting

Name of Director	Date of Birth	Brief Resume and Nature of Expertise in Functional Area	List of Directorship / Committee Memberships in other Public Companies
Mr. Jyotiprasad Chiripal	21 st August, 1953	Mr. Jyotiprasad Chiripal is a Promoter Director of the Company. He is Commerce Graduate from Gujarat University. He brings with him around three decades of proven experience in the textile sector.	<p>Other Directorship: CIL Nova Petrochemicals Ltd, Chiripal Energy Limited, Chiripal Industries Limited, Chiripal Infrastructure Limited,</p> <p>Committee positions held in Vishal Fabrics Limited:</p> <ul style="list-style-type: none"> ➤ Member – Audit Committee <p>Committee Positions held in other Public Companies: CIL Nova Petrochemicals Limited</p> <ul style="list-style-type: none"> ➤ Member - Audit Committee ➤ Member – Stakeholders Relationship Committee ➤ Member – Nomination & Remuneration committee
Ms. Nitika Chiripal	8 th December, 1981	She has completed her Graduation in Gemmology from Gemmological Institute of America, California and has also completed her Diploma in Jewellery manufacturing & design from S. N. D. T. University, Mumbai. She had been briefly associated with Chiripal Group for its Branding campaign and was also for a brief period managing the Embroidery division of Shanti Processors Limited. Currently she is managing Shanti Asiatic School at Bopal.	<p>Other Directorship: NIL</p> <p>Committee positions held in Vishal Fabrics Limited:</p> <ul style="list-style-type: none"> ➤ Member – Stakeholders Relationship Committee ➤ Member – Nomination and Remuneration Committee <p>Committee Positions held in other Public Companies: NIL</p>
Mr. Gautam Gandhi	28 th November, 1935	He has completed his Bachelor of Arts and LLB. He has been a practising advocate since 1960 and has amassed 54 years of experience in the Legal field. Currently he is a Partner in M/s. C. C. Gandhi & Co, Advocates and is also active in various Trusts.	<p>Other Directorship: NIL</p> <p>Committee positions held in Vishal Fabrics Limited: Member – Audit Committee Member – Stakeholders Relationship Committee Chairman – Nomination and Remuneration Committee</p> <p>Committee Positions held in other Public Companies: NIL</p>
Mr. Arakhita Khandual	24 th July, 1953	He has completed his M.A. in Economics from Utkal University, has pursued Masters Degree in Financial Management (MFM) from Jamnalal Bajaj Institute of Management Studies (Mumbai University) and is also a Certified Associate of the Indian Institute of Bankers (CAIIB). He has vast experience in the Banking industry and has been associated with IDBI Bank for the 32 years handling Project Financing – Appraisal, Monitoring and Rehabilitation of Industrial Projects.	<p>Other Directorship: NIL</p> <p>Committee positions held in Vishal Fabrics Limited:</p> <ul style="list-style-type: none"> ➤ Chairman – Audit Committee ➤ Chairman – Stakeholders Relationship Committee ➤ Member – Nomination and Remuneration Committee <p>Committee Positions held in other Public Companies: NIL</p>

**DIRECTORS' REPORT**

To,
The Members,
Vishal Fabrics Limited,
Ahmedabad

Your Directors take pleasure in presenting 29th Annual Report along with Audited Financial Statements of your Company for the period from April 01, 2013 to March 31, 2014.

FINANCIAL HIGHLIGHTS**(Rs. in crore)**

FINANCIAL RESULTS	2013-14	2012-13
Turnover	204.03	183.25
Other income	0.08	0.10
Less : Expenditures	200.84	180.71
Exceptional items	0.01	0.04
Profit Before Tax	3.28	2.67
Less : Provision for Taxation (Including Deferred Tax)	0.38	0.61
Profit After Tax	2.89	2.07
Add : Profit Brought Forward	32.49	30.42
Less : Issue of Bonus Shares	2.69	--
Profit Carried Forward	32.70	32.49

PERFORMANCE

During the year under review your Company has achieved a turnover of Rs. 204.03 crore as compared to a turnover of Rs. 183.25 crore over the previous financial year which shows increase of 11.34%. The Profit Before Tax was 3.28 crore as against previous year Profit Before Tax of Rs. 2.67 crore. The Net Profit during the year was Rs. 2.89 crore as compared to previous year figure of Rs. 2.07 crore registering the rise of 39.61%. Your Directors expect to improve the performance during the current year looking at the overall planning and market conditions to achieve the valuable growth in the current year.

DIVIDEND

The Board of Directors has not recommended any dividend during the year under review.

PUBLIC DEPOSITS

Your company has not accepted any Deposits from the public as defined under section 58A of the Companies Act, 1956 and rules made there under.

BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 2013, Mr. Jyotiprasad Chiripal, (DIN: 00155695) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Ms. Nitika Chiripal (DIN: 00154827) was appointed as an Additional Director by the Board of Directors w.e.f. April 4, 2014 and who shall hold office upto the date of ensuing Annual General Meeting. The company has received a notice from a member signifying his intention to propose her candidature for the office of a Director and accordingly it is proposed to appoint her as Director of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Gautam Gandhi (DIN: 00049735) and Mr. Arakhita Khandual (DIN: 00055601) was appointed as an Additional Director designated as an Independent Director w.e.f. April 4, 2014. They shall hold office up to the date of the ensuing Annual General Meeting. However as per provisions of the Companies Act, 2013, the Independent Directors are required to be appointed by shareholders and they shall not be liable to retire by rotation. The Company has received requisite notice in writing from a member proposing Mr. Gautam Gandhi and Mr. Arakhita Khandual for appointment as an Independent Director. The Company has also received declaration from such Independent Directors that they meet the criteria of Independence as prescribed under section 149(6) of the Companies Act, 2013. Accordingly it is proposed to appoint them for a term of five consecutive years commencing from September 30, 2014 to September 29, 2019.



CONVERSION TO A PUBLIC LIMITED COMPANY

Your Company was converted from a Private Limited Company to a Public Limited Company during the year under review. The Company had received a fresh certificate of Incorporation on March 31, 2014 consequent upon change of name on conversion to a Public Limited Company from Registrar of Companies, Gujarat.

INITIAL PUBLIC OFFERING

During the year under review, your Company came up with a Public Issue of 34,74,000 equity shares of Rs.10/- each at a premium of Rs. 35/- per share aggregating to the total issue size of Rs. 15.63 crore. Subsequently the shares of the company have been listed on SME Platform of BSE Limited on August 20, 2014.

SUBSIDIARY COMPANY

Before the Public Issue of the Company, your Company was a subsidiary of Chiripal Industries Limited. But after the public issue, the percentage of shareholding of Chiripal Industries Limited in your Company has reduced to such extent that your Company is no longer the subsidiary Company of Chiripal Industries Limited.

CORPORATE GOVERNANCE REPORT

A separate report on Corporate Governance and Management Discussion and Analysis together with a certificate from Practising Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under clause 52 of the Listing Agreement are being published as a part of the Annual Report of the Company.

INSURANCE

All assets of the company including inventories, building, plant and machineries are adequately insured.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 as amended by Companies (Amendment) Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed;

- (i) that in the preparation of the accounts for the financial year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to the material departures,
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit or loss of the company for the year under review,
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s Anil S. Shah & Co, Chartered Accountants, Ahmedabad hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received confirmation from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment. You are requested to appoint the auditors and fix their remuneration.

PARTICULARS OF EMPLOYEES

Pursuant to the provision of section 217(2A) of the Act, read with (Particulars of Employees) Rules, 1975 and amendment made thereto from time to time the names and other particulars of employees are required to be annexed to the Director's Report. However during the year under review there were no employees drawing the salary more than the limit prescribed under the said rules. Your Directors therefore do not attach the annexure as prescribed under the provision of section 217(2A) of the Companies Act, 1956.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

Particulars as required under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the **Annexure** to this report.

ACKNOWLEDGEMENT

Your Directors place on records their appreciations for the contributions made by the employees at all levels for their dedicated services



VISHAL FABRICS LIMITED

enabling the Company to achieve a satisfactory performance during the year under review. Your Directors also take this opportunity to place on record the valuable co-operation and continued support extended by the Company's Bankers, and other business associates.

Date : September 3, 2014

Place : Ahmedabad

For and on behalf of the Board

Jyotiprasad Chiripal

Managing Director


ANNEXURE TO THE DIRECTORS' REPORT

Particulars pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Directors.

A. CONSERVATION OF ENERGY:
(a) ENERGY CONSERVATION:

- The company has installed invertors / AC drives to save the power.
- Other necessary energy conservation measures are taken on day to day basis.

(b) WATER CONSERVATION:

- The company has installed more filters enabling to increase the reuse of treated effluent water.
- Other necessary water conservation measures are taken on day to day basis.

B. ADDITIONAL INVESTMENTS AND PROPOSALS, IF ANY, BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY:

There are no major investment proposals made by the Company for reduction of consumption of energy.

C. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION:
I. POWER & FUEL CONSUMPTION

Power and Fuel Consumption:	31.03.2014	31.03.2013
1. ELECTRICITY		
(a) Purchased		
Unit (kwh)	4357790	2772510
Total Amount	29843987	19044916
Rate / Unit (Rs.)	6.85	6.87
(b) Own Generator:		
i. Through Diesel Generator		
Unit (kwh)	207320	329070
Unit per ltr of Diesel Oil	2.96	3.26
Cost / Unit (Rs.)	19.29	16.62
ii. Through Steam Turbine / Generator		
Unit (kwh)	14644100	14938200
Units per kg. of Coal & Lignite	1	0.89
Cost / Unit (Rs.)	3.28	3.26
2. LIGNITE (Used in Generation of Steam & Electricity)		
Quantity (Tones) / Year	48274	56818
Total Cost (Rs.)	149945584	164799592
Average Rate (Rs.)	3106	2900
3. COAL (Used in Generation of Steam & Electricity)		
Quantity (Tones) / Year	5827	1011
Total Cost (Rs.)	27893541	3764149
Average Rate (Rs.)	4787	3725
4. COAL (Used in oil boiler for heating oil)		
Quantity (Tones) / Year	12892	12142
Total Cost (Rs.)	52925030	47594801
Average Rate (Rs.)	4105	3920
5. NATURAL GAS (Used for heating in machine)		
Quantity (in SCM)	NIL	NIL
Total Amount (Rs. In Lakhs)	NIL	NIL
Average Rate Per SCM (Rs.)	NIL	NIL



VISHAL FABRICS LIMITED

6. OTHERS - SAW DUST, ETC. (Used in oil boiler for heating oil)		
Quantity (Tones)	11861	17723
Total Cost (Rs. In Lakhs)	41257770	61238923
Rate / Unit (Rs.)	3478	3455

II. CONSUMPTION PER METER OF PRODUCTION:

	<u>31.03.2014</u>	<u>31.03.2013</u>
Electricity (KWH) Per Meter	0.229	0.225
Natural Gas (SCM) Per Meter	NIL	NIL
Coal (KG) Per Meter	0.224	0.164
Lignite (KG) Per Meter	0.577	0.709

D. TECHNOLOGY:

RESEARCH AND DEVELOPMENT (R & D)

1. Specific Area in which R & D is carried out by the Company

No major work done is done in this respect.

2. Future Plan of Action

There is no major future plan of action.

E. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

Efforts were made to adopt new technology by installing new improved/developed machines

Benefits derived:

Quality of fabric processed improved by adoption of new technology.

F. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a. The Company has taken various steps to increase exports of products during the year.

b. Foreign exchange earning and outgo during the year:

(Rs. in crore)

Particulars	31.03.2014	31.03.2013
(a) Foreign Exchange Earnings:	0.05	5.15
(b) Foreign Exchange Outgo:	0.04	0.04

Total Foreign Exchange Used and Earned: - As per Notes on Accounts.



MANAGEMENT'S DISCUSSION AND ANALYSIS

BACKGROUND AND BUSINESS OVERVIEW

The company was incorporated as "Vishal Fabrics Private Limited" on October 22, 1985 under the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gujarat. The Company is engaged in the business of dyeing, printing and processing of fabrics of its own and also on job work basis. The Company procures mainly Grey Fabric and dyes, prints and finishes the same as per the client's requirements. The plant has the capacity to print, dye and process 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 Company was initially engaged in trading of fabrics. Over the years, with a view to expand the installed capacity and broad base the market of its products, we put up our own Plant & Machinery. In the year 2003, we set up a captive power plant for production of 2.3 MW power to improve productivity in our processing plant. In the year 2005, we increased our processing capacity by installing the Wider Width Unit, which enabled us to process fabrics of upto 120 inch width. In the year 2011, we further enhanced our processing capacity by setting up a Continuous Bleaching Range (CBR) unit. The CBR unit processes upto 80,000 meters of fabric per day as compared to 2,000 – 8,000 meters fabric in other machines.

INDIAN TEXTILE INDUSTRY

Indian Textile Industry has an overwhelming presence in the economic life of the country. India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017. The textiles industry accounts for 14% of industrial production, which is 4% of GDP; employs 45 million people and accounts for nearly 11% share of the country's total exports basket. Also, this industry is a source of direct employment for over 35 million people, which makes it the second largest provider of employment after agriculture.

COMPETITION

The industry in which we operate is highly competitive and fragmented. Competition emerges from small as well as big players in the textile industry. The organized players in the industry compete with each other by providing high quality-time bound products and value added services. We have a number of competitors offering services similar to us. We believe the principal elements of competition in textile industry are price, fabric quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based processing unit with industry expertise in Dyeing and Printing which enables us to provide our clients with innovative designs suitable to current fashion and market requirements.

GENERAL ECONOMIC AND BUSINESS CONDITIONS

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect textile industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has an adequate internal control system commensurate with its size and the nature of its business in order to achieve efficiency in operation and optimum utilization of resources. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. Internal audits are conducted in the Company on regular basis.

RISK MANAGEMENT

The Company has a comprehensive risk management system which enables the Company to recognize and analyze risks early and to take appropriate actions to mitigate them. The senior management of the Company regularly reviews the risk management policy and process of the Company for effective risk management.

FINANCIAL PERFORMANCE

INCOME

In fiscal 2014, our total income increased by Rs. 2076.10 lakhs or 11.32%, from Rs. 18,335.01 lakhs in fiscal 2013 to Rs. 20,411.11 lakhs in fiscal 2014. The major factor for such increase was due to increase in Job Work Sales.

EMPLOYEE BENEFIT EXPENSES

Our staff cost increased by Rs. 746.59 lakhs or 50.40%, from Rs. 1,481.28 lakhs in fiscal 2013 to Rs. 2,227.87 lakhs in fiscal 2014. This increase was mainly due to yearly increments and marginal increase in number of employees.



OTHER EXPENSES

Other expenses increased by Rs. 174.94 lakhs from Rs. 991.89 lakhs in fiscal 2013 to Rs. 1166.83 lakhs in fiscal 2014. The cause of increase in these expenses was majorly due to increase in scale of operations.

FINANCIAL COST

Financial cost decreased by Rs. 44.63 lakhs from Rs. 685.57 lakhs in fiscal 2013 to Rs. 640.94 lakhs in fiscal 2014. The cause of decrease in these financial costs was majorly due to decrease in borrowings.

DEPRECIATION AND AMORTIZATION EXPENSES

Depreciation expenses decreased by Rs. 104.35 lakhs, from Rs. 799.94 lakhs in fiscal 2013 to Rs. 695.59 lakhs in fiscal 2014. This decrease was due to the written down value of fixed assets in the current fiscal.

PROFIT BEFORE TAX (PBT)

Due to operational efficiency and increase in total income our PBT increased by Rs. 60.51 lakhs from Rs. 267.32 lakhs in fiscal 2013 to Rs. 327.83 lakhs in fiscal 2014.

PROFIT AFTER TAX (PAT)

Our profit after tax increased by Rs. 82.69 lakhs from Rs. 206.78 lakhs in fiscal 2013 to Rs. 289.47 lakhs in fiscal 2014.

CAUTIONARY STATEMENT

Statement in this report describing the company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include economic conditions affecting demand / supply and price condition in the domestic markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. The Company is committed to achieve high standards of Corporate Governance. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

2. BOARD OF DIRECTORS

The Board comprises of 4 (Four) Directors of which 1 is Executive Promoter Director, 2 are Non-Executive and Independent Directors and 1 is Non-executive Promoter Director. The Chairman of the Board is Executive Promoter Director. The Composition of the Board is in accordance with clause 52 of the Listing Agreement entered into with the Stock Exchange.

During the year 15 (Fifteen) Board Meetings were held on 20.06.2013, 18.07.2013, 12.08.2013, 14.08.2013, 31.08.2013, 26.09.2013, 03.10.2013, 21.12.2013, 23.12.2013, 09.01.2014, 27.01.2014, 28.01.2014, 04.03.2014, 29.03.2014 and 31.03.2014. All the relevant and necessary information are placed before the Board for their approval/noting.

The details of attendance at the Board Meeting during the year and also number of other directorships/membership of Committees during the year ended March 31, 2014 are as follows:

Sr. No.	Name of Directors	Category	No. of Meeting Attended during FY 2013-14	Directorship in other public Company	Committee	
					Membership	Chairmanship
1	Mr. Jyotiprasad Chiripal	Director	15	4	3	0
2	Mr. Mahavirsingh Yadav*	Director	12	NIL	NIL	NIL
3	Mr. Vinodkumar Shah*	Director	10	NIL	NIL	NIL
4	Ms. Binaben Khatri #	Director	1	NIL	NIL	NIL

* Mr. Mahavirsingh Yadav and Mr. Vinodkumar Shah resigned from the Directorship w.e.f April 4, 2014.

Ms. Binaben Khatri resigned from the Directorship w.e.f March 31, 2014.

3. COMMITTEE OF THE BOARD

The Board of Directors has constituted three Committees viz.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee

i) AUDIT COMMITTEE

The Board of Directors had constituted the Audit Committee on April 4, 2014 pursuant to the provisions of section 177 of the Companies Act, 2013 and requirement of the Listing Agreement entered into with the Stock Exchange by the Company. The Audit Committee comprises of Mr. Arakhita Khandual, Mr. Gautam Gandhi and Mr. Jyotiprasad Chiripal. Mr. Arakhita Khandual acts as a Chairman of the Audit Committee.

The details of attendance at the Audit Committee Meeting during the year are as follows:

Sr. No.	Name of Members	Position	No. of Meeting held *	No. of Meeting Attended
1.	Mr. Arakhita Khandual	Chairman	NIL	NIL
2.	Mr. Gautam Gandhi	Member	NIL	NIL
3.	Mr. Jyotiprasad Chiripal	Member	NIL	NIL

*As the Audit Committee was constituted on April 4, 2014, so no meetings of the Committee took place during the Financial Year 2013- 14.

**ROLE OF AUDIT COMMITTEE**

- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
 - (b) Changes, if any, in accounting policies and practices and reasons for the same
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management
 - (d) Significant adjustments made in the financial statements arising out of audit findings
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions
 - (g) Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism,.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

POWER OF AUDIT COMMITTEE

- To investigate any activity within its terms of reference,
- To seek information from any employee
- To obtain outside legal or other professional advice, and
- To secure attendance of outsiders with relevant expertise if it considers necessary.
- The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

ii) NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors had constituted the Nomination and Remuneration Committee on April 4, 2014 pursuant to the provisions of section 178 of the Companies Act, 2013 and requirement of the Listing Agreement entered into with the Stock Exchange by the Company. The Nomination and Remuneration Committee comprises of Mr. Gautam Gandhi, Mr. Arakhita Khandual and Ms. Nitika Chiripal. Mr. Gautam Gandhi acts as a Chairman of the Nomination and Remuneration Committee.

The details of attendance of the Nomination and Remuneration Committee Meeting during the Financial Year 2013-14 are as follows:

Sr. No.	Name of Members	Position	No. of Meeting held *	No. of Meeting Attended
1.	Mr. Gautam Gandhi	Chairman	NIL	NIL
2.	Mr. Arakhita Khandual	Member	NIL	NIL
3.	Ms. Nitika Chiripal	Member	NIL	NIL

*As the Nomination and Remuneration Committee was constituted on April 4, 2014 so no meetings of the Committee took place during the Financial Year 2013-14.



Details of Remuneration paid to the Directors during the Financial Year 2013-14 are as follows:

Sr. No.	Name of Directors	Sitting Fees (Rs)	Salaries and Perquisites (Rs)	Commission (Rs)	No of Shares held
1.	Mr. Jyotiprasad Chiripal	NIL	60,00,000	NIL	NIL
2.	Mr. Gautam Gandhi *	NIL	NIL	NIL	NIL
3.	Mr. Arakhita Khandual *	NIL	NIL	NIL	NIL
4.	Ms. Nitika Chiripal *	NIL	NIL	NIL	NIL
5.	Ms. Binaben Khatri **	NIL	NIL	NIL	NIL
6.	Mr. Mahavirsingh Yadav #	NIL	3,84,996	NIL	NIL
7.	Mr. Vinodkumar Shah #	NIL	NIL	NIL	NIL

* Mr. Gautam Gandhi, Mr. Arakhita Khandual and Ms. Nitika Chiripal were appointed w.e.f April 4, 2014.

** Ms. Binaben Khatri resigned from the Directorship w.e.f March 31, 2014.

Mr. Mahavirsingh Yadav and Mr. Vinodkumar Shah resigned from the Directorship w.e.f April 4, 2014.

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report

iii) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors had constituted the Stakeholders Relationship Committee on April 4, 2014 pursuant to the provisions of section 178(5) of the Companies Act, 2013 and requirement of the Listing Agreement entered into with the Stock Exchange by the Company. The Stakeholders Relationship Committee comprises of Mr. Arakhita Khandual, Mr. Gautam Gandhi and Ms. Nitika Chiripal. Mr. Arakhita Khandual acts as a Chairman of the Committee.

The details of attendance at the Stakeholders Relationship Committee Meeting during the Financial Year 2013-14 are as follows:

Sr. No.	Name of Members	Position	No. of Meeting held *	No. of Meeting Attended
1.	Mr. Arakhita Khandual	Chairman	NIL	NIL
2.	Mr. Gautam Gandhi	Member	NIL	NIL
3.	Ms. Nitika Chiripal	Member	NIL	NIL

*As the Stakeholders Relationship Committee was constituted on April 4, 2014, so no meetings of the Committee took place during the Financial Year 2013-14.

ROLE OF STAKEHOLDERS RELATIONSHIP COMMITTEE

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

**4. GENERAL MEETING OF THE COMPANY:**

a. Annual General Meeting (AGM):

Financial Year	Date & Time	Venue	Special Resolutions Passed
March 31, 2013	September 30, 2013 11.30 a.m.		0
March 31, 2012	September 29, 2012 11.30 a.m.	Ranipur Narol Road, Ahmedabad – 382 405.	0
March 31, 2011	September 30, 2011 11.30 a.m.		0

b. Extraordinary General Meeting (EGM):

Extraordinary General Meetings of the members of the Company were held on August 19, 2013, January 20, 2014 and February 25, 2014.

The Company has not passed any resolution through postal ballot during the year under reference, none of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

5. DISCLOSURES:i. **Related Party Transaction:**

For significant related party transactions refer Point no. 34 of the Notes on Accounts contained in financial statements in this Annual Report.

ii. **Statutory Compliances:**

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory authorities to the extent applicable.

iii. **Means of Communication:**

The Company was listed on August 20, 2014 so till date there was no requirement to submit the half yearly financial results to the Stock Exchange in accordance to the provisions of the Listing Agreement.

iv. **Code of Conduct:**

The Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Board Members and the Senior Management personnel have affirmed compliance with the code for the year 2013 - 14. The said Code of Conduct has been posted on the website of the Company. A declaration to this effect, is annexed and forms part of this report.

6. SUBSIDIARY COMPANIES

The Company does not have any Subsidiaries.

7. SHAREHOLDERS INFORMATION

- i) Annual General Meeting:
 - Date : September 30, 2014
 - Time : 3:30 P.M.
 - Venue : 'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015
- ii) Financial Year: : April 01, 2013 to March 31, 2014
- iii) Date of Book Closure : September 27, 2014 to September 30, 2014 (both days inclusive)
- iv) Dividend Payment Date : NIL
- v) Listing of shares : BSE Limited (BSE SME Segment)
- vi) Stock Code : BSE Scrip Code– 538598
Listing Fees as applicable has been paid.
- vii) CIN : L17110GJ1985PLC008206
- viii) Registrars and Transfer Agents:
 - Name and Address : LINK INTIME INDIA PRIVATE LIMITED
C - 13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup West, Mumbai – 400 078



VISHAL FABRICS LIMITED

Phone : +91 - 22 - 25963838
 Fax : +91 - 22 - 25960329
 Email : mumbai@linkintime.co.in

ix) Name, designation and address of the Compliance Officer:

Ms. Poonam Pabla
 Company Secretary
 Corporate Office
 Chiripal House,
 Near Shivranjani Cross Roads,
 Satellite,
 Ahmedabad – 380 015.
 Phone: + 91 - 79 - 26734660/2/3
 Fax: + 91 – 79 - 26768656

8. Shareholding as on March 31, 2014:

a. Distribution of equity shareholding as on March 31, 2014:

Number of shares	Holding	Percentage to capital	Number of Holders	Percentage to number of total Holders
1-500	NIL	NIL	NIL	NIL
501-1000	NIL	NIL	NIL	NIL
1001-2000	NIL	NIL	NIL	NIL
2001-3000	NIL	NIL	NIL	NIL
3001-4000	NIL	NIL	NIL	NIL
4001-5000	NIL	NIL	NIL	NIL
5001-10000	NIL	NIL	NIL	NIL
10001-50000	272000	2.80	9	60.00
50001-9999999999	9428000	97.20	6	40.00
GRAND TOTAL	9700000	100.00	15	100.00

b. Categories of equity shareholders as on March 31, 2014:

Category	Number of equity shares held	Percentage of holding
A. Promoters Holding		
Individuals / HUF	7,12,000	7.34
Bodies Corporate	89,88,000	92.66
B. Non Promoter Holding		
Central / State Government	NIL	NIL
Foreign Institutional Investors (FII)	NIL	NIL
Bodies Corporate	NIL	NIL
Indian Public	NIL	NIL
NRI's / OCB's / Foreign Nationals	NIL	NIL
TOTAL	97,00,000	100.00

9. Dematerialisation of shares and liquidity:

The Company has executed agreements with National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) for dematerialisation of shares.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE755Q01017.

10. Outstanding GDRs/ADRs/Warrants or any convertible instruments: NIL



11. Address for correspondence:

Vishal Fabrics Limited
Chiripal House,
Near Shivranjani Cross Roads,
Satellite,
Ahmedabad – 380 015.
Phone: + 91 - 79 - 26734660/2/3
Fax: + 91 – 79 - 26768656
Email address for Investor Services: cs.vfl@chiripalgroup.com
Website: www.vishalfabricsltd.com

12. Registered office and Plant Location :

Ranipur Narol Road,
Ahmedabad – 382 405
Phone: + 91 - 79 - 25353977/78
Fax: +91 - 79 - 25353981



VISHAL FABRICS LIMITED

DECLARATION – COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that all the Board members and Senior Management Personnel have affirmed with the Code of Conduct for the Financial Year ended March 31, 2014.

Date : September 3, 2014

Place : Ahmedabad

For Vishal Fabrics Limited

Jyotiprasad Chiripal

Managing Director



REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is a form of corporate self- regulation integrated into a business model. CSR is about capacity building for sustainable livelihoods. With the same objectives the Chiripal group gave birth to the Chiripal Charitable Trust. The CSR activities of the group are guided by the vision and philosophy of the chairman, Shri Vedprakash D. Chiripal, who got the inspiration from his parents. He enunciated the value of trusteeship in business and laid strong foundation for its ethical and value based functioning.

As a responsible “Corporate Citizen”, the group is engaged in various social welfare activities. Through its social commitment, it intends to promote initiatives, for the educational and health awareness amongst the weaker sections of the society. Every year on Managing Director’s birthday, the annual blood donation is organized with the support of Prathma blood center, at the corporate office and all over the group units, where thousands of units of blood is collected , through voluntary donation and active participation of our staff members and workers. With addition to this, as a regular practice, the trust and the companies run employee welfare schemes to help the employees and their families.

Every year, as the pilgrims of Dakor temple pass through Dakor, the trust organizes a rest camp for them. Hot water bath, massages and meals are served to over 10-12 lakh pilgrims.

Shanti Educational Initiatives Ltd (SEIL) has been established with an objective of bringing about a change in academic content, curriculum and methodology through extensive research by the country’s best academicians as well as to bridge deficiency gaps. With the conception of SEIL, the group has made the necessary developments in the educational field, starting from pre-school education, going right up to post graduation. In 2009, it launched Shanti Asiatic School followed by Shanti Juniors, a chain of pre-schools. It went on to establish Shanti Business School in the field of management studies and further established Shanti Communication School, in the field of communication, media and business studies. SEIL also established Hopskotch, a premium pre-school in order to bring elite education to India. In 2013, SEIL introduced a multifaceted Undergraduate Program with 70+ specializations and aims at imparting an integrated knowledge of BBA+BCA+BCom domains altogether, which is the first of its kind in India.

Prayaas is a students’ initiative of Shanti Asiatic School where the students are given a chance to relish the joy through sharing with the under privileged, the elderly abandoned at old age homes and with those affected by natural disasters. This student of grade I and II felt blessed as grandparents from Old Age Home, Ambli visited SAS and shared their experience with them. The students of grade VII and VIII were fortunate to get the opportunity of serving the underprivileged children of the society. SAS backed the state government’s strong stance towards Gutkha by banning it across the state. More than 150 students of grade VII and VIII carried out street plays. Students performed these plays at Himalaya Mall and Big Bazaar in Ahmedabad.

At Shanti Juniors, the kids were taken to the Old age home and were taught the importance of elders in their lives. The kids also had a visit to orphanage and Blind People Association. Protest/Rallies were also done by SJ on various occasions where they were taught to stand and express their objection by words or action for any immoral, incorrect unethical incident, situation, policies or events in life.

Co-operating and aligning its belief of Corporate Citizenship, Shanti Business School continuously engages in doing their bit for the society. The students of BBA program of Shanti Business School initiated an educational camp where they taught the basics of education to the slum kids of neighbourhood. The slum kids were also provided books, materials and dresses which can assist them in studies and keeps them motivated. The students of Shanti Communication School celebrated their Christmas with the kids who are cancer patients of Civil Hospital at Gujarat Cancer Society. Further, the group engages itself in sponsoring schemes for under-privileged children. Also, it donates and helps them for their medical and other educational requirements. With the same intention, the group has also provided employment to a lot of villagers of Shela, who live around its educational institutions. Continuously striving and making its humble contributions to the society and its betterment, the Chiripal Group stands as a proud corporate citizen.



CERTIFICATE ON CORPORATE GOVERNANCE

**To,
The Members,
Vishal Fabrics Limited**

We have examined the compliance of conditions of Corporate Governance by Vishal Fabrics Limited for the year ended March 31, 2014, as stipulated in clause 52 of the Listing Agreement entered into with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation given by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: September 3, 2014

CS Jatin Kapadia
Company Secretary
C. P. No. 12043



INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF,
VISHAL FABRICS LIMITED
(Formerly known as Vishal Fabrics Pvt. Ltd.)
AHMEDABAD**

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Vishal Fabrics Limited (formerly known as Vishal Fabrics Pvt. Ltd.) (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013, of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.



VISHAL FABRICS LIMITED

- e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For M/s. Anil S. Shah & Co.
Chartered Accountants
(FRN : 100474W)

Sd/-
Krunal A. Shah
Partner

Membership No.: 115801

Date : 02/06/2014
Place : Ahmedabad



ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of Vishal Fabrics Ltd. (formerly known as Vishal Fabrics Pvt. Ltd.) (the company) for the year ended 31st March, 2014. We report that :

1. In respect of Fixed Assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
 - b. As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.
 - c. In our opinion, the Company has not disposed off any major/substantial part of the fixed assets during the year and the going concern status of the company is not affected.
2. In respect of its Inventories:
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management at the end of the year are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of the records of inventory, we are of opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.
3. In respect of loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - a. During the year under audit, the company has granted unsecured loans to two parties covered under section 301 of the Companies Act, 1956. The Maximum amount involved during the year was Rs. 335.00 Lacs and year end balance of loans granted to such party amounting to Rs. 275.50 Lacs. During the year the company has not taken unsecured loans.
 - b. According to the information and explanations given to us, the company has granted unsecured loans to the parties covered under section 301 of The Companies Act, 1956 are interest free and as explained to us the other terms & conditions are not prima facie prejudicial to the interest of the company.
 - c. According to the information and explanations given to us, the loans granted by the company are interest free loans hence the question of recovery of interest does not arise and in case of interest, as explained to us recovery of loan granted have been made on demand.
 - d. In respect of loans granted by the company during the year, as the terms of recovery have been on demand as explained to us, overdue installments in respect of the same has not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of the five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from public.
7. As per information and explanation given to us, the Company has its own internal audit system commensurate with the size and nature of its business.



8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the said records with a view to determine whether they are accurate or complete.
9. In respect of Statutory Dues:
- According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, tax deducted at source, service tax, sales tax, custom duty, excise duty, cess and other statutory dues with the appropriate authorities.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Customs Duty, Sales Tax and Excise Duty were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable.
 - According to the information and explanations given to us, particulars of outstanding dues of custom duty, excise duty not deposited on account of any dispute given below :-

Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Forum where dispute Is pending
The Central Excise Act, 1944	Excise	Rs. 1775285/-	Textile Cess Appellate Tribunal
The Customs Act, 1962.	Custom	Rs. 90000/-	Commissioner of Custom, Jamnagar
Labour Laws	Labour Law Matters	Rs. 287145/-	Deputy of Labour Commissioner, Ahmedabad
Income Tax Act, 1961	Income Tax	Rs. 730110/-	CIT(A)
Labour Laws	Civil Suit	Rs. 457378/-	City Civil Court, Ahmedabad

10. The company has no accumulated losses and has not incurred any cash losses during the financial year under review or in the immediately preceding financial year.
11. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to Banks.
12. Based on our examination of documents and records and information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/Societies are not applicable to the Company. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of para 4 (xiv) are not applicable to the Company. The shares, securities and other investments have been held by the company, in its own name.
15. As per the information and explanation given to us and in our opinion, the company has not given any guarantee for loan taken by others from banks and financial institution.
16. To the best of our knowledge and belief and according to the information and explanation given to us, no fresh term loans availed by the company during the year under Audit.
17. According to the information and explanations given to us and on overall examination of Balance Sheet of the company, the funds raised on short term basis have prima facie not been used during the year for long term investment (fixed assets etc.) and vice versa, other than temporary deployment pending application.
18. During the year, the Company has made fresh allotment of shares to parties not covered in the register maintained under Section 301 of the Companies Act, 1956 at Net Asset Value basis and terms there of are not prejudicial to the interest of the company.
19. During the year, the company has not issued any debentures.



VISHAL FABRICS LIMITED

20. During the year, the Company has not raised any money by way of Public issues.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud had occurred in the company during the year under audit.

For M/s. Anil S. Shah & Co.
Chartered Accountants
(FRN : 100474W)

Sd/-

Krunal A. Shah
Partner

Membership No.: 115801

Date : 02/06/2014
Place : Ahmedabad



VISHAL FABRICS LIMITED

BALANCE-SHEET AS ON 31ST MARCH, 2014

PARTICULARS	Note	Amount in Rs.	
		CURRENT YEAR	PREVIOUS YEAR
I EQUITY AND LIABILITIES			
A SHARE HOLDERS FUNDS			
Share Capital	2	97000000	11500000
Reserve & Surplus	3	344480650	378533559
		441480650	390033559
B Non-current liabilities			
(a) Long-term borrowings	4	211450819	163836919
(b) Deferred tax liabilities (Net)		0	0
(c) Other Long term liabilities	5	0	1003023
(d) Long-term provisions	6	10944906	9980938
		222395725	174820880
C Current liabilities			
(a) Short-term borrowings	7	289586223	351422690
(b) Trade payables	8	219894598	228206417
(c) Other current liabilities	9	79815318	76953769
(d) Short-term provisions	10	12114589	13325276
		601410728	669908152
TOTAL>>>>>		1265287104	1234762591
II ASSETS			
A Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		317411535	375597847
(ii) Intangible assets		0	0
(iii) Capital work-in-progress		0	0
(iv) Intangible assets under development		0	0
(b) Non-current investments	12	1103900	1103900
(c) Deferred tax assets (Net)	13	14503978	9739721
(d) Long-term loans and advances	14	53847926	13822954
(e) Other non current assets	15	2928237	5667576
		389795577	405931998
B Current assets			
(a) Current investments		0	0
(b) Inventories	16	105722035	109274361
(c) Trade receivables	17	541338579	649870593
(d) Cash and cash equivalents	18	10947296	11076603
(e) Short-term loans and advances	19	217483617	58609036
(f) Other current assets		0	0
		875491528	828830593
TOTAL>>>>>		1265287104	1234762591

The notes referred to above are an integral part of Profit & Loss Significant Accounting Policies and Notes on Accounts as Note "1"

M/s. ANIL S. SHAH & CO.
Chartered Accountants
Firm Reg. No. 100474W
KRUNAL A. SHAH
Partner
(Membership No. 115801)
Place: Ahmedabad
Date: 02/06/2014

For, VISHAL FABRICS LIMITED

Jyotiprasad Chiripal
Managing Director

Mahesh Kawat
Chief Financial Officer

Nitika Chiripal
Director

Poonam Pabla
Company Secretary



VISHAL FABRICS LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2014

PARTICULARS	Note	Amount in Rs.	
		CURRENT YEAR	PREVIOUS YEAR
I. Revenue from operations	20	2040292817	1832481273
Less Excise duty		0	0
Revenue from operations (net)		2040292817	1832481273
II. Other Income	21	818651	1020031
III. Total revenue >>(i+ii)		2041111468	1833501304
IV. Expenses			
(a) Cost of Materials	22	1036512363	955087850
(a) Purchases of stock-in-trade	23	499791867	461943690
(a) Changes in inventories of finished goods, work-in-progress	24	(987041)	(5775642)
(a) Employee benefits expenses	25	222787112	148128227
(a) Finance costs	26	64093894	68557440
(a) Depreciation and amortisation expense	11	69558501	79993975
(a) Other expenses	27	116682747	99189395
Total expenses >>		2008439443	1807124935
V. Profit / (Loss) before exceptional and extraordinary items and tax		32672024	26376369
VI. Exceptional items		111130	354864
VII. Profit / (Loss) before extraordinary items and tax		32783154	26731233
VIII. Extraordinary Items		0	0
IX. Profit / (Loss) before tax		32783154	26731233
X. Tax expense :			
(a) Current tax expense for current year		7700000	8800000
(b) MAT credit/utilisation		0	0
(c) Tax expense relating to prior year written back		861346	4112895
(d) Deferred tax assets to prior year written back		38941	0
(e) Deferred tax assets		(4764257)	(6858717)
		3836030	6054178
XI. Profit / (Loss) from for the period from continuing operations		28947124	20677055
XII. Profit / (Loss) from discontinuing operations (before tax)		0	0
XIII. Tax expense of discontinuing operations		0	0
XIV. Profit / (Loss) from discontinuing operations (after tax)		0	0
XV. Profit / (Loss) from for the period from continuing operations		28947124	20677055
Earning per equity share [nominal value of 10/- (previous year-100)]		2242877	115000
Basic and Diluted		12.91	180

The notes referred to above are an integral part of Profit & Loss Significant Accounting Policies and Notes on Accounts as Note "1"

M/s. ANIL S. SHAH & CO.
Chartered Accountants
Firm Reg. No. 100474W
KRUNAL A. SHAH
Partner
(Membership No. 115801)
Place: Ahmedabad
Date: 02/06/2014

For, VISHAL FABRICS LIMITED

Jyotiprasad Chiripal
Managing Director

Mahesh Kawat
Chief Financial Officer

Nitika Chiripal
Director

Poonam Pabla
Company Secretary



VISHAL FABRICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	For the Period ended March 31, 2014	For the Period ended March 31, 2013
A. Cash Flow from Operating Activities		
Net Profit After Tax & Exceptional Items	28947124.00	20677055.00
<u>Adjustments for:</u>		
Depreciation & amortization	69558501.00	79993975.00
(Profit) / Loss on Sale of assets	(111130.00)	(354866.00)
Interest Income	(598085.00)	(547851.00)
Provision for Income Tax	8561346.00	12912895.00
Deffered Tax	(4764257.00)	(6819776.00)
	<u>72646375.00</u>	<u>85184377.00</u>
Operating Profit Before Working Capital Changes	101593499.00	105861432.00
<u>Adjustments for:</u>		
Trade and Other Receivables	108532014.00	(128546795.00)
Inventories	3552326.00	3257458.00
Trade Payables	(8311819.00)	80299306.00
Short term provisions	(1210687.00)	12489168.00
Long Term Provisions	963968.00	81061.00
Other Long term liabilities	(1003023.00)	189342.00
other current liability	2861549.00	(13321536.00)
Short term Loans and Advances	(158874581.00)	(1906602.00)
Other non current assets	2739339.00	688940.00
	<u>(50750914.00)</u>	<u>(46769658.00)</u>
Cash Generated from Operations	50842585.00	59091774.00
Income Taxes	8561346.00	12912895.00
Net Cash Generated by Operating Activities	42281239.00	46178879.00
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(11198566.00)	(27478673.00)
Sale of Fixed Assets	153345.00	117636.00
Profit/loss on Sale of Fixed Assets	111130.00	354866.00
Interest Income	598085.00	547851.00
	<u>(10336006.00)</u>	<u>(26458320.00)</u>
Net Cash Generated by / (used in) Investing Activities	(10336006.00)	(26458320.00)
C. Cash Flow from Financing Activities:		
Increase in Share Capital & Share Premium	22500000.00	0.00
Increase/Decrease in Long Term Borrowings	47613900.00	(39482188.00)
Increase/Decrease in Short Term Borrowings	(61836467.00)	(1056870.00)
Increase in Long term Loans Advances	(40024972.00)	25141532.00
Preliminary Exp.	(327000.00)	0.00
	<u>(32074539.00)</u>	<u>(15397526.00)</u>
Net Cash Generated by / (used in) Finance Activities	(32074539.00)	(15397526.00)
Net (Decrease) / Increase in Cash and cash equivalents	(129306.00)	4323033.00
Opening Cash and Cash Equivalent	11076602.00	6753529.00
Cash & Cash Equivalents at the end of the period	10947296.00	11076602.00

As per our Report of even date annexed herewith

M/s. ANIL S. SHAH & CO.

Chartered Accountants

Firm Reg. No. 100474W

KRUNAL A. SHAH

Partner

(Membership No. 115801)

Place: Ahmedabad

Date: 02/06/2014

For, VISHAL FABRICS LIMITED

Jyotiprasad Chiripal
Managing Director

Nitika Chiripal
Director

Mahesh Kawat
Chief Financial Officer

Poonam Pabla
Company Secretary



Note : 1 Significant Accounting Policies, Contingent Liabilities and Notes Forming Part of Accounts

1.1 BASIS OF ACCOUNTING

- (a) Financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the companies Act, 1956.
- (b) The Company follows the mercantile system of accounting on a going concern basis.

1.2 Use of Estimate

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent assets and liabilities as at the date of financial statements are reported amounts of incomes and expenses during the period. Actual results could differ from those estimates.

1.3 FIXED ASSETS AND CAPITAL WORK IN PROGRESS

- a) Fixed assets are stated at cost of acquisition or construction (net of cenvat credits). All cost relating to the acquisition and installation of fixed assets are capitalized and include borrowing costs directly attributable to construction or acquisition of fixed assets, up to the date of asset is put to use and adjustment arising out of exchange rate variation relating to liabilities attributable to those fixed assets.
- b) They are stated at historical cost less depreciation.

1.4 DEPRECIATION

The company is providing depreciation at the rates provided on Straight Line Method basis on plant & machinery and on assets other than plant & machineries provided at the WDV rates as per the schedule XIV of The Companies Act, 1956 from the date of actual put to use i.e. on priority basis.

1.5 REVENUE RECOGNITION

- a) Revenue from job work is recognized by the completed service contract.
- b) Sales are accounted for on dispatch of goods to the customers and is exclusive of the Excise, sales return rebate & discount, rate difference but inclusive of the sales tax, if any.
- c) Dividend income and insurance claim has been accounted on cash basis.
- d) Commission income, profit on sale of Assets, Investment, Export incentives, Int. on FDR are accounted on accrual basis.

1.6 INVENTORIES

- a) Inventories of Raw materials are valued at cost, determined on FIFO basis. Cost of Raw Materials Stocks is determined so as to exclude from cost, taxes and duties, which are subsequently Recoverable from taxing authorities.
- b) Stock of Work-in-progress valued at estimated cost.

1.7 INVESTMENTS

Long Term Investments are stated at cost less permanent diminution if any.

1.8 RETIREMENT BENEFITS

a) GRATUITY

Liabilities in respect of Gratuity is assessed actuarially and provided accordingly.



b) PROVIDENT FUND AND LEAVE ENCASHMENT

A liability in respect of Provident Fund & Leave Encashment is provided in the accounts on accrual basis for the period.

1.9 FOREIGN CURRENCY TRANSACTION

Transaction in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction and outstanding in respect thereof are stated at the exchange rates prevailing at the date of Balance Sheet. Exchange differences relating to Fixed Assets are adjusted to the cost of Fixed Assets. Any other exchange difference is dealt in the Profit and Loss Account.

1.10 BORROWING COST

Borrowing costs directly attributable to the acquisition and construction of qualifying fixed assets are capitalized as part of the cost of the assets, up to the date the asset is put to use. Other borrowing costs and interest on working capital are charged to revenue in the year in which they are incurred.

1.11 PRELIMINARY EXPENDITURE

Preliminary Expenditure if any, is to be apportioned in five equal installments, commencing from the year in which the expenditure has been incurred.

1.12 TAXES ON INCOME

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, on timing differences, being the Difference between taxable incomes and accounting income that originates in one period and are capable of reversal in one or more subsequent periods.

Minimum Alternate Tax (MAT) Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during specified period. In the year in which the MAT credit becomes eligible, to be recognized as an asset. In accordance with recommendation contained in the guidance note issued by ICAI, said asset is created by way of credit/reversal of provisions to Profit and Loss A/c and shown as MAT Credit Entitlements in Loans and Advances. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

1.13 PRIOR PERIOD ITEMS

Prior period incomes & expenditures are treated as current year's income/expenditure.

1.14 PROVISION :

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an out flow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligations at the balance sheet date these are reviewed at each balance sheet date and adjusted to reflect the best estimates.

1.15 CASH FLOW STATEMENT:

The Company has prepared cash flow statement by following an indirect method as per Accounting standard - 3 issued by ICAI.

1.16 EARNING PER SHARE:

The earning considered in ascertaining the company's EPS comprises the Net Profit or Loss for the period after and extraordinary items. The basic EPS is computed on the basis of weighted average number of equity shares outstanding during the year.



1.17 **CONTINGENT LIABILITIES**

Contingent Liabilities are determined on the basis of available information and explanations given to us and are disclosed by way of note to the accounts.

NOTE 2 : Share Capital

PARTICULARS	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
AUTHORISED		
15000000 Equity Shares of Rs.10/- each (Previous Year 115000 Shares @ Rs. 100/- each)	150000000	11500000
	150000000	11500000
ISSUED, SUBSCRIBED AND PAID-UP		
9700000 Equity Shares of Rs.10/- each fully paid up (Previous Year 115000 Shares @ Rs. 100/- each fully paid up)	97000000	11500000
Total	97000000	11500000

2.1 **The reconciliation of the number of shares outstanding is set out below**

Particulars	As at 31st March, 2014 No. of Shares	As at 31st March, 2013 No. of Shares
Equity Shares at the beginning of the year	115000	115000
Add: Shares issued as bonus @Rs. 100/- each	345000	0
Total Shares after Bonus Issue	460000	115000
Total Shares after Sub division of share capital from Rs. 100/- to Rs. 10/- each	4600000	0
Add: Shares issued as bonus @Rs. 10/- each	4600000	0
Add: Shares Issued @ Rs. 10/- each	500000	0
Less : Shares cancelled	0	0
Equity: Shares at the end of the year	9700000	115000

2.2 345000 Shares @ Rs. 100/- each were allotted as Bonus Shares by capitalisation of Securities Premium and General Reserves in the ratio of 3:1 vide board resolution dt. 20th January 2014.

2.3 There was a sub division of Equity Share Capital from Rs. 100/- to Rs. 10/- per share vide board resolution dt. 25th February 2014

2.4 4600000 shares @ Rs. 10/- each were allotted as Bonus shares by capitalisation of Securities Premium and General Reserves in the ratio of 1:1 vide board resolution dt. 25th February 2014

2.5 250000 shares allotted to M/s. Devkinandan Corporation LLP @ Rs. 10/- each and 250000 shares were allotted to M/s. Chiripal Exim LLP @ Rs. 10/- each vide board resolution passed dt. 29th March 2014.

2.6 **Terms attached to Equity Share**

The Company has only one class of Equity Shares having a par value of Rs.10/- per share.

Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares would be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

2.7 **The details of Shareholders holding more than 5% shares**



VISHAL FABRICS LIMITED

Sr. No.	Name of Shareholders	As at 31st March, 2014		As at 31st March, 2013	
		No. of Shares	% held	No. of Shares	% held
1	Chiripal Industries Ltd.	6366000	65.63%	106100	92.26%
2	Devkinandan Corporation LLP	1311000	13.52%		
3	Chiripal Exim LLP	1311000	13.52%		

2.8 As per the records of the Company including its Register of Shareholder/members, the above shareholding represent both legal & beneficial ownership of the shares.

PARTICULARS	Amount in Rs.		
	CURRENT YEAR	PREVIOUS YEAR	
NOTE 3 : Reserve & Surplus			
A	<u>GENERAL RESERVE</u>		
	Balance Brought Forward	195000	195000
	Less : During the year for issue of Bonus Shares (vide board resolution dt. 20/01/2014 and 25/02/2014)	195000	0
	Total	0	195000
B	<u>PROFIT & LOSS ACCOUNT</u>		
	Balance Brought Forward	324918526	304241504
	Add : Profit/(loss) for the year	28947124	20677055
	Less : During the year for issue of Bonus Shares (vide board resolution dt. 20/01/2014 and 25/02/2014)	26885000	0
	Total	326980650	324918559
C	<u>SECURITY PREMIUM RESERVE</u>		
	Balance Brought Forward	53420000	53420000
	Add : During the year	17500000	0
	Less : During the year for issue of Bonus Shares (vide board resolution dt. 20/01/2014 and 25/02/2014)	53420000	0
	Total	17500000	53420000
	TOTAL (A+B+C+D)	344480650	378533559

NOTE 4 : Long - Term Borrowing

4.A	SECURED TERM LOANS	96073599	128903445
	From Banks		
4.B	OTHER SECURED LOANS FROM BANK	215673	0
	(Vehicle Loan)		
	Total	96289272	128903445
4.C	OTHER LOANS AND ADVANCES (UNSECURED)		
	From bank	22208628	23733474
	From Inter Corporate Deposits	92952919	11200000
	Total	115161547	34933474
	TOTAL (A+B+C+D)	211450819	163836919
	Amount disclosed under the head "other Current Liabilities" Refer (Note 8)	34854644	45792905
	Total	246305463	209629824



4.(a) 1. Average Maturity Profile of Term Loans (Secured) From Banks.

Particulars	Installment due between 1 to 2 year	Installment due between 2 to 3 year	Installment due between 3 to 4 year	Installment due for more then 4 year
T.L 5	8571428	3812575	-	-
T.L 6	14900000	17900000	18800000	32100000
Vehicle Loan	156048	156048	29648	-
Total	23627476	23627476	18829648	32100000

4.(a) 2. Average Maturity Profile of Term Loans (unsecured) From Banks.

Particulars	Installment due between 1 to 2 year	Installment due between 2 to 3 year	Installment due between 3 to 4 year	Installment due for more then 4 year
SCB Loan	4728300	4728300	4728300	29945900

4.(a) 3. The maturity of unsecured loans and Other parties is between 1 to 2 year

4.(b) 1. Details of Security, Rates of Interest and Repayment and Terms (Secured)

Particulars	Amount Outstanding as on 31.03.14	Amount Outstanding as on 31.03.13	Interest Rate (%)	Security Details	Repayment Term
Term Loan-3	-	6487916	14.50%	Secured by equitable mortgage of factory land building of the company and hypothecation of plant & machinery and other fixed assets. Further Corporate Guarantee of given by certain group companies and personal guarantee of Managing Director and relative of such Managing Director of the company. Further secured by second charge on current assets of the company	Repayment by 24 Equal Quarterly installments of Rupees. of 3201835/- started from October 2006
Term Loan-4	14854221	26365816	14.50%	Secured by equitable mortgage of factory land building of the company and hypothecation of plant & machinery and other fixed assets. Further Corporate Guarantee of given by certain group companies and personal guarantee of Managing Director and relative of such Managing Director of the company. Further secured by second charge on current assets of the company	Repayment by 28 Equal Quarterly installments of Rupees. of 3714286/- started from April 2007



VISHAL FABRICS LIMITED

Term Loan-5	20950221	29914476	14.50%	Secured by equitable mortgage of factory land building of the company and hypothecation of plant & machinery and other fixed assets. Further Corporate Guarantee of given by certain group companies and personal guarantee of Managing Director and relative of such Managing Director of the company. Further secured by second charge on current assets of the company	Repayment by 28 Equal Quarterly installments of Rupees. of 2142857/- started from March 2010
Term Loan-6	94997729	106070999	14.25%	Secured by equitable mortgage of factory land building of the company and hypothecation of plant & machinery and other fixed assets. Further Corporate Guarantee of given by certain group companies and personal guarantee of Managing Director and relative of such Managing Director of the company. Further secured by second charge on current assets of the company	Repayment by 32 Equal Quarterly installments of Rupees. of 1800000/- started from March 2012
Vehicle Loan	341744	-	10.52%	Secured by hypothecation of Vehicle	Repayment by 36 EMI of Rs. 13004/- started from October 2014.
Total	131143915	168839207			

4.(b) 2. Details of Security, Rates of Interest and Repayment and Terms (Unsecured)

Particulars	Amount Outstanding as on 31.03.14	Amount Outstanding as on 31.03.13	Interest Rate (%)	Security Details	Repayment Term
SCB Loan	26936928	28461774	12.25%	Collaterally secured by property situated at A-621 Sushant Lok-1 Nr.Center Point pizza hut,Gurgaon, Dehli Owned by partnership firm own by relatives of Chairman. Further Guarantee of Managing Director and relative of such Managing Director of the Company and corporate guarantee of holding company.	Repayment by 144 Equal Monthly Installment of Rupees. of 394034/-started from July 2011

4.(c) Details of Defaults in Repayment

Particulars	As at 31st March 2014		As at 31st March 2013	
	Period	Default	Period	Default
Installment TL-5	-	-	17 days	2142857
Installment TL-6	-	-	17 days	1800000
Interest TL-3	-	-	10 days	79101
Interest TL-4	-	-	10 days	366658
Interest TL-5	-	-	10 days	391148
Interest TL-6	-	-	10 days	1270999



VISHAL FABRICS LIMITED

PARTICULARS	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
NOTE 5 : Other Long-Term Liabilities		
-Sundry Creditors for Capital Goods	0	1003023
Total	0	1003023

NOTE 6 : Long - Term Provisions

-Gratuity (un funded)	10944906	9980938
Total	10944906	9980938

NOTE 7 : Short – Term Borrowings

SECURED

Working Capital Loan

From Banks

Cash credit facilities	248176820	262279463
Packing Credit facility	0	0
Non Fund Base for L.C.	41409403	0

Un secured

From Related Parties	0	89143227
Total	289586223	351422690

NOTE 7.A Details of Secured Short Term Borrowings

Particulars	Amount Outstanding as on 31.03.14	Amount Outstanding as on 31.03.13	Interest Rate(%)	Security Details	Repayment Term
Cash Credit (IDBI)	51161931	77617987	13.75%	First pari passu charge over current assets of the company (both present and future)corporate guarantee of given by certain group companies and personal guarantee of Managing Director and relative of such Managing Director of the company.	Repayment on demand
Cash Credit	197014889	184661476	14.25%	First pari passu charge over current assets of the company (both present and future)corporate guarantee of given by certain group companies and personal guarantee of Managing Director and relative of such Managing Director of the company.	Repayment on demand
Total	248176820	262279463			



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Particulars	Amount in Rs.	
	CURRENT YEAR	PREVIOUS YEAR
Note 8 : Trade Payables		
-Sundry Creditors for Goods	128673766	138491310
-Sundry Creditors for Expenses	91220832	89715107
Total	219894598	228206417

Note : 8. 1 The details of amounts outstanding to Small and Medium Enterprise based on available information with the Company is as under:

Particulars	As at 31st March, 2014	As at 31st March, 2013
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining, due and payable in succeeding years	-	-

In absence of available information regarding suppliers / buyers fall within definition of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, the amount outstanding and interest due thereon to Micro, Small and Medium Enterprises is not ascertainable as on Balance Sheet date.

NOTE 9 : Other Current Liabilities

Current maturities of long-term borrowings (Reference - 3)

Term Loans	34728572	37845242
Term Loans Over due	0	5839758
Unsecured Loan	4728300	4728300
Vehicle Loans	126072	240123
Interest accrued and due on borrowings	0	2107905
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	2066035	1205667
Contractually reimbursable expenses	616192	1269721
Trade / security deposits received	9760227	5693419
Advances from customers	661053	5808457
Sundry Others Liabilities(including credit balance of bank)	27128867	12215177
Total	79815318	76953769

NOTE 10 : Short - Term Provisions

-Provision for Taxation	7700000	8800000
-Provision for Leave- Encashment	1124049	2630416
-Expenses	3290540	1894860
Total	12114589	13325276



VISHAL FABRICS LIMITED

NOTE 11 : Fixed Assets

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at April 1, 2013	Additions	Deductions/adjustments	As at March 31, 2014	As at April 1, 2013	Additions	Deductions/adjustments	As at March 31, 2014	As at March 31, 2014	As at March 31, 2013
Land	12124737	0	0	12124737	0	0	0	0	12124737	12124737
Factory Buil. Narol. Plant & Machinery	154277588	0	0	154277588	71893868	8238372	0	80132240	74145348	82383720
Air condition	772794526	9304871	0	782099397	501958257	58720562	0	560678819	221420578	270836269
Furniture & Fixture	5526537	46600	0	5573137	4398734	324724	0	4723458	849679	1127803
Computer Fix	23207471	344450	0	23551921	17386221	1083406	0	18469627	5082294	5821250
Weighting Scale	8234545	271920	0	8506465	7840184	177812	0	8017996	488469	394361
Office Equipment	361047	0	0	361047	277574	15109	0	292683	68364	83473
Vehical Fix	2534448	505643	0	3040091	1459516	164508	0	1624024	1416067	1074932
TOTAL	7867052	725047	1134402	7457697	6115750	507004	981057	5641697	1815999	1751302
>>>>	986927951	11198531	1134402	996992080	611330104	69231498	981057	679580545	317411535	375597847
PREVIOUS YEAR	961836053	27478673	2386776	986927951	533605269	79993975	2269140	611330104	375597806	428230784

Amount in Rs.

Particulars	CURRENT YEAR	PREVIOUS YEAR
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NOTE 12 : Non – current Investments

Investment in Equity Instruments

Long Term Investments Other than Trade

UNQUOTED SHARES (At Cost) Holding Company

20250 (Prev.Year 13500) Equity Shares of Chiripal Industries Ltd of Rs.10 Each

90000 90000

UNQUOTED SHARES (At Cost) Other

35000 (Prev.Year 35000) Equity Shares of Prakash Calender P.Ltd of Rs.10 Each

350000 350000

44 (Prev.Year 44) Equity Shares of Ellisbridge Co-op Bank Ltd of Rs.25 Each

1100 1100

4 (Prev.Year 4) Equity Shares of Nutan Nagrik Sahakari Bank Ltd of Rs.25 Each

100 100

150 (Prev.Year 150) Equity Shares of Deepak Impex P.Ltd of Rs.100 Each

15000 15000

145000 (Pre.Year 145000) Equity Shares of Merit Credit Corp Ltd of Rs.1.16 Each

168200 168200

75000 (Pre.Year 75000) Equity Shares of Sun Fin Lease (Guj) Ltd of Rs.1.00 Each

79500 79500

Long Term Investments Other then Trade

QUOTED SHARES (At Cost)

20000 (Pre.Year 20000) Equity Shares of GSL Nova Petrochemicals Ltd of Rs 5 Each

200000 200000

Market Value Rs. 11400/- (Previous Year Rs.23000/-)



VISHAL FABRICS LIMITED

10000 (Pre.Year 20000 @ Rs. 5/- Each) Equity Shares of CIL Nova Petrochemicals Ltd of Rs 10/- Each

200000

200000

(Market Value Rs. 245000/- of (Previous Year Rs.342000/-)

Total	1103900	1103900
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1. Aggregate value of Unquoted Investments	703900	703900
2. Market Value or Quoted Investment	256400	365000

NOTE 13 : Deferred Tax assets (Net)

Deferred Tax Liability (Refer Note 36)	0	0
Deferred tax assets (Refer Note 36)	14503978	9739721
Total	14503978	9739721

NOTE 14 : Long-term loans and advances

Advance for Capital Goods (Unsecured, considered good)

Unsecured, considered good for Land	40000000	0
Unsecured, considered good for fixed Assets	998444	3276448
MAT Credit Entitlement	9298466	5925902

Balances with government authorities (Unsecured, considered good)

CENVAT credit receivable	47989	2592722
Other Deposits	3503027	2027882
Total	53847926	13822954

NOTE 15 : Other Non Current Assets

Unsecured, considered good

Trade receivable (Exceeding Six Months)	1620237	5667576
Less: Provision for Doubtful	0	0
Preliminary Exp.	1308000	0
Total	2928237	5667576

NOTE 16 : Inventories

(As taken valued & Certified By the Directors)

Raw Material

-Colour & Chemicals (At Cost)	37070876	26970350
-Design (At Cost)	2194587	2211512

Work in Progress

-Grey Cloth (At Cost)	7734455	9312534
-Semifinished Cloth of Gray (At Cost)	7815866	8804758
-Work in Process of Job (At Cost)	24533811	25703392

Finished Goods

-Fabrics Finished Goods (At Cost or Market value which ever lower)	4650183	14122227
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Stock in Trade

-Grey Cloth (At Cost)	0	0
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Others

-Stores & Spares (At Cost)	16001493	12982399
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VISHAL FABRICS LIMITED

-Coal & Firewood (At Cost)	3587285	6889849
-Packing Material (At Cost) Stitching Material	1191648	2081528
-Stationery (At Cost)	336698	195812
-Diesel & Oil (At Cost)	605133	0
Total	105722035	109274361

NOTE 17 : Trade Receivables (UnSecured Considered Good)

More than six months (Refer note 15)

Others { incl. Rs.44655097/- (P.Y. Rs. 44094814 /-) due from Holding Co.}	541338579	649870593
Less: Provision for Doubtful	0	0
Total	541338579	649870593

NOTE 18 : Cash and Cash Equivalents

-Cash on Hand	3773264	987374
-In Current Account	1256557	4325439
-F.D.R. A/c with Bank (As margin money for LC and Bank Guarantee Limits with Banks) (F.D.R. of Rs. 5917475/- with maturity within one year)	5917475	5763790
Total	10947296	11076603

NOTE 19 : Short – Term Loans and Advances

-Tax Deducted at source	12151174	12508129
-Income Tax Refundable	15643120	14658208
-Advance Recoverable in Cash or in Kind or for value to be Received .	189689323	31442699
Total	217483617	58609036

NOTE 20 : Revenue from Operations

Sale of products

Manufactured goods

- Fabrics Sales	224074241	251900042
- Fabric Exports Sales	453750	51537005
- Semifinished Cloth of Gray	7395071	0

Trading goods

- Gray Cloths	0	32550244
- Fabrics Sales	402442790	366511627
- Chips sales	95800757	77676191
- Process Charges to ww Division	9732524	

Sale of services

-Jobwork Sales	1300359652	1048759446
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Other operating revenues

-Drawback	34032	3546718
Total	2040292817	1832481273

NOTE 21 : Other Income

-Insurance Claim	150315	30621
-Share Dividend	12	15
-Vatav Kasar	277	6536
-Interest on F.D.R.	598085	547851
-Foreign Exchange Difference	12606	0
-Miscellaneous income	0	200



VISHAL FABRICS LIMITED

-Net Balance written off A/C

	57356	434808
Total	818651	1020031

NOTE 22 : Cost of Materials

Material consumed comprises:

Raw material

Gray Cloth Consumed	145761729	176888254
Fabrics consumed	0	0

Colour & Chemicals Consumed

Indigenous	495753686	380240495
Imported	0	0

Others

Coal & Firewood Consumed (Indigenous)	272021925	277397465
Stores & Spares Consumed (Indigenous)	65622977	43378488
Packing & Folding Expenses (Indigenous)	22665274	15476026
Design Consumed (Indigenous)	34686772	19340414
Process Charges	0	42366708

Total	1036512363	955087850
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NOTE 23 : Purchases of Stock - in - trade

Grey Cloth	0	21789354
With Fabrics Cloth	403991109	362478145
High Seas Purchase	0	0
Chips purchase	95800758	77676191

Total	499791867	461943690
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NOTE - 24 : Changes of Inventories of Finished Goods, Work in Progress and Stock-in-Trade

Inventories at the end of the year:

Finished goods	2156622	0
Work in Progress	24533811	25703392
Stock-in-trade	0	0
	26690433	25703392

Inventories at the beginning of the year:

Finished goods	0	0
Work in Progress	25703392	19927750
Stock-in-trade	0	0
	25703392	19927750

Total	987041	5775642
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NOTE - 25 : Payment to Employees

-Salaries, Wages, Bonus & P.F. etc.	213248421	140488089
- Contributions to provident funds	4242228	2129691
-Gratuity A/c. (Refer Note no.6)	1432574	120002
-Leave Encashment	1630346	2952247
-Staff Welfare	2233543	2438198

Total	222787112	148128227
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NOTE - 26 : Financial Expenses

-Interest / Bank Interest	41310732	39978455
-Bank Interest On Term Loan	19514451	25917850



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-L C Charges	1033025	618727
-Bank Charges & Commission	2235686	2042408
Total	64093894	68557440

NOTE - 27 : Other Expenses

Manufacturing Expenses

-Lorry Freight	8224289	7698324
-Power & Fuel	44193621	28451573
-Factory Expenses	810726	2991758
-Repairs & Maintenance Building	8878230	6381664
-Repairs & Maintenance Machineries	9056470	8923366
-Repairs & Maintenance Others	8970430	9765274
-Oil & Lubricant & other	1675957	2264937

Administration & Selling and Distribution Exp.

-Rent, Rates & Taxes (Net)	3104244	2548249
-Stationery & Printing	1536534	1567704
-Audit Fees Remuneration	112360	112360
-Conveyance	2426846	2225973
-Travelling Expenses	4455349	2552753
-Insurance	2256131	2849554
-Telephone	699318	780341
-Vehicle Expenses	894570	1706999
-Miscellaneous Expenses	9476289	4292382
-Consultancy	4087502	3530929
-Legal Expenses	22936	53411
-Postage	162750	236227
-Donation	83200	5013000
-Security Expenses	2609293	315769
-Sales Tax	910189	1082505
Foreign Exchange Diff.	0	2121189
-Dalali & Commission	1946651	898179
-Advertisement & Sales Promotion	88862	824975
Total	116682747	99189395

Payments to the Auditor

(i) Payments to the auditors comprises

As auditors - statutory audit	84785	84785
Tax Audit	27575	27575
Company Law matter	0	0
Total	112360	112360

Note: 28

C

CONTINGENT LIABILITIES

- The estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 500.00 Lacs (P.Y. NIL) against which advance have been paid Rs. 409.98 (P.Y. NIL)
- Un-expired Letter of Credits and Bank Guarantee (net of margins) Rs. 480.28 Lacs (Previous Year Rs. 222.28 Lacs)
- As per information and explanation given to us, an employee fraud had occurred in the company for the amount aggregating to Rs.1193137/- as per the FIR filed with the Police station, Ahmedabad out that Rs.66927/- covered in the F.Y.2007-08. The



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company has not provided for that in the books of account and shown as recoverable in the name of employee under the head Loans and Advances as the board is of the opinion that the amount is fully recoverable.

- (d) During the F.Y. 2010-11 Fire has occurred in the factory premises of the company and the company has acknowledge the claim of Rs.763.65 lacs with insurance company for loss of damaged goods, out of total Rs.717.92 Lacs for goods received from various parties for job work. The company has not provided for the same as the claim/matter is pending with insurance company till the date. The company has also not provided for loss of own goods costing Rs.45.73 Lacs.
- (e) During the year company has received demand notice from the Income Tax Department for A.Y. 2011-12 amounting to Rs.730110/- against which the company has filed appeal with CIT(A) and matter is still pending at Balance sheet date. Accordingly company has not provided for demand of Rs. 730110/- in the books of account.
- (f) Civil Suit is filed against the company for recovery of Rs. 457378/- in City Civil Court, Ahmedabad and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.
- (g) Deputy Commissioner of Customs, Custom Division, Jamnagar has imposed a penalty amounting to Rs. 90000/- and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.
- (h) Company has filled petition against order of Textile Cess Appellate Tribunal for demand amounting to Rs. 633613/- and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.
- (i) There are seven cases filed against the company for aggregating to Rs. 265000/- with Labour Court, Ahmedabad and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.

Note: 29 Provision for current year's income tax aggregating Rs.77,00,000/- (Previous Year Rs. 88,00,000/-) has been made on estimated basis for the accounting year ended on 31.03.2014. The actual tax liabilities of the company will be determined on the basis of taxable income of the company for F.Y year 2013-14.

Note: 30 Foreign Exchange difference debited to Profit and Loss Account amounting to Rs. NIL/- (P.Y. Rs. 2121189/-) and Profit and Loss Account credited amounting to Rs. 12606/- (P.Y. Rs. NIL)

Note: 31 **Expenses includes following payments to Directors**

Employment cost include managerial remuneration paid / payable during the year in accordance with the provisions of Section 198 of the Companies Act, 1956

<u>Remuneration to Directors:-</u>	2013-14	2012-13
Managerial Remuneration	8885491	8434900
Contribution to Provident Funds	<u>850452</u>	<u>845040</u>
	9735943	9279940
	=====	=====

The employee wise break up & facility on account of gratuity based on an actual evaluation is not ascertainable. The amounts related to the Directors are therefore, not considered above.

Note: 32 **Earning per share**

<u>Particular</u>	2013-2014	2012-2013
(a) Net Profit after tax available for Equity Share Holders	28947124	20677055
(b) Weighted Avg. No. of shares used as denominator for Calculation of Basic EPS on shares of Rs. 10 each.(P.Y. per share value @ Rs. 100/-)	2242877	115000
Basic/Diluted Earning per shares (a/b)	12.91	179.80



Note: 33

Exceptional Item

Particular	2013-2014	2012-2013
a. Profit / (Loss) on sale of Fixed assets	111130	354864
b. Profit / (Loss) on sale of Immovable property	-	-
Total	111130	354864

Note: 34

Related Party

The Company has identified the following related parties under Accounting standard – 18 on related parties, issued by the institute of chartered accountants of India.

a) Holding Company

Chiripal Industries Ltd.

b) Other related parties with whom transaction have taken place during the year Associates /Enterprise which has significant influence

- i. Nandan Exim Ltd
- ii. Prakash Calender Pvt. Ltd.
- iii. Dindayal Processors Pvt. Ltd
- iv. Shanti Export Pvt. Ltd.
- v. S.D.Education Trust
- vi. Chiripal Poly Films Ltd
- vii. Shanti Education Initiative Ltd
- viii. Quality Exim Pvt. Ltd.
- ix. Deepak Impex Pvt. Ltd.

c) key management personnel

- i. Mr. Mahavirsing Yadav (Resignation w.e.f. 04.04.2014)
- ii. Mr. Jyotiprasad D. Chiripal
- iii. Mr. Vinodkumar Ajmera
- iv. Mr. Arakhita Khandual (Appointment w.e.f. 04.04.2014)
- v. Mrs. Nitika D. Chiripal (Appointment w.e.f. 04.04.2014)
- vi. Mr. Gautam C. Gandhi (Appointment w.e.f. 04.04.2014)
- vii. Mr. Vinodkumar Shah (Resignation w.e.f. 04.04.2014)
- viii. Mrs. Binaben Khatri (Appointment w.e.f. 31.03.2014 and Resignation w.e.f. 31.03.2014)

e) The Related Party Transactions are under: -

Sr. No.	NATURE OF TRANSACTIONS	ASSOCIATES COMPANIES	HOLDING COMPANY	KEY MANAGEMENT PERSONNEL
1	PURCHASE GOODS/PROCESS CHARGE	87674739 (44345229)	39612552 (23185210)	-
	PURCHASE RETURN	NIL (42887672)	-	-
2	SALES GOODS	117161322 (555428787)	19514558 (10765790)	-



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3	FINANCE INTER CORPORATE DEPOSITS GIVEN	33500000 (2500000)	-	-
	DEPOSITS ACCEPTED	NIL (89138227)	-	-
4	OTHER RECEIVED ON BEHALF OF US	-	-	-
	PAID ON BEHALF OF US	-	NIL (2398718)	-
5	EXPENSES RENT & MAINTENANCE	453958 (538573)	-	-
	REMUNERATION			8885491 (8400000)
6	OUTSTANDING PAYABLE FOR GOODS	-	-	-
	RECEIVABLE (DEBTORS) / ADV	92816600 (481120309)	44655097 (44094814)	-
	INTERCORPORATE DEPOSITS TAKEN	NIL (89138227)	-	-
	INTERCORPORATE DEPOSITS GIVEN	27550000 (2500000)	-	-
	FINANCIAL GUARANTEE OBTAINED	198000000 (198000000)	-	-

Note: 35 Deferred Taxes

In accordance with the Accounting Standard 22 "Accounting for Taxes on Income issued by the ICAI, the company has accounted for deferred taxes during the year.

Following are the major components of Deferred Tax Asset/ (Liabilities) :

Component	Deferred Tax Asset/(Deferred Tax Liabilities) as at 01/04/2013	Current Year DTA/ (DTL)	Deferred Tax Asset/(Deferred Tax Liabilities) as at 31/03/2014
Opening Bal. Of Deferred Tax assets	9739717	-	-
Difference in Depreciation between accounting books and tax return for year end as on 31.03.2014	-	5229127	
Provision for Gratuity for F.Y. 2013-14 disallowable U/S. 43B of The Income Tax Act,1961	-	(464870)	14503974

Tax Impact for the above purpose has been arrived by applying a tax rate of 32.45% being the rate prevailing for the Indian Companies under the Income Tax Act, 1961



VISHAL FABRICS LIMITED

Note: 36

Segment Information

a) The segments have been identified in line with the AS-17, taking into account the organization structure as well as the differential risks and returns of these segments. Business segments have been considered as primary segments.

b) Inter segment revenue have been accounted for based on the transaction price agreed between segments which is primarily market led.

c) Geographical segment is not considered as exports are insignificant.

	India		Rest of World		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment Revenues	2039839067	1780944268	453750	51537005	2040292817	1832481273
Segment Assets	1362726858	1161540372	NIL	73222177	1362726858	1234762549

Note: 37

Impairment of assets

The company has not recognized any loss on impairment in respect of assets of the Company as is required in terms of Accounting Standard 28 on Impairment of Assets issued by The Institute of Chartered Accountants of India, since in the opinion of the management the reduction in value of any assets, to the extent required, has already been provided for in the books.

Note: 38

Value of Imported/Indigenous Stores Spares and Components Consumed.

Class of Goods	2013-14		2012-13	
	Qty	Value	Qty	Value
A) Indigenous				
Design		34686772	N.A.	19340414
Colour Chemi.	N.A.	495753686	N.A.	372596162
Stores & Spares	N.A.	65622977	N.A.	43378488
B) Imported				
Design	N.A.	N.A.	N.A.	N.A.
Colour Chemi.	N.A.	N.A.	N.A.	7644333
Stores & Spares	N.A.	N.A.	N.A.	N.A.

(Quantity details are not available as there are different types of units)

Note: 39 **Earning / Expenditure in Foreign Currency**

2013-14

2012-13

A. Expenditure in foreign currency during the Financial year on account of royalty, know-how, Professional consultation fees, interest and Other matters	NIL	NIL
a) Foreign Bank Charge & Commission	1060	98291
b) Foreign Traveling	429950	299717
c) Advertisement	NIL	NIL
B. Value of Imports on C.I.F. basis in respect of		
a) Raw Materials	NIL	NIL
b) Spares & other matters	NIL	NIL
c) Capital Goods	NIL	NIL



VISHAL FABRICS LIMITED

C. Remittances of Foreign currency on account Of dividend	NIL	NIL
D. Value of Imported Raw material consumed	NIL	NIL
E. Income in Foreign currency during the Financial year on account of Sales.	453750	51537005

Note: 40 Others

- The Previous year figures have been regrouped/rearranged to make them comparable with the current year's figures. Figures in brackets are of previous year's.
- In the opinion of the Board, all the current assets, Loans and advances have a value on the realization in the ordinary course of the business at least equal to the amount at which they are stated.
- Balances of sundry debtors, sundry creditors and loans and advances etc., are subject to confirmation and reconciliation, and consequential adjustment, if any.

Signature to Notes 1 to 40

As per our report and even date annexed.

M/s. ANIL S. SHAH & CO.

Chartered Accountants

Firm Reg. No. 100474W

KRUNAL A. SHAH

Partner

(Membership No. 115801)

Place: Ahmedabad

Date: 02/06/2014

For, VISHAL FABRICS LIMITED

Jyotiprasad Chiripal
Managing Director

Nitika Chiripal
Director

Mahesh Kawat
Chief Financial Officer

Poonam Pabla
Company Secretary



VISHAL FABRICS LIMITED

(CIN: L17110GJ1985PLC008206)

Registered Office: Ranipur Narol Road, Ahmedabad – 382 405

Ph. No. : +91-79-25353977/78, Email – cs.vfl@chiripalgroup.com, website: www.vishalfabricsltd.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

DP Id *	Folio No.
Client Id*	No of Shares

Name and Address of Shareholder : _____

I hereby record my presence at the 29th Annual General Meeting of the Company to be held on 30th day of September, 2014 at 3:30 P.M. at the Corporate Office of the Company situated at 'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015.

Signature of the Shareholder or Proxy

VISHAL FABRICS LIMITED

(CIN: L17110GJ1985PLC008206)

Registered Office: Ranipur Narol Road, Ahmedabad – 382 405

Ph. No. : +91-79-25353977/78, Email – cs.vfl@chiripalgroup.com, website: www.vishalfabricsltd.com

PROXY FORM

Name of member(s) :	Email Id :
Registered Address :	Folio No/Client Id :
	DP Id :

I/We, being a member(s) of _____ shares of Vishal Fabrics Limited, hereby appoint:

1. Name : _____ Address : _____

E-mail Id : _____ Signature : _____ or falling him

2. Name : _____ Address : _____

E-mail Id : _____ Signature : _____ or falling him

3. Name : _____ Address : _____

E-mail Id : _____ Signature : _____

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the 29th Annual General Meeting of the Company to be held on 30th day of September, 2014 at 3:30 P.M. at the Corporate office of the company situated at 'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015 and any adjournment thereof in respect of such resolutions as are indicated below:

P.T.O.



	Resolutions	Optional	
		For	Against
	Ordinary Business		
1.	Adoption of Audited Financial Statements as on March 31, 2014.		
2.	Re-appointment of Mr. Jyotiprasad Chiripal.		
3.	Appointment of Auditors and fixing their remuneration.		
	Special Business		
4.	Appointment of Ms. Nitika Chiripal as a Director.		
5.	Appointment of Mr. Gautam Gandhi as an Independent Director.		
6.	Appointment of Mr. Arakhita Khandual as an Independent Director.		

Signed this _____ day of _____, 2014

Signature of shareholder _____

Affix Re. 1 Revenue Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
 ** This is only optional. Please put 'X' in the appropriate Column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' Column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

To,

If undelivered please return to:



VISHAL FABRICS LIMITED

(CIN: L17110GJ1985PLC008206)

Corporate Office:

'Chiripal House',

Near Shivranjani Cross Roads,

Satellite, Ahmedabad – 380 015

Ph. No. : +91-79- 26734660/2/3

Fax No. : +91-79-26768656

Email : cs.vfl@chiripalgroup.com

website : www.vishalfabricsltd.com

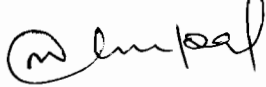
September 03, 2014

Form A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	Vishal Fabrics Limited
2	Annual Financial Statements for the year ended	March 31, 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not applicable

For Vishal Fabrics Limited



Jyotiprasad D. Chiripal
Managing Director

For Vishal Fabrics Limited



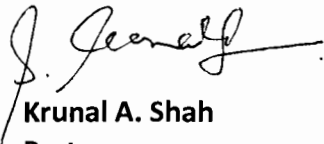
Mahesh Kawat
Chief Financial Officer

For Vishal Fabrics Limited



Arakhita Khandual
Chairman of Audit Committee

For Anil S. Shah & Co.
Chartered Accountants
Firm Reg. No. 100474W



Krunal A. Shah
Partner
Membership No.: 115801

