

**Date: 09<sup>th</sup> October, 2019**

To,  
BSE Limited  
Phirose Jeejeebhoy Towers  
Dalal Street, Fort.  
Mumbai – 400001

Dear Sir/Madam,

**Subject : Annual Report for the financial year 2018-19**

**Ref.: Vishal Fabrics Limited, Scrip Code: 538598, Security ID: VISHAL**

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the soft copy of the Annual Report for the financial year 2018-19 duly approved and adopted by the shareholders of the Company at the 34<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019.

Kindly acknowledge Receipt.

Thanks and Regards.

**For Vishal Fabrics Limited**



**Deepak Vyas**  
Company Secretary



**Corporate Office :**

Shanti Corporate House, Nr. Hira Rupa Hall, Bopal-Ambli Rd,  
Bopal, Ahmedabad - 380058, Gujarat, India.  
Ph : +91 6359701763 | 6359701796

**Registered Address :**

Ranipur, Narol road, Ahmedabad - 382405,  
Gujarat, India.

denim@chiripalgroup.com | info.vfl@chiripalgroup.com | www.vishalfabricsltd.com | CIN : L17110GJ1985PLC008206

# 2X STRONGER



**34<sup>TH</sup> ANNUAL REPORT 2018-19**

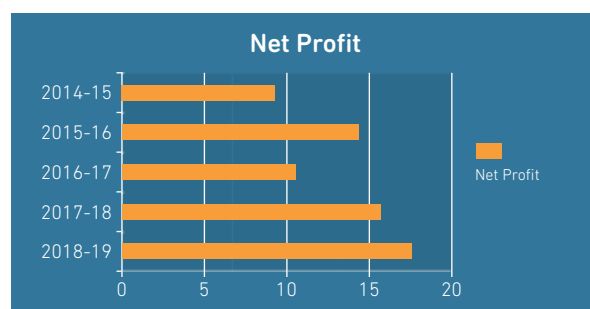
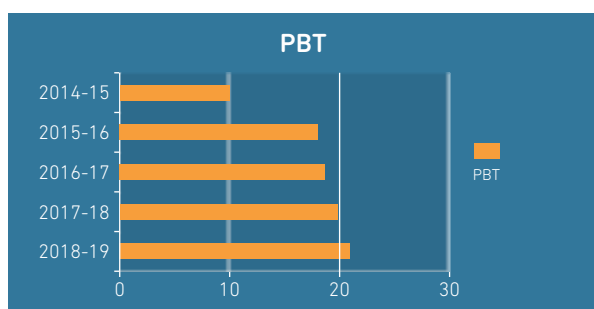
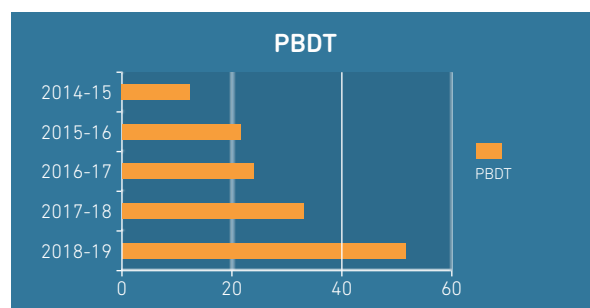
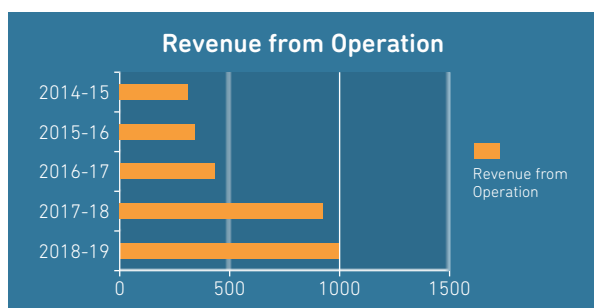


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# FINANCIAL TREND

Particulars	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Revenue	998.49	890.94	373.64	273.58	223.63
Other Income	1.04	1.04	0.28	0.31	0.12
Total Income	999.53	891.98	373.91	273.88	223.75
Expenditure	-949.77	-858.64	-349.12	-247.56	-205.45
Interest	-25.98	-22.7	-7.46	-5.08	-5.32
PBDT	49.76	33.34	24.79	21.25	12.98
Depreciation	-29.31	-13.67	-6.26	-3.44	-3.06
PBT	20.45	19.68	18.53	17.81	9.92
Tax	-2.59	-4.05	-7.99	-3.55	-0.58
Net Profit	17.86	15.63	10.54	14.26	9.34
EPS	4.11	3.56	8.00	10.83	7.85



# 2X STRONGER

In a world of success stories, there are a few chosen ones with success narratives. While stories fade year by year and give way to new versions, narratives build up to a finale, a bigger picture that goes on to become a benchmark in the years to come.

Each day the determination grows stronger. The aspirations begin to expand horizons. The possibilities begin to multiply. The growth rate may not make a noise. Well, it just might even go unnoticed. But the consistent rate in tandem with strident steps as consistent as the rhythm of time goes on to make the vision stronger, 2x Stronger









# ABOUT VISHAL FABRICS

Vishal Fabrics Limited (VFL), an ISO 9001: 2015& ISO 14001: 2015 certified is one of the flagship companies of Chiripal Group. Incorporated on October 22, 1985, Vishal Fabrics went public in 2014.

Recognised as leading process house, Vishal Fabrics Limited (VFL) begun denim fabric manufacturing in 2016. Led by the deft hands of Managing Director, Mr. Brijmohan D. Chiripal, Vishal Fabrics Limited is dynamically poised as a successful and growing organization.

By deploying the best technology, services and development resources, VFL has built strong customer relationships. To ensure its position as a technology leader, VFL have invested in developing exciting new technologies and aim to introduce new ideas for future solutions. VFL is also OEKO-TEX certified signifying that all human-ecological requirements are met.

State-of-the-Art denim unit at DISPL (Dholi Integrated Spinning Park Limited) is equipped with latest machinery. It includes 491 nos of weaving looms, 11nos of warping units and 8 nos of IDR machines for dyeing. Finishing line consists of 3 singeing machines, 2 mercerising units, 1 stenter, 3 wet finishing machines and 1 kiss roll finishing machine. Inspection line is equipped with latest 14 inspection machines

Considering the power requirements of manufacturing facilities, Vishal Fabrics Limited has installed a captive power plant of 6 MW. VFL is presently embarked upon enhancing marketability of its yarn dyeing and denim processing capacity by 80 million meter per annum at Dholi, Ahmedabad (Gujarat).

## Product Spectrum

- **FABRIC TYPE**  
Denims Bottoms, Denim Shirting and Joggings fabric in both Narrow Width and Wider Widths.
- **WEIGHT**  
3 Oz. to 15 Oz. with finer to finer counts as well coarser to coarser counts.
- **WEAVES**  
2/1, 3/1, 4/1 , Various Structure, Jacquard, Dobby, Knits in rigids and stretch fabrics.



- **FABRIC BLENDS**  
Cotton, Polyester and Lycra.
- **COLOURS**  
Indigo, Sulphur and Darkest Deep Colour.
- **FINISHES**  
Dyes, Desize, Mercerize, Coating and Liza finishes.

VFL has over 2000 workers and a team of over 100 staff members on board cumulatively. Relationship between the management and employees/ workers is so cordial that there has been no union of employees. Further, there have been no strikes, lock-out or any labour protest in our organization since inception.

Moving towards modern technology is not only limited to plant and processing. VFL has leveraged extensive experience and technology to deliver solutions for today's rapidly changing environment. VFL has easily adopted SAP and cloud based technology to keep track with modernization. Moreover there is continuous training and development programs keep employees and workers abreast with technology and stay upgraded.

VFL also view public responsibility as an integral part of its business and actively seek out partnerships with agencies that develop and implement solutions to community needs. Members of senior management lead environmental Health and Safety program. Technology is evidence of a commitment to sustainability. Innovations demonstrate the spirit of sustainability - working to create business value while adding value to the environment and society.

State-of-the-Art technology and skilled personnel provide the greatest possible efficiency to Vishal Fabrics' functioning. Vishal Fabrics Limited has continued to lead the way, bringing its clients the best experience and providing value for money products.





# KEY HIGHLIGHTS



Growth and top line achieved US

**\$1435.62 Million**



Closed 3 expansion projects including captive weaving capacity, spinning capacity & processing capacity



SAP – Hana implementation



Rebranding of Vishal and today brand name in

**the world of denim**



Manpower employment 2x – More than

**2000 employees**



New dormitory and kitchen facility for employees – best in-class



More exports & penetration in Brands and online supplies - from

Nil to US **\$ 1.75 Million** in this Financial year.





New Training centers for employees – for PMKVY & Samarth

## 11 Training centers



New Team focus on **5s**  
Fire, Safety team and Vehicles.



Started Green initiative and focus on ZLD (Zero Liquid Discharge)  
& ETP (Effluent Treatment Plant )



Power Plant – 6 M.W.



### Corporate Social Responsibility

Happiness Reserves Foundation organized Robotex free workshops programs for all ages, to provide absolutely everyone an opportunity to dive into the world of robotics and technology. The workshops have been colour coded to indicate recommended target groups. Click on the workshops to see more info, including exact target group and workshop language.



### More Certifications:



-ISO 9001:2015



-ISO 14001:2015



-OKEO-TEX-






-BCI



-GOTS



# CHIRIPAL GROUP

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

# CHAIRMAN'S MESSAGE

Dear Stakeholders,

I welcome you all to this year's Annual General Meeting of your Company, Vishal Fabrics Limited. It gives me immense pleasure to share the achievements of your Company during financial year 2018-19.

Your Company doubled up this year, in the sense of its efforts, visibility of brand, employee engagement, stability in process and capacity, social welfare activities and aggressiveness in making its presence across the Denim industry spectrum.

I am glad to explain that your Company has achieved consolidated Operational revenue of Rs. 998.49/- Crore in Financial Year 2018-19 as compared to Rs. 890.94/- Crore in the previous financial year and the profit before depreciation and tax also increased by 49.22 %, of Rs. 49.75 /- crore in the financial year 2018-19 as compared to previous financial Year of Rs. 33.34/- Crore.

Your Company continues to build a robust organization with a strong foundation that can weather many a storm to create value for its stakeholders for decades to come. Your Company's culture is making a paradigm shift towards more professional thought process. The Vishal Fabrics Limited is to build the brand Vishal as one of the key players on the Denim world map.

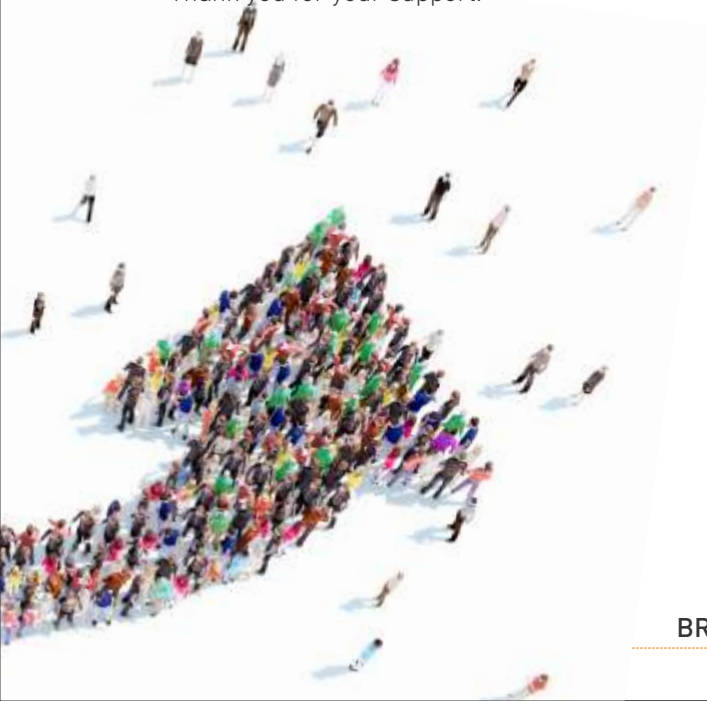
We have started working with major well-known brands in the fashion world. Your Company, Vishal Fabrics Ltd. is striding ahead to entrench its name as one of the most preferred names in Denim Fabric. Our team has grown and adaptive to new changes, striving for a workspace that engages more as an ecosystem of talents.

Your Company has strengthened its processes and has been successful in obtaining certificates like [ISO 9001:2015, ISO 14001:2015, OEKO-TEX, BCI, GOTS, GRS](#) that build confidence among international brands/buyers.

Your Company is conscious about Environmental Sustainability and social welfare therefore effective initiatives are taken like Zero Liquid Discharge, Effluent Treatment Plant, Conversion of energy, more greener planet, etc.

I would like to express gratitude to employees, Creditors, Customers, Bankers and all stakeholders for their continued faith in the Company and the understanding they have shown during the past years. With this confidence I assure you all that the company will continue to grow and achieve its set targets.

Thank you for your support.



Chairman  
BRIJMOHAN D. CHIRIPAL



# CORPORATE OVERVIEW

• Board of Directors	Mr. Brijmohan D. Chiripal Mr. Amit K. Kadmawala Mr. Ravindra Bajaj Mr. Shubhankar Jha Mr. Chitranjan Ajaib Singh Mrs. Dhara Shah	Managing Director (DIN: 00290426) Whole Time Director (DIN: 07016454) Whole Time Director (DIN: 08243855) Independent Director(DIN:07208823) Independent Director(DIN:07300731) Independent Director(DIN:06983857)
Board Committees		
• Audit Committee	Mr. Chitranjan Ajaib Singh Mr. Brijmohan D. Chiripal Mr. Shubhankar Jha Mrs. Dhara Shah	Chairman Member Member Member
• Nomination & Remuneration Committee	Mrs. Dhara Shah Mr. Shubhankar Jha Mr. Chitranjan Ajaib Singh	Chairman Member Member
• Stakeholders' Relationship Committee	Mr. Chitranjan Ajaib Singh Mr. Shubhankar Jha Mrs. Dhara Shah	Chairman Member Member
• Corporate Identity Number (CIN)	L17110GJ1985PLC008206	
• Bankers	Bank of Baroda, Bank of Maharashtra, Oriental Bank of Commerce, State Bank of India, The Lakshmi Vilas Bank Limited, IDBI Bank, Union Bank of India, South Indian Bank, Bandhan Bank.	
• Chief Executive Officer (CEO)	Mr. Tanuj Agarwal	
• Chief Financial Officer (CFO)	Mr. Vinay Thadani (appointed w.e.f. 25.05.2019) Mr. Mahesh Kawat (resigned w.e.f 05.04.2019)	
• Company Secretary & Compliance Officer	Mr. Deepak Vyas	
• Registered Office and Plant	Ranipur Narol Road, Ahmedabad-382405 Phone: +91 - 79 - 2535 3977 / 78 / 79 / 80 Fax:+91 - 79 - 2535 3981	
• Corporate Office	'Chiripal House', Shivranjani Cross Roads, Satellite, Ahmedabad - 380 015 Phone : +91 - 79 - 2673 4660 / 2 / 3, Fax: + 91 - 79 - 2676 8656	
• Statutory Auditors	M/s. Nahta Jain & Associates Chartered Accountants	
• Internal Auditors	Jhaveri Shah and Company Haribhakti & Co. LLP	
• Registrar and Share Transfer Agent	Link Intime India Private Limited	
• E-mail	cs.vfl@chiripalgroup.com	
• Website	www.vishalfabricsltd.com	





# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENT:

### Global Textile & Apparel Market Overview

Denim is a textile of sturdy cotton warp-faced twill in which the weft passes under two or more warp threads. It is a characteristic of most indigo denim that only the warp threads are dyed, whereas the weft threads remain plain white.

Denim has three types, which include light denim, medium denim and heavy denim. And each type has specific characteristic relatively. With fashion effect of denim, the downstream application industries will need more denim fabrics. So, denim has a huge market potential in the future. Manufacturers engaged in the industry are trying to produce popular and good visual effect denim through improving technology.

The major raw materials for denim are cotton, polyester cotton and chemical fiber. Fluctuations in the price of the upstream product will impact on the production cost of denim. The production cost of denim is also an important factor which could impact the price of denim. The denim manufacturers are trying to reduce production cost by developing production method.

We tend to believe this industry is a rising industry, and the consumption increasing degree will show a smooth growth curve. And the price presents fluctuation according to the economy development status and international competition. Also, there is fluctuation in gross margin.

The global Denim market is valued at 12700 million US\$ in 2018 and will reach 16200 million US\$ by the end of 2025, growing at a CAGR of 3.1% during 2019-2025. The objectives of this study are to define, segment, and project the size of the Denim market based on company, product type, end user and key regions.

### Indian Textile and Apparel Market Overview

After quite a few years of facing a glut in the domestic market due to excess capacity, the Indian denim industry may finally see the demand-supply gap narrowing. In addition, with mass consumption demand also expected improve even as denim players go for more premium products, gross margins in the industry are also expected to improve by 3-4 per cent this year.

Denim, mostly fabric, capacity in India had suddenly shot up a few years ago and now stands at roughly 1,700-1,800 million metres a year. However, with annual exports being hardly 200-250 million metres, the rest of the capacity was earmarked for the domestic market, creating a glut. This had led to shrinking margins for even some of the top denim makers.

### DENIM MARKET IN INDIA

Denim is of the most promising category in India's apparel market. In 2013 the denim market of India was worth INR 13,500 Cr. which accounts for 5% of the total apparel market of the country. The market is projected to grow at a Compound Annual Growth Rate (CAGR) of 15% to become an INR 27,200 Cr. market in 2018. (Source: Technopak Analysis)

The denim market in India is skewed towards men's segments with 85% contribution coming from it. Women's denim segment contributes 9% to the market and the kids segment the rest 6%. The women's and kid's denim segments are expected to witness higher growth rates due to their lower base and increasing focus of brands and retailers on those segments. (Source: Technopak Analysis)

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE: DENIM PRODUCT:

The Company has performed well with productivity gains, volume growth and sustained margins notwithstanding rise in input costs. The Company has absorbed cost increases and yet improved margins with purchasing efficiencies, improvement in manufacturing yield/usage and overall expenditure control.



## TEXTILE SERVICES

The Indian textiles industry, currently estimated at around US\$ 150 billion, is expected to reach US\$ 250 billion by 2019. India's textiles industry contributed seven per cent of the industry output (in value terms) of India in 2017-18. It contributed two per cent to the GDP of India and employs more than 45 million people in 2017-18. The sector contributed 15 per cent to the export earnings of India in 2017-18.

### SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The Company is engaged in the business of manufacturing and sale of textile accordingly this is the only single reportable segment.

### OUTLOOK:

As a Company Vishal Fabrics Limited is optimistic about future as well as its growth path. The Company is confident in the ability to grow its business organically with enhance the production and adopt new technology.

### SWOT ANALYSIS OF INDIAN TEXTILE INDUSTRY:

#### Strength/Opportunities

- Latest technology which provides better productivity as compared to industry standards in India.
- Large scale of operations which gives a competitive edge while dealing with large global buyers as the orders are big in volume
- Strong connects with distributors for the domestic market which provides the company to increase its market base in remote locations of India.
- The central government is planning to finalise and launch the new textile policy to achieve US\$ 300 billion worth of textile exports by 2024-25
- Increasing demand of Fabric as growing urbanization and a gradual shift from unorganized to organized.
- Increasing purchased power and changing in Fashions and Lifestyle.
- Fastest growing economy in the world.
- Allows 100% FDI through the automatic route in the textile sector through 'Make in India' initiative;
- Technology Upgradation Fund Scheme launched in 1999 has also given a major boost to this sector; the scheme is continuing through the 12th plan with a massive focus on power looms.
- Financial assistance with lower Interest Rate and also provides subsidies for launching new project.
- Implemented and successfully executed SAP.
- Your Company has strengthened its processes and has been successful in obtaining certificates like ISO 9001:2015, ISO 14001:2015, OEKO-TEX, BCI, GOTS, GRS that build confidence among international brands/buyers

#### Weaknesses

- Demand of Denim is not increased as compare increased in production capacity has from 800 million meters in 2012 to 1,500 million meters.
- Post-GST, the denim industry has temporarily closed down 30-40% capacity across the board and at present is operating at 60-70% capacity due to slowdown in demand and over-capacity in the industry.
- There is a lot of scope of improvement in right processing and value addition in denim through fashion-led processes and finishes. Establishment of high quality processing and washing units could help to improve the quality of finishes and colours, this attracting more consumers to try denim.



**KEY RISKS & MITIGATION MEASURES:**

Various risks associated with the Company's business along with proposed mitigation measures have been discussed in the Section below.

Risk		Mitigation Measures
Management Risk	Any changes in key management personnel can cause delays in decision making and information flow which may affect the overall business.	The core management team of the Company is highly experienced in the areas of sourcing, operations, marketing and distribution. Company is also planning to strengthen MIS department for better planning and control to smoothen the decision making process.
Raw Material Procurement	Raw material cost is the major cost of overall operational cost and any major changes in raw material prices could affect the profit margins which affects the overall business of company.	The Company has built long term relationship with the suppliers that will help company to negotiate on prices even in critical situations.
Operation and Maintenance	Company is equipped with latest machinery and technology. However any limitations of working capital availability will cause risk of lack of spare parts, which will cause risk of decrease in productivity of machineries.	Company has a planned mechanism for constant preventive maintenance to keep all the machines functional in good condition.
Market Risk	Demand for Indian textile products is expanding in the domestic and export markets. Further, the Company has a strong marketing and distribution network in the domestic and export markets as well as locational advantage. However the change in different macro-economic and micro economic factors could affect the business.	Company plans to hedge the different market risks by better forecasting of market trends and change in policies and change their business strategy accordingly.
Financial risk	Company has prepared projections for its business based on realistic assumptions and its capabilities. However, due to external circumstances In case of EBITDA falling below the estimated projections, it may have an adverse impact on the company's profitability and eventually impact debt servicing capabilities.	Company is focussed on maintaining its margins at a level where it can balance between its operational requirement and the amount required for debt servicing.
Environmental Risk	The chemicals that are used to bleach and colour textiles can damage the environment. Most of the textile machineries cause noise, sound and air pollution. Over-usage of natural resources like plants, water, etc., depletes or disturbs ecological balance.	Company is meeting the norms and conditions related to environment defined under law.
Power cost	Power cost for the industrial use is constantly increasing over the years and puts the burden on profit margins.	Company in process to plan to utilize its in-house power plant at full capacity to minimize the power cost.



**INTERNAL CONTROL SYSTEM AND THEIR 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.

**FINANCIAL PERFORMANCE**

The detail discussion on financial performance with respect to operational performance is provided in the Chairman Speech and Directors' Report which forms part of this Report.

**HUMAN RESOURCES**

Human resources are the backbone and center-stage in terms of company's philosophy. The company considers the manpower as a key variable in achieving its goals and ensures that safe and comfortable working conditions as well as motivating environment is maintained to provide the essential platform for them to perform.

The company organized a Health Check-up from SGVP Holistic Hospital and Center for Sight\_ for all employees. Further the company has endeavored to create positive health environment through Denim Fitness Drive to motivate employees to remain fit and lead a healthy lifestyle.

The company takes pride in the commitment and dedication of its employees in all areas of business.

**KEY FINANCIAL RATIOS:**

Financial Ratio	FY 2018-19	FY 2017-18	Change in %	Reason for change
Debtors Turnover	3.92	4.73	-17.12%	Due to Increase in Credit Provided to Debtors
Inventory Turnover	14.57	15.21	-4.20%	Due to Increase in Production for Future Supply
Interest Coverage Ratio	2.88	2.42	18.93%	Due to Increase in Operational Margin
Current Ratio	1.50	1.14	30.88%	Due to Increase in Value of Debtors with Increase in Sales
Debt Equity Ratio	1.65	1.64	0.17%	Almost equal to Last Year
Operating Profit Margin (%)	7.49%	6.16%	21.51%	Due to Reduction of Cost of Materials
Net Profit Margin (%)	1.81%	1.75%	3.17%	Combine effect of Increase in Operating Margin and Increase in Depreciation for the Year
Return on Net Worth (%)	8.34%	7.87%	5.97%	Due to Increase in Operational Margin

**Disclaimer:**

Detail provided in the Management Discussion and Analysis describing the Company's projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.



## VISHAL FABRICS LIMITED

(CIN: L17110GJ1985PLC008206)

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

Phone: +91 - 79 - 25353977/78/79/80; Fax: +91 - 79 - 25353981

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

### NOTICE

NOTICE is hereby given that the 34<sup>th</sup> Annual General Meeting of the members of Vishal Fabrics Limited will be held on Monday, September 30, 2019 at 03:00 p.m. at Shanti Corporate House, Beside Hira rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad - 380058 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Amit Kadmawala (DIN: 07016454), who retires by rotation and being eligible offers himself for re-appointment.

#### SPECIAL BUSINESS:

#### 3. RATIFICATION AND APPROVAL OF REMUNERATION OF COST AUDITORS.

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 Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. A.G. Tulsian and Co., Practicing Cost Accountants (FRN: 100629), who are appointed as the Cost Auditor of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 with remuneration not exceeding of Rs. 45,000 plus GST and reimbursement of out of pocket expenses as approved by the Board of Directors be and is hereby ratified and approved.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution."

#### 4. APPOINTMENT OF MR. RAVINDRA BAJAJ AS WHOLE TIME DIRECTOR OF THE COMPANY.

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 Section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013, Mr. Ravindra Bajaj (DIN: 08243855)

who was appointed as an Additional Director of the company and who hold the office up to the date of the ensuing Annual General Meeting, and who is eligible to appoint as a Whole Time Director of the Company and in respect of whom the Company has received a notice in writing from a member to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company and shall be designated as "Whole Time Director", who will liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the Rules made thereunder, as amended from time to time, approval of the members of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Ravindra Bajaj as a Whole – Time Director designated as an Executive Director of the Company for a period of 5 years w.e.f. May 25, 2019 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the management and Mr. Ravindra Bajaj.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution."

#### 5. RE-APPOINTMENT OF MR. AMIT KADMAWALA AS WHOLE- TIME DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company, be and is hereby accorded to the re-appointment of Mr. Amit Kadmawala (DIN: 07016454), as Whole-time Director of the Company for a period of 5 (Five) years with effect from October 01, 2019 who will liable to retire by rotation.





**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time, approval of the members of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Amit Kadmawala as a Whole – Time Director designated as an Executive Director of the Company for a period of 5 years w.e.f. October 01, 2019 to September 30, 2024 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the management and Mr. Amit Kadmawala.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution."

#### **6. RE-APPOINTMENT OF MRS. DHARA RUPESHKUMAR SHAH AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") 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) read with Schedule IV to the Act and Regulations 16(1)(b) and 17 of the SEBI (LODR) Regulations, 2015, Mrs. Dhara Rupeshkumar Shah (DIN:06983857), Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for another term of five consecutive years with effect from October 01, 2019 to September 30, 2024.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution."

#### **7. RE-APPOINTMENT OF MR. SHUBHANKAR JHA AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") 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) read with Schedule IV to the Act and Regulations 16(1)(b) and 17 of the SEBI (LODR) Regulations, 2015, Mr. Shubhankar Jha (DIN: 07208823), Non-Executive Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from October 01, 2019 to September 30, 2024.

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI (LODR) Regulations, 2015 and other applicable provisions, if any of the Companies Act, 2013, as amended from time to time, approval of the members of the Company be and is hereby accorded for continuation of directorship of Mr. Shubhankar Jha (DIN:07208823) as the Non-Executive Independent Director of the Company, who will attain the age of 75 on June 05, 2023.

**RESOLVED FURTHER THAT** any Director or Company Secretary of the Company be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give complete effect to this resolution."

By order of the Board of Directors

Date: August 13, 2019  
Place: Ahmedabad

Deepak Vyas  
Company Secretary



## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 34<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY 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. A PROXY FORM IS SENT HERewith. 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. Members of the Company as on the record date i.e. Friday August 30, 2019 will receive the Annual Report through Email whose Email IDs are registered with the Depository or Company and it's also be available on the Company's Website at <https://vishalfabricsltd.com/annual-reports/>
4. 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 requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.
5. 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.
6. Members are requested to bring their Attendance Slip along with copies of their Annual Report to the meeting.
7. 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.
8. Members are requested to write their client id and DP Id numbers in the Attendance Slip for attending the Meeting.
9. 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 Regulation 36 of SEBI (LODR) Regulations, 2015 entered into with the Stock Exchange, are provided in the annexure to the notice calling Annual General Meeting.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
11. The Register of Contracts maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
12. Members holding equity shares are requested to notify the change of address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
13. 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.
14. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
15. The procedure and instructions for remote e-voting is furnished in this notice.  
The instructions electronic voting (e-voting) are as under:  
Instructions for remote e-voting:
  - (i) The voting period commences on 9:00 a.m. on Friday, 27<sup>th</sup> September, 2019 and ends on 5.00 p.m. on Sunday, 29<sup>th</sup> September, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which has been fixed as Monday, 23<sup>rd</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) 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.
  - (v) Next enter the Image Verification as displayed and Click on Login.



- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	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"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Address slip / Attendance Slips indicated in the PAN field.</li> </ul>
<b>DOB</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
<b>Dividend Bank Details</b>	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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 for 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Vishal Fabrics Limited on which you choose to vote.
- (xii) 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 and click on SUBMIT. The option "YES" implies that you assent to the resolution and Option "NO", implies that you dissent to the Resolution. Enter the number of shares (which represents number of votes) under "Yes/No" or alternatively you may partially enter any number in "Yes" and partially "No", but the total number in "Yes" and "No" taken together should not exceed your total shareholding.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app - CDSL m-Voting available for iphone as well as android and windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.

#### Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be



uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xix) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the Cut Off date i.e. 23<sup>rd</sup> September, 2019 may obtain the login ID and password by sending a request in writing at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxi) However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com).

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only, shall be entitled to avail the facility of remote e-voting/voting at the AGM through ballot paper.

Mr. Jatin Kapadia, COP Number 12043, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" / "Polling Paper" for all those members who are present at the AGM who have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 23<sup>rd</sup> September, 2019.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website

[www.vishalfabricsltd.com](http://www.vishalfabricsltd.com) and on the website of the CDSL within two days of the resolutions at the Annual General Meeting of the Company, and communicated to Stock Exchanges.

- 16. 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 and public holiday, during business hours upto the date of the Annual General Meeting.
- 17. The Companies Act, 2013 provides nomination facility to the members. As a member of the Company, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. The shares which are held in dematerialized form, the nomination form needs to be forwarded to your Depository Participant.
- 18. Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 7 days in advance before the meeting so as to enable the management to keep information ready.
- 19. A route map giving directions to reach the venue of the 34<sup>th</sup> Annual General Meeting is annexed.

By order of the Board of Directors

Date: August 13, 2019  
Place: Ahmedabad

**Deepak Vyas**  
Company Secretary



## 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. 3

The Board of Directors on the recommendation of Audit Committee at their meeting held on May 25, 2019 have approved re-appointment and remuneration of Cost Auditors to conduct audit of cost records of the Company for financial year ending 31<sup>st</sup> March, 2020 at a remuneration of Rs. 45,000/- (Rupees Forty Five Thousands) in accordance with provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to Cost Auditors has to be ratified and approved by shareholders of the Company. Accordingly, consent of members is sought for passing an Ordinary Resolution as set out at Item No.3 of the Notice for ratification and approval of remuneration payable to Cost Auditors for financial year ending 31<sup>st</sup> March, 2020.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 3 of Notice.

The Board recommends Ordinary Resolution set out at Item No. 3 of Notice for your approval.

#### Item No. 4

In accordance with the provisions of The Companies Act, 2013, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed the appointment of Mr. Ravindra Bajaj (DIN: 08243855), who vacate the office as an Additional Director in this Annual General Meeting and will be appointed as a Whole Time Director of the Company.

The consolidated salary of Rs.2,00,000/- (Rupees Two Lacs only) per month which may be revised, within the limits laid down in Schedule V, by the Nomination & Remuneration Committee at any time during the tenure of his appointment.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Ravindra Bajaj for the office of Director of the Company. Mr. Ravindra Bajaj is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent in Form DIR-2 to act as a Director.

The Profile and specific areas of expertise along with the details and disclosures required with respect to appointment of Mr. Ravindra Bajaj under Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India is given in Annexure.

In view of provision of section 149, 152 and other applicable provision of the Companies Act, 2013 and rules made there under, the Board recommends the Ordinary Resolution set out at item no. 4 for the approval of members.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 4 of Notice.

#### Item no. 5

In accordance with the provisions of the Companies Act, 2013, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed the appointment of Mr. Amit Kadmawala (DIN: 07016454), whose tenure of Five years expire and will be re-appointed as a Whole Time Director of the Company.

The Profile and specific areas of expertise along with the details and disclosures required with respect to appointment of Mr. Amit Kadmawala under Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India is given in Annexure.

In view of provision of section 149, 152 and other applicable provision of the Companies Act, 2013 and rules made there under, the Board recommends the Ordinary Resolution set out at item no. 5 for the approval of members.

The consolidated salary of Rs. 83,000/- (Rupees Eighty Three Thousand only) per month which may be revised, within the limits laid down in Schedule V, by the Nomination & Remuneration Committee at any time during the tenure of his appointment.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 5 of Notice.

#### Item no. 6

In accordance with the provisions of The Companies Act, 2013, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed the re-appointment of Mrs. Dhara Shah (DIN: 06983857), whose tenure of Five years expire and is proposed to be re-appointed as a Non- executive Independent Director of company.

The Profile and specific areas of expertise along with the details and disclosures required with respect to appointment of Mrs. Dhara Shah under Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India is given in Annexure.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee has recommended and the Board of Directors has approved the re-appointment of Mrs. Dhara Shah as an Independent Director for a second term of five (5) consecutive years, she shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

In view of provision of section 149, 152 and other applicable





provision of the Companies Act, 2013 and rules made there under, the Board recommends the Special Resolution set out at item no. 6 for the approval of members.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 6 of Notice.

#### Item no. 7

In accordance with the provisions of the Companies Act, 2013, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed the re-appointment of Mr. Shubhankar Jha (DIN: 07208823), whose tenure of Five years expire and is proposed to be re-appointed as a Non-executive Independent Director of company.

Mr. Shubhankar Jha will attain the age of 75 years on June 05, 2023. He has rich and varied experience. It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint him as an independent director. Accordingly, approval of the members is sought for passing a Special Resolution for re-appointment of Mr. Shubhankar Jha pursuant to provisions of Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.

Based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee has recommended and the Board of Directors has approved the re-appointment of Mr. Shubhankar Jha as an Independent Director for a second term of five (5) consecutive years, he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Profile and specific areas of expertise along with the details and disclosures required with respect to appointment of Mr. Shubhankar Jha under Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India is given in Annexure.

In view of provision of section 149, 152 and other applicable provision of the Companies Act, 2013 and rules made there under, the Board recommends the Special Resolution set out at item no. 7 for the approval of members.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in resolution set out at Item No. 7 of Notice.

By order of the Board of Directors  
sd/-

Date: August 13, 2019  
Place: Ahmedabad

**Deepak Vyas**  
Company Secretary



## ANNEXURE

Details of Directors seeking Appointment / Re-appointment at the Annual General Meeting  
[Under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 and Secretarial Standard (SS-2)]

Name of Director	Mr. Ravindra Bajaj	Mr. Amit Kadmawala	Mrs. Dhara Shah	Mr. Shubhankar Jha
DIN	08243855	07016454	06983857	07208823
Nationality	Indian	Indian	Indian	Indian
Date of Birth	12/09/1962	06/07/1977	14/11/1988	05/06/1948
AGE	56 years	42 years	30 years	71 years
Date of appointment	25/05/2019	13/11/2014	05/03/2015	28/05/2015
Brief Resume and Nature of Expertise in Functional Area	He has expertise in spinning cotton, synthetics, cotton-yarn, manufacturing of cloth, operations of plant, experience in fabric, yarn business and knitted apparels.	He undertakes the responsibility of looking after the plant, and ensures that smooth functioning is facilitated and maximum output is achieved. With a hawk eye precision to details, he also makes sure that no abnormal costs occur.	She is a Practicing Company Secretary by profession. She has completed her Bachelor of Commerce and LLB from Gujarat University.	He is a veteran who has more than 39 years of experience in the Banking sector, brings valuable guidance in his sphere of knowledge. He was associated with UCO Bank as General Manager. He also held the position of Chairman of Regional Rural Bank. and also served as a National Coordinator for Indian School of Micro Finance for Women and Master Trainer for Financial Inclusion with Indian Institute of Banking and Finance (IIFB), Mumbai.
Qualification	MBBS	Undergraduate	Practicing Company Secretary and LLB	B.Sc (Agri) and has also pursued M.A. in Gandhian Thought and Social Science from Gujarat Vidhyapith.
Disclosure of Relationships between Directors inter-se	No Relationship with Director	No Relationship with Director	No Relationship with Director	No Relationship with Director
List of Directorship / Committee Memberships in other Listed Companies as on 31 <sup>st</sup> March, 2019.	NIL	NIL	1. MAYUR FLOORINGS LIMITED 2. TOYAM INDUSTRIES LIMITED 3. ACE SOFTWARE EXPORTS LIMITED	NIL



<b>Name of Director</b>	<b>Mr. RavindraBajaj</b>	<b>Mr. Amit Kadmawala</b>	<b>Mrs. Dhara Shah</b>	<b>Mr. ShubhankarJha</b>
Shareholding in Vishal Fabrics Ltd.	NIL	NIL	NIL	NIL
Details of remuneration sought to be paid	2,00,000/- per month	83,000/- per month	NIL (Except Sitting Fees)	NIL (Except Sitting Fees)
Remuneration last drawn	N.A.	7,83,000/- per annum.	NIL (Sitting Fees : Rs. 40,000 for the current Financial year 2018-19)	NIL (Sitting Fees : Rs. 60,000 for the current Financial year 2018-19)
Number of Meetings of the Board attended during the F.Y. (2018-19)	N.A.	4	4	3

**Notes:**

Pursuant to Regulation 26 of SEBI (LODR) Regulations, 2015, only two Committee viz. Audit Committee and Stakeholders Committee have been considered.



## VISHAL FABRICS LIMITED

(CIN: L17110GJ1985PLC008206)

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

Phone: +91 - 79 - 25353977/78/79/80; Fax: +91 - 79 - 25353981

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.

Joint shareholders may obtain additional Slip at the venue of the meeting.

FOR DEMAT SHARES

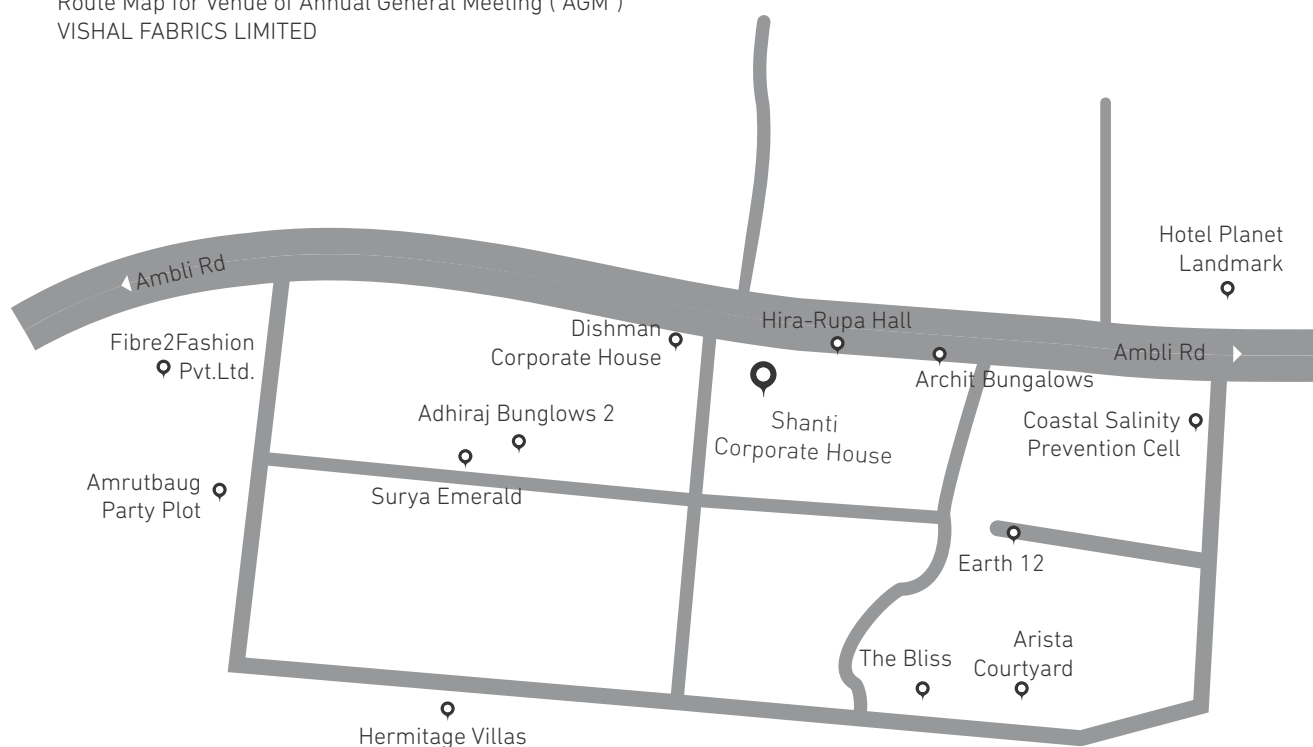
DP ID:
CLIENT ID:

Name and Address of Shareholder: \_\_\_\_\_

I hereby record my presence at the 34<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> Day of September, 2019 at 3:00 P.M. at Shanti Corporate House, Beside Hira rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad – 380058.

\_\_\_\_\_  
Signature of the Shareholder or Proxy  
(To be signed at the time of handing over this slip)

Route Map for Venue of Annual General Meeting ("AGM")  
VISHAL FABRICS LIMITED



## VISHAL FABRICS LIMITED

(CIN: L17110GJ1985PLC008206)

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

Phone: +91 - 79 - 25353977/78/79/80; Fax: +91 - 79 - 25353981

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

### FORM MGT – 11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

#### 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:

Name:	Email-ID
Address :	Signature : or falling him/her
Name:	Email-ID
Address :	Signature : or falling him/her
Name:	Email-ID
Address :	Signature : or falling him/her

and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the 34<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> Day of September, 2019 at 3:00 P.M. at Shanti Corporate House, Beside Hira rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad – 380 058 and any adjournment thereof in respect of such resolutions as are indicated below:

\*\*I wish my above Proxy to vote in the manner as indicated in the box below:

S.N.	RESOLUTIONS	For	Against
01.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and the Auditors thereon.		
02	To appoint a Director in place of Mr. Amit Kadmawala (DIN: 07016454), who retires by rotation and being eligible for re-appointment.		
03	Ratification and approval of remuneration of Cost Auditors.		
04	Appointment of Mr. Ravindra Bajaj (DIN:08243855) as Whole Time Director of the Company.		
05	Re-Appointment of Mr. Amit Kadmawala (DIN: 07016454) as Whole Time Director of The Company		
06	Re-Appointment of Mrs. Dhara Rupeshkumar Shah (DIN: 06983857) as Non-Executive Independent Director of The Company		
07	Re-Appointment of Mr. Shubhankar Jha (DIN: 07208823) as Non-Executive Independent Director of The Company		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019 Signature of shareholder \_\_\_\_\_

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

Affix  
Rs. 1  
Revenue  
Stamp

#### Notes:

- 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.
- 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



## DIRECTORS' REPORT

To,

The Members

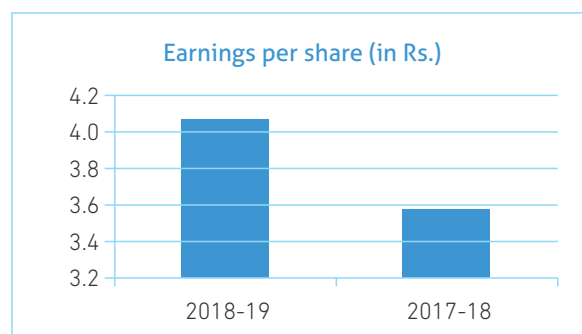
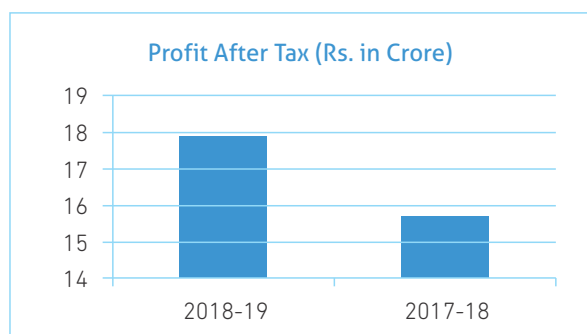
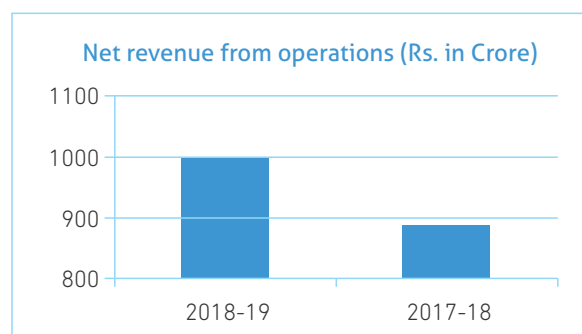
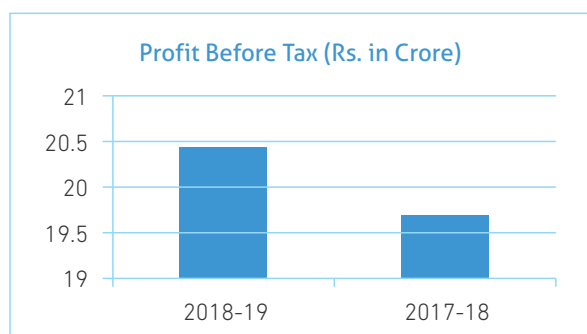
Vishal Fabrics Limited

Your Directors are pleased to present the 34<sup>th</sup> Annual Report along with Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2019.

### 1. FINANCIAL HIGHLIGHTS

(Rs. in crores)

PARTICULARS	2018-19	2017-18
Net revenue from operations	998.49	890.94
Less : Expenditure	979.02	872.39
Profit Before Depreciation & Tax	49.75	33.34
Less : Depreciation	29.31	13.67
Profit Before Tax	20.45	19.68
Less : Provision for Taxation (Including Deferred Tax)	2.59	4.05
Profit After Tax	17.86	15.63
Earnings per share (in Rs.)	4.07	3.56



### 2. STATE OF COMPANY'S AFFAIRS AND PERFORMANCE OF THE COMPANY DURING THE YEAR

During the year under review, your Company has achieved a turnover of Rs. 998.49/- Crore as compared to a turnover of Rs. 890.94/- Crore over the previous financial year which shows increase of 12.07%. The profit before depreciation and tax was Rs. 49.75 /- crore which increased by 49.22 % as compared to previous year. Further the profit after tax was Rs. 17.86/- Crore as compared to net profit of Rs. 15.63/- Crore in the previous year, which increased by 14.27%.

The Performance of the Company has been comprehensively discussed in the Management Discussion and Analysis Report (forming part of the Annual Report) based on the reports of the each of the units of Company.

### 3. DIVIDEND

The Company concerned for organic growth and Capital expenditure therefor the Board of Director has not recommended any dividend during the year.

In pursuant to Regulation 43A of the SEBI (LODR) Regulations, 2015, the company has formulated a Dividend





Distribution Policy which was approved and adopted in the Board Meeting and the same is available on company's weblink as <https://vishalfabricsltd.com/wp-content/uploads/2018/11/Dividend-Distribution-Policy.pdf>.

#### 4. TRANSFERS TO RESERVES

During the financial year under review, the company has transferred the entire amount of Profit to Reserve and surplus account as per detail provided in the note of the financial statement.

#### 5. CHANGE IN CAPITAL STRUCTURE

The paid-up equity share capital of the Company as on 31<sup>st</sup> March, 2019 was Rs. 2195.67/- lacs (43913334 Equity Shares of Rs. 5/- each) During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

#### 6. PERFORMANCE OF SUBSIDIARY COMPANY

The Company has no subsidiaries therefor not require to provide detail of performance of subsidiary Company.

#### 7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note to the financial statements.

#### 8. EXTRACT OF ANNUAL RETURN

In pursuant to Section 92 of the Companies Act, 2013 the Extract of the Annual Return in Form MGT - 9 is available on company website at <https://vishalfabricsltd.com/annual-reports/> and also annexed as **Annexure - I**.

#### 9. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and there are no material related party transactions thus a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. All related party transactions are mentioned in the notes to the accounts.

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. A statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of

the Company and can be seen at the link <https://vishalfabricsltd.com/wp-content/uploads/2018/11/Related-Party-Policy.pdf>. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees.

#### 10. CREDIT RATING

The Credit Rating of your Company is strengthened. It is BWR BBB+ (pronounced Triple B Plus) for long term facilities and BWR A2 (pronounced A Two) for short term bank loan facilities respectively. The said ratings are being provided by Brickwork Ratings India Pvt. Ltd.

#### 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Composition of the Board is in accordance with the statutory provision and following changes occurred in the Board of Directors and Key Managerial Personnel:

##### DIRECTOR

- Mr. Ponnusamy Shanmugaraja (DIN: 08013737) who was appointed as Whole Time Director of the Company in the category of Executive Non-Independent Director has resigned from office with effect from 20<sup>th</sup> March, 2019.
- Mr. Ravindra Bajaj (DIN: 08243855) has appointed as an Additional Director in the category of Executive Non-Independent Director w.e.f. 25<sup>th</sup> May, 2019

##### KEY MANAGERIAL PERSONNEL (KMP)

- Mrs. Tanushree Dave has resigned from the post of the Company Secretary & Compliance Officer w.e.f. 09<sup>th</sup> April, 2018.
- Mr. Deepak Vyas was appointed as Company Secretary & Compliance Officer w.e.f. 29<sup>th</sup> May, 2018.
- Mr. Mahesh Kawat, has resigned from the post of Chief Financial Officer (CFO) of the Company w.e.f. 5<sup>th</sup> April, 2019.
- Mr. Vinay Thadani was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 25<sup>th</sup> May, 2019.

The composition of the Board of Directors and its Committees are provided in the Corporate Governance Report, which forms part of the Annual Report.

#### 12. NUMBER OF BOARD AND COMMITTEE MEETINGS

The Board meets once in every quarter to review the quarterly financial results and other items of the agenda and if necessary, additional meetings are held as and when required. The intervening gap between the meetings was within the period prescribed under SEBI (LODR) Regulations, 2015 & Companies Act, 2013. The agenda is circulated well in advance to the Board members. The items in the agenda are backed by comprehensive background information to enable the Board to take



appropriate decisions. The details of the Board and its Committees meetings and attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of the Annual Report.

### 13. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 13<sup>th</sup> February, 2019 inter alia, to discuss:

- Review of the performance of Non-independent Directors and the Board of Directors as a whole.
- Review of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Assess the quality, content and timeliness of flow of information between the management and
- To ensure the Board effectively and reasonably perform its duties.

All Independent Directors were present at the meeting.

### 14. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (LODR) Regulations, 2015.

### 15. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

An Independent Director shall be a person of integrity and possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing and technical operations or any other discipline related to the Company's business. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31<sup>st</sup> March, 2019 except for payment of sitting fees.

### 16. CRITERIA FOR APPOINTMENT OF MANAGING DIRECTORS / WHOLE - TIME DIRECTORS.

The appointment is made pursuant an established procedure which includes assessment of managerial skills, professional behavior, technical skills and other requirements as may be required and shall take into consideration recommendation, if any, received from any member of the Board.

In compliance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of the SEBI (LODR) Regulations, 2015 the company has formulated Nomination and Remuneration Policy for determining qualifications, positive attributes and independence of directors and other matters related to appointment of Directors.

The Nomination and Remuneration Policy as approved by

the Board of Directors has been uploaded on the website of the Company and can be seen at the link <https://vishalfabricsltd.com/wp-content/uploads/2018/11/Nomination-and-Remuneration-Policy.pdf>.

### 17. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company has a Policy on Corporate Social Responsibility and the same has been posted on the website of the Company at <https://vishalfabricsltd.com/wp-content/uploads/2018/11/CSR-Policy.pdf>. The Annual Report on CSR activities in terms of the requirements of Companies(Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure - II**, which forms part of this Report.

### 18. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee has laid down the criteria for evaluation of the performance of individual directors and the Board as a whole. Based on the criteria the exercise of evaluation was carried out through a structured process covering various aspects of the Board functioning such as composition of the Board and committees, experience & expertise, performance of specific duties & obligations, attendance, contribution at meetings, etc. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Director. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Directors expressed their satisfaction with the evaluation process.

### 19. AUDITORS AND AUDITORS' REPORT

#### A. STATUTORY AUDITORS

M/s. Nahta Jain & Associates, Chartered Accountants (FRN: 101801W) was appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on September 20, 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors and the requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 07, 2018.

The Auditors' Report for F.Y. 2018-19 forms part of this Annual Report and do not contain any qualification, reservation or adverse remark.

#### B. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment



and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Jatin Kapadia, Practicing Company Secretary, (M.No.: 26725) to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report is annexed herewith as **Annexure - III**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### C. COST AUDITORS

In accordance with the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company has appointed M/s. A.G. Tulsian and Co., Cost Accountants (FRN: 100629) as the Cost Auditor of the Company for the financial year 2018-19.

The Board has re-appointed M/s. A.G. Tulsian and Co., Cost Accountants (FRN: 100629) as Cost Auditor to conduct the audit of cost records of your Company for the financial year 2019-20. The payment of remuneration to Cost Auditor requires the approval/ratification of the members of the Company and necessary resolution in this regard, has been included in the notice convening 34<sup>th</sup> AGM of the Company.

The Company maintains necessary cost records as specified by Central Government under sub-section 1 of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

The Cost Audit Report, in Form No. CRA-4 (XBRL mode), for the year ended March 31, 2018 was filed with the Central Government within the prescribed time.

### D. INTERNAL AUDITOR

In accordance with the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company has appointed two Internal Auditors for the F.Y. 2019-20.

1. M/s. Haribhakti & Co. LLP, Chartered Accountants.
2. M/s. Jhaveri Shah & Co., Chartered Accountants.

## 20. 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 2018 - 19. 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.

## 21. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT

Pursuant to the provisions of the SEBI (LODR) Regulations

2015, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

## 22. PREVENTION OF INSIDER TRADING

Pursuant to the provisions of the regulations, the Board has formulated and implemented a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information.

During the year under review, the Company has revised the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" ("Code of Fair Disclosure") to give effect to the SEBI [Prohibition of Insider Trading] (Amendment) Regulations, 2018 and the same is available on the Company's at <https://vishalfabricsltd.com/wp-content/uploads/2019/04/Code-on-Insider-Trading-updated-as-on-30.03.2019.pdf>

## 23. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The said policy has been disseminated within the organization and has also been posted on the Company's website at <https://vishalfabricsltd.com/wp-content/uploads/2018/11/Vigil-Mechanism.pdf>

## 24. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT 2013

The Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal), ACT 2013. An appropriate complaint mechanism in the form of "Complaints Committee" has been created in the Company for time-bound redressal of the complaint made by the victim All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year the Company has not received any complaints of sexual harassment.

## 25. PUBLIC DEPOSITS

Your company has not accepted any Deposits from the public during the year under review.

## 26. RISK MANAGEMENT



The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

## 27. INTERNAL CONTROL SYSTEM

The Company has adequate internal control systems for business processes, with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations etc. All operating parameters are monitored and controlled. Regular internal audits and checks ensure that responsibilities are executed effectively. The system is improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them, from time to time.

## 28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (C) of the Companies Act, 2013, the Directors confirm that:

- (i) that in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2019 and of the profit 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, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) that the Directors have prepared the accounts for the financial year on going concern basis;
- (v) the Directors have laid down internal financial controls, which are adequate and were operating effectively;
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, required to be disclosed by Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are provided in the **Annexure - IV** to this report.

## 30. PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure - V** to this Report.

## 31. INSURANCE

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

## 32. LISTING OF SHARES

Your Company's shares are listed at BSE Limited and the listing fee for the year 2019-20 has been duly paid.

## 33. APPRECIATION AND ACKNOWLEDGMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the Banks, customers, business associates and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, employees, staff and workers of the Company.

For and on behalf of the Board

**Brijmohan D. Chiripal**

Managing Director

DIN:00290426

**Amit Kadmawala**

Whole-time Director

DIN: 07016454

Date: 13<sup>th</sup> August, 2019

Place: Ahmedabad



**ANNEXURE-I**

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2019  
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

1.	CIN	L17110GJ1985PLC008206
2	Registration Date	22/10/1985
3	Name of the Company	Vishal Fabrics Limited
4	Category / Sub-Category of the Company	Company Limited by shares
5	Address of the Registered Office and Contact Details	Ranipur, Narol Road, Ahmedabad – 382 405 Tel: +91 79 25353977/78/79/80 Fax: +91 79 25353981 Email: cs.vfl@chiripalgroup.com Website: www.vishalfabricsltd.com
6	Whether Listed Company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 5th Floor, 506 to 508 Amarnath Business Centre - I (ABC - I), Beside Gala Business Centre, Nr. St. Xavier's College Corner Off C G Road, Navarangpura, Ahmedabad – 380009, Gujarat Fax: +91 79 2646 5179 Email: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Finishing of cotton and blended cotton textiles.	13131	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of the Company	Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
N. A.						



#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i. Category-wise Share Holding

SN	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters Shareholding</b>									
<b>(1)</b>	<b>Indian</b>									
a)	Individual / HUF	6799998	0	6799998	15.49	6806298	0	6806298	15.50	0.01
b)	Central Govt.	0	0	0	0	0	0	0	0	0
c)	State Govt.(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	22544452	0	22544452	51.34	21637554	0	21637554	49.27	(2.07)
e)	Bank / FI	0	0	0	0	0	0	0	0	0
f)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	<b>29344450</b>	<b>0</b>	<b>29344450</b>	<b>66.82</b>	<b>28443852</b>	<b>0</b>	<b>28443852</b>	<b>64.77</b>	<b>(2.05)</b>
<b>(2)</b>	<b>Foreign</b>									
a)	NRIs – Individuals	846183	0	846183	1.93	1477133	0	1477133	3.36	1.43
b)	Others - Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any Other	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (A)(2)</b>	<b>846183</b>	<b>0</b>	<b>846183</b>	<b>1.93</b>	<b>1477133</b>	<b>0</b>	<b>1477133</b>	<b>3.36</b>	<b>1.43</b>
	<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>30190633</b>	<b>0</b>	<b>30190633</b>	<b>68.75</b>	<b>29920985</b>	<b>0</b>	<b>29920985</b>	<b>68.14</b>	<b>(0.61)</b>
<b>B</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	0	0	0	0	0	0	0	0	0
c)	Central Govt.	0	0	0	0	0	0	0	0	0
d)	State Govt.(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	Foreign Institutional Investors/Foreign Portfolio Investors	7023962	0	7023962	15.99	5452335	0	5452335	12.42	(3.58)
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	<b>7023962</b>	<b>0</b>	<b>7023962</b>	<b>15.99</b>	<b>5452335</b>	<b>0</b>	<b>5452335</b>	<b>12.42</b>	<b>(3.58)</b>
<b>(2)</b>	<b>Non-Institutions</b>									
a)	Bodies Corporate	844814	0	844814	1.92	3530092	0	3530092	8.04	6.12
b)	Individuals									
i.	Individual shareholders holding nominal share capital up to Rs. 1 lakh	395443	0	395443	0.90	165535	0	165535	0.38	(0.52)





SN	Category	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii.	Individual shareholders holding nominal share capital excess of Rs. 1 lakh	2463048	0	2463048	5.61	473628	0	473628	1.08	(4.53)
<b>c)</b>	<b>Others</b>									
i.	NRI	2444419	0	2444419	5.57	4093640	0	4093640	9.32	3.75
ii.	OCB	0	0	0	0	0	0	0	0	0
iii.	Trust	0	0	0	0	0	0	0	0	0
iv.	HUF	550705	0	550705	1.25	67342	0	67342	0.15	(1.1)
v.	Clearing Members	310	0	310	0.00	209777	0	209777	0.48	0.48
	<b>Sub-Total (B)(2)</b>	<b>6698739</b>	<b>0</b>	<b>6698739</b>	<b>15.25</b>	<b>8540014</b>	<b>0</b>	<b>8540014</b>	<b>19.45</b>	<b>4.2</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>13722701</b>	<b>0</b>	<b>13722701</b>	<b>31.25</b>	<b>13992349</b>	<b>0</b>	<b>13992349</b>	<b>31.86</b>	<b>0.61</b>
<b>C</b>	<b>Shares held by Custodian for GDRs and ADRs</b>									
	<b>Promoter and Promoter group</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Public</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (A+B+C)</b>	<b>43913334</b>	<b>0</b>	<b>43913334</b>	<b>100</b>	<b>43913334</b>	<b>0</b>	<b>43913334</b>	<b>100</b>	<b>0</b>

## II. Shareholding of Promoters and Promoter's group

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Aayushi Jaiprakash Agarwal	296000	0.67	0	296000	0.67	0	0.00
2	Brijmohan D Chiripal	286000	0.65	0	363000	0.83	0	0.18
3	Chiripal Exim LLP	2799967	6.38	0	2799967	6.38	6.03	0.00
4	Chiripal Industries Limited	12732000	28.99	0	12732000	28.99	0	0.00
5	Deepak J Chiripal	336000	0.77	0	336000	0.77	0	0.00
6	Devkinandan Corporation LLP	1572000	3.58	0	1572000	3.58	0	0.00
7	Jaiprakash D Chiripal	296000	0.67	0	296000	0.67	0	0.00
8	Jyotiprasad D Chiripal	296000	0.67	0	296000	0.67	0	0.00
9	Manjudevi Jaiprakash Chiripal	1024000	2.33	0	1024000	2.33	0	0.00
10	Nandan Corporation LLP	1912897	4.36	0	1912897	4.36	0	0.00
11	Nishi J Agarwal	144000	0.33	0	144000	0.33	0	0.00
12	Nitika Deepak Chiripal	296000	0.67	0	296000	0.67	0	0.00
13	Pritidevi B Chiripal	758666	1.73	0	758666	1.73	0	0.00



SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
14	Priyanka Brijmohan Chiripal	80000	0.18	0	57300	0.13	0	-0.05
15	Ronak B Agarwal	419334	0.96	0	419334	0.96	0	0.00
16	Saloo J. Agarwal	96000	0.22	0	96000	0.22	0	0.00
17	Savitridevi V Chiripal	1079110	2.46	0	1079110	2.46	0	0.00
18	Shanti Exports Pvt Ltd	1611338	3.67	0	750640	1.71	0	-1.96
19	Shiwani V. Chiripal	144000	0.33	0	144000	0.33	0	0.00
20	Tripoli Management Private Limited	1916250	4.36	0	1870050	4.26	0	-0.1
21	Urmiladevi Jyotiprasad Chiripal	736000	1.68	0	736000	1.68	0	0.00
22	Vedprakash Chiripal	894183	2.04	0	1477133	3.36	0	1.32
23	Vishal V Chiripal	464888	1.06	0	464888	1.06	0.68	0.00
	<b>Total</b>	<b>30190633</b>	<b>68.75</b>	<b>0</b>	<b>29920985</b>	<b>68.14</b>	<b>6.72</b>	<b>(0.61)</b>

### C) Change in Promoters Shareholding:

Sr no.	Name of Person	Shareholding		Date	Number of Securities Acquired/ Disposed/ Pledge etc.	Reason	Cumulative Share Holding	
		Number of Securities held Prior to Buy/ Disposed	% of Securities held Prior to Buy/ Disposed				Number of Securities held Post Buy/ Disposed	Post-Transaction Pledge etc. % of Shareholding
1	CHIRIPAL EXIM LLP	2799967	6.3761	06/07/2018	1480334	Sell	1319633	3.0051
				10/08/2018	1480334	Buy	2799967	6.3761
	<b>At the End of the Year</b>						<b>2799967</b>	<b>6.3761</b>
2	TRIPOLI MANAGEMENT PRIVATE LIMITED	1916250	4.3637	11/05/2018	22200	Sell	1894050	4.3132
				30/06/2018	4000	Sell	1890050	4.3040
				06/07/2018	6000	Sell	1884050	4.2904
				20/07/2018	9000	Sell	1875050	4.2699
				27/07/2018	5000	Sell	1870050	4.2585
	<b>At the End of the Year</b>						<b>1870050</b>	<b>4.2585</b>
3	Shanti Exports Private Limited	1611338	3.6694	27/04/2018	71875	Sell	1539463	3.5057
				04/05/2018	90175	Sell	1449288	3.3003
				11/05/2018	14500	Sell	1434788	3.2673
				15/06/2018	24600	Sell	1410188	3.2113
				22/06/2018	19000	Sell	1391188	3.1680
				30/06/2018	21000	Sell	1370188	3.1202
				06/07/2018	24000	Sell	1346188	3.0656
				13/07/2018	36000	Sell	1310188	2.9836
				20/07/2018	17000	Sell	1293188	2.9449
				27/07/2018	28000	Sell	1265188	2.8811
				03/08/2018	42548	Sell	1222640	2.7842



Sr no.	Name of Person	Shareholding		Date	Number of Securities Acquired/ Disposed/ Pledge etc.	Reason	Cumulative Share Holding	
		Number of Securities held Prior to Buy/ Disposed	% of Securities held Prior to Buy/ Disposed				Number of Securities held Post Buy/ Disposed/	Post-Transaction Pledge etc. % of Shareholding
				24/08/2018	122500	Sell	1100140	2.5053
				31/08/2018	55000	Sell	1045140	2.3800
				07/09/2018	105000	Sell	940140	2.1409
				14/09/2018	20750	Sell	919390	2.0936
				21/09/2018	81250	Sell	838140	1.9086
				29/09/2018	27000	Sell	811140	1.8471
				26/10/2018	14000	Sell	797140	1.8153
				02/11/2018	2500	Sell	794640	1.8096
				23/11/2018	5000	Sell	789640	1.7982
				30/11/2018	10000	Sell	779640	1.7754
				14/12/2018	13500	Sell	766140	1.7447
				21/12/2018	15500	Sell	750640	1.7094
				At the End of the Year				
4	VEDPRAKASH CHIRIPAL	846183	1.9269	20/04/2018	19597	Buy	865780	1.9716
				27/04/2018	82939	Buy	948719	2.1604
				04/05/2018	72596	Buy	1021315	2.3258
				11/05/2018	91866	Buy	1113181	2.5349
				18/05/2018	22752	Buy	1135933	2.5868
				25/05/2018	21500	Buy	1157433	2.6357
				22/06/2018	5500	Buy	1162933	2.6482
				30/06/2018	26486	Buy	1189419	2.7086
				10/08/2018	233514	Buy	1422933	3.2403
				02/11/2018	16500	Buy	1439433	3.2779
				30/11/2018	10457	Buy	1449890	3.3017
				07/12/2018	6562	Buy	1456452	3.3167
				14/12/2018	16981	Buy	1473433	3.3553
28/12/2018	3700	Buy	1477133	3.3637				
At the End of the Year							1477133	3.3637
5	RONAK B AGARWAL	419334	0.9549	06/07/2018	48000	Sell	371334	0.8456
				10/08/2018	48000	Buy	419334	0.9549
	At the End of the Year							419334
6	BRIJMOHAN D CHIRIPAL	286000	0.6513	15/03/2019	48000	Buy	334000	0.7606
				29/03/2019	29000	Buy	363000	0.8266
	At the End of the Year							363000
7	PRIYANKA B CHIRIPAL	80000	0.1822	30/11/2018	4000	Sell	76000	0.1731
				07/12/2018	15000	Sell	61000	0.1389
				21/12/2018	3700	Sell	57300	0.1305
	At the End of the Year							57300



Sr no.	Name of Person	Shareholding		Date	Number of Securities Acquired/ Disposed/ Pledge etc.	Reason	Cumulative Share Holding	
		Number of Securities held Prior to Buy/ Disposed	% of Securities held Prior to Buy/ Disposed				Number of Securities held Post Buy/ Disposed/	Post-Transaction Pledge etc. % of Shareholding
8	CHIRIPAL INDUSTRIES LIMITED	12732000	28.9935	-	-	-	12732000	28.9935
	At the End of the Year						<b>12732000</b>	<b>28.9935</b>
9	NANDAN CORPORATION LLP	1912897	4.3561				1912897	4.3561
	At the End of the Year						<b>1912897</b>	<b>4.3561</b>
10	DEVKINANDAN CORPORATION LLP	1572000	3.5798	-	-	-	1572000	3.5798
	At the End of the Year						<b>1572000</b>	<b>3.5798</b>
11	SAVITRIDEVI V CHIRIPAL	1079110	2.4574				1079110	2.4574
	At the End of the Year						<b>1079110</b>	<b>2.4574</b>
12	MANJUDEVI JAIPRAKASH CHIRIPAL	1024000	2.3319	-	-	-	1024000	2.3319
	At the End of the Year						<b>1024000</b>	<b>2.3319</b>
13	PRITIDEVI B CHIRIPAL	758666	1.7276	-	-	-	758666	1.7276
	At the End of the Year						<b>758666</b>	<b>1.7276</b>
14	URMILADEVI JYOTIPRASAD CHIRIPAL	736000	1.6760				736000	1.6760
	At the End of the Year						<b>736000</b>	<b>1.6760</b>
15	VISHAL V CHIRIPAL	464888	1.0586				464888	1.0586
	At the End of the Year						<b>464888</b>	<b>1.0586</b>
16	DEEPAK J CHIRIPAL	336000	0.7651				336000	0.7651
	At the End of the Year						<b>336000</b>	<b>0.7651</b>
17	NITIKA DEEPAK CHIRIPAL	296000	0.6741				296000	0.6741
	At the End of the Year						<b>296000</b>	<b>0.6741</b>
18	AAYUSHI JAIPRAKASH AGARWAL	296000	0.6741				296000	0.6741
	At the End of the Year						<b>296000</b>	<b>0.6741</b>
19	JAIPRAKASH D CHIRIPAL	296000	0.6741				296000	0.6741
	At the End of the Year						<b>296000</b>	<b>0.6741</b>
20	JYOTIPRASAD D CHIRIPAL	296000	0.6741	-	-	-	296000	0.6741
	At the End of the Year						<b>296000</b>	<b>0.6741</b>
21	SHIWANI V. CHIRIPAL	144000	0.3279				144000	0.3279
	At the End of the Year						<b>144000</b>	<b>0.3279</b>
22	NISHI J AGARWAL	144000	0.3279	-	-	-	144000	0.3279
	At the End of the Year						<b>144000</b>	<b>0.3279</b>
23	SALOO J. AGARWAL	96000	0.2186	-	-	-	96000	0.2186
	At the End of the Year						<b>96000</b>	<b>0.2186</b>



## iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr no.	Name of Person	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Share Holding during the year	
		Number of shares at the beginning of the year	% of shares of the Company				Number of shares	% of total shares of the Company
1	ANIL R DHANUKA	318424	0.7251				318424	0.7251
				27/04/2018	22475	Buy	340899	0.7763
				11/05/2018	60787	Buy	401686	0.9147
				18/05/2018	26160	Buy	427846	0.9743
				25/05/2018	4500	Buy	432346	0.9845
				01/06/2018	21500	Buy	453846	1.0335
				15/06/2018	9515	Buy	463361	1.0552
				22/06/2018	16500	Buy	479861	1.0927
				30/06/2018	10200	Buy	490061	1.1160
				06/07/2018	490061	Sell	0	0.0000
				10/08/2018	679581	Buy	679581	1.5476
				17/08/2018	10000	Buy	689581	1.5703
				24/08/2018	10000	Buy	699581	1.5931
				31/08/2018	64000	Buy	763581	1.7388
				26/10/2018	6000	Buy	769581	1.7525
				02/11/2018	15243	Buy	784824	1.7872
				09/11/2018	6000	Buy	790824	1.8009
				16/11/2018	10500	Buy	801324	1.8248
				23/11/2018	5000	Buy	806324	1.8362
				30/11/2018	10000	Buy	816324	1.8589
				14/12/2018	2000	Buy	818324	1.8635
				21/12/2018	20000	Buy	838324	1.9090
				28/12/2018	30000	Buy	868324	1.9774
				04/01/2019	36700	Buy	905024	2.0609
				11/01/2019	115300	Buy	1020324	2.3235
				18/01/2019	138626	Buy	1158950	2.6392
				25/01/2019	145900	Buy	1304850	2.9714
				01/02/2019	120000	Buy	1424850	3.2447
				08/02/2019	205000	Buy	1629850	3.7115
				15/02/2019	90905	Buy	1720755	3.9185
				01/03/2019	200000	Buy	1920755	4.3740
				08/03/2019	186100	Buy	2106855	4.7978
				15/03/2019	60000	Sell	2046855	4.6611
	AT THE END OF THE YEAR						2046855	4.6611
2	MANUJ CHIRIPAL	2125985	4.8413				2125985	4.8413
				06/07/2018	2125985	Sell	0	0.0000
				10/08/2018	2125985	Buy	2125985	4.8413
				31/12/2018	5800	Buy	2131785	4.8545
				25/01/2019	4000	Buy	2135785	4.8636



Sr no.	Name of Person	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Share Holding during the year	
		Number of shares at the beginning of the year	% of shares of the Company				Number of shares	% of total shares of the Company
				15/03/2019	89000	Sell	2046785	4.6610
	AT THE END OF THE YEAR						2046785	4.6610
3	NEW LEAINA INVESTMENTS LIMITED	2156750	4.9114				2156750	4.9114
				05/10/2018	192000	Sell	1964750	4.4742
	AT THE END OF THE YEAR						1964750	4.4742
4	LTS INVESTMENT FUND LTD	2051250	4.6711				2051250	4.6711
				11/05/2018	21500	Buy	2072750	4.7201
				03/08/2018	403910	Sell	1668840	3.8003
				23/11/2018	220000	Sell	1448840	3.2993
				25/01/2019	26500	Sell	1422340	3.2390
	AT THE END OF THE YEAR						1422340	3.2390
5	ELARA INDIA OPPORTUNITIES FUND LIMITED	1054085	2.4004				1054085	2.4004
				14/09/2018	23000	Buy	1077085	2.4528
				21/09/2018	70500	Buy	1147585	2.6133
				29/09/2018	27500	Buy	1175085	2.6759
				05/10/2018	35000	Buy	1210085	2.7556
				12/10/2018	32000	Buy	1242085	2.8285
				19/10/2018	60000	Buy	1302085	2.9651
				26/10/2018	41620	Buy	1343705	3.0599
	AT THE END OF THE YEAR						1343705	3.0599
6	ARYA FIN-TRADE SERVICES INDIA	0	0.0000				0	0.0000
				21/12/2018	80000	Buy	80000	0.1822
				28/12/2018	229867	Buy	309867	0.7056
				31/12/2018	65000	Buy	374867	0.8537
				04/01/2019	280000	Buy	654867	1.4913
				11/01/2019	155133	Buy	810000	1.8445
				29/03/2019	1977	Buy	811977	1.8490
	AT THE END OF THE YEAR						811977	1.8490
7	YUVA TRADING CO PRIVATE LIMITED	70000	0.1594				70000	0.1594
				27/04/2018	15000	Sell	55000	0.1252
				04/05/2018	178000	Buy	233000	0.5306
				11/05/2018	17000	Sell	216000	0.4919
				25/05/2018	7500	Sell	208500	0.4748
				15/06/2018	160000	Buy	368500	0.8392
				22/06/2018	2441	Sell	366059	0.8336
				30/06/2018	95641	Buy	461700	1.0514
				06/07/2018	208500	Sell	253200	0.5766
				10/08/2018	208500	Buy	461700	1.0514





Sr no.	Name of Person	Shareholding at the beginning of the year		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Share Holding during the year	
		Number of shares at the beginning of the year	% of shares of the Company				Number of shares	% of total shares of the Company
				08/02/2019	293000	Buy	754700	1.7186
	AT THE END OF THE YEAR						754700	1.7186
8	VEENA INVESTMENTS PRIVATE LIMITED	0	0.0000				0	0.0000
				25/01/2019	14800	Buy	14800	0.0337
				01/03/2019	232500	Buy	247300	0.5632
				15/03/2019	214000	Buy	461300	1.0505
	AT THE END OF THE YEAR						461300	1.0505
9	ASIA INVESTMENT CORPORATION (MAURITIUS) LTD	1239667	2.8230				1239667	2.8230
				04/05/2018	17500	Buy	1257167	2.8628
				11/05/2018	77000	Buy	1334167	3.0382
				18/05/2018	112300	Buy	1446467	3.2939
				25/05/2018	28500	Buy	1474967	3.3588
				01/06/2018	700	Buy	1475667	3.3604
				15/06/2018	24600	Buy	1500267	3.4164
				22/06/2018	1500	Buy	1501767	3.4198
				20/07/2018	20000	Buy	1521767	3.4654
				24/08/2018	10000	Buy	1531767	3.4882
				21/12/2018	50000	Sell	1481767	3.3743
				11/01/2019	276900	Sell	1204867	2.7437
				18/01/2019	87595	Sell	1117272	2.5443
				25/01/2019	98700	Sell	1018572	2.3195
				01/02/2019	125000	Sell	893572	2.0349
				08/02/2019	95000	Sell	798572	1.8185
				15/02/2019	77400	Sell	721172	1.6423
				01/03/2019	124196	Sell	596976	1.3594
				08/03/2019	98886	Sell	498090	1.1343
				15/03/2019	30000	Sell	468090	1.0659
				22/03/2019	23500	Sell	444590	1.0124
	AT THE END OF THE YEAR						444590	1.0124
10	VAAYU INFRASTRUCTURE LLP	0	0.0000				0	0.0000
				05/10/2018	191830	Buy	191830	0.4368
				23/11/2018	219800	Buy	411630	0.9374
	AT THE END OF THE YEAR						411630	0.9374



v. Shareholding of Directors and Key Managerial Personnel

None of the Director and Key Managerial Personnel except Mr. Brijmohan D. Chiripal (Detail provided in point no. 2 of Shareholding of Promoter and Promoter Group ) held any shares in the Company.

vi. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

SN	Particulars of Remuneration	Name of MD/WTD/Manager			Total
		(MD) Mr. Brijmohan Chiripal	(WTD) Mr. Amit Kadmawala	(WTD) Mr. Ponnusamy Raja*	
1	Gross Salary	59,06,952	7,83,000	18,98,379	85,88,331
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961				
	Value of perquisites u/s 17(2) of the Income Tax Act, 1961				
	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	As % of profit				
	Others, specify				
5	Others, please specify				
	Contribution to Provident Fund	7,07,142	-	-	7,07,142
	<b>Total</b>	<b>66,14,094</b>	<b>7,83,000</b>	<b>18,98,379</b>	<b>92,95,473</b>
	<b>Ceiling as per Act</b>	<b>10% of the Net Profit of the Company</b>			

\*Mr. Ponnusamy Raja resigned w.e.f. 20<sup>th</sup> March, 2019

B. Remuneration to other Directors

Sr. No.	Name of Directors	Fees for attending board/ Committee meetings	Particulars of Remuneration Commission paid for financial year	Others, please specify	Total
1	Mr. Shubhankar Jha	60,000	Nil	Nil	60,000
2	Mrs. Dhara Shah	40,000	Nil	Nil	40,000
3	Mr. Chitranjan Singh	20,000	Nil	Nil	20,000
	<b>Total</b>	<b>1,20,000</b>	<b>-</b>	<b>-</b>	<b>1,20,000</b>
	Overall Ceiling as per Act	1% of the Net Profit of the Company			



### C. Remuneration to Key Managerial Personnel other than MD/WTG/Manager

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Tanuj Agarwal (CEO) Chiripal	Mr. Mahesh Kawat (CFO)	**Mr. Deepak Vyas (CS)	
1	Gross Salary	37,46,318.00	1,313,904.00	5,87,067.00	56,47,289.00
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961				
	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-		-
	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	As % of profit	-	-		-
	Others, specify	-	-		-
5	Others, please specify Bonus	-	9,996.00		9,996.00
	Contribution to Provident Fund	-	100,800.00	16200.0	1,17,000.00
	<b>Total</b>	<b>37,46,318.00</b>	<b>14,24,700.00</b>	<b>603267.00</b>	<b>57,74285.00</b>

\* Mr. Mahesh Kawat resigned w.e.f. 05<sup>th</sup> April, 2019

\*\*Mr. Deepak Vyas was appointed w.e.f. 29<sup>th</sup> May, 2018



## vii. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	259.20	67.37	-	326.57
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>259.20</b>	<b>67.37</b>	<b>-</b>	<b>326.57</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	30.85	25.38	-	56.23
- Reduction	25.83	-	-	25.83
<b>Net Change</b>	<b>5.02</b>	<b>25.38</b>	<b>-</b>	<b>30.85</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	264.22	92.75	-	356.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>264.22</b>	<b>92.75</b>	<b>-</b>	<b>356.97</b>

## viii. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the year under review, the Company or any of its Directors were not liable for any penalty, punishment or any compounding offences under the Companies Act, 2013



## ANNEXURE-II

### Corporate Social Responsibility (CSR) ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

In accordance with the CSR Policy of the Company, the CSR Initiatives for the year were focused on education. One of the most significant indicators of social progress is education, which also plays a decisive role for a society to achieve self – sustainable and equitable development. Infusing innovation in education will enable further impact.

#### Objectives:

Promoting education by providing educational material, computer & study material, student books & periodicals, teaching aids, setting up of libraries, scholarships, coaching classes, computer hardware & software for smart classes, building infrastructure at schools, laboratory expenses and other student welfare and related expenses.

Vishal Fabrics Limited aims to achieve its CSR objectives through:

The Company aims at making a positive impact on society through educational development directly through its registered trust namely 'Happiness Reserves Foundation' for the below mentioned objectives:

- To Train and promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- To undertake, conduct, organize, support, provide and work towards educational, cultural, environment, research and development activities and to act as a forum for exchange of information, ideas and experience for related issues through various mediums for this task of social, economic and educational upliftment of the poor and backward classes, Child education, direction/counseling to youth for right career, women and youth empowerment, health campaigns and awareness, clean & green India projects through awareness, projects for orphans, projects for addiction free youth through awareness.

The Composition of the CSR Committee:

No.	Designation	Nature of Directorship	Designation in Committee
1.	Mr. Brijmohan D. Chiripal	Executive Non- Independent Director	Chairman
2.	Mr. Chitranjan Singh	Non-Executive Independent Director	Member
3.	Mr. Shubhankar Jha	Non-Executive Independent Director	Member
4.	Mrs. Dhara Shah	Non-Executive Independent Director	Member

Average net profit of the company for last three Financial Years: Rs. 1867.04/- Lacs

Prescribed CSR Expenditure (two percent of the Average net profit i.e. Rs. 1867.04/- Lacs): Rs. 37.34/- Lacs

Details of CSR spent during the Financial Year 2018-19:

- Total amount to be spent for the Financial Year: Rs. 45.00/- Lacs
- Amount unspent, if any: - Not Applicable

The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.



## ANNEXURE-III

FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members of  
**Vishal Fabrics Limited,**  
**Ahmedabad-380 058.**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vishal Fabrics Limited (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Vishal Fabrics Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Vishal Fabrics Limited ("the Company") for the financial year ended on, 31<sup>st</sup> March, 2019 according to the provisions of:-

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India

(Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (vi) The Factories Act, 1948;
- (vii) The Employee's Provident Fund and Miscellaneous Provision Act, 1952;
- (viii) The Contract Labour (Regulation & Abolition) Act, 1970;
- (ix) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013
- (x) The Water (Prevention and Control of Pollution) Act, 1974;
- (xi) Payment of Gratuity Act, 1972;
- (xii) Labour Laws

I have also examined compliance with the applicable clauses of the following: (i) Secretarial Standards issued by The Institute of Company Secretaries of India; (ii) Listing Agreements entered into by the Company with BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **K. Jatin & Co.,**  
(Company Secretary)  
(UCN: S2017GJ508600)

**Jatin Kapadia**  
Company Secretary  
COP: 12043

Date: 22<sup>nd</sup> May, 2019  
Place: Ahmedabad

This report is to be read with our letter of even date which is annexed as Annexure – A and forms an integral part of this report





## 'ANNEXURE A'

To,  
The Members  
Vishal Fabrics Limited,  
Ahmedabad-380 058.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **K. Jatin & Co.,**  
(Company Secretary)  
(UCN: S2017GJ508600)

Date:- 22<sup>nd</sup> May, 2019  
Place:- Ahmedabad

**Jatin Kapadia**  
Company Secretary  
COP: 12043



## ANNEXURE-IV

Details of Conservation of energy, technology absorption, foreign exchange earnings and outgo  
[Pursuant to Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014]

### A. CONSERVATION OF ENERGY:

#### i. the steps taken or impact on conservation of energy

- The company has installed invertors / AC drives to save the power.
- Other necessary energy conservation measures are taken on day to day basis.
- The Company has installed Rainwater Harvesting Technology to improves the water circulation, great expectations as an important technology that gives the "moisture" to the soil and required for environment urban resilience.

#### ii. the steps taken by the unit for utilizing alternate sources of energy

- The company has installed hot water collector which enables the reuse of hot water.
- Solar Plants installed at Corporate office to utilize natural resources of energy as an alternate source.

#### iii. the capital investment on energy conservation equipment: Rs. 3.7/- lakh.

### B. TECHNOLOGY ABSORPTION:

#### i. the efforts made towards technology absorption

- Efforts were made to adopt new technology by installing new improved/developed machines
- Implemented and successfully executed SAP

#### ii. the benefits derived as a result of above efforts

- Quality of fabric processed improved by adoption of new technology.
- Cost Efficient Use
- Increased Productivity and Efficiency
- Data Analysis and Reporting
- Risk analysis and prepare performance reports

#### iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Not Applicable

#### iv. the expenditure incurred on Research and Development:

- The Company has incurred Rs.36, 42,247 on Research and Development to install Washing Machine RVW for Denim washing, stone washing and Dyeing to develop better product.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE FINANCIAL YEAR 01/04/2018 TO 31/03/2019

#### EXPORT DETAILS

PARTICULARS	AMOUNT	CURRENCY
TOTAL EXPORT MADE	1751520	USD
RECEIVABLE AGAINST EXPORT INVOICE	1085580	USD

#### IMPORT DETAILS

PARTICULARS	AMOUNT	CURRENCY
TOTAL IMPORT MADE	905930	USD
TOTAL IMPORT MADE	17100	CHF
TOTAL IMPORT MADE	3381	EUR



## ANNEXURE-V

[Statement of Disclosure of Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2018-19:

Sr. No.	Name	Category	Ratio
1.	Mr. Brijmohan Chiripal	Managing Director	21.80:1
2.	Mr. Amit Kadmawala	Whole Time Director	2.99:1
3.	Mr. Ponnusamy Shanmugaraja*	Whole Time Director	6.27:1

Note: For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

\* Mr. Ponnusamy Shanmugaraja resigned w.e.f. 20.03.2019

- ii The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the F.Y 2018-19:

Sr. No.	Name	Category	%
1	Mr. Brijmohn Chiripal	Managing Director	NA
2	Mr. Amit Kadmawala	Whole Time Director	13.70
3	Mr. Ponnusamy Shanmugaraja*	Whole Time Director	7.5
4	Mr. Tanuj Agarwal	Chief Executive Officer	NA
5	Mr. Mahesh Kawat**	Chief Financial Officer	11.36
6	Mr. Deepak Vyas	Company Secretary	NA

\* Mr. Ponnusamy Shanmugaraja has resigned w.e.f. 20.03.2019

\*\* Mr. Mahesh Chandra Kawat has resigned w.e.f. 05.04.2019.

The median remuneration of the employees of the Company as on 31<sup>st</sup> March, 2019 was Rs. 3, 02,688 per year.

- iii. The percentage Increased in the median remuneration of employees in F.Y. 2018-19 by 20.11 %.
- iv. No. of permanent employees on the rolls of the Company: 2353
- v. Average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year: 15%
- vi. Affirmation that the remuneration is as per the remuneration policy of the company: It is affirmed that the remuneration is as per the Remuneration Policy of the Company



## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### 1. Company's Philosophy on code of Corporate Governance:

The Vishal Fabrics Limited ("the Company") believe to follow the best corporate governance practices to develop best policies, integrity, transparency, fairness, accountability, compliance with all applicable law and train all its employees in order to foster a culture of compliance and obligation at every level of the organization.

### 2. Board of Directors:

#### a) Composition of the Board:

As on 31<sup>st</sup> March, 2019, The Board of Director comprises of 5 Directors including woman director with optimum combination of Executive and Non-Executive Directors in which two Directors are Executive Directors and three Directors are Non-Executive Directors, of which three are independent directors.

The composition of the Board and other relevant details relating to Directors are given below:

Name of Director & DIN	Category	No. of Board meetings attended during the year	Whether previous AGM attended	No. of other entity			
				Director-ships in Public company	Director-ships*	Committee Member-ships <sup>#</sup>	Committee Chairman-ship <sup>5</sup>
Mr. Brijmohan D Chiripal DIN: 00290426	Managing Director, Promoter, Executive;	4	Yes	1	0	0	0
Mrs. Dhara Shah DIN: 06983857	Non-Executive; Independent	4	No	3	1. ACE Software Exports Limited 2. Toyam Industries Limited 3. Mayur Floorings Limited	1	1
Mr. Amit Kadmawala DIN: 07016454	Whole-Time director, Executive; Non-Independent	4	Yes	0	0	0	0
Mr. Shubhankar Jha DIN: 07208823	Non-Executive; Independent	3	Yes	0	0	0	0
Mr. Chitranjan Singh DIN: 07300731	Non-Executive; Independent	2	No	1	1. Shanti Educational Initiatives limited	0	2
Mr. Ponnusamy Shanmugraja* DIN:08013737	Whole Time Director Executive; Non-Independent	1	No	0	0	0	0

Note:

# \$ Memberships and Chairmanships of Audit Committee and Stakeholders Relationship Committee in Public Company have been considered.

\*Mr. Ponnusmay Shanmugraja – Whole Time Director of Company has resigned w.e.f. March 20, 2019.

#### b) Board Meetings:

During the year under review, 4 (Four) Meetings of the Board of Directors of the Company were convened on 29<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 13<sup>th</sup> February, 2019. The previous Annual General Meeting of the Company was conveyed on 20<sup>th</sup> September, 2018.



**c) Appointment / re-appointment of Directors:**

Details of appointments and re-appointments of Directors is provided in the notice of Annual General Meeting

**d) Relation between Directors: No relationships between directors.****e) Details pertaining to the Non-Executive Directors' Shareholding, Convertible Instruments and Compensation and disclosures:**

Apart from sitting fees for attending Board & Committee meetings, no other fees or commission is paid to the Non-Executive Independent Directors during the financial year.

As on March 31, 2019 holding of Non-Executive Directors in Equity Shares and convertible instruments are Nil in the Company.

**f) Familiarization Programme for Directors:**

The company explained the role, function, duties and responsibilities at the time of Appointment of Director and in addition the above the company also conducts to Familiarization Program at least once in the year. The details of the familiarization program for Independent Directors are available on the Company's website at <https://vishalfabricsltd.com/>

**g) The following skills/expertise/competencies available with the Board to function effectively:**

The following skills/expertise/competencies required in the contest of company's businesses have been identified by the Board for it to function effectively viz.:

- Accounting and Financial Skills
- Legal and Risk Management
- Corporate Governance
- Marketing
- Communication

**h) Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management:**

Board of Directors has confirmed that the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

**i) Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided: N.A.****3. Audit Committee:****a. Brief Description of Audit Committee:**

The Board has constituted a qualified and independent audit committee in accordance with the

terms of reference as prescribed in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. All members of audit committee are financially literate and bring the expertise in the fields of Finance, Taxations, Economics and Risk.

**b. Terms of Reference of the Audit Committee:**

The role of the Audit Committee includes the following:

- I. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- IV. Reviewing, with the management, the annual financial statements and auditors' report thereon 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. Modified opinion(s) in the draft audit report;
- V. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- VI. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report



- submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- VIII. Approval or any subsequent modification of transactions of the listed entity with related parties;
- IX. Scrutiny of inter-corporate loans and investments;
- X. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- XI. Evaluation of internal financial controls and risk management systems;
- XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XIII. 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;
- XIV. Discussion with internal auditors of any significant findings and follow up there on;
- XV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- XVI. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XVII. 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;
- XVIII. To review the functioning of the whistle blower mechanism;
- XIX. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- XX. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- The Audit Committee shall mandatorily review the following information:
- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - Statement of deviations:
    - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) SEBI (LODR) Regulations, 2015.
    - Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) SEBI (LODR) Regulations, 2015.
- C. Composition of Audit Committee and Number of Meetings Attended:**
- In Financial Year 2018-2019 four meetings of the Audit Committee were held on 29<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 13<sup>th</sup> February, 2019. The attendance each of the Committee Member is under:

Sr. No.	Name of the Committee Members	Designation	No. of meeting held during the year	No. of meetings attended
1.	Mr. Chitranjan Singh	Chairman	4	2
2.	Mrs. Dhara Shah	Member	4	4
3.	Mr. Shubhankar Jha	Member	4	3
4.	Mr. Brijmohan D. Chiripal	Member	4	4





The Audit Committee invites Senior Executives, Representatives of the Statutory Auditors of the Company & Head of the Internal Audit Department, whenever it considers appropriate, in the meetings. The Company Secretary of the Company acted as the Secretary of the Committee for the financial year 2018-19.

#### 4. Nomination and Remuneration Committee ("NRC"):

##### a) Brief description of Terms of reference:

The Nomination and Remuneration Committee of the Company has been constituted in accordance with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The Committee has the mandate to review and recommend compensation/ remuneration payable to the Managing Director, Whole-time Directors and Senior Management of the Company. Its function also includes administering of the Company's Stock Option Plans, if any, including the review and grant of the Stock Options to eligible employees under plans, as and when necessary. The Committee reviews the performance of the Managing Director, Whole-time Directors, committees of the Board and Senior Management of the Company for the abovementioned purpose and may have requisite parameters as it may deem fit.

In addition to the above role, Committee also perform the following other roles;

- I. To formulate criteria for determining qualifications, positive attributes and independence of a Director and oversee the

succession management process for the Board and senior management employees;

- II. To recommend the Board a policy relating to the remuneration of the Directors, KMPs and other employees of the Company;
  - III. To formulate criteria for evaluation of Independent Directors and the Board;
  - IV. To devise a policy on Board Diversity;
  - V. To carry out evaluation of every Director's performance;
  - VI. To identify persons who are qualified to become Director and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
  - VII. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  - VIII. To recommend to the board, all remuneration, in whatever form, payable to senior management.
- b) Composition of Nomination and Remuneration Committee and the number of meetings attended:
- During the financial year ended 31<sup>st</sup> March, 2019, 3 (Three) meeting held on 29<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018 and 13<sup>th</sup> February, 2019 in which following members of the committee were present :

Sr. No.	Name of the Committee Member	Designation	No. of meeting held during the year	No. of meetings attended
1.	Mrs. Dhara Shah	Chairman	3	3
2.	Mr. Chitranjan Singh	Member	3	2
3.	Mr. Shubhankar Jha	Member	3	2

##### c) Performance Evaluation Criteria for Independent Directors:

The Board of Directors has formulated performance evaluation criteria of Independent Directors of the Company. The Performance Evaluation of Independent Directors is carried out on the basis of the said performance evaluation criteria and their role, expertise, skills, leadership qualities, strategic direction to align company's value and standards, effective decision making ability, Initiative on knowledge updates and internal controls.

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 25 of

SEBI(LODR) Regulations, 2015 the Meeting of Independent Directors of the Company was held on 13<sup>th</sup> February, 2019 inter-alia to review the performance of non-independent Directors, the Chairperson of the Company and Board as a whole and to assess the quality, quantity and flow of information between the management and the Board. The said meeting was attended by all the Independent Directors of the Company.

##### d) Remuneration of Director:

- i. Remuneration to Non-Executive Directors:
- There are no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, except otherwise stated



in the Report;

All the Non-executive Directors receive sitting fees for attending Board Meetings, Audit Committee Meetings and Nomination and Remuneration Committee Meetings.

The sitting fees paid to Non-Executive Directors are within the limits prescribed under the Companies Act, 2013 read with the relevant Rules. The non-executive directors, have been paid sitting Fees per the limit prescribed in the Act.

Details of the sitting fees paid during the financial year 2018-19 are as under:

Name of the Director	Sitting fees paid (Amount in Rs.)
	Board/Committee Meeting
Mrs. Dhara Shah	40000
Mr. Chitranjan Singh	20000
Mr. Shubhankar Jha	60000

**ii. Remuneration to Executive Directors:**

Mr. Amit Kadmawala - Whole - time Director, Mr. Brijmohan Chiripal - Managing Director, Mr. Ponnusamy Shanmugraja -Whole Time Director are the Executive Directors of the Company.

Details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2019 are as under:

Name of the Executive Directors	Designation	Salary & Allowances	Contribution to PF	Total
Mr. Brijmohan Chiripal	Managing Director	59,06,952	7,07,142	66,14,094
Mr. Amit Kadmawala	Whole-time Director	7,83,000	Nil	7,83,000
Mr. Ponnusamy Shanmugraja*	Whole-time Director	18,98,379	Nil	18,98,379

\*Mr. Ponnusamy Raja has resigned as Whole Time Director w.e.f. March 20, 2019.

None of the above mentioned Directors of the Company is receiving any fixed components and performance linked incentives on the basis of the performance criteria or by way of services contract. Further to that, Stock option was also not provided to any of the Directors during the period.

**5. Stakeholders Relationship Committee:**

The Committee is responsible for matters related to transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee is headed by Mr. Chitranjan Singh, Chairman of the Committee who oversees the redressal of investor grievances.

During the financial year ended 31<sup>st</sup> March, 2019, this Committee had 4 (Four) meetings i.e. 29<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 13<sup>th</sup> February, 2019 in which following members of the Committee has attended the meetings:-

Name of Committee Members	Designation	No. of meetings held during the year	No. of meetings attended
Mr. Chitranjan Singh	Chairman	4	2
Mr. Shubhankar Jha	Member	4	3
Mrs. Dhara Shah	Member	4	4



Details of Investors' Grievances received, solved and pending during the year.

Quarter Ended	Pending at the beginning of the quarter	Received during the quarter	Disposed of during the quarter	Remaining during the quarter
30 <sup>th</sup> June, 2018	Nil	Nil	Nil	Nil
30 <sup>th</sup> September, 2018	Nil	Nil	Nil	Nil
31 <sup>st</sup> December, 2018	Nil	Nil	Nil	Nil
31 <sup>st</sup> March, 2019	Nil	Nil	Nil	Nil

#### 6. Risk management policy:

The Company has laid down procedures for risk assessment and its minimization. These are reviewed by the Board to ensure that the management manages the risk through a properly defined framework.

#### 7. General Body Meetings:

Details of the last three years Annual General Meetings (AGM) /Extra-Ordinary General Meetings (EGM) are as under :

Financial Year	Date, Time and Venue of AGM	Special Resolutions passed
2017-18	20 <sup>th</sup> September, 2018 - 03.00 p.m 'Chiripal Bungalow, Beside Hiranupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad - 380058	a. Increase in NRI investment limit from 10% to 24% of the paid-up capital of the company b. Increase in the limit of Foreign Institutional Investors from 24% to 49% of the paid-up capital of the company
2016-17	28 <sup>th</sup> September, 2017 - 03.00 p.m 'Chiripal House', Near Shivranjani Cross Roads, Satellite ,Ahmedabad-380015	Appointment of Mr. Brijmohan D Chiripal (DIN:00290426) as Managing Director of the Company.
2015-16	20 <sup>th</sup> September, 2016 - 03.30 p.m. 'Chiripal House', Near Shivranjani Cross Roads, Satellite ,Ahmedabad-380015	Approval for offer, Issue and allot equity shares by way of Right issue to existing equity shareholders.

#### Postal Ballot and procedure:

Postal Ballot Resolution is not passed during the last year.

#### 8. Means of Communication

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings and published in newspapers like Financial Express (English & Gujarati edition) and same available on the website of the company at <https://vishalfabricsltd.com/>

#### 9. General Shareholder Information:



**9. General Shareholder Information:****a. Annual General Meeting**

Date	28 <sup>th</sup> , September 2019
Time	03.00P.M.
Venue	Shanti Corporate House, Beside Hilarupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad - 380058.
Financial Year ended	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
Dividend	The Board has not recommended any dividend for the financial year under review.
Registered Office	Ranipur Narol Road, Ahmedabad-382405 E-mail: cs.vfl@chiripalgroup.com Web-site: www.vishalfabricsltd.com Tel No.: 091-7925353981
List of Stock Exchanges	1) BSE Limited Address: Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001
Listing Fees	The Company has paid Annual Listing Fees to the Stock Exchange.
Custodian Fees to Depositories	The Company has paid fees for the Financial Year 2018-19 of Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).
Stock Code	BSE: 538598
ISIN of Company' Equity Shares:	INE755Q01025
Corporate Identification Number (CIN)	L17110GJ1985PLC008206

**b. Share Transfer System:**

The Company has appointed M/s. Link Intime India Private Limited for dealing with the Shares of the Company in physical and electronic mode, they seek to complete the process of transfers at the earliest, subject to the documents being valid.

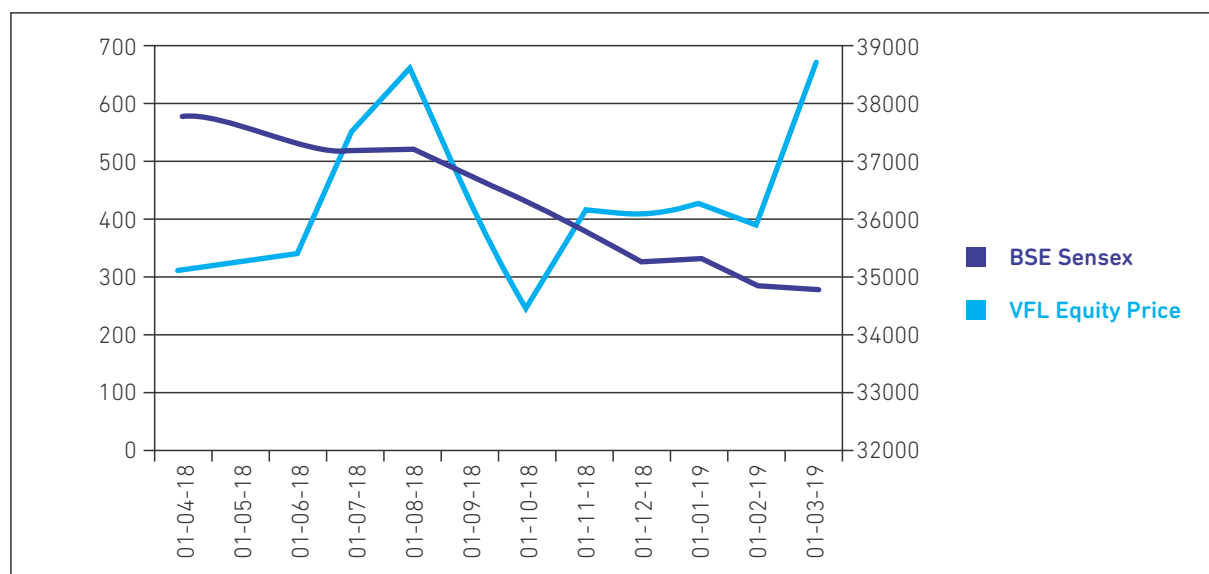
**c. Stock Market Price Data:**

Monthly high and low prices of the Company's Equity Shares on BSE Sensex for the F.Y. 2018 - 2019 are noted herein below:

Month	High Price	Low Price	Close Price	Volume No. of Shares
Apr-18	690	573	579	307292
May-18	596	476	564	492762
Jun-18	568	533	536	755280
Jul-18	556	504	515	1133985
Aug-18	530	503	520	732952
Sep-18	527.9	421.6	475.8	759715
Oct-18	590	426	434	269201
Nov-18	434	365	373.5	508212
Dec-18	381	287.2	328.6	1085997
Jan-19	378	304	332.5	1314383
Feb-19	355	253.95	289	847549
Mar-19	344.9	230	280.2	908063



**Performance in comparison to broad-based indices viz. BSE Sensex**



**d. Registrar and Share Transfer Agent:**

For Demat Securities:

LinkIn time India Private Limited

5th Floor, 506-508 Amarnath Business Center -1, St Xaviers Corner, Chimanlal Girdharlal Rd,  
Sardar Patel Nagar, Ellisbridge, Ahmedabad, Gujarat 380009

Phone: 079 2646 5179

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

E-mail: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

**e. Share Transfer System:**

All matters pertaining to Share Transfer are being handled by LinkIn time India Private Ltd (Registrar and Share Transfer Agent of the Company).

**f. Distribution of Shareholding:**

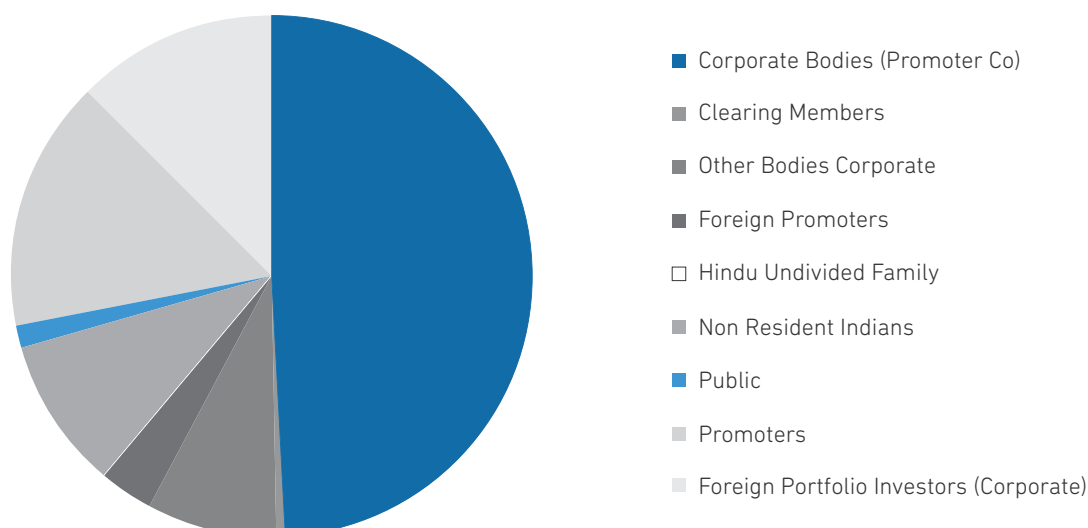
- Distribution of Shareholding as on March 31, 2019:

No. of Equity Shares held	Shareholders		Shares	
	Number	%	Number	%
1- 500	764	88.9406	7797	0.0178
501-1000	6	0.6985	5522	0.0126
1001-2000	6	0.6985	9990	0.0227
2001-3000	2	0.2328	4679	0.0107
3001-4000	5	0.5821	19223	0.0438
4001-5000	2	0.2328	9000	0.0205
5001-10000	9	1.0477	71907	0.1637
100001 and above	65	7.5669	43785216	99.7082
<b>TOTAL</b>	<b>859</b>	<b>100</b>	<b>43913334</b>	<b>100</b>



- Category wise Shareholding as on March 31, 2019:

Category of Shareholder	No. of Shares	% of Total Share Capital
Corporate Bodies (Promoter Co)	21637554	49.2733
Clearing Members	209777	0.4777
Other Bodies Corporate	3530092	8.0388
Foreign Promoters	1477133	3.3637
Hindu Undivided Family	67342	0.1534
Non Resident Indians	4093640	9.3221
Public	639163	1.4555
Promoters	6806298	15.4994
Foreign Portfolio Investors (Corporate)	5452335	12.4161
<b>TOTAL</b>	<b>43913334</b>	<b>100</b>



**g. Dematerialization of Shares and Liquidity:**

Entire equity share capital is held in the demat form with NSDL and CDSL.

**h. Outstanding Global Depository receipt (GDRs)/American Depository Receipt (ADRs) /Warrants or any Convertible Instruments, conversion date, likely impact on equity:-**

There are no GDRs/ADRs/Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

**i. Plant Locations:**

1. Dholi
2. Narol

**j. Address for Correspondence:**

For any other query relating to shares: For general correspondence:



Link Intime India Pvt Ltd	Registered Office
5 <sup>th</sup> Floor, 506-508, Amarnath Business Center -1, St Xaviers Corner, Chimanlal Girdharlal Rd, Sardar Patel Nagar, Ellisbridge, Ahmedabad, Gujarat 380009 Phone: 079- 2646 5179 Website: www.linkintime.co.in E-mail:ahmedabad@linkintime.co.in	Vishal Fabrics Limited, Ranipur Narol Road Ahmedabad- 382405. Tel: 9099952542 Fax: 091-7925353981 Website: www.vishalfabricsltd.com E-mail: cs.vfl@chiripalgroup.com

- k. list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad: N.A

## 10. Disclosures:

### i. Related Party Transactions:

During the year under review, apart from the transactions reported in Notes to accounts, there were no material significant related party transactions with the Promoters, Directors, Management, Subsidiaries and other Related Parties. None of the contracts/transactions with Related Parties had a potential conflict with the interest of the Company at large. The interest of Director, if any, in the transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions. Details of transactions with related parties are placed before the Audit Committee on a quarterly basis. All transactions entered into between the Company and Related Parties were in the ordinary course of business and at arm's length price.

### ii. Compliances by the Company:

The Company has complied with the requirements of the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets.

### iii. Whistle Blower Policy and Access of personnel to the Audit Committee:

The Company has set up a Vigil mechanism by way of a Whistle Blower Policy as required under Section 177(9) of the Companies Act, 2013. The Company's personnel have access to the Chairman of the Audit Committee in exceptional circumstances. No person of the Company has been denied access to the Audit Committee and there are no instances of any such access.

### iv. Website:

The Company's Website [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com) contains a special dedicated section 'Investor Relations' where the information pertaining to the Financial Results, Shareholding Pattern, Annual Reports, Listing Information, policies etc, are available and can be downloaded.

### v. Web Links for Policies:

All policies required under Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 are available at Company's web link as <https://www.vishalfabricsltd.com/policies-codes/>

### vi. Commodity price risk/ foreign Exchange Risk and Hedging:

The Company is not dealing in commodities and hence disclosure relating to Commodity price risks and commodity hedging activities is not required.

### vii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) :

N.A.

### viii. a certificate from a company secretary:

The Company has taken certificate from Mr. Jatin Kapadia, Practicing Company Secretary, Membership No. 26725 and CP No.12043, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

### ix. Recommendation of any committee of the board which is mandatorily required :

The Board has accepted all the recommendations of various committees of the Board during the financial Year 2018-2019.

### x. total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part – Total Fees of Rs. 7,50,000/- p.a.





xi. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year - NIL

b. number of complaints disposed of during the financial year - NIL

c. number of complaints pending as on end of the financial year - NIL

xii. Non-Compliance:

There is no Non-compliance of any requirement of corporate governance report as required under SEBI (LODR) Regulations, 2015.

xiii. Discretionary Requirements:

- Shareholders' Rights

As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website.

- Modified opinion(s) in audit report

There are no qualifications in the Auditor's Report on the financial statements to the shareholders of the company.

- Reporting of Internal Auditor

Internal Auditors are invited to the meetings of Audit Committee wherein they report directly to the Committee.

- Detail of shares lying in Suspense account: Not Applicable

## 11. Compliance with Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

## 12 Code of Conduct:

The Company has laid down a Code of Conduct for the Members of the Board and the Senior Management in accordance with the Regulation 17(5) of the SEBI (LODR) Regulations, 2015. All the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct as on 31<sup>st</sup> March, 2019 and a declaration to that effect signed by the Chief Executive Officer is enclosed of this report.

The code of conduct has been hosted on the website of the Company at <https://vishalfabricsltd.com/wp-content/uploads/2019/04/Code-of-Conduct-for-BOARD-AND-SENIOR-MANAGEMENT.pdf>.

### DECLARATION BY THE CHIEF EXECUTIVE DIRECTOR

I, Tanuj Agarwal, Chief Executive Officer of Vishal Fabrics Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26 (3) of the SEBI (LODR) Regulations, 2015 for the year ended 31<sup>st</sup> March, 2019.

Place: Ahmedabad

Date: 13<sup>th</sup> August, 2019

Tanuj Agarwal

Chief Executive Officer



## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

### **Vishal Fabrics Limited**

This Certificate is issued in accordance with the terms of our Company. We have examined the compliance of conditions of corporate governance by Vishal Fabrics Limited (the 'Company') For the year ended 31<sup>st</sup> March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

### **Management's Responsibility**

The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

### **Auditor's Responsibility**

Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor expression of opinion of financial statements of company.

Date : 13th August, 2019

Place : Ahmedabad

We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guided note on certification of Corporate Governance issued by Chartered Accounts of India and the guidance note on special purposes issued by ICAI which requires that We comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate Governance as stipulated in the Listing Regulations during the year ended 31<sup>st</sup> March, 2019.

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

### **Restriction on use**

This Certificate is solely use for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For Nahta Jain & Associates  
Chartered Accountant  
Partner: Gaurav Nahta  
M.No. : 116735



## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

Regulation 17(8)

To,

**The Board of Directors**

**Vishal Fabrics Limited**

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Vishal Fabrics Ltd ("the Company"), to the best of our knowledge and belief certify that:

- a) We have reviewed the financial statements for the financial year ended on March 31, 2019 and based on our knowledge and belief, we state that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Date: 25th May, 2019

Place: Ahmedabad

**Vinay Thadani**

Chief Financial Officer

**Tanuj Agarwal**

Chief Executive Officer



## INDEPENDENT AUDITORS' REPORT

**To**  
**the Members of**  
**M/S. Vishal Fabrics Limited**

### Opinion

We have audited the accompanying standalone financial statements of M/S. VISHAL FABRICS LTD. ("the Company"), which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian accounting Standards prescribed under section 133 of the Act read with the companies (Indian Accounting standards) Rule, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019 and its profit & total Comprehensive Income, Changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are responsible and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is included in Annexure A. This description forms part of our auditor's report.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act,



we give in the Annexure B, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

- a) We have sought and 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 including Other Comprehensive Income, statement of changes in equity and the cash flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy

and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company does not have any pending litigations for which provision have not been made which would impact its financial position.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
  - iii) The Provisions of transfer of funds to Investor Education and Protection Fund not applicable to the Company.

As per our Report of Even Date  
For and on Behalf of  
For, Nahta Jain & Associates  
Chartered Accountants  
Firm Regn. No. 10681W  
(CA. Gaurav Nahta)  
Partner  
M. No. 116735

Place: Ahmedabad  
Date: 25/05/2019



## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT RESPONSIBILITIES FOR AUDIT OF FINANCIAL STATEMENT

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

As per our Report of Even Date

For and on Behalf of

For, Nahta Jain & Associates

Chartered Accountants

Firm Regn. No. 10681W

(CA. Gaurav Nahta)

Place: Ahmedabad

Date: 25/05/2019

Partner

M.No. 116735



## ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that;

(i) In respect of Fixed Assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of Inventory:

- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. As informed to us there were no material discrepancies noticed on verification between the physical stocks and the book records and any discrepancies found has been properly dealt within the books of accounts.

(iii) In respect of the loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained u/s. 189 of the Companies Act, 2013:

- (a) During the year under audit, the Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013 hence clause 3 (iii) (a), (iii) (b)

and (iii) (c) of the Companies (Auditor's Report) Order, 2019 are not applicable.

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v) According to the information and explanation given to us, the company has not accepted any deposit from the public during the year. Therefore the provisions of clause (v) of paragraph 3 of the order are not applicable to the company.
- vi) The central government has prescribed maintenance of cost records under section 148(1)(d) of the companies act 2013 in respect of certain manufacturing activities of the company. Company has obtained cost audit report for the financial year 2017-18 during the year. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out detailed examination of the same.
- vii)
  - (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Goods & Service Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of afore mentioned dues were outstanding as at 31st March 2019 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, details of statutory dues that have not been deposited on account of disputes are as under:

Sr. No.	Name of The Statute	Nature of Dues	Amount	Forum Where Dispute is Pending	Remark
1.	The Central Excise Act 1944	Excise	11.42	Textile Cess Appellate Tribunal 2001-02 to 2004-05	
2.	Gujarat VAT Act	VAT Tax	26.25	The Dy. Commissioner of Commercial Tax, Appeal - II	F.Y. 2013-14 to 2016-17
3.	Income Tax Act, 1961	Income Tax	8.69	Sec 143(3) & 220(2)	A.Y. 2015-16





- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. As there are no debentures, the question of repayment does not arise.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the Term loans have been applied for the purpose for which they were obtained.
- (x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made preferential allotment/private placement of shares during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

As per our Report of Even Date

For and on Behalf of  
For, Nahta Jain & Associates  
Chartered Accountants  
Firm Regn. No. 10681W  
(CA. Gaurav Nahta)  
Partner  
M. No. 116735

Place: Ahmedabad  
Date: 25/05/2019



## ANNEXURE "C" TO THE AUDITORS' REPORT

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of M/S. VISHAL FABRICS LIMITED ("the Company"), as of 31 March, 2019, in conjunction with our audit of the standalone financial statements of the Company for the year ended that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards of Accounting, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls,



material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Ahmedabad

Date: 25/05/2019

As per our Report of Even Date

For and on Behalf of

For, Nahta Jain & Associates

Chartered Accountants

Firm Regn. No. 10681W

(CA. Gaurav Nahta)

Partner

M. No. 116735



## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019

(Rs. in Crore)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
<b>1 NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2	285.59	270.67
(b) Capital Work-In-Progress	2A	23.24	18.86
(c) Financial Assets			
(i) Investments	3	21.99	2.57
(ii) Others Financial Assets	4	0.87	5.14
(d) Deferred Tax Assets (Net)	5	3.83	0.80
(e) Other Non-Current Assets	6	6.09	24.83
<b>TOTAL NON-CURRENT ASSETS</b>		<b>341.60</b>	<b>322.86</b>
<b>2 CURRENT ASSETS</b>			
(a) Inventories	7	60.62	76.44
(b) Financial Assets			
(i) Trade Receivables	8	246.32	263.42
(ii) Cash And Cash Equivalents	9	2.18	0.58
(iii) Bank Balances Other Than (ii) Above	10	5.14	5.14
(c) Other Current Assets	11	86.06	92.55
<b>TOTAL CURRENT ASSETS</b>		<b>400.32</b>	<b>438.13</b>
<b>TOTAL ASSETS</b>		<b>741.92</b>	<b>761.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	12	21.96	21.96
(b) Other Equity	13	194.72	176.66
<b>TOTAL EQUITY</b>		<b>216.68</b>	<b>198.61</b>
<b>LIABILITIES</b>			
<b>1 NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	14	250.58	172.70
(ii) Other Financial Liabilities	15	3.18	3.24
(b) Provisions	16	3.85	3.07
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>257.61</b>	<b>179.01</b>
<b>2 CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	17	76.48	128.08
(ii) Trade Payables	18	156.00	224.81



(Rs. in Crore)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
- Due to Micro and Small Enterprises		0.00	0.00
- Due to Creditors other than Micro and Small Enterprises		156.00	224.81
(iii) Other Financial Liabilities	19	29.91	25.85
(b) Other Current Liabilities	20	2.91	2.58
(c) Provisions	21	1.14	0.00
(d) Current Tax Liabilities (Net)	22	1.19	2.06
<b>TOTAL CURRENT LIABILITIES</b>		<b>267.64</b>	<b>383.38</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>741.92</b>	<b>761.00</b>

#### Significant Accounting Policies

The accompanying Notes 2 to 46 are integral part of the Financial Statements.

As per our report of even date

Place: Ahmedabad  
Date: May 25, 2019

For Nahta Jain and Associates  
Chartered Accountants  
Firm Registration No: 106801W

For and on behalf of the Board of Directors of  
Vishal Fabrics Limited  
CIN: L17110GJ1985PLC008206

<b>Gaurav Nahta</b> Partner Membership No.: 116735	<b>Brijmohan Chiripal</b> Managing Director DIN: 00290426	<b>Tanuj Agarwal</b> Chief Executive Officer	<b>Deepak Vyas</b> Company Secretary	<b>Amit Kadmawala</b> Whole-Time Director DIN: 07016454	<b>Vinay Thadani</b> Chief Financial Officer
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# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

(All amounts are in Indian Rupees, except share data and as stated)

(Rs. in Crore)

Particulars	Notes	2018-19	2017-18
I Revenue From Operations	23	998.49	890.94
II Other Income	24	1.04	1.05
<b>III Total Income (I+II)</b>		<b>999.53</b>	<b>891.98</b>
<b>IV EXPENSES</b>			
(a) Cost of Materials Consumed	25	803.15	756.41
(b) Purchases of Stock-In-Trade	25	3.53	3.31
(c) Changes in Inventories of Finished Goods	26	(0.31)	(19.52)
(d) Stock-In-Trade and Work-In-Progress	26	1.25	0.00
(e) Employee Benefits Expense	27	74.22	61.18
(f) Finance Costs	28	25.98	22.69
(g) Depreciation and Amortization Expense	29	29.31	13.67
(h) Other Expenses	30	41.89	34.65
<b>Total Expenses (IV)</b>		<b>979.02</b>	<b>872.39</b>
<b>V Profit/(Loss) Before Exceptional Items and Tax (I- IV)</b>		<b>20.51</b>	<b>19.59</b>
VI Exceptional Items		0.06	(0.08)
<b>VII Profit/(Loss) Before Tax (V-VI)</b>		<b>20.45</b>	<b>19.68</b>
VIII Tax Expense:	31		
(a) Current Tax (MAT for the Year)		4.50	4.05
(b) Deferred Tax (Credit)/charge (including MAT credit entitlement)		(1.91)	0.00
<b>Total Tax Expenses</b>		<b>2.59</b>	<b>4.05</b>
<b>IX Profit (Loss) For The Period From Continuing Operations (VII-VIII)</b>		<b>17.86</b>	<b>15.63</b>
X Other Comprehensive Income	32		
(a) Items That Will Not be Reclassified To Profit or Loss		0.29	0.01
(b) "Income Tax Relating to Items That Will Not be Reclassified to Profit or Loss"		(0.08)	(21652.03)
(c) Items That Will be Reclassified to Profit or Loss		0.00	0.00
(d) Income Tax Relating to Items That Will be Reclassified to Profit or Loss		0.00	0.00
<b>Total Other Comprehensive Income</b>		<b>0.21</b>	<b>0.00</b>
<b>XI Total Comprehensive Income for The Period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for The period)</b>		<b>18.07</b>	<b>15.63</b>



(Rs. in Crore)

Particulars	Notes	2018-19	2017-18
XII Earnings Per Equity Share (For Continuing Operation):	42		
(a) Basic (in Rs.)		4.07	3.56
(b) Diluted (in Rs.)		4.07	3.56

Significant Accounting Policies

2

The accompanying Notes 2 to 46 are integral part of the Financial Statements.

As per our report of even date attached

Place: Ahmedabad  
Date: May 25, 2019

For Nahta Jain and Associates  
Chartered Accountants  
Firm Registration No: 106801W

For and on behalf of the Board of Directors of  
Vishal Fabrics Limited  
CIN: L17110GJ1985PLC008206

**Gaurav Nahta**  
Partner  
Membership No.: 116735

**Brijmohan Chiripal**  
Managing Director  
DIN: 00290426

**Tanuj Agarwal**  
Chief Executive  
Officer

**Deepak Vyas**  
Company  
Secretary

**Amit Kadmawala**  
Whole-Time Director  
DIN: 07016454

**Vinay Thadani**  
Chief Financial  
Officer




## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

(All amounts are in Indian Rupees, except share data and as stated)

(Rs. in Crore)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Cash flow from operating activities</b>		
Net profit before tax	20.45	19.68
Adjustments:		
Depreciation and amortisation	29.31	13.67
Finance expense	25.98	22.69
Finance income	(0.28)	(0.35)
<b>Operating cash flow before working capital changes</b>	<b>75.45</b>	<b>55.69</b>
<b>Working capital adjustments:</b>		
Decrease/ (Increase) in trade receivables	17.10	(151.16)
Decrease/ (Increase) in other current assets	6.49	(39.82)
Decrease/ (Increase) in inventories	15.83	(35.71)
Increase/ (Decrease) in trade payables	(68.81)	115.03
Increase/ (Decrease) in provisions	1.92	0.50
Increase/ (Decrease) in current liabilities	(0.53)	0.44
Increase/ (Decrease) in other financial liabilities	4.00	21.18
<b>Cash generated from operations</b>	<b>51.45</b>	<b>(33.86)</b>
Less: Income tax paid	(7.90)	(4.66)
<b>Net cash generated from operating activities (a)</b>	<b>43.55</b>	<b>(33.52)</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible and intangible assets	(48.72)	(155.93)
Proceeds from sales of disposal of tangible assets	0.12	0.60
Investment in equity instruments	(19.42)	(2.45)
Net cash flow from other financial assets	4.26	(4.64)
Capital advances and other non-current assets	18.75	15.61
Interest income	0.28	0.35
<b>Net cash used in investing activities (b)</b>	<b>(44.73)</b>	<b>(146.46)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of share capital	-	-
Share application money	-	-
Proceeds from Long term borrowings	(14.55)	100.66
Proceeds from Unsecured loans repayable on demand	25.06	67.37
Repayment of Unsecured loans	0.00	(0.89)
Short term borrowings (net)	15.77	15.13
Finance costs paid	(23.49)	(21.43)
<b>Net cash generated from /(used in) financing activities (c)</b>	<b>2.79</b>	<b>160.84</b>



(Rs. in Crore)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>1.61</b>	<b>(24.14)</b>
Cash and cash equivalents at the beginning of the year	5.72	29.87
<b>Cash and cash equivalents at the end of the year</b>	<b>7.33</b>	<b>5.73</b>
Components of cash and cash equivalents		
Cash on hand	0.17	0.17
Balances with banks		
Current accounts	2.01	0.41
Deposit accounts	5.14	5.14
	<b>7.32</b>	<b>5.72</b>

Significant Accounting Policies

1

The accompanying Notes 2 to 46 are integral part of the Financial Statements.

As per our report of even date attached

Place: Ahmedabad  
Date: May 25, 2019

For Nahta Jain and Associates  
Chartered Accountants  
Firm Registration No: 106801W

For and on behalf of the Board of Directors of  
Vishal Fabrics Limited  
CIN : L17110GJ1985PLC008206

**Gaurav Nahta**  
Partner  
Membership No.: 116735

**Brijmohan Chiripal**  
Managing Director  
DIN : 00290426

**Tanuj Agarwal**  
Chief Executive  
Officer

**Deepak Vyas**  
Company  
Secretary

**Amit Kadmawala**  
Whole-Time Director  
DIN : 07016454

**Vinay Thadani**  
Chief Financial  
Officer


## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

### a. Equity Share Capital

Equity shares of Rs. 5 each

(Rs. in Crore)

As at 01/04/2017	Changes in equity share capital during 2017-2018	As at 31/03/2018	Changes in equity share capital during 2018-2019	As at 31/03/2019
13.17	8.78	21.96	0.00	21.96

### B. Other equity as at 31<sup>st</sup> March, 2019

(Rs. in Crore)

Particulars	Reserves and surplus			Items of OCI		Total
	Securities premium	Share application money	Retained earnings	Equity instruments through other comprehensive Income	Remeasurement of defined benefit plans	
<b>Balance at April 1, 2017</b>	<b>13.28</b>	<b>87.83</b>	<b>67.46</b>	<b>1.50</b>	<b>0.00</b>	<b>170.07</b>
Retained earning during the year	0.00	0.00	15.63	0.00	0.00	15.63
Other comprehensive income during the year	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total comprehensive income for the year</b>	<b>0.00</b>	<b>0.00</b>	<b>15.63</b>	<b>0.00</b>	<b>0.00</b>	<b>15.63</b>
Addition during the year	79.04	0.00	0.00	0.00	0.00	79.04
Share issue expenses	(0.26)	0.00	0.00	0.00	0.00	(0.26)
Issue of equity shares	0.00	(87.83)	0.00	0.00	0.00	(87.83)
<b>Balance at March 31, 2018</b>	<b>92.07</b>	<b>0.00</b>	<b>83.08</b>	<b>1.50</b>	<b>0.00</b>	<b>176.65</b>
<b>Balance at April 1, 2018</b>	<b>92.07</b>	<b>0.00</b>	<b>83.08</b>	<b>1.50</b>	<b>0.00</b>	<b>176.65</b>
Retained earning during the year	0.00	0.00	17.86	0.00	0.00	17.86
Other comprehensive income for the year	0.00	0.00	0.00	(0.16)	0.37	0.21
<b>Total comprehensive income for the year</b>	<b>0.00</b>	<b>0.00</b>	<b>17.86</b>	<b>(0.16)</b>	<b>0.37</b>	<b>18.07</b>
<b>Balance at March 31, 2019</b>	<b>92.07</b>	<b>0.00</b>	<b>100.94</b>	<b>1.34</b>	<b>0.37</b>	<b>194.72</b>

Significant Accounting Policies

1

The accompanying Notes 2 to 46 are integral part of the Financial Statements.

As per our report of even date attached

Place: Ahmedabad  
Date: May 25, 2019

For Nahta Jain and Associates  
Chartered Accountants  
Firm Registration No: 106801W

For and on behalf of the Board of Directors of  
Vishal Fabrics Limited  
CIN : L17110GJ1985PLC008206

**Gaurav Nahta**  
Partner  
Membership No.: 116735

**Brijmohan Chiripal**  
Managing Director  
DIN : 00290426

**Tanuj Agarwal**  
Chief Executive Officer

**Deepak Vyas**  
Company Secretary

**Amit Kadmawala**  
Whole-Time Director  
DIN : 07016454

**Vinay Thadani**  
Chief Financial Officer


## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2018

### Note 1

#### I. Company Information

Vishal Fabrics Ltd. (the company) is a company domiciled in India and incorporated under the provisions of Companies Act, 1956 of India as a Private Ltd. company. The company has its registered office at Narol, Ahmedabad, Gujarat, India. The company is engaged in manufacturing and selling of Textile products

#### Basis of preparation

- A. The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.
- B. The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
  1. Financial instruments measured at fair value through profit or loss
  2. Financial instruments measured at fair value through other comprehensive income
  3. Defined benefit plans – plan assets measured at fair value

#### II. Significant accounting policies

##### A. Revenue recognition

###### 1. Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts & incentives and volume rebates. It includes excise duty and excludes value added tax/ sales tax/goods and service tax.

###### 2. Sale of goods – non-cash incentive schemes (deferred revenue)

The company operates a non-cash incentive scheme programme where dealers / agents are entitled to non-cash incentives on achievement of sales targets. Revenue

related to the non-cash schemes is deferred and recognised when the targets are achieved. The amount of revenue is based on the realisation of the sales targets to the period of scheme defined.

#### 3. Interest income

For all financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

#### 4. Dividends

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

#### B. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that a company incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying asset is deducted from the borrowing costs eligible for capitalisation.

#### C. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. All the grants related to an expense item are recognised as income on a systematic



basis over the periods that the related costs, for which it is intended to compensate, are expensed.

#### **D. Export Benefits**

Duty free imports of raw materials under advance license for imports, as per the Foreign Trade Policy, are matched with the exports made against the said licenses and the net benefits / obligations are accounted by making suitable adjustments in raw material consumption.

#### **E. Taxes**

##### **1. Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the entity operates and generates taxable income.

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### **2. Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts for the financial reporting purposes.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- i. deductible temporary differences;
- ii. the carry forward of unused tax losses; and
- iii. the carry forward of unused tax credits.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each

reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised an asset in accordance with recommendations contained in Guidance Note issued by ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to an extent there is no longer convincing evidence to the effect that the company will pay normal Income Tax during the specified period.

#### **F. Discontinued operations**

Assets and Liabilities of discontinued operations are assessed at each Balance Sheet date. Impacts of any impairment and write-backs are dealt with in the Statement of Profit and Loss. Impacts of discontinued operations are distinguished from the ongoing operations of the company, so that their impact on the statement of Profit and Loss for the year can be perceived.

#### **G. Leases**

##### **1. Company as a lessee**



Leases of property, plant and equipment where the company, as lessee, has substantially transferred all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## 2. Company as a lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

## H. Employee Benefits

All employee benefits payable wholly within twelve months of rendering services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders

related service.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

The company operates a defined benefit gratuity plan in India, which requires contributions to be made to a LIC.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- i. The date of the plan amendment or curtailment, and
- ii. The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- i. Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ii. Net interest expense or income
  1. Long-term employee benefits

Post-employment and other employee benefits are recognised as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expenses are recognised at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and loss in



respect of post-employment and other long-term benefits are charged to the statement of other comprehensive income.

2. Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid.

**I. Non-current assets held for sale**

The company classifies non-current assets and disposal company's as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The company treats sale of the asset to be highly probable when:

- i. The appropriate level of management is committed to a plan to sell the asset.
- ii. An active program to locate a buyer and complete the plan has been initiated,
- iii. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- iv. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- v. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying

amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

**J. Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Items of spare parts that meets the definition of 'property, plant and equipment' is recognised as property, plant and equipment. The depreciation on such an item of spare part will begin when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. In case of a spare part, as it may be readily available for use, it may be depreciated from the date of purchase of the spare part.

Capital work in progress is stated at cost and net of accumulated impairment losses, if any. All the direct expenditure related to implementation including incidental expenditure incurred during the period of implementation of a project, till it is commissioned, is accounted as Capital work in progress (CWIP) and after commissioning the same is transferred / allocated to the respective item of property, plant and equipment.

Pre-operating costs, being indirect in nature, are expensed to the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use is





included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life. However, land is not depreciated. The useful lives so determined are as follows:

Assets	Estimated useful life
Leasehold Land	Lease term (99 years)
Buildings	30 to 60 years
Plant and machinery	10 to 40 years
Furniture and fixtures	10 years
Office equipment	10 years
Vehicles	8 to 10 years

Depreciation on fixed assets has been provided in the accounts based on useful life of the assets prescribed in Schedule II to the companies Act, 2013.

Depreciation on additions is calculated on pro rata basis with reference to the date of addition.

Depreciation on assets sold/ discarded, during the period, has been provided up to the preceding month of sale / discarded.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains / (losses).

#### K. Inventories

Inventories are valued at the lower of cost and net realizable value.

1. Raw materials: cost includes cost of purchase and other costs incurred in

bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

2. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on lower of cost or net realizable value.
3. Stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Items of spare parts that does not meet the definition of 'property, plant and equipment' has to be recognised as a part of inventories.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### L. Financial Instruments

##### 1. Financial assets

- i. Initial recognition and measurement  
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

- ii. Subsequent measurement  
For purposes of subsequent measurement, financial assets are classified in four categories:
  - a. Debt instruments at amortised cost
  - b. Debt instruments at fair value through other comprehensive



- income (FVTOCI)
- c. Financial assets at fair value through profit or loss (FVTPL)
  - d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- iii. Debt instruments at amortised cost
- A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.
- iv. Debt instrument at FVTOCI
- A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
  - b. The asset's contractual cash flows represent SPPI.
- Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).
- v. Financial instrument at FVTPL
- FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.
- In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.
- Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.
- vi. Equity investments
- All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.
- If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no



recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

vii. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - a) the company has transferred substantially all the risks and rewards of the asset, or
  - b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's

continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

viii. Impairment of financial assets

The company assesses impairment based on expected credit loss (ECL) model to the following:

- a. Financial assets measured at amortised cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- a. The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- b. Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The company follows 'simplified approach' for recognition of impairment loss allowance on:

- a. Trade receivables or contract revenue receivables; and
- b. All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The company uses a provision matrix



to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

- ix. Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces

the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## 2. Financial liabilities

- i. Initial recognition and measurement  
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.  
The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.
- ii. Subsequent measurement  
The measurement of financial liabilities depends on their classification, as described below:
  - a. Financial liabilities at fair value through profit or loss
  - b. Loans and borrowings
  - c. Financial guarantee contracts
- iii. Financial liabilities at FVTPL  
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the



purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The company has not designated any financial liability as at fair value through profit and loss.

iv. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

v. **Financial guarantee contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a

liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

When guarantees in relation to loans or other payables of associates are provided for no compensation the fair values are accounted for as contributions and recognised as part of the cost of the investment.

vi. Preference shares

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

vii. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit



and loss.

3. Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**M. Impairment of non-financial assets**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

- i. In case of individual asset, at higher of the fair value less cost to sell and value in use; and
- ii. In case of cash-generating unit (a company of assets that generates identified, independent cash flows), at the higher of the cash-generating unit's fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value

indicators.

The company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

**N. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

**O. Segment accounting**

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services.

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on



the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

## **P. Provisions, Contingent liabilities, Contingent assets and Commitments**

### **General**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

The company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the

year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

## **Q. Dividend**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

## **R. Earnings per share**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## **S. Use of estimates and judgements**

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

Estimates and underlying assumptions are





reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note- Current tax

Note- Measurement of defined benefit obligations

Note- Fair valuation of unlisted securities

Note- Expected credit loss for receivables

#### **T. Statement of cash flows**

Cash flow are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals of accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and finance activities of the company are segregated.

#### **U. Current and non-current classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
  - ii. Held primarily for the purpose of trading;
  - iii. Expected to be realized within twelve months after the reporting period, or
  - iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

#### **V. Foreign currency translation**

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

##### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### **W. Fair value measurement**

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly





transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
- ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The company's Valuation Committee determines the policies and procedures for both recurring fair

value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee comprises of the head of the investment properties segment, heads of the company's internal mergers and acquisitions team, the head of the risk management department, financial controllers and chief finance officer.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair



value. Other fair value related disclosures are given in the relevant notes.

- i. Disclosures for valuation methods, significant estimates and assumptions.
- ii. Quantitative disclosures of fair value measurement hierarchy.
- iii. Investment in unquoted equity shares (discontinued operations).
- iv. Financial instruments (including those carried at amortised cost).

#### **X. Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

#### **Y. Rounding off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless otherwise stated.

#### **Z. Standards issued but not yet effective and have not been adopted early by the Company**

- i. Ind AS 116 'Leases' (Effective for annual periods beginning on or after 1 April 2019):

On 30th March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2019, notifying Ind AS 116 "Leases", which replaces Ind AS 17 "Leases". The new standard introduces a single on-balance sheet lease accounting model for lessee. This will result in the company recognising right of use assets & lease liability in the books. The Company is in the process of analyzing the impact of Ind AS 116 on its financials. The amendment will come into force from April 01, 2019.

- ii. Amendment to existing issued Ind AS  
The MCA has also carried out amendments of the following accounting standards:
  - i. Ind AS 12 – Income Taxes
  - ii. Ind AS 23 – Borrowing Costs
  - iii. Ind AS 28 – Investment in Associates and Joint Ventures
  - iv. Ind AS 103 – Business Combinations
  - v. Ind AS 109 – Financial Instruments



## Note 2 Property, plant and equipment

PARTICULARS	GROSS BLOCK (At carrying amount)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01 April, 2018	Additions during the year	Disposal during the year	As at 31 March, 2019	As at 01 April, 2018	Charge for the year	Disposal during the year	As at 31 March, 2019	As at 31 March, 2019	As at 31 March, 2018
Freehold land	1.21	0.00	0.00	1.21	0.00	0.00	0.00	0.00	1.21	1.21
Leasehold land	10.98	0.00	0.00	10.98	0.22	0.05	0.00	0.27	10.70	10.75
Building	79.41	2.24	11.04	70.60	13.72	6.21	0.00	19.93	50.67	65.69
Plant & Equipments	258.20	50.73	1.06	307.86	72.16	20.61	0.95	91.82	216.04	186.04
Furniture & Fittings	6.05	1.12	0.00	7.17	3.17	0.69	0.00	3.86	3.32	2.89
Office Equipments	3.02	0.31	0.00	3.33	1.68	0.63	0.00	2.31	1.02	1.33
Vehicles	4.82	1.00	0.00	5.82	2.07	1.12	0.00	3.19	2.63	2.75
<b>Total</b>	<b>363.68</b>	<b>55.39</b>	<b>12.11</b>	<b>406.97</b>	<b>93.02</b>	<b>29.31</b>	<b>0.95</b>	<b>121.38</b>	<b>285.59</b>	<b>270.67</b>

PARTICULARS	GROSS BLOCK (At carrying amount)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01 April, 2017	Additions during the year	Disposal during the year	As at 31 March, 2018	As at 01 April, 2017	Charge for the year	Disposal during the year	As at 31 March, 2018	As at 31 March, 2018	As at 31 March, 2017
Freehold land	1.21	0.00	0.00	1.21	0.00	0.00	0.00	0.00	1.21	1.21
Leasehold land	10.98	0.00	0.00	10.98	0.11	0.11	0.00	0.22	10.75	10.86
Building	29.21	50.20	0.00	79.41	10.76	2.95	0.00	13.72	65.69	18.45
Plant & Equipments	157.51	101.21	0.52	258.20	63.89	8.79	0.52	72.16	186.04	93.63
Furniture & Fittings	3.80	2.25	0.00	6.05	2.79	0.38	0.00	3.17	2.89	1.02
Office Equipments	1.66	1.36	0.00	3.02	1.27	0.42	0.00	1.68	1.33	0.39
Vehicles	3.98	0.91	0.08	4.82	1.12	1.01	0.06	2.07	2.75	2.86
<b>Total</b>	<b>208.36</b>	<b>155.93</b>	<b>0.60</b>	<b>363.68</b>	<b>79.94</b>	<b>13.66</b>	<b>0.58</b>	<b>93.02</b>	<b>270.67</b>	<b>128.42</b>

Notes :

- 1 Addition to block of Plant and equipments and other includes interst capitalised during the year Rs0.40 crore (p.y Rs.4.25 crore)
- 2 Refer Note no.33 for information on property, plant and equipment pledge as security by the Company.
- 3 Refer note no.34 for disclosure of contractual commitment for the acquisition of property, plant and equipment.



**Note - 2A : CAPITAL WORK-IN-PROGRESS**

(Rs. in Crore)

Particulars	As at 01 April, 2018	Additions during the year	Transfer during the year	As at 31 March, 2019
Capital Work-in-Progress	18.86	23.24	18.86	23.24

(Rs. in Crore)

Particulars 31 March, 2018	As at 01 April, 2017	Additions during the	Transfer during the	As at 31 March, 2019
Capital Work-in-Progress	35.59	18.86	35.59	18.86

Note:

Refer Note no.33 for information on capital work-in progress pledged as security by the Company.

**Note 3 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS**

(Rs. in Crore)

Numbers		Particulars	As at	As at
31/03/2019	31/03/2018		31 March, 2019	31 March, 2018
Investment in quoted Equity instruments				
Investment in equity shares (Fully paid up) accounted through other comprehensive income				
20000	20000	Equity Shares of GSL Nova Petrochemicals Ltd of Rs 5 Each	(Rs. 10000)	(Rs. 14000)
10000	10000	Equity Shares of CIL Nova Petrochemicals Ltd of Rs 10 Each	0.02	0.03
		Total : A	0.02	0.03
Investment in Un-quoted Equity instruments				
Investment in equity shares (Fully paid up) accounted through other comprehensive income				
440000	NIL	Equity Shares of Dholi Spintex P.Ltd of Rs.10 Each	5.93	0.00
136000	NIL	Equity Shares of Quality Exim P.Ltd of Rs.125 Each	1.48	0.00
35000	35000	Equity Shares of Prakash Calender P.Ltd of Rs.10 Each	0.14	0.14
1500	1500	Equity Shares of Deepak Impex P.Ltd of Rs.100 Each	0.00	0.00
20250	20250	Equity Shares of Chiripal Industries Ltd of Rs.10 Each	0.33	0.33
150000	250000	Equity Shares of Nandan Industries p.Ltd of Rs.70 Each	1.05	2.05
100000	100000	Equity Shares of Nandan Industries p.Ltd of Rs.70 Each	0.70	0.00
44	44	Equity Shares of Ellisbridge Co-op Bank Ltd of Rs.25 Each	0.00	0.00
4	4	Equity Shares of Nutan Nagrik Sahakari Bank Ltd of Rs.25 Each	0.00	0.00
145000	145000	Equity Shares of Merit Credit Corp Ltd of Rs.1.16 Each	0.02	0.02
Investment in Un-quoted Preference shares				
Investment in preference shares (Fully paid up) accounted through other comprehensive income				
332000	0	Preference Shares of quality Industries Pvt Ltd	4.15	0.00
500000	0	Preference Shares of Dholi Industries Pvt Ltd	6.25	0.00
275000	0	Preference Shares of Nandan Industries Pvt Ltd	1.93	0.00
Total : B			21.97	2.53
Total : A+B			21.99	2.57



Numbers		Particulars	As at 31 March, 2019	As at 31 March, 2018
31/3/2019	31/3/2018			
		Aggregate amount of quoted investments	0.02	0.03
		Aggregate market value of quoted investments	0.02	0.03
		Aggregate amount of unquoted investments	21.97	2.53
		Aggregate amount of impairment in value of investments	0.00	0.00

**Notes :**

- Investments at fair value through other comprehensive income reflect investment in quoted and un quoted equity instruments. Refer note no. 39 for detailed disclosure on fair values

**Note 4 NON-CURRENT FINANCIAL ASSETS - OTHERS**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Bank deposit with original maturity more than 12 months	0.87	0.63
Other financial assets	0.00	4.50
<b>Total</b>	<b>0.87</b>	<b>5.14</b>

**Notes :**

Earmarked balances with Banks 0.87 5.14

- Refer Note No.39 , 40 to for credit risk, liquidity risk and market risk for non current financial assets - others
- Refer Note no.33 for information on Bank Deposits pledged as security by the Company.

**Note 5 DEFERRED TAX ASSETS (Net)**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Deferred Tax Liabilities</b>		
Property, plant and equipment and investment property	4.76	8.22
Fair value of investments in equity instruments	0.00	0.14
Others	0.17	0.00
Amortisation of borrowing cost	0.07	0.76
<b>Total Deferred Tax Liabilities</b>	<b>4.99</b>	<b>9.12</b>
<b>Deferred Tax Assets</b>		
MAT credit entitlement	8.74	3.50
Tax losses	0.00	0.92
Fair value of investments in equity instruments	0.08	0.00
Others	0.00	5.50
<b>Total Deferred Tax Assets</b>	<b>8.82</b>	<b>9.92</b>
<b>Net Deferred Tax Assets</b>	<b>3.83</b>	<b>0.80</b>



**Note 6 OTHER NON-CURRENT ASSETS**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Capital advances	3.39	21.27
Sundry deposits and advances	2.69	3.56
<b>Total</b>	<b>6.09</b>	<b>24.83</b>

Note:

- 1 Refer note no 33 for Capital Advances pledged as security by the Company

**Note 7 INVENTORIES**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Raw materials & Packaging materials	23.43	4.66
	<b>23.43</b>	<b>4.66</b>
Work-in-progress	4.73	38.11
Finished goods	28.57	28.26
	<b>33.31</b>	<b>66.37</b>
Stores and spares	3.88	5.41
	<b>3.88</b>	<b>5.41</b>
	<b>60.62</b>	<b>76.44</b>

Notes :

- 1 Refer significant accounting policy No. 1 for inventory
- 2 Refer note no.33 for Inventory pledged as security by the Company.

**Note 8 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Secured, considered good	-	-
Unsecured, considered good	246.32	263.42
"Unsecured, considered good from related parties(Refer note no. 38)"	-	-
Unsecured, considered doubtful	-	-
	<b>246.32</b>	<b>263.42</b>
Less: Provision for doubtful	-	-
<b>Total</b>	<b>246.32</b>	<b>263.42</b>

Notes:

- 1 Refer note no.39,40 for credit risk, liquidity risk and market risk for current financial assets.
- 2 Refer note no.33 for Trade Receivables pledged as security by the Company.



**Note 9 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Cash and cash equivalents</b>		
Balance with banks		
In current accounts	2.01	0.41
Cash on hand	0.17	0.17
<b>Total</b>	<b>2.18</b>	<b>0.58</b>

Note:

- 1 Refer note no.39, 40 for credit risk, liquidity risk and market risk for current financial assets.

**Note 10 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Other bank balances		
Deposit accounts (with original maturity more than 3 months but less than 12 months)	5.14	5.14
<b>Total</b>	<b>5.14</b>	<b>5.14</b>

Note:

Earmarked balances with Banks 5.14 5.14

- 1 Refer note no.39,40 for credit risk, liquidity risk and market risk for current financial assets.
- 2 Refer note no.33 for Bank Deposits pledged as security by the Company.

**Note 11 OTHER CURRENT ASSETS**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advances to suppliers- related parties (Refer note no.38)	-	-
Advances to suppliers	27.10	65.43
Balance with statutory authorities	58.15	23.36
Prepaid expenses	0.69	0.16
Others	0.12	3.61
<b>Total</b>	<b>86.06</b>	<b>92.55</b>

Note:

- 1 Refer note no.33 for Other Current Assets pledged as security by the Company.



**NOTE 12 EQUITY SHARE CAPITAL**

(Rs. in Crore)

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Rs. in Crore	Number of shares	Rs. in Crore
<b>AUTHORISED</b>				
Equity Shares of Rs. 5 each*	50000000	25.00	50000000	25.00
	<b>50000000</b>	<b>25.00</b>	<b>50000000</b>	<b>25.00</b>
<b>ISSUED AND SUBSCRIBED</b>				
Equity Shares of Rs. 5 each	43913334	21.96	43913334	21.96
<b>FULLY PAID UP</b>				
Equity Shares of Rs. 5 each	43913334	21.96	43913334	21.96
	<b>43913334</b>	<b>21.96</b>	<b>43913334</b>	<b>21.96</b>

Notes:

- 1 Face value of equity share is revised to Rs. 5 per share from Rs. 10 per share with effect from 24<sup>th</sup> October 2017.

**Reconciliation of Number of Equity Shares Outstanding at the Beginning and at the end of the year**

(Rs. in Crore)

Particulars	2018-19		2017-18	
	Number of shares	Rs. in Crore	Number of shares	Rs. in Crore
Opening Balance	43913334	4.39	13174000	1.32
Issued during the year	0	0.00	8782667	0.88
<b>Total Shares</b>	<b>0</b>	<b>0.00</b>	<b>21956667</b>	<b>2.20</b>
Increase in Equity shares due to revision in face value per share	0	0.00	21956667	2.20
<b>Closing Balance</b>	<b>43913334</b>	<b>4.39</b>	<b>43913334</b>	<b>4.39</b>

- 2 Rights, preferences and restrictions attached to equity shares

"The company has one class of equity shares having par value of Rs. 5 per share. Each member is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the members in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity members are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding."

- 3 The company does not have any holding company

- 4 **The details of Shareholders holding more than 5 % of Shares**

Particulars	As at 31/03/2019		As at 31/03/2018	
	Number of shares	% of total paid up equity share capital	Number of shares	% of total paid up equity share capital
<b>Equity shares</b>				
1. Chiripal Industries Ltd.	12732000	28.99%	12732000	28.99%
2. Devkinandan Corporation LLP	1572000	3.58%	2799967	6.38%
3. Chiripal Exim LLP	2799967	6.38%	2156750	4.91%





**Note 13 OTHER EQUITY**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Security Premium</b>		
Opening balance	92.07	13.28
Add : Received during year	0.00	79.04
Less : Share issue expenses	0.00	0.26
Closing balance	92.07	92.07
<b>Share application money pending allotment</b>		
Opening balance	0.00	87.83
Less : issue of equity shares	0.00	87.83
	<b>0.00</b>	<b>0.00</b>
<b>Retained Earnings</b>		
Opening balance	83.08	67.46
Add : Retained earnings during the year	17.86	15.63
Closing Balance	100.94	83.08
<b>Other Comprehensive Income</b>		
Opening balance	1.50	1.50
Add/Less : Equity Instruments through other comprehensive income	0.21	0.00
Closing balance	1.71	1.50
<b>Total Other Equity</b>	<b>194.72</b>	<b>176.66</b>

Note:

Description of nature and purpose of each reserve:

- 1 Security Premium  
The amount received in excess of face value of the equity shares is recognised in equity security premium.
- 2 Share application money pending allotment  
The amount received towards allotment of equity shares
- 3 Retained Earnings  
Retained earnings are the profits/losses that the Company has earned till date less any transfer to other reserves, dividends or other distributions to shareholders.
- 4 Other Comprehensive income
  - a) The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in equity instruments through Other Comprehensive income.
  - b) The remeasurement gain/(loss) on net defined plan is recognised in Other Comprehensive Income net of Tax



**Note - 14: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Secured</b>		
Term Loans from Banks (Refer note no. 1 and 3 below)	154.15	171.82
Term Loans from Non banking finance company	3.12	0.00
<b>Unsecured</b>		
Term Loans from Banks (Refer note no. 4 below)	0.56	0.88
Inter corporate deposits	92.75	0.00
<b>Total</b>	<b>250.58</b>	<b>172.70</b>

Notes:

(Rs. in Crore)

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Non Current	Current	Non Current	Current
1 Term Loan from consortium of banks lead by Bank of Baroda is secured against 1) first pari pasu charge on project assets present and future( including assignment of lease hold right of land) with estimated project cost ( excluding working capital margin) of Rs. 264.61 crores on reciprocal basis. 2) Non agriculture land at survey no 289,297 and 291 situated at Dholi integrated Spinning park, village Dholi, Taluka Dholka,Ahmedabad leased for period of 99 years and first paripasu charge by equitable mortgage of factory land and building at Narol,Ahmedabad. 3) Second paripasu charge on entire current assets of the company.4) Secured by personal gurantees of promoters and by corporate gurantees of M/s Prakash calender Pvt Ltd and M/s Bhusahn petrofills pvt ltd.	153.72	27.19	170.05	25.19
2 Term loan from consortium of banks lead by Bank of Baroda is repayable in 30 quarterly installments.				
3 Term loan from State bank of India is repayable in 84 monthly installment of Rs. 0.12 crore each.				
4 Term loan from Union bank of India is repayable in 84 monthly installments of Rs. 0.30 crore each.				
5 Effective rate of interest is 10.40 p.a to 13.30 % p.a				
6 Term loan from Non banking finance company is secured against exclusive first charge over equipment procured, pledge of 3 lacs equity shares of the company held by Mr Vishal V Chiripal and personal gurantee of Mr Brijmohan chiripal.	3.12	1.37	0.00	0.00
7 Loan is repayable in 45 monthly installments of Rs. 0.16 crore each starting from 15th December 2018.				
8 Effective rate of interest is 12.80% p.a				
9 Vehicles Loans are secured by hypothecation of vehicles in favour of Bank and other terms as prescribe by the respective banks. Effective rate of interest is 8.10% to 10.45% p.a	0.43	0.95	1.77	0.25



(Rs. in Crore)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non Current	Current	Non Current	Current
10 Unsecured loan from bank is collaterally secured by property situated at A-621 Sushant Lok-1, Nr. Centre Point Pizza Hut, Gurgaon, Delhi owned by partnership firm own by relatives of Managing Director, further guarantee of Managing Director, relative of such Managing Director of the company .	0.56	0.40	0.88	0.35
11 Unsecured Inter corporate deposit is repayable after one year. Effective interest rate is 0 to 16%	92.75	0.00	0.00	0.00

Note:

- 1 Refer note no.39,40 for credit risk, liquidity risk and market risk for current financial liability
- 2 Refer note no.33 for non current financial liabilities pledged as security by the Company.
- 3 The company has complied few covenants for loan

**Note 15 NON-CURRENT FINANCIAL LIABILITIES - OTHERS**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Creditors for capital expenditure	3.18	3.24
<b>Total</b>	<b>3.18</b>	<b>3.24</b>

**Note 16 NON-CURRENT PROVISIONS**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Provisions</b>		
Provision for employee benefits (Refer note no.36)	3.85	3.07
<b>Total</b>	<b>3.85</b>	<b>3.07</b>

**Note 17 CURRENT FINANCIAL LIABILITIES - BORROWINGS**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Secured</b>		
Cash credit facility (Refer note no. 1 & 2 below)	75.52	60.71
Packing credit facility	0.96	0.00
<b>Unsecured</b>		
Loans from others	0.00	67.37
<b>Total</b>	<b>76.48</b>	<b>128.08</b>

Notes :

- 1 The Cash Credit facility and packaging credit facility from banks Rs. 76.48 crore ( P.Y 128.08 crore) is secured against first paripasu charge on entire current assets of the company present and future.Second paripasu charge on entire fixed assets of the company. Laon is also secured by personal guarantees of promoters and by corporate gurantee of M/s Prakash calender Pvt Ltd and M/s Bhusahn petrofills pvt ltd.
- 2 Effective interest rate of cash credit facility is in range of 10.40% to 12.75% p.a (P.Y 11.25% to 13.05%)
- 3 Refer note no.39,40 for credit risk, liquidity risk and market risk for current financial liability



**Note 18 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Trade Payables		
-For Micro and Small Enterprises		
-Other than Micro and Small Enterprises	156.00	224.81
<b>Total</b>	<b>156.00</b>	<b>224.81</b>

Note:

- Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006 This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**Note 19 CURRENT FINANCIAL LIABILITIES - OTHERS**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Secured</b>		
Current maturity of term loans from Banks (Refer note no.17)	29.91	25.79
<b>Unsecured</b>		
Trade deposits	(Rs. 11040)	0.06
<b>Total</b>	<b>29.91</b>	<b>25.85</b>

Note:

- Refer note no.39,40 for credit risk, liquidity risk and market risk for current financial liabilities.

**Note 20 OTHER CURRENT LIABILITIES**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Advance received from customers	0.36	0.75
Statutory liabilities	0.46	0.52
Other	2.09	1.32
<b>Total</b>	<b>2.91</b>	<b>2.58</b>

**Note 21 CURRENT PROVISIONS**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Provision for employee Benefits( Refer note no 36)	1.14	0.00
<b>Total</b>	<b>1.14</b>	<b>0.00</b>

**Note 22 CURRENT TAX LIABILITIES (NET)**

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Income Tax Provision (net)	1.19	2.06
<b>Total</b>	<b>1.19</b>	<b>2.06</b>



**Note 23 REVENUE FROM OPERATIONS**

(Rs. in Crore)

Particulars	2018-19	2017-18
<b>A Revenue from operations</b>		
<b>Sale of Products (Excluding all Taxes)</b>		
-Finished Goods	780.69	686.95
-Traded Goods	3.55	0.00
	<b>784.24</b>	<b>686.95</b>
<b>B Sale of Services</b>	<b>212.02</b>	<b>203.99</b>
<b>C Other operating revenues</b>	<b>2.23</b>	<b>0.00</b>
<b>Total</b>	<b>998.49</b>	<b>890.94</b>

Note:

- 1 Sale of products for the current period are not comparable with previous period, since sales for the period 1st July, 2017 to 31<sup>st</sup> March, 2018 are net of Goods and Service Tax whereas excise duty formed part of expenses in the period before transition in Goods and Service Tax

**Note 24 OTHER INCOME**

(Rs. in Crore)

Particulars	2018-19	2017-18
a Interest income	0.28	0.35
b Others	0.75	0.70
<b>Total</b>	<b>1.04</b>	<b>1.05</b>

**Note 25 COST OF MATERIALS CONSUMED**

(Rs. in Crore)

Particulars	2018-19	2017-18
Raw material and Packing material at the beginning of the year	4.66	40.73
Add: Purchases (net)	821.91	720.35
Less : Raw material and Packing material at the end of the year	23.43	4.66
<b>Cost of Raw material Consumed (Including Packaging Materials)</b>	<b>803.15</b>	<b>756.41</b>

**Note 25A PURCHASE OF STOCK IN TRADE**

(Rs. in Crore)

Particulars	2018-19	2017-18
Stock in trade:		
Chemical	3.53	3.31
<b>Total</b>	<b>3.53</b>	<b>3.31</b>

**Note 26 CHANGES IN INVENTORIES OF FINISHED GOODS**

(Rs. in Crore)

Particulars	2018-19	2017-18
<b>Inventories at the beginning of the year:</b>		
Finished goods	28.26	9.57
<b>Total</b>	<b>28.26</b>	<b>9.57</b>
<b>Inventories at the end of the year:</b>		
Finished goods	28.57	28.26
<b>Total</b>	<b>28.57</b>	<b>28.26</b>
<b>Changes in inventories of finished goods</b>	<b>(0.31)</b>	<b>(18.69)</b>



**Note 26A CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(Rs. in Crore)

Particulars	2018-19	2017-18
<b>Inventories at the beginning of the year:</b>		
Stock-in-trade	0.00	0.00
Work-in-progress	5.99	5.16
<b>Total</b>	<b>5.99</b>	<b>5.16</b>
<b>Inventories at the end of the year:</b>		
Stock-in-trade	0.00	0.00
Work-in-progress	4.73	5.99
<b>Total</b>	<b>4.73</b>	<b>5.99</b>
<b>Changes in inventories of stock-in-trade and work-in-progress</b>	<b>1.25</b>	<b>(0.83)</b>

**Note 27 EMPLOYEE BENEFITS EXPENSE**

(Rs. in Crore)

Particulars	2018-19	2017-18
Salaries and wages	70.47	58.67
Contributions to provident and other funds (Refer note no.36)	0.88	0.93
Gratuity (Refer note no.36)	1.78	0.58
Leave Encashment (Refer note no.36)	0.63	0.61
Staff welfare expense	0.46	0.39
<b>Total</b>	<b>74.22</b>	<b>61.18</b>

**Note 28 FINANCE COSTS**

(Rs. in Crore)

Particulars	2018-19	2017-18
A-Interest and finance charges on financial liabilities not at fair value through profit or loss	24.10	25.84
Others	2.29	1.10
Less: Interest Capitalised	0.40	4.25
<b>Total</b>	<b>25.99</b>	<b>22.69</b>

**Note 29 DEPRECIATION AND AMORTISATION EXPENSES**

(Rs. in Crore)

Particulars	2018-19	2017-18
Depreciation of property, plant and equipment (Refer note no.2)	29.31	13.67
<b>Total</b>	<b>29.31</b>	<b>13.67</b>

**Note 30 OTHER EXPENSES**

(Rs. in Crore)

Particulars	2018-19	2017-18
<b>A Power and Fuel Expenses</b>	<b>16.06</b>	<b>15.11</b>
<b>B Repairs</b>		
To Building	1.46	0.91
To Machinery	1.77	1.15
To Others	2.27	1.88
	<b>5.50</b>	<b>3.95</b>



(Rs. in Crore)

Particulars	2018-19	2017-18
<b>C Others</b>		
Insurance	0.43	0.63
Rates and taxes	0.82	0.98
Payments to auditors	0.08	0.08
Freight and transportation expenses	1.87	3.25
Sales tax expenses	0.00	0.26
Donation	0.56	0.77
C S R Expenses (Refer note no. 43)	0.45	0.34
Dalali and commission	2.90	1.19
Other expenses	13.23	8.10
	<b>20.33</b>	<b>15.59</b>
<b>Total</b>	<b>41.89</b>	<b>34.65</b>

**Note - 31 : TAX EXPENSES**

(Rs. in Crore)

Particulars	2018-19	2017-18
Current tax	4.50	4.05
Deferred tax (including MAT credit entitlement)	(1.91)	0.00
<b>Total</b>	<b>2.59</b>	<b>4.05</b>

Reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income tax is summarised below:

(Rs. in Crore)

Particulars	2018-19	2017-18
<b>Enacted income tax rate in India applicable to the Company</b>	<b>34.94%</b>	<b>21.34%</b>
<b>Profit before tax</b>	<b>20.45</b>	<b>19.68</b>
"Current tax expenses on Profit before tax expenses at the enacted income tax rate in India"	7.14	4.20
<b>Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income</b>		
Other deductible expenses	(2.64)	0.00
Deferred tax Expense (net)	(1.91)	0.00
Other Items	0.00	(0.15)
<b>Total tax expenses</b>	<b>2.59</b>	<b>4.05</b>
<b>Effective tax rate</b>	<b>12.67%</b>	<b>20.58%</b>

Note:

- 1 In calculation of tax expense for the current year and earlier years, the company had claimed certain deductions as allowable under Income Tax Act, which were disputed by the department and the matter is pending before tax authorities.



**Note 32 CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND WORK-IN-PROGRESS**

(Rs. in Crore)

Particulars	2018-19	2017-18
(i) Items that will not be reclassified to profit or loss		
1. Equity Instruments through Other Comprehensive Income	(0.25)	0.00
2. Remeasurement of defined benefit plans		
Actuarial gains and losses	0.54	0.01
	<b>0.29</b>	<b>0.01</b>
(ii) Income tax relating to these items that will not be reclassified to profit or loss		
Deferred Tax impact on equity instruments through other comprehensive income	0.08	(Rs. 21652)
Deferred Tax impact on actuarial gains and losses	(0.17)	0.00
	<b>(0.08)</b>	<b>0.00</b>
<b>Total</b>	<b>0.21</b>	<b>0.01</b>

**Note:**
**A) Disaggregated Revenue Information**

Set out below is the disaggregation of the company's revenue from contracts with customers:

(Rs. in Crore)

Segment	For the year ended March 31, 2019 Textiles
<b>Type of goods or service</b>	
<b>Sale of manufactured goods</b>	
Textile Products	782.92
<b>Sale of traded products</b>	
Textile Products	3.55
<b>Sale of Services</b>	
Job Work Charges	212.02
Total revenue from contracts with customers	998.49
India	986.08
Outside India	12.42
Total revenue from contracts with customers	998.49
<b>Timing of revenue recognition</b>	
<b>Goods transferred at a point in time</b>	
<b>Total revenue from contracts with customers</b>	<b>998.49</b>





Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

(Rs. in Crore)

Segment	For the year ended March 31, 2019 Textiles
<b>Revenue</b>	
External customer	998.49
Inter-segment	Nil
Inter-segment adjustment and elimination	Nil
Total revenue from contracts with customers	998.49

**B) Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contract with customers

(Rs. in Crore)

Particulars	As at March 31, 2019
Trade receivables*	246.32
Contract liabilities	Rs. 37012
Advances from customers (refer note no.20 )	0.36

\*Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

**C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

(Rs. in Crore)

Particulars	As at March 31, 2019
Revenue as per contracted price	1,000.32
Adjustments	
Discount	1.83
Revenue from contract with customers	998.49

**D) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

(Rs. in Crore)

Particulars	As at March 31, 2019
Advances from customers	0.36
	<b>0.36</b>

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.



**Note 33 Assets Mortgage/Hypothecated as security**

The carrying amount of assets pledged as security for current and non-current borrowings are: (Rs. in Crore)

Assets description	31/03/2019	31/03/2018
<b>First and / or Second charge</b>		
<b>I. Current Financial Assets</b>		
Trade receivables	246.32	263.42
Bank balances	7.32	5.72
Loans		
Other financial assets		
<b>II. Current Assets</b>		
Inventories	60.62	76.44
Other Current Assets	86.06	92.55
<b>Total current assets Hypothecated/Mortgage as security</b>	<b>400.32</b>	<b>438.13</b>
<b>First and / or Second charge</b>		
<b>III Property, Plant and Equipment</b>		
A. Plant and equipments	216.04	186.04
B. Freehold land	1.21	1.21
C. Buildings	50.67	65.69
D. Lease Hold Improvements	10.70	10.75
E. Furniture & Fittings	3.32	2.89
F. Office Equipments	1.02	1.33
G. Vehicles	2.63	2.75
<b>IV. Capital work in progress</b>	<b>23.24</b>	<b>18.86</b>
<b>V. Non Current Financial Assets</b>		
Investment	21.99	2.57
Other Financial Assets	0.87	5.14
<b>VI. Other Non Current Assets</b>	<b>9.91</b>	<b>25.63</b>
<b>Total non-current assets Hypothecated/Mortgage as security</b>	<b>341.60</b>	<b>322.86</b>
<b>Total Assets Hypothecated/Mortgage as Security</b>	<b>741.92</b>	<b>761.00</b>



(Rs. in Crore)

Assets description	31/03/2019	31/03/2018
<b>IV. Capital work in progress</b>	<b>23.24</b>	<b>18.86</b>
<b>V. Non Current Financial Assets</b>		
Investment	21.99	2.57
Other Financial Assets	0.87	5.14
<b>VI. Other Non Current Assets</b>	<b>9.91</b>	<b>25.63</b>
<b>Total non-current assets Hypothecated/Mortgage as security</b>	<b>341.60</b>	<b>322.86</b>
<b>Total Assets Hypothecated/Mortgage as Security</b>	<b>741.92</b>	<b>761.00</b>

#### Note 34

#### Contingent assets / liabilities not provided for in accounts :

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
A Claims against the company not acknowledged as debt		
1 Estimated amount of contracts, remaining to be executed, on capital account (net off payment)	12.41	60.98
2 For letters of credit (net off Margin)	1.98	7.68
3 For bank guarantee (net off Margin)	2.30	
4 Corporate Guarantee Given	2.97	2.97
B During the F.Y. 2010-11 fire has occurred in the factory premises of the company and the company has lodge the claim of Rs. 7.63 crore with insurance company for loss of damaged goods and assets own and parties goods received for job work, out of total Rs. 7.17 crore for goods received from various parties for job work. Against which company has received claim of Rs. 3.99 crore out of Rs. 1.33 crore accounted / adjusted against loss to the assets of the company and balance as explained and informed made payment and /or adjusted to parties account. The company has not provided for the same as the claim/matter is pending with insurance company till the date. The company has provided for loss of own goods costing Rs. 0.45 crore.		
C Civil suit is filled a gains the company for recovery of Rs. 0.04 crore 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 accounts.	0.05	0.05
D Company has filled petit in against order of Textile Cess Appellate Tribunal for demand amounting to Rs. 0.17 crore and accordingly to the company the matter is still pending at the balance sheet date hence not provided in the books of accounts.	0.18	0.18
E There are four cases filled agains the company for aggregating to Rs. 0.12 crore with Labour Court Ahmedabad and accordingl to the company the matter is still pending at the Balance Sheet date hence not provided in the books of accounts.	0.13	0.13
Note: The company has reviewed all its pending litigations and proceedings and has adequately provided where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have materially adverse effect on its financial position. The company does not expect any reimbursement in respect of the above contingent liabilities.		



**Note 35**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. The Company's chief operating decision maker (CODM) is considered to be the Company's Managing Director (MD). The Company is engaged in the business of Production of Yarn and Processing of Fabric which are widely used in Textile Unit. Information reported to and evaluated regularly by the CODM for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of Operating Segment as defined under the Indian Accounting Standard 108 'Segment Information', there is no separate reportable segment.

(Rs. in Crore)

	As at 31 March, 2019			As at 31 March, 2018		
	India	Outside India	Total	India	Outside India	Total
<b>Revenue from operations*</b>						
External	986.08	12.42	998.49	890.94	0.00	890.94
Internal Segment	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	986.08	12.42	998.49	890.94	0.00	890.94
<b>Other Information**</b>						
Carrying cost of segment non current assets@	341.60	0.00	341.60	322.86	0.00	322.86
carrying cost of segment assets	741.92	0.00	741.92	761.00	0.00	761.00
Addition to property plant and equipment including intangible assets	55.39	0.00	55.39	155.93	0.00	155.93

**Note:**

\* Based on location of customer

\*\*Based on location of assets

@ Excluding financial assets, and deferred tax assets

None of the entity's external customer account for 10 per cent or more of an entity's revenue

**Note 36****Employment Benefit Plans****The company operates post employment and other long term employee benefits defined plans as follows:****I. Defined Contribution plan**

Contribution to Defined Contribution Plan, recognised as expenses for the year are as under:

(Rs. in Crore)

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund	0.67	0.63
Employer's Contribution to ESIC	0.36	0.36

**II. Defined Benefit Plan**

The employee's gratuity fund scheme managed by a Trust is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.



(Rs. in Crore)

Description	31 March, 2019		31 March, 2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>A. Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
a. Obligation as at the beginning of the year	3.33	0.06	0.70	0.03
b. Current Service Cost	1.33	0.063	1.00	0.05
c. Interest Cost	0.23	Rs. 45787	0.18	Rs. 25517
d. Actuarial Gain/(Loss)	(0.49)	(0.03)	(0.80)	(0.03)
e. Benefits Paid	0.00	(0.01)	(0.04)	(Rs. 8138)
f. Past Service Cost	0.00	0.00	0.00	0.00
g. Obligation as at the end of the year	4.31	0.09	3.24	0.06
<b>B. Reconciliation of opening and closing balances of fair Value of plan assets</b>				
a. Fair Value of Plan Assets as at the beginning of the year	0.00	0.00	0.00	0.00
b. Expected return on Plan Assets	0.00	0.00	0.00	0.00
c. Actuarial Gain/(Loss)	0.00	0.00	0.00	0.00
d. Employer's Contributions	0.00	0.00	0.00	0.00
e. Benefits Paid	0.00	0.00	0.00	0.00
f. Fair Value of Plan Assets as at the end of the year	0.00	0.00	0.00	0.00
<b>C. Reconciliation of fair value of assets and obligation</b>				
a. Fair Value of Plan Assets as at the end of the year	0.00	0.00	0.00	0.00
b. Present Value of Obligation as at the end of the year	4.31	0.09	3.24	0.00
c. Amount recognised in the Balance Sheet	4.31	0.09	3.24	0.00
<b>D. Investment Details of Plan Assets</b>				
Bank balance	0.00	0.00	0.00	0.00
Invested with Life Insurance Corporation of India	0.00	0.00	0.00	0.00
<b>E. Actuarial Assumptions</b>				
a. Discount Rate (per annum)	7.55%	7.50%	7.55%	7.50%
b. Estimated Rate of return on Plan Assets (per annum)	Not Applicable	Nil	Not Applicable	Nil
c. Rate of escalation in salary (per annum)	6.00%	6.00	6.00%	6.00

**F. Expenses recognised during the year**

(Rs. in Crore)

Description	31/03/2019		31/03/2018	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Expenses recognised during the year</b>				
(i) Current Service Cost	1.33	0.00	1.20	0.00
(ii). Interest Cost	0.23	0.00	0.18	0.00
(iii). Expected return on Plan Assets	0.00	0.00	0.00	0.00
(vi). Actuarial Gain/(Loss)	(0.49)	0.00	(0.80)	0.00
(v). Past Service Cost	0.00	0.00	(0.04)	0.00
<b>(vi). Expense recognised during the year</b>	1.07	0.00	0.54	0.00



**Notes:**

- (1) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- (2) The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for management of plan assets.

**G. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Rs. in Crore)

Particulars	31 March, 2019			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity Encashment	Leave
Discount rate (0.5% movement)	3.87	0.00	4.28	0.00
Salary growth rate (0.5% movement)	4.28	0.00	3.86	0.00

(Rs. in Crore)

Particulars	31 March, 2018			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity Encashment	Leave
Discount rate (0.5% movement)	2.97	0.00	3.28	0.00
Salary growth rate (0.5% movement)	3.28	0.00	2.97	0.00

**Notes:**

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**Note 37****Due to Micro, Small and Medium Enterprises**

Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02.10.2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below

(Rs. in Crore)

Particulars	As at 31 March, 2019	As at 31 March, 2018
Principal amount remaining unpaid to any supplier as at the year end	0.00	0.00
Interest due thereon	0.00	0.00
"Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during year."	0.00	0.00
"Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED."	0.00	0.00
Amount of interest accrued and remaining unpaid at the end of accounting year	0.00	0.00

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 38**
**Related party disclosures as per Ind AS 24**

The names of related parties with relationship and transactions with them:

**I. Relationship:**
**A. Shareholders / Promoters having control over the company**

Shri Brijmohan D Chiripal  
 Shri Jyotiprasad D Chiripal  
 Shri Vedprakash D Chiripal  
 Shri Jayprakash D Chiripal

**B. Entities over which Shareholders exercise control**

Sr.no.	Name of the entity
1	CHIRIPAL TEXTILE MILLS PVT LTD
2	DEVKINANDAN CORPORATION LLP
3	DHOLI SPINTEX PRIVATE LIMITED
4	HUNKY DORY TRAVEL PRIVATE LIMITED
5	NANDAN INDUSTRIES PVT LTD
6	NANDAN TERRY PVT LTD
7	NOVA TEXTILE PRIVATE LTD
8	QUALITY EXIM PVT LTD

**C. Entities over which Shareholders has Significant Influence**

Sr.no.	Name of the entity
1	CHIRIPAL CHARTABLE TRUST
2	CHIRIPAL EXIM LLP
3	CHIRIPAL INDUSTRIES LTD
4	CIL NOVA PETROCHEMICALS LTD
5	DHOLI INTEREGITED SPINING PARK
6	MILESTONE EDUCOM TRUST-DONATION
7	NANDAN DENIM LTD
8	NAROL TEXTILE INFRASTRUCTURE & INVIRO MANAGEMENT
9	PINNACAL RISK ADVISORY
10	PRAKASH CALENDER PRIVATE LIMITED
11	TRIPOLI MANAGEMENT PVT LTD
12	VRAJ INTEGRATED TEXTILE PARK LTD

**D. Key Management Personnel:**

Particulars	Designation
<b>Executive Directors</b>	
Mr. Jyoti Prasad D. Chiripal	MANAGING DIRECTOR ( upto 31st May 2017)
Mr. Brijmohan D. Chiripal	MANAGING DIRECTOR ( from 1st June 2017)
Mr. Amit Kadmawala	WHOLE TIME DIRECTOR
Mr. Ponnusamy Shanmugaraja	WHOLE TIME DIRECTOR (upto 20th March 2019)
Mr. Shubhnkar Jha	NON EXECUTIVE DIRECTOR
Mrs. Dhara Shah	NON EXECUTIVE DIRECTOR
Mr. Chitranjan Singh	NON EXECUTIVE DIRECTOR
Mr. Tanuj Agarwal	CHIEF EXECUTIVE OFFICER
Mr. Mahesh Kawat	CHIEF FINANCIAL OFFICER ( up to 5th April 2019)
Mrs. Tanushree	COMPANY SECRETARY ( up to 9th April 2018 )
Mr. Deepak Vyas	COMPANY SECRETARY ( from 29th May 2018 )



**E. Relatives of Key Management Personnel**

List of Relatives of Key Management Personnel with whom transactions done during the said financial year:

MRS. GEETIKA AGARWAL

MRS. SASIKALA

**F. Key Management Personnel compensation:**

(Rs. in Crore)

Particulars	2018-19	2017-18
Short-term employee benefits	0.04	0.06
Long-term post employment benefits	0.12	0.11
<b>Total compensation</b>	<b>0.15</b>	<b>0.18</b>

**II. The following transactions were carried out with the related parties referred in above in the ordinary course of business (excluding reimbursement):**

(Rs. in Crore)

B. Entities over which Shareholders exercise control	2018-19	2017-18
1 Sale of goods/services	23.47	0.00
NANDAN INDUSTRIES PVT LTD	23.43	0.00
NANDAN TERRY PVT LTD	0.03	0.00
2 Purchase of materials/services	120.61	8.78
DHOLI SPINTEX PRIVATE LIMITED	29.27	0.00
HUNKY DORY TRAVEL PRIVATE LIMITED	0.11	0.00
NANDAN INDUSTRIES PVT LTD	39.55	0.00
NANDAN TERRY PVT LTD	14.74	1.02
NOVA TEXTILE PRIVATE LTD	0.06	7.76
QUALITY EXIM PVT LTD	36.89	0.00
3 Sale of non current investment	1.05	0.00
DEVKINANDAN CORPORATION LLP	1.05	0.00
4 Purchase of non current investment	12.33	3.50
DHOLI SPINTEX PRIVATE LIMITED	6.25	0.00
NANDAN INDUSTRIES PVT LTD	1.93	3.50
QUALITY EXIM PVT LTD	4.15	0.00
5 Net closing balance - debit	2.10	0.00
6 Net closing balance - credit	0.00	9.18

(Rs. in Crore)

C. Entities over which Shareholders has Significant Influence	2018-19	2017-18
<b>1 Purchase of materials</b>	<b>28.05</b>	<b>22.16</b>
CHIRIPAL CHARTABLE TRUST	0.00	0.00
CHIRIPAL INDUSTRIES PVT LTD	9.58	8.17
DHOLI INTEREGITED SPINING PARK	4.29	0.00
NANDAN DENIM LTD	12.28	13.73
PINNACAL RISK ADVISORY	0.27	Nil
VRAJ INTEGRATED TEXTILE PARK LTD	0.03	0.00
NAROL TEXTILE INFRASTRUCTURE & INVIRO MANAGEMENT	1.59	0.26
<b>2 Sale of goods/services</b>	<b>0.36</b>	<b>4.32</b>
CHIRIPAL INDUSTRIES PVT LTD	0.00	0.00
NANDAN DENIM LTD	0.36	0.74
CIL NOVA PETROCHEMICALS LTD	0.00	3.59
<b>3 Corporate responsibility expense</b>	<b>0.00</b>	<b>0.34</b>
MILESTONE EDUCOM TRUST	0.00	0.34





(Rs. in Crore)

C.	Entities over which Shareholders has Significant Influence	2018-19	2017-18
4	<b>Doantion</b>	<b>0.00</b>	<b>0.66</b>
	MILESTONE EDUCOM TRUST-DONATION	0.00	0.66
5	<b>Guarantee Commission</b>	<b>0.01</b>	<b>0.00</b>
	PRAKASH CALENDER PRIVATE LIMITED	0.01	0.00
6	<b>Loan/ICD taken</b>	<b>6.40</b>	<b>33.65</b>
	TRIPOLI MANAGEMENT PVT LTD	6.40	12.65
	VRAJ INTEGRATED TEXTILE PARK LTD	0.00	21.00
7	<b>Loan/ICD repaid</b>	<b>4.12</b>	<b>23.00</b>
	TRIPOLI MANAGEMENT PVT LTD	4.12	2.00
	VRAJ INTEGRATED TEXTILE PARK LTD	0.00	21.00
8	<b>Sale of Non current investment</b>	<b>4.92</b>	<b>0.00</b>
	CHIRIPAL EXIM LLP	4.92	0.00
9	<b>Net closing balance - debit</b>	<b>0.00</b>	<b>7.09</b>
10	<b>Net closing balance - credit</b>	<b>2.91</b>	<b>0.00</b>

(Rs. in Crore)

D.	Key Management Personnel	2018-19	2017-18
1	<b>Remuneration</b>		
	Salary and Allowances	1.41	1.25
	MR. TAJUN AGARWAL	0.37	0.04
	MR. DEEPAK VYAS	0.06	0.00
	MR. JYOTIPRASAD CHIRIPAL	0.00	0.05
	MR. BRIJMOHAN CHIRIPAL	0.59	0.89
	MR. AMIT KADMAWALA	0.08	0.07
	MR. PONNUSAMY SHANMUGARAJA	0.19	0.06
	MR. MAHESH KAWAT	0.11	0.10
	MS. TANUSHREE	0.00	0.03

(Rs. in Crore)

E.	Relatives of Key Management Personnel	2018-19	2017-18
1	<b>Remuneration</b>		
	MRS. GEETIKA AGARWAL	0.17	0.01
	MRS. SASIKALA	0.03	0.01

### III. Terms and conditions

- Goods were sold during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions at market rates. All outstanding balances are unsecured and are repayable in cash.
- Disclosure is made in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.



**Note 39**

Financial instruments – Fair values and risk management

**I. Accounting classification and fair values**

(Rs. in Crore)

31 March, 2019	Carrying amount				Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
<b>Financial assets measured at each reporting date</b>								
<b>Investments</b>								
Listed equity instruments		0.02		0.02	0.02			0.02
Unquoted equity instruments		21.97		21.97			21.97	21.97
<b>Financial assets measured at amortised cost</b>								<b>0.00</b>
Other non current financial assets	0.87	0.87				0.00		
Other non current assets			6.09	6.09				0.00
Trade receivables			246.32	246.32				0.00
Cash and cash equivalents			2.18	2.18				0.00
Other bank balances			5.14	5.14				0.00
Other financial current assets			86.06	86.06				0.00
<b>Total Financial Assets</b>		<b>21.99</b>	<b>346.66</b>	<b>368.65</b>	<b>0.02</b>	<b>0.00</b>	<b>21.97</b>	<b>21.99</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings			250.58	250.58				0.00
Current borrowings			76.48	76.48				0.00
Trade payables			156.00	156.00				0.00
Other financial liabilities			33.09	33.09				0.00
<b>Total Financial Liabilities</b>			<b>516.15</b>	<b>516.15</b>			<b>0.00</b>	<b>0.00</b>



(Rs. in Crore)

31/03/2019	Carrying amount				Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
<b>Financial assets measured at each reporting date</b>								
<b>Investments</b>								
Listed equity instruments		0.03		0.03	0.03			0.03
Unquoted equity instruments		2.53		2.53		2.53		2.53
<b>Financial assets measured at amortised cost</b>								
Other non current financial assets			5.14	5.14				0.00
Other non current assets				0.00				0.00
Trade receivables			263.42	263.42				0.00
Cash and cash equivalents			0.58	0.58				0.00
Other bank balances			5.14	5.14				0.00
Other financial current assets			92.55	92.55				0.00
<b>Total Financial Assets</b>	<b>0.00</b>	<b>2.57</b>	<b>366.83</b>	<b>369.39</b>	<b>0.03</b>	<b>2.53</b>	<b>0.00</b>	<b>2.57</b>
<b>Financial liabilities measured at amortised cost</b>								
Non current borrowings			172.70	172.70				0.00
Other non current financial liabilities			3.24	3.24				0.00
Current borrowings			128.08	128.08				0.00
Trade payables			224.81	224.81				0.00
Other financial liabilities			25.85	25.85				0.00
<b>Total Financial Liabilities</b>	<b>0.00</b>	<b>0.00</b>	<b>554.68</b>	<b>554.68</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**Notes:**

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements described below:

**Level 1 :** Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

**Level 2 :** Inputs other than the quoted prices included with Level 1 that are observable for the asset or liability, either directly or indirectly.

**II. Fair value of financial assets and liabilities measure at amortised cost**

(Rs. in Crore)

Description	31 March, 2019		31 March, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>"Financial assets"</b>				
Investments				
Other non current financial assets	21.99	21.99	2.57	2.57
<b>Total financial assets</b>	<b>21.99</b>	<b>21.99</b>	<b>2.57</b>	<b>2.57</b>
<b>Financial liabilities</b>				
Non current borrowings	250.58	250.58	172.70	172.70
Other financial liabilities	3.18	3.18	3.24	3.24
<b>Total financial liabilities</b>	<b>253.76</b>	<b>253.76</b>	<b>175.94</b>	<b>175.94</b>



**Notes:**

The following methods and assumptions were used to estimate the fair values:

- 1) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balance, other current financial liability, loans and other current assets are considered to be the same as their fair values, due to their short-term nature.
- 2) The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate.
- 3) The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate.

**III. Measurement of fair values**
**A. Valuation techniques and significant unobservable inputs**

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between
FVTOCI in unquoted equity shares	<b>Market comparison technique:</b> The valuation model is based on two approaches :1. Asset approach- seek to determine the business value based on the value of it's assets. The aim is to determine the business value based on the fair market value of its assets less its liabilities. The asset approach is based on the economic principle of substitution which adopts the approach of cost to create another business similar to one under consideration that will produce the same economic benefits for its owners.	Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares	The estimated fair value would increase (decrease) if: There is a change in pricing multiple owing to change in earnings of the entity.
	<b>2. Market approach</b> - relies on signs from the real market place to determine what a business is worth. The market approach based valuation methods establish the business value in comparison to similar businesses. The methods rely on the pricing multiples which determine a relationship between the business economic performance, such as its revenues or profits, and its potential selling price. The valuation has been made considering the following weightage to the above approaches: Asset approach : 70% Market approach : 30%		

**B. Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods

**2. Sensitivity analysis**

For the fair values of unquoted investments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.



(Rs. in Crore)

Particulars	31/03/2019		31/03/2018	
	Other Comprehensive Income		Other Comprehensive Income	
	Increase	Decrease	Increase	Decrease
<b>Unquoted equity/preference instruments measured through OCI</b>				
5% movement	1.10	1.10	0.13	0.13

**Note 40**

## Financial risk management

The company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk; and
- Market risk

**1. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company,

**2. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

The maximum exposure to credit risk for trade and other receivables are as follows:

**A. Trade receivables**

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

**Other financial assets**

This balance primarily constitute of Bank fixed deposits having maturity of more than 12 months.

**Cash and cash equivalents**

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.



#### A.1. Impairment

At March 31, 2019, the ageing of trade and other receivables that were not impaired was as follows.

(Rs. in Crore)

Particulars	Carrying amount					
	31/03/2019			31/03/2018		
	Gross	Provision	Net	Gross	Provision	Net
Upto 30 days	97.74		97.74	73.24		73.24
Upto 180 days	125.47		125.47	190.01		190.01
More than 181 days	23.12		23.12	0.17		0.17
	246.32	0.00	246.32	263.42	0.00	263.42
% of expected credit losses (More than 365 days)			0.00			0.00

The above receivables which are past due but not impaired are assessed on individual case to case basis and relate to a number of independent third party customers from whom there is no recent history of default. These financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered recoverable based on the nature of the activity of the customer portfolio to which they belong and the type of customers. There are no other classes of financial assets that are past due but not impaired except for Trade receivables as at 31.03.2019 and 31.3.2018

#### Note 40

#### Financial instruments – Fair values and risk management

##### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has current financial assets which the management believes is sufficient to meet all its liabilities maturing during the next 12 months.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, including contractual interest.

#### B. The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Rs. in Crore)

Particulars	As at	
	31/03/2019	31/03/2018
Floating rate		
<b>Fund Base</b>	<b>5.79</b>	<b>19.29</b>
Expiring within one year (bank overdraft and other facilities)		
<b>Non Fund Base</b>	<b>6.90</b>	<b>7.85</b>
Expiring within one year		



### C. Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Rs. in Crore)

31/03/2019	Carrying amount	Less than 12 months	1-2 years	3-5 years	More than 5 years	Total
<b>Financial liabilities</b>						
Non current borrowings	250.58	55.93	53.79	133.07	50.93	293.72
Current borrowing	76.48	8.80				8.80
Trade payable	156.00	156.00				156.00
Other current financial liabilities	29.91	29.91				29.91

includes interest

31/03/2018	Carrying amount	Less than 12 months	1-2 years	3-5 years	More than 5 years	Total
<b>Financial liabilities</b>						
Non current borrowings	172.70	52.70	52.36	136.50	79.87	321.43
Current borrowing	128.08	6.98				6.98
Trade payable	224.81	224.81				224.81
Other current financial liabilities	25.85	25.85				25.85

includes interest

### Note 40

Financial instruments – Fair values and risk management

#### Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

#### A, Currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of payables and receivables in foreign currency. The company has formulated policy to meet the currency risk.

company does not use derivative financial instruments for trading or speculative purposes.

#### 1. Foreign Currency Exposure

(Rs./ FC in Crore)

Particulars	Currency	31/03/2019	31/03/2018
a) Against export	USD	0.11	0.00
	INR	7.47	0.00
b) Net statement of financial exposure	USD	0.11	0.00
	INR	7.47	0.00



## 2. Sensitivity

Profit or loss is sensitive to higher / lower changes in fluctuation currency rate: (Rs. in Crore)

As on 31.03.2018 Particulars	Impact on profit before tax	
	Increase	Decrease
Currency rates (5% increase/ decrease)		
USD	0.01	0.01

## B. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The company adopts a policy to ensure that maximum interest rate exposure is at a fixed rate. This is achieved by entering into fixed-rate instruments.

### 1. Exposure to interest rate risk

(Rs. in Crore)

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31/03/2019	31/03/2018
Fixed-rate instruments		
Financial assets	6.01	5.77
Financial liabilities	4.49	0.00
<b>Total</b>	<b>10.50</b>	<b>5.77</b>
Variable-rate instruments		
Financial liabilities	352.48	326.57
<b>Total</b>	<b>352.48</b>	<b>326.57</b>

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

As on 31.03.2019	Bank loans
Weighted average interest rate	
Balance (Rs. in crore)	352.48
% of total loans	97.11%
As on 31.03.2018	Bank loans
Weighted average interest rate	
Balance (Rs. in crore)	326.57
% of total loans	98.26%

## 2. Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates:

As on 31/03/2019 Particulars	Impact on profit before tax Decrease	Increase
Interest rates (0.50% increase/ decrease)	1.76	1.76
As on 31/03/2018 Particulars	Impact on profit before tax Decrease	Increase
Interest rates (0.50% increase/ decrease)	1.63	1.63





### 3. Fair value sensitivity analysis for fixed-rate instruments

The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Note 41

##### Capital management

"For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations"

(Rs. in Crore)

Particulars	As at	
	31/03/2019	31/03/2018
<b>Total Liabilities</b>	<b>525.24</b>	<b>562.38</b>
Less : Cash and bank balances	7.32	5.72
<b>Adjusted net debt</b>	<b>517.92</b>	<b>556.67</b>
<b>Total equity</b>	<b>216.68</b>	<b>198.61</b>
Adjusted net debt to adjusted equity ratio	2.39	2.80

"In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018."

#### Note 42

##### Earnings per share

Particulars	(Number of shares)	
	31/03/2019	31/03/2018
Issued equity shares	43913334	43913334
<b>Weighted average shares outstanding - Basic and Diluted - A</b>		

Net profit available to equity holders of the Parent Company used in the basic and diluted earnings per share was determine as follows:

(Rs. in Crore)

Particulars	31/03/2019	31/03/2018
Profit and loss after tax	17.86	15.63
<b>Profit and loss after tax for EPS - B</b>		
Basic Earnings per share [B/A] [Rs.]	4.07	3.56
Diluted Earnings per share [B/A] [Rs.]	4.07	3.56

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.



**Note 43**
**Expenditure on corporate social responsibility activities**

1. Gross amount required to be spent by the company during the year is Rs. 0.37 (P.Y 0.30 crore).
2. Amount spent during the year

(Rs. in Crore)

Particulars	In cash	Yet to be paid in cash	Total
Construction of an asset	0.00	0.00	0.00
On purpose other than (A) above	0.37 (P.Y 0.30)	0.00 (P.Y 0.00)	0.37 (P.Y 0.30)
<b>Total</b>	<b>0.37</b>	<b>0.00</b>	

**Note 44**

Figures have been presented in 'crore' of rupees with two decimals. Figures less than ` 50,000 have been shown at actual in brackets

**Note 45**

The financial statements are approved by the audit committee as at its meeting and by the Board of Directors on 25th May 2019

**Note 46**

Company has not given any loan or guratees during the year and in previous year hence disclosure under section 186(4) of the companies Act 2013 is not given

Significant Accounting Policies

1

The accompanying Notes 2 to 46 are integral part of the Financial Statements.

As per our report of even date  
For Nahta Jain and Associates  
Chartered Accountants

For and on behalf of the Board of Directors of Vishal Fabrics Limited  
CIN : L17110GJ1985PLC008206

Firm Registration No: 106801W

**Gaurav Nahta**

Partner

Membership No.: 116735

Place: Ahmedabad

Date: May 25, 2019

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Amit Kadmawala**

Whole-Time Director

DIN : 07016454

**Tanuj Agarwal**

Chief Executive

Officer

**Vinay Thadani**

Chief Financial

Officer

**Deepak Vyas**

Company

Secretary





[CIN: L17110GJ1985PLCO08206]

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