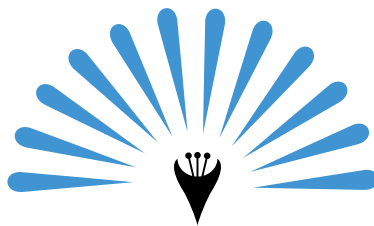


**31<sup>st</sup> ANNUAL REPORT  
2015-2016**



**VISHAL FABRICS LIMITED**

**CORPORATE INFORMATION**

<b>Board of Directors</b>	Mr. Jyotiprasad Chiripal Mr. Shubhankar Jha Mr. Arakhita Khandual Mr. Amit Kadmwala Ms. Dhara Shah	Managing Director (DIN: 00155695) Independent Director(DIN:07208823) Independent Director(DIN:00055601) Executive Director (DIN: 07016454) Independent Director(DIN:06983857)
<b>Audit Committee</b>	Mr. Arakhita Khandual Mr. Jyotiprasad Chiripal Mr. Shubhankar Jha Ms. Dhara Shah	Chairman Member Member Member
<b>Nomination &amp; Remuneration Committee</b>	Ms. Dhara Shah Mr. Shubhankar Jha Mr. Arakhita Khandual	Chairman Member Member
<b>Stakeholders' Relationship Committee</b>	Mr. Arakhita Khandual Mr. Shubhankar Jha Ms. Dhara Shah	Chairman Member Member
<b>Corporate Identification Number</b>	CIN: L17110GJ1985PLC008206	
<b>Bankers</b>	Oriental Bank of Commerce, IDBI Bank & The Lakshmi Vilas Bank Limited	
<b>Chief Financial Officer</b>	Mr. Mahesh Kawat	
<b>Company Secretary &amp; Compliance Officer</b>	Ms. Tanushree Dave (appointed w.e.f. 23.08.2016) Ms. Poonam Pabla (resigned w.e.f. 23.07.2016)	
<b>Registered Office and Plant</b>	Ranipur Narol Road, Ahmedabad – 382 405 Phone: + 91 - 79 - 25353977/78/79/80 Fax: +91 - 79 – 25353981	
<b>Corporate Office</b>	'Chiripal House', Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015 Phone: + 91 - 79 - 26734660/2/3 Fax: + 91 - 79 – 26768656	
<b>Statutory Auditors</b>	M/s. Anil S. Shah & Co. Chartered Accountants, 302, Shailly Complex, Opp. Loha Bhavan, Nr. Old High Court Road, Navrangpura, Ahmedabad – 380 009	
<b>Registrar and Share Transfer Agent</b>	Link Intime India Private Limited 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Off. C.G. Road, Ahmedabad – 380 009 Tel. No.: +91 - 79 - 26465179   Fax No.: +91 - 79 - 26465179   Email: ahmedabad@linkintime.co.in	
<b>Email and Website</b>	cs.vfl@chiripalgroup.com, www.vishalfabricsltd.com	

**• INDEX •**

S.No.	Particulars	Page No.
1.	Notice	1 - 6
2.	Directors' Report	7 - 21
3.	Management Discussion and Analysis Report	22 - 23
4.	Report on Corporate Governance	24 - 31
5.	Independent Auditors' Report	32 - 37
6.	Balance Sheet	38
7.	Statement of Profit & Loss	39
8.	Cash Flow Statement	40
9.	Notes Forming part of the Financial Statements	41-58



**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 31st Annual General Meeting of the members of Vishal Fabrics Limited will be held on Tuesday, September 20, 2016 at 3:30 P.M. at the Corporate Office of the Company situated at 'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380015 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016, the Reports of the Board of Directors and 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.
3. To appoint the Statutory Auditors and to fix their remuneration and in this regard 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under as amended from time to time, M/s. Anil S. Shah & Co., Chartered Accountants (FRN: 100474W) are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and that their appointment be at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and re-imburement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

**SPECIAL BUSINESS:**

4. **To approve 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., 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 be paid remuneration for the financial year ending March

31, 2017, not exceeding Rs. 35,000/- (Rupees Thirty Five Thousand Only) plus service tax, travelling and other out of pocket expenses incurred by them in connection with the said audit.”

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

**“RESOLVED THAT** pursuant to the provisions in Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment thereof) and the rules framed thereunder, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs. 20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lac) Equity Shares of Rs. 10/- (Rupees Ten Only) each ranking pari passu with the existing shares of the Company.”

**“FURTHER RESOLVED THAT** pursuant to the provisions of Section 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment thereof) and the rules framed thereunder, the consent of the members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following Clause:

**V. The Authorized Share Capital of the Company is Rs.25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore) Fifty Lac Equity shares of Rs. 10/- (Rupees Ten Only) each.”**

6. **To approve 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 Section 62 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, as amended (including any statutory modification(s) or re-enactment thereof for the time being in force), the Foreign Exchange Management Act, 1999, as amended, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Reserve Bank of India, the



Securities and Exchange Board of India including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011, as amended and any other guidelines and clarifications issued by any other competent authority, to the extent applicable including the enabling provisions of the Memorandum of Association and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed (the "Stock Exchanges") and subject to the permissions, consents, sanctions and approvals by any authority or institution, including but not limited to the bankers of the Company, as may be necessary, and subject to such conditions and modifications as may be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), and subject to any other alterations, modifications, conditions, changes and variations that may be decided by the Board in its absolute discretion, the consent of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot in one or more tranches, by way of a Rights Issue, the equity shares of the face value of Rs.10/- each to the holders of equity shares as on a record date to be determined by the Board, or their renounee(s), including resident/foreign shareholders, Institutions, Non-resident Indians, Corporate Bodies, Trust, Societies, Mutual Funds, Banks, Insurance Companies, Pension Funds, Foreign Portfolio Investors and Individuals (collectively, the "Investors") on such terms and conditions as may be mentioned in the Letter of Offer to be issued by the Company for the purpose at such time or times, at such price or prices, including at a discount to the market price or prices in such manner and on such terms and conditions considering the prevalent market conditions at that time and such other consideration that the Board may, in its absolute discretion, decide that the aggregate value of such number of equity shares of the Company (including premium on face value of the equity shares of Rs. 10/-each) does not exceed Rs.100 Crores (Rupees One Hundred Crores Only) and that the holders of equity shares to whom the equity shares are being offered under the Rights Issue shall also be entitled to apply for additional equity shares and allotment of additional equity shares shall be made in such proportion as may be decided by the Board in its sole and absolute discretion.

**FURTHER RESOLVED THAT** all the new equity shares to be issued and allotted in the manner aforesaid shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing equity shares of the Company.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to allot the equity shares on basis of the application received as a result of offer from the existing equity shareholders and/ or renounee and to dispose of equity shares remained unsubscribed, if any, in such manner, as the Board may deem fit and proper at its absolute discretion and as most beneficial to the Shareholders and the Company.

**FURTHER RESOLVED THAT** the Board be and is hereby authorised to adjust the unsecured loan as taken by the Company from the Promoters & Promoter Group of the Company, if any in the books of the Company until the finalizing of the Letter of Offer for the Rights Issue, against the Application Money for their entitlements (include additional equity shares, if any) in the Rights Issue, subject to the full disclosure about the same in the Offer Documents, in term of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

**FURTHER RESOLVED THAT** for the purpose of giving effect to the above Resolution including any offer, issue or allotment of equity shares, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, the determination of terms and conditions for issuance of the equity shares and proportion thereof, timing for issuance of such equity shares, issue price, premium on face value, if any, to appoint Lead Manager(s), Banker(s), Legal Advisor(s), Registrar and other intermediaries/agencies, to fix the record date / book closure in consultation with the Stock Exchange and shall be entitled to vary, modify or alter any of the terms and conditions as it may deem expedient, entering into and executing arrangements for managing, underwriting and/or standby, marketing, listing, trading and providing legal advice as well as acting as depository, custodian, registrar and executing other agreements, including any amendments or supplements thereto, as necessary or appropriate and to finalise, approve and issue any document(s), including but not limited to Letter of Offer and/or offering circular and/or offer document and/or documents and agreements including filing of registration statements, and other documents (in draft or final form) with any authority or stock exchanges and sign all deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of equity shares including allotment of equity shares that are not subscribed and take all steps which are incidental and ancillary in this connection, including in relation to utilization of the issue proceeds and disclosure thereof in accordance with applicable regulations/guidelines in force, as it may in its absolute discretion deem fit without being required to seek further consent or approval of the Members of the Company.



**FURTHER RESOLVED THAT** the Board be and is hereby authorised to delegate all or any of its powers herein conferred to any Committee thereof or to any one or more executives of the Company.”

By order of the  
Board of Directors  
Sd/-

**Date :** August 23, 2016

Jyotiprasad Devkinandan Chiripal  
Chairman

**Place:** Ahmedabad

names of companies in which they hold directorships and memberships / chairmanships of Board Committees as stipulated under Regulation 36 of the Listing Regulations, 2015 entered into with the Stock Exchange, are provided in the annexure to the notice calling Annual General Meeting.

8. 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.
9. The Register of Contracts maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
10. Members holding equity shares in electronic form are requested to notify the change of address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
11. 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.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent of the Company.
13. As per Notification issued by Ministry of Corporate Affairs dated 19th of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on SME platform of BSE Limited. Therefore Company is not providing e-voting facility to its shareholders.
14. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
15. The Register of Members and Share Transfer Register shall remain closed for registering share transfer Monday, 19th day of September, 2016 to Tuesday, 20th day of September, 2016 (both days inclusive)
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, during business hours upto the date of the Annual General Meeting.

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER SELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
3. Electronic copy of the Annual Report for FY 2015-16 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a Physical copy of the same. Members may also note that the Notice of Annual General Meeting and Annual Report for 2015-16 will also be available on the Company's website [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).
4. Corporate Members intending to send their authorized representatives to attend and vote at the Annual General Meeting are requested to send a duly certified copy of the Board Resolution at registered office of the company authorizing their representative to attend and vote on their behalf at the meeting.
5. Members are requested to bring their Attendance Slip along with copies of their Annual Report to the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
7. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas,

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

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

**Item No. 4**

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a cost auditor to audit the cost records of the Company.

On recommendation of the Audit Committee, the Board at its meeting held on 23rd May, 2016, has approved the appointment of M/s. A.G. Tulsian & Co., Cost Accountants as the Cost Auditor of the Company for the Financial Year 2016-17 at a remuneration of Rs. 35,000/- plus reimbursement of service tax and all out of pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the cost auditor is to be ratified by the members in accordance with the provisions of the Act and Rule 14 of the Rules.

Accordingly, the Directors recommend the Ordinary Resolution as set out at item no. 4 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at item no. 4 of the Notice.

**Item No. 5**

The present Authorized Share Capital of the Company is Rs. Rs. 20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore) equity shares of face value of Rs. 10/- (Rupees Ten) each. In order to meet the eventualities such as augmenting resources, issue of shares etc., it is hereby proposed to increase the Authorised Share Capital to Rs. 25,00,00,000/- (Rupees Twenty Five Only) by addition of 50,00,000 (Fifty Lac) equity shares of the face value of Rs. 10/- (Rupees Ten) each. The management is considering further issue of share capital on rights basis, so it is proposed to increase the Authorised Share Capital from Rs. 20 Crore to Rs. 25 crore commensurate with the business requirements. Consequent to the increase of Authorized Share Capital, the Authorized Share Capital Clause contained in Clause V of the Memorandum of Association of the Company needs to be altered as indicated in Resolution No. 5 contained in the Notice. Your Directors recommend the Resolution set out at Sl. No. 5 for the approval of the shareholders of the Company.

A copy of the Memorandum and Articles of Association together with the proposed amendments is available for inspection by the Members at the Registered Office of the Company on all working days during the office hours of the Company till the conclusion of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and Relatives of the Directors / Key Managerial Personnel of the Company is interested in the proposed Resolutions except as holders of shares in general.

**Item No. 6**

The Company at its Annual General Meeting held on September 28, 2015, authorized the Board of Directors to generate long term resources by issuing further securities through various fund raising options. As the said resolution could not be implemented due to unavoidable circumstances, hence it is now required to pass a fresh resolution. As the members are aware, your Company is in the process of expanding its business by pursuing growth opportunities in business, for which long term funds are required to be generated. In order to meet your Company's growth objectives and also to strengthen its financial position and finance its expansion plans, the Board of Directors at their meeting held on August 23, 2016 have proposed to generate long term resources by issuing further securities.

And to support the growth plans and for meeting the capital expenditure for the upcoming project of the Company, your Company needs Financial Assistance by way of Rupee Term Loans, Corporate Loans, etc. from time to time from various lenders i.e. Financial Institutions / Banks in different tranches upon such terms and conditions as stipulated by them from time to time and approved by the Board. One of the terms of the sanction of the Financial Institutions / Banks provides that contribution is required from the promoters of the Company in the future projects of the Company to be financed by the Financial Institutions / Banks. To fulfill the said condition of the Financial Institutions / Banks, it is required by the promoter(s) of the Company to provide financial contribution in the upcoming project by way of unsecured loans. The unsecured loans to be provided by the promoter(s) is at the option that the Promoter(s) can convert whole or part of their outstanding facility into fully paid-up ordinary Equity Shares in the Company.



## VISHAL FABRICS LIMITED

Section 62 of the Companies Act, 2013 ("Act"), provides inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares. Such further shares shall be offered to the persons who on the Record Date are holders of the Equity Shares of the Company, in proportion to the capital paid up on those shares as of that date unless the Shareholders decide otherwise. The Listing Agreement with the Stock Exchanges also provides that the Company shall issue or offer in the first instance all securities to the existing equity shareholders, unless the Shareholders decide otherwise. The Special Resolution seeks the consent and authorization of the Shareholders accordingly.

Pursuant to the provisions of section 62 of the Act, any offer or issue of shares by a company to persons other than the holders of the Equity Shares of the Company or to such holders otherwise than in proportion to the capital paid up, requires prior approval of the shareholders by passing of a Special Resolution. Under the proposed Rights Issue, the Equity Shares will be offered to existing Shareholders of the Company on the basis of shares held by them. Further, in case of renunciation, the equity shares may be offered and allotted to persons other than the existing shareholders and hence, the proposed resolution.

This Special Resolution authorises the Board or a Committee thereof to decide and finalise all aspects of the issue including the terms and conditions of the issue, price and size of the issue, in consultation with the Lead Manager(s), Legal Advisor and other experts and / or such other agency or authorities as need to be consulted including in relation to the pricing of the issue which will be fixed keeping in view the then prevailing market conditions and in accordance with the applicable provisions of laws, rules, regulations, or guidelines. The detailed terms and conditions of the Rights Issue will be intimated to the Shareholders through the Letter of Offer and / or Abridged Letter of Offer or other documents to be issued in this regard.

The proposed Resolution is an enabling resolution under the provisions of Section 62(3) and other applicable provisions of the Companies Act, 2013 in view of the fact that the promoter(s) may be entitled at their option to convert the entire or part of the outstanding facility into fully paid-up ordinary Equity Shares in the Company in accordance with the applicable SEBI Regulations at the time of such conversion. Allotment of equity shares as above requires prior approval of the members by way of Special Resolution. Hence this enabling resolution.

The proposed issue is in the interest of the Company and your Directors

commend the resolution for your approval.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 6 of the Notice for the approval of the members.

By order of the  
Board of Directors  
Sd/-

**Date :** August 23, 2016  
**Place:** Ahmedabad

Jyotiprasad Devkinandan Chiripal  
Chairman



**Details of Directors seeking Appointment /  
Re-appointment at the Annual General Meeting**  
(Under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), 2015)

Name of Director	Mr. Amit Kadmawala (07016454)
Date of Birth	06th July, 1977
Brief Resume and Nature of Expertise in Functional Area	Mr. Amit Kadmawala is associated with the Company since May 2006. He is responsible for reduction in the cost and quality enhancement of the production. His work includes ensuring the proper functioning of the store and plant and achieving the best possible output. He is also responsible to keep a watch at costing of all the departments and abnormal costs occurring, if any.
Disclosure of Relationships between Directors inter-se	No relationship
List of Directorship / Committee Memberships in other Public Companies as on 31st March, 2016	Other Directorship: NIL <b>Committee positions held in Vishal Fabrics Limited:</b> <ul style="list-style-type: none"><li>• Member – CSR Committee</li><li>• Member – Rights Issue Committee</li><li>• Member – Finance Committee</li></ul> Committee Positions held in other Public Companies: NIL
Shareholding in Vishal Fabrics Ltd.	NIL

*\*Consideration as per Regulation 26 of Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations, 2015.*



**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the 31st Annual Report along with Audited Financial Statements for the year ended March 31, 2016.

**FINANCIAL RESULTS**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>2015-16</b>	<b>2014-15</b>
Net revenue from operations	27357.80	22362.65
Profit Before Depreciation & Tax	2123.60	1297.88
Less : Depreciation	343.94	305.85
Profit Before Tax	1780.97	992.03
Less : Provision for Taxation (Including Deferred Tax)	354.78	58.43
Profit After Tax	1426.19	933.60
Earnings per share (in Rs)	10.83	7.85

**OPERATIONS**

During the year under review your Company has achieved a turnover of Rs. 27357.80 Lac as compared to a turnover of Rs. 22362.65 Lac over the previous Financial Year which shows increase of 22.34%. The Profit Before Depreciation and Tax increased by 63.62% to Rs. 2123.60 Lac as compared to Rs. 1297.88 Lac in the Financial Year 2014-15. The Profit After Tax stood at Rs. 1426.19 Lac against Rs. 933.60 Lac in the previous year, recording a growth of 52.76%.

**SHARE CAPITAL**

The paid-up equity share capital of the Company as on March 31, 2016 was Rs. 1317.40 Lacs. During the year under review, the Company has not issued shares with differential voting rights and sweat equity shares.

**TRANSFERS TO RESERVES**

During the financial year under review, the Company was not required to transfer any amount to any reserves.

**DIVIDEND**

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

**PUBLIC DEPOSITS**

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

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**BOARD OF DIRECTORS**

The Board of Directors, at its meeting held on May 28, 2015 appointed Mr. Shubhankar Jha as Additional Director of the Company in the category of Non - Executive Independent Director. The appointment was also approved by the shareholders at the Annual General Meeting held on September 28, 2015.

**Directors retiring by rotation**

In accordance with the provisions of the Companies Act, 2013 and Companies Articles of Association, Mr. Amit Kadmwala (DIN: 07016454) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Necessary resolution for his re-appointment is placed before the shareholders for approval. The Board recommends his re-appointment.

**Declaration from Independent Directors**

Your Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under the Section 149(6) of Companies Act, 2013 read with Rules made thereunder.

**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.

**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.

**Remuneration Policy**

The Company follows a policy on remuneration of Directors and Senior Management Employees, details of the same are given in the Corporate Governance Report.

**Performance 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 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.

**SUBSIDIARY COMPANY**

The Company has no subsidiaries.

**EXTRACT OF ANNUAL RETURN**

Extract of the Annual Return in Form MGT - 9 is annexed herewith as Annexure - I to this Report.

**INSURANCE**

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

**RELATED PARTY TRANSACTIONS**

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. Transactions between related parties were performed on arm's length price. The details of transactions with the Company and related parties are given as information under notes to Accounts and Form AOC – 2 as Annexure II.

**RISKS MANAGEMENT POLICY**

In line with the regulatory requirements, the Company has framed a Risk Management Policy to identify and assess the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Policy are given in the Corporate Governance Report and the Policy is posted on the Company's website.

**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. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

**The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16:**

- No. of Complaints received: NIL
- No. of Complaints disposed off: NIL

**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 31st March 2016, 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 at 31st March, 2016 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.

**AUDITORS****A. STATUTORY AUDITORS**

M/s Anil S. Shah & Co, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

**B. COST AUDITORS**

The Board of Directors have appointed M/s. A.G. Tulsian and Co., Cost Accountants, as Cost Auditors to audit cost records of the Company for the financial year 2016-17. A resolution seeking members' approval for the remuneration payable to them forms part of the Notice convening the AGM. Cost Audit Report for the Financial Year 2015-16 was filed with the Central Government pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2016.

**C. 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, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report is annexed herewith as Annexure - III. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

**MANAGEMENT DISCUSSION AND ANALYSIS**

As stipulated in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this Annual Report.

**NUMBER OF MEETINGS OF THE BOARD**

The details of the number of Board Meetings of the Company held during the year under review are set out in the Corporate Governance Report which forms part of this Annual Report.

**CORPORATE GOVERNANCE REPORT**

A report on Corporate Governance as stipulated in Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report. Certificate from the Practising Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under the aforesaid also forms part of the Annual Report.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility Committee in their Board Meeting held on May 28, 2015. A meeting of the Committee was held on 07.11.2015 where at it was decided to spend Rs. 10 Lacs towards the CSR activities. The Company is identifying projects on which the expenditure for the financial year 2015-16 could be made.

**INTERNAL CONTROL SYSTEM**

The details in respect of the internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of the report.

**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.

**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.

**APPRECIATION AND ACKNOWLEDGEMENT**

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

**Date :** 23<sup>rd</sup> August , 2016  
**Place:** Ahmedabad

Sd/-  
Jyotiprasad Chiripal  
Managing Director  
DIN: 00155695

Sd/-  
Amit Kadmawala  
Whole-time Director  
DIN: 07016454



**ANNEXURE I**

**Form No. MGT – 9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2016

[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**

i.	CIN	L17110GJ1985PLC008206
ii.	Registration Date	22/10/1985
iii.	Name of the Company	Vishal Fabrics Limited
iv.	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
v.	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
vi.	Whether Listed Company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 303, Shopper’s Plaza – V, Opp. Municipal Market, Off. C. G. Road, Navrangpura, Ahmedabad – 380 009 Tel: +91 79 26465179 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**

1	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% of change during the year
		Demat	Physical	Total	% of total	Demat	Physical	Total	% of total	
<b>A</b>	<b>Promoters</b>									
(1)	<b>Indian</b>									
a)	Individual / HUF	712000	0	712000	5.40	712000	0	712000	5.40	0
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.	8988000	0	8988000	68.23	8988000	0	8988000	68.23	0
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>9700000</b>	<b>0</b>	<b>9700000</b>	<b>73.63</b>	<b>9700000</b>	<b>0</b>	<b>9700000</b>	<b>73.63</b>	<b>0</b>
(2)	<b>Foreign</b>									
a)	NRIs – Individuals	0	0	0	0	0	0	0	0	0
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>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>
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	9700000	0	9700000	73.63	9700000	0	9700000	73.63	0
<b>B</b>	<b>Public Shareholding</b>									
(1)	<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	0	0	0	0	0	0	0	0	0
h)	Foreign Portfolio Investors	0	0	0	0	6000	0	6000	0.05	(0.05)
i)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
j)	Others	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6000</b>	<b>0</b>	<b>6000</b>	<b>0.05</b>	<b>(0.05)</b>
(2)	<b>Non-Institutions</b>									
a)	Bodies Corporate	48000	0	48000	0.36	22500	0	22500	0.17	0.19
b)	Individuals									
l.	Individual shareholders holding nominal share capital up to Rs. 1 lakh	162000	0	162000	1.23	225000	0	225000	1.71	(0.48)



1	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% of change during the year
		Demat	Physical	Total	% of total	Demat	Physical	Total	% of total	
ii.	Individual shareholders holding nominal share capital excess of Rs. 1 lakh	3219000	0	3219000	24.43	2623500	0	2623500	19.91	4.52
<b>c)</b>	<b>Others</b>									
i.	NRI	45000	0	45000	0.34	215995	0	215995	1.64	(1.64)
ii.	OCB	0	0	0	0	0	0	0	0	0
iii.	Trust	0	0	0	0	0	0	0	0	0
iv.	HUF	0	0	0	0	367500	0	367500	2.79	(2.79)
v.	Clearing Members	0	0	0	0	13505	0	13505	0.10	(0.10)
	Sub-Total (B)(2)	3474000	0	3474000	26.37	3474000	0	3474000	26.37	26.37
	Total Public Shareholding (B) = (B)(1)+(B)(2)	3474000	0	3474000	26.37	3474000	0	3474000	26.37	26.37
<b>C</b>	<b>Shares held by Custodian for GDRs and ADRs</b>									
	Promoter and Promoter group	0	0	0	0	0	0	0	0	0
	Public	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	13174000	0	13174000	100	13174000	0	13174000	100	0

**ii. Shareholding of Promoters**

1	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% of 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	Chiripal Industries Limited	6366000	48.32	0	6366000	48.32	0	0
2	Chiripal Exim LLP	1311000	9.95	0	1311000	9.95	0	0
3	Devkinandan Corporation LLP	1311000	9.95	0	1311000	9.95	0	0
4	Pritidevi B. Chiripal	296000	2.25	0	296000	2.25	0	0
5	Nishi J Agarwal	72000	0.55	0	72000	0.55	0	0
6	Shiwani V Chiripal	72000	0.55	0	72000	0.55	0	0
7	Saloo J. Agarwal	48000	0.36	0	48000	0.36	0	0
8	Priyanka Brijmohan Chiripal	40000	0.30	0	40000	0.30	0	0
9	Savitridevi V. Chiripal	32000	0.24	0	32000	0.24	0	0
10	Vishal V Chiripal	32000	0.24	0	32000	0.24	0	0
11	Deepak J Agrawal	24000	0.18	0	24000	0.18	0	0
12	Manjudevi J. Agarwal	24000	0.18	0	24000	0.18	0	0
13	Ronak B Agarwal	24000	0.18	0	24000	0.18	0	0
14	Urmiladevi J. Agarwal	24000	0.18	0	24000	0.18	0	0
15	Vedprakash Devkinandan Chiripal	24000	0.18	0	24000	0.18	0	0
	<b>TOTAL</b>	<b>9700000</b>	<b>73.63</b>	<b>0</b>	<b>9700000</b>	<b>73.63</b>	<b>0</b>	<b>0</b>



iii. **Change in Promoter's Shareholding (Please specify if there is no change)**

Note: There is no change in the number of shares held by the promoters of the Company.

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

1	Name	Shareholding at the beginning of the year		Date	Cumulative shareholding during the year (01-04-15 to 31-03-16)		% of total shares of the Company
		No. of shares	% of total shares of the Company		Increase / Decrease in shareholding	No. of shares	
1	Harshadbhai Narandas Patel	720000	5.47	10-04-2015	(168000)	552000	4.19
2	Viraj Amar Patel	336000	2.55	NA	NA	336000	2.55
3	Manuj Chiripal	45000	0.34	23-10-2015 30-10-2015 06-11-2015 13-11-2015 20-11-2015 27-11-2015 04-12-2015 11-12-2015 04-03-2016 11-03-2016 18-03-2016 25-03-2016 31-03-2016	5128 9872 12000 3000 19500 6000 21000 12000 12000 10429 10571 12000 22500	201000	
4	Kahini A. Patel	0	0.00	10-04-2015 17-04-2015	141000 36000	177000	1.34
5	Samir Narayan Bhuta	168000	1.28	NA	NA	168000	1.28
6	Sunil Raghuvirprasad Agarwal	0	0.00	NA	NA	141000	1.07
7	Ruchika M. Agarwal	153000	1.16	06-11-2015 13-11-2015 20-11-2015 18-12-2015 08-01-2016 05-02-2016	(13500) (21000) (3000) (12000) (7500) (7500)	88500	0.67
8	Pushpadevi Agarwal	153000	1.16	20-11-2015 27-11-2015 04-12-2015 11-12-2015 18-12-2015 08-01-2016 15-01-2016 05-02-2016	(6000) (15000) (12000) (12000) (3000) (7500) (16500) (12000)	69000	0.52
9	Shivkumar O Agarwal	147000	1.12	16-10-2015	(36000) (15000) (9000) (19500) (10500)	57000	0.43
10	Manmohan S. Agarwal	147000	1.12	08-10-2015 08-12-2015 10-12-2015 31-12-2015 05-01-2016	(39000) (6000) (6000) (6000) (7500)	82500	0.63



**v. Shareholding of Directors and Key Managerial Personnel**

Note: None of the Directors and Key Managerial Personnel held any shares in the Company.

**V. INDEBTEDNESS**

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

(Rs. in Lac)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (01-04-2015)</b>				
Principal Amount	9929.44	1131.62	-	2124.56
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
<b>Change in Indebtedness during the financial year 2015-16</b>				
Addition	-	1061.61	-	1061.61
Reduction	502.03	-	-	502.03
Net Change	502.03	1061.61	-	559.58
<b>Indebtedness at the end of the financial year (31-03-2016)</b>				
Principal Amount	490.91	2193.23	-	2684.14
Interest due but not paid	-	-	-	-
Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>490.91</b>	<b>2193.23</b>	<b>-</b>	<b>2684.14</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(Rs. in Lacs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		(MD) Mr. Jyotiprasad Chiripal	(Director) Mr. Amit Kadmwala	
1	Gross Salary			
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	20.87	4.74	25.61
	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	2.05	-	2.05
	<b>Total</b>	<b>22.93</b>	<b>4.74</b>	<b>27.67</b>
	<b>Ceiling as per Act</b>	<b>10% of the Net Profit of the Company</b>		




**B. Remuneration to other Directors**

(Rs. in Lacs)

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. Arakhita Khandual	0.80	-	-	0.80
2	Mr. Shubhankar Jha	0.60	-	-	0.60
3	Ms. Dhara Shah	0.40	-	-	0.40
<b>Total (B)</b>		<b>1.8</b>	-	-	<b>1.8</b>
<b>Overall Ceiling as per Act</b>		<b>1% of the Net Profit of the Company</b>			

**C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager**

(Rs. in lacs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Mahesh Kawat (CFO)	Ms. Poonam Pabla (CS)	
1	Gross Salary			
	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	5.94	3.10	9.04
	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	0.61	-	0.61
	<b>Total</b>	<b>6.55</b>	<b>3.10</b>	<b>9.65</b>

**VII. 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**

**Form No. AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**a) Details of contracts or arrangements or transactions not at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements /transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Not Applicable							

**b) Details of contracts or arrangements or transactions at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Chiripal Industries Limited	Purchase of Colour Chemicals	-	Prevailing Market Price	28.05.2015	-
Chiripal Industries Limited	Purchase & Sale of fabrics	-	Prevailing Market Price	28.05.2015	-
Nandan Denim Limited	Purchase & sale of fabrics	-	Prevailing Market Price	28.05.2015	-
Shanti Polytechnic Foundation Limited	Deposit Given for Employees' Training		Prevailing Market Price	28.05.2015	
Shanti Educational Initiatives Limited	Rent and Maintenance	-	Prevailing Market Price	28.05.2015	-
Dholi Integrated Spinning Park Ltd	Purchase of land on lease	-	Prevailing Market Price	28.05.2015	-
Shanti Exports Pvt. Ltd	Rent & Maintenance expenses		Prevailing Market Price	28.05.2015	-
Shanti Spincot Pvt. Ltd	Purchase of Fabrics	-	Prevailing Market Price	28.05.2015	-



**ANNEXURE – III**  
**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
Vishal Fabrics Limited  
Ahmedabad

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

Based on my verification of the Company’s 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 and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 generally 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 made available to me and maintained by the Company for the financial year ended on 31st March, 2016 according to the applicable provisions of:

- a) The Companies Act, 1956 and the Companies Act, 2013 (‘the Act’) and the rules made there under, as applicable;
- b) The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- d) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
  4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  6. 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 (Not applicable to the Company during the audit period);
  7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- f) Other laws specifically applicable to the Company namely–
  - i. Additional Duties of Excise (Textiles and Textile Articles) Act, 1978
  - ii. Textiles Committee Act, 1963
  - iii. Textiles (Development and Regulation) Order, 2001



- iv. Textiles (Consumer Protection) Regulations, 1988
- v. Water (Prevention and Control of Pollution) Act, 1974
- vi. Environment (Protection) Act, 1986
- vii. Employees' Provident Funds & Misc. Provisions Act, 1952
- viii. Employees' State Insurance Act, 1948
- ix. Factories Act, 1948
- x. Minimum Wages Act, 1948
- xi. Payment of Gratuity Act, 1972

**I have also examined compliance with the applicable clauses of the following:**

- a. Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings are yet to be specified under the Act by the Institute.
- b. The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

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 as per the explanations given to me and the representations made by the Management and relied upon by me 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.

**Date :** 23<sup>rd</sup> August, 2016

**Place:** Ahmedabad

**Jatin Kapadia**  
Company Secretary  
Proprietor  
ACS No.: 26725  
C P No.: 12043



## **'Annexure A'**

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

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

- (a) 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 our audit;
- (b) I have followed the audit practices and process 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 process and practices, I followed provide a reasonable basis for my opinion;
- (c) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
- (d) Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- (e) 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 procedure on test basis;
- (f) 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.

**Date :** 23<sup>rd</sup> August, 2016  
**Place:** Ahmedabad

**Jatin Kapadia**  
Company Secretary  
Proprietor  
ACS No.: 26725  
C P No.: 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.
- 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.
- iii. the capital investment on energy conservation equipments: Rs. 53 Lacs**

### **B. TECHNOLOGY ABSORPTION:**

- i. the efforts made towards technology absorption**
  - Efforts were made to adopt new technology by installing new improved/developed machines
- ii. the benefits derived as a result of above efforts**
  - Quality of fabric processed improved by adoption of new technology.
- 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: Not Applicable**

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the year, the Foreign Exchange outgo was Rs. 749956 (P.Y. Rs. 477149) and the foreign exchange earned was NIL (P.Y. Rs. NIL)



**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. No. of permanent employees on the rolls of the Company: 356
- ii. The percentage increase in the median remuneration of employees in F.Y. 2016 stood at 36.62%
- iii. Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2015-16:

Sr.no	Name	Category	Ratio
1.	Mr. Jyotiprasad Chiripal	Managing Director	8.57:1
2.	Mr. Amit Kadmawala	Executive Director	1.77:1

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

- iv. The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2015-16:

Sr.no	Name	Category	%
1.	Mr. Jyotiprasad Chiripal	Managing Director	113
2.	Mr. Amit Kadmawala	Executive Director	8.9
3.	Mr. Mahesh Kawat	Chief Financial Officer	21
4.	Ms. Poonam Pabla	Company Secretary	32

- v. The explanation on the relationship between average increase in remuneration and Company's performance: Company's Profit before Tax has grown from Rs. 992.03 Lacs during 2014-15 to Rs. 1780.97 during 2015-16, an increase of 79.53% against which the increase in Employee expense is 27.92%.

- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company (PAT):

Sr.no	Name	Category	%
1.	Mr. Jyotiprasad Chiripal	Managing Director	211
2.	Mr. Amit Kadmawala	Executive Director	0.33
3.	Mr. Mahesh Kawat	Chief Financial Officer	0.46
4.	Ms. Poonam Pabla	Company Secretary	0.22

- vii. Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Sr.no	Particulars	31.03.2016	31.03.2015
1.	Market Capitalization of the Company (Rs. in Lacs)	22264.06	8563.1
2.	Issued Capital (in Nos.)	1,31,74,000	1,31,74,000
3.	Closing Price at BSE Ltd (in Rs.)	169	65
4.	Earnings Per Share (in Rs.)	10.83	7.85
5.	Price Earnings Ratio as at the closing date	15.60	8.28

- viii. Average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year: 20%

- ix. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 1:1.08.

- x. The key parameters for any variable component of remuneration availed by the directors: N.A.

- xi. 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



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE & DEVELOPMENT

The fundamental strength of Indian Textile Industry flows from its strong production base of wide range of fibres/yarns - from natural fibres like cotton, jute, silk and wool to synthetic/man-made fibres like polyester, viscose, nylon and acrylic. The Indian textile industry is likely to continue its strong growth, buoyed by both strong domestic consumption as well as export demand. It is currently estimated at around USD 108 billion and is expected to grow at a CAGR of 8.7 percent to reach USD 223 billion by 2021. The industry is the second largest employer after agriculture, providing employment to over 45 million people directly and 60 million people indirectly. The Indian Textile Industry contributes approximately 5 percent to India's gross domestic product (GDP) and 14 percent to overall Index of Industrial Production (IIP). India accounts for 63 percent of global market share of textiles and garments. India accounts for about 14 percent of world's production of textile fibres and yarns.

### OUTLOOK

The Indian textile industry has the potential to double itself in size over the next 6-7 years. Government has been overall supportive in encouraging textile industry in India. Textiles and garment industry has been included in list of 25 sectors of 'Make in India' initiative of the Government of India. With the right Government policies, we believe that the Indian Textile Industry is well poised to benefit from the large opportunity offered in the domestic and export market. Under the 'Make in India' initiative, investment opportunities for foreign companies and entrepreneurs are available across the entire value chain of synthetics, value-added and specialty fabrics, fabric processing set-ups for all kinds of natural and synthetic textiles, technical textiles, garments, and retail brands.

### COMPETITION

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

### OPPORTUNITIES AND THREATS

The Company is engaged in manufacturing of textile products. The Company's future relies on the Textile industry growth. China, the leader in global textiles and apparel trade is witnessing an erosion of its cost competitiveness due to increasing labour and power costs, its upward currency valuation and need to service local demand. This is opening out space for other countries like India to provide a value proposition for global sourcing and increase its share of business. Our Company is taking all steps to leverage this opportunity. We are in fact a living and breathing personification of the Make In India campaign launched by our Honourable Prime Minister. But, lack of economies of scale is a major issue in Indian textile. Countries like China and Bangladesh have developed large production set-ups, whereas smaller units, which lack economies of scale and have a low level of technology, dominate the Indian textile sector. Due to lack of large manufacturing capacities Indian manufacturers are unable to cater to large orders and become globally competitive. The threats to the textiles industry are in the form of lack of enough skilled workforce and urgent need for labour reforms in this sector. There is a need for attracting more investments in the industry. The technology up gradation of the textile mills is another area of serious concern.

### ENVIRONMENTAL PROTECTION

The Environmental Policy of your company is maintaining clean and green environment and eco friendly atmosphere. Your company has been complying with applicable environmental regulations and preventing pollution in all operations. Your company continues to strive for energy saving and conservation of natural reserves.

### INTERNAL CONTROL SYSTEM AND ADEQUACY

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



**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Human resources are valuable assets for any organisation. The employees of the Company have extended a very productive cooperation in the efforts of the management to carry the Company to greater heights. The Company is giving emphasis to upgrade the skills of its human resources and continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company. Further, this is in keeping with its policy of enhancing the individual's growth potential within the framework of corporate goals. The industrial relations remained cordial throughout

**CAUTIONARY STATEMENT**

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

**FINANCIAL RESULTS**

(Rs. in Lacs)

<b>PARTICULARS</b>	<b>2015-16</b>	<b>2014-15</b>
Net revenue from operations	27357.80	22362.65
Profit Before Depreciation & Tax	2123.60	1297.88
Less : Depreciation	343.94	305.85
Profit Before Tax	1780.97	992.03
Less : Provision for Taxation (Including Deferred Tax)	354.78	58.43
Profit After Tax	1426.19	933.60
Earnings per share (in Rs)	10.83	7.85



## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Vishal Fabrics Limited recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue high standards of Corporate Governance in the overall interest of all stakeholders. The Company has a strong legacy of fair, transparent and ethical governance practices.

### II. BOARD OF DIRECTORS

#### Composition of the Board:

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors. As on 31st March, 2016, the Board comprises of 5 (five) Directors, out of which 2 (two) are Executive Non Independent Directors and 3 (three) are Non-Executive Independent Directors. The Composition of the Board is in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The names and categories of the Directors on the Board as on 31st March, 2016, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Sr. No.	Name of Directors	Category of Directors	Attendance		Directorship in other Public Companies*	Attendance	
			Board	Last AGM		Chairman	Member
1.	Mr. Jyotiprasad Chiripal DIN: 00155695	Managing Director	4	Yes	5	-	4
2.	Mr. Gautam Gandhi*** DIN: 00049735	Non-Executive & Independent	-	N.A.	-	-	-
3.	Mr. Arakhita Khandual DIN: 00055601	Non-Executive & Independent	3	Yes	-	2	-
4.	Mr. Amit Kadmawala DIN: 07016454	Whole Time Director	4	Yes	-	-	-
5.	Ms. Dhara Shah DIN: 06983857	Non-Executive & Independent	4	No	2	-	2
6.	Mr. Shubhankar Jha**** DIN: 07208823	Non-Executive & Independent	3	Yes	-	-	2
7.	Ms. Nitika Chiripal***** DIN: 00154827	Non-Executive & Non-Independent	-	N.A.	-	N.A.	N.A.

\*The Directorship(s) held by Directors as mentioned above, does not include Alternate Directorships, Companies registered under Section 25 of the Companies Act, 1956 /Section 8 of the Companies Act, 2013 and Private Limited Companies

\*\*Only Audit Committee & Stakeholders' Relationship Committee have been considered

\* \*\*resigned w.e.f. 29th April, 2015

\*\*\*\*appointed w.e.f. 28th May, 2015

\*\*\*\*\* resigned w.e.f. 17th August, 2015

**Board Meetings:**

During the year, 4 (four) Board Meetings were held on 28th May 2015, 17th August, 2015, 07th November, 2015 and 27th February, 2016. The Annual General Meeting was held on 28th September, 2015. The gap between two meetings did not exceed one hundred and twenty days.

**Board Procedures:**

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 Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year e n d e d 31st March, 2016 except for payment of sitting fees.

**Independent Directors' Meeting**

During the year under review, the Independent Directors met on 27th February, 2016, inter alia, to discuss:

- a. Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- b. Evaluation of the performance of Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- c. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**III. AUDIT COMMITTEE**

The composition and terms of reference of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and with Regulation 18 of the Listing Regulations, 2015. The scope of activities of Audit Committee broadly include review reports of the Internal Auditors and to discuss the same with them periodically, to meet Statutory Auditors to discuss their findings / suggestions, to review weaknesses in internal controls reported by Internal and Statutory Auditors, to review financial reporting systems and internal control systems, to review quarterly / half yearly / annual financial results and other matters.

**Audit Committee Composition:**

The Audit Committee of the Company comprises of 4 members out of which 3 members are Non-Executive-Independent D i r e c t o r s . Mr. Arakhita Khandual, an Independent Director, acts as Chairman of the Committee. The Committee members h a v e r e q u i s i t e knowledge in the fields of Finance, Accounts and Company Law. The Audit Committee met 4 times during the year. The representatives of Internal and Statutory Auditors are invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

**Audit Committee Meetings:**

During the year under review, the Committee met 4 (four) times respectively on 28th May, 2015, 17th August, 2015, 07th November, 2015 and 27th February, 2016.

Name of the Committee Members along with their attendance is given below:

Sr.no	Name of the Member	Designation	No. of meeting attended
1.	Mr. Arakhita Khandual	Chairman	3
2.	Ms. Dhara Shah	Member	4
3.	Mr. Jyotiprasad Chiripal	Member	4
4.	Mr. Shubhankar Jha*	Member	3
5.	Mr. Gautam Gandhi**	Member	-

\* appointed w.e.f. 28th May, 2015

\*\*resigned w.e.f. 29th April, 2015

**IV. NOMINATION AND REMUNERATION COMMITTEE****Terms of Reference:**

The composition and terms of reference of the Committee is in compliance with Section 178 of the Companies Act, 2013 and with Regulation 19 of the Listing Regulations, 2015.

Terms of reference of the Committee, includes considering the matters relating to the Company's policies on remuneration payable and determining the package to the Managing Director and Executive Director, commission to be paid to the Directors and other matters specified in section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, 2015.

Nomination & Remuneration Committee Composition, Meetings held and attendance:

**Composition:**

The Committee consists of 3 Directors all of whom are Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director.

**Meetings:**

During the year under review, the Committee met 2 (Two) times respectively on 28th May, 2015 & 17th August, 2015.

Name of the Committee Members along with their attendance is given below:

Sr.no	Name of the Member	Designation	No. of meeting attended
1.	Ms. Dhara Shah	Chairman	2
2.	Mr. Arakhita Khandual	Member	2
3.	Mr. Shubhankar Jha*	Member	1
4.	Ms. Nitika Chiripal**	Member	-
5.	Mr. Gautam Gandhi***	Member	-

\* appointed w.e.f. 28th May, 2015

\*\*resigned w.e.f. 17th August, 2015

\*\*\*resigned w.e.f. 29th April, 2015

**Remuneration Policy for Executive and Non-Executive and Independent Directors are as follows:**

**Executive Directors:**

The remuneration payable to executive directors shall be paid in consultation with the Nomination & Remuneration Committee who decides the remuneration structure for Executive Directors by considering the financial position of the company, qualification, experience of the directors, trend in the industry, past performance, past remuneration and limits prescribed for remuneration of Executive Directors i.e 10 % of net profit of the company calculated in the manner prescribed under the Companies Act and subject to necessary approvals thereunder. The Nomination & Remuneration Committee ensures that remuneration if any payable to executive directors does not exceeds the prescribed limits.

**Non-Executive and Independent Directors:**

The Non-Executive and Independent Directors of the Company may be paid remuneration periodically or may be paid commission within the overall limit of 1% of the Net Profit of the Company calculated in the manner prescribed under the Companies Act and subject to necessary approvals thereunder. In addition to commission if any, Non-Executive Directors are paid sitting fees and actual reimbursement of expenses incurred for attending each meeting of the Board and Committees. The Nomination & Remuneration Committee ensures that if any such commission payable should not exceed the prescribed limits under the Companies Act.

**Remuneration to Directors**

The remuneration paid to the Managing Director, is as approved by the shareholders in the Extra – Ordinary General Meeting held on 08th April, 2014 for a period of 5 (Five) years, from 4th April, 2014 to 3rd April, 2019. Further, the remuneration was fixed to Rs. 36.00 lacs per annum as approved by the shareholders in the Annual General Meeting held on 28th September, 2015 for the remainder of duration of his appointment as Managing Director up to April 03, 2019.



Details of Remuneration paid to the Directors during the Financial Year 2015-16 are as follows:

(Rs. in lacs)

Sr.no	Name of Directors	Salaries and Perquisites (Rs.)	Sitting Fees (Rs.)	Commission (Rs.)	No of Shares held
1.	Mr. Jyotiprasad Chiripal	20.87	-	-	-
2.	Ms. Nitika Chiripal**	-	-	-	-
3.	Mr. Gautam Gandhi** *	-	-	-	-
4.	Mr. Arakhita Khandual	-	0.80	-	-
5.	Mr. Amit Kadmawala	4.47	-	-	-
6.	Ms. Dhara Shah	-	0.40	-	-
7.	Mr. Shubhankar Jha****	-	0.60	-	-

\*\*resigned w.e.f. 17th August, 2015

\*\*\*resigned w.e.f. 29th April, 2015

\*\* \*\*appointed w.e.f. 28th May, 2015

## V. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has 3 Members comprising of Non-Executive Directors.

### Terms of Reference:

The Stakeholders Relationship Committee inter-alia deals with all matters relating to Stakeholders/Investors Grievance and its redressal and others as specified in the Listing Regulations, 2015.

### Meetings:

During the year under review, the Committee met 4 (Four) times on 28th May, 2015, 17th August, 2015, 07th November, 2015 and 27th February, 2016 respectively.

Name of the Committee Members along with their attendance is given below:

Sr.no	Name of the Member	Designation	No. of meeting attended
1.	Mr. Arakhita Khandual	Chairman	3
2.	Mr. Gautam Gandhi*	Member	-
3.	Ms. Nitika Chiripal**	Member	-
4.	Ms. Dhara Shah	Member	4
5.	Mr. Shubhankar Jha***	Member	3

\*resigned w.e.f. 29th April, 2015

\*\*resigned w.e.f. 17th August, 2015

\*\*\* appointed w.e.f. 28th May, 2015

### Stakeholders Grievance Redressal:

During the year ended 31st March, 2016, no Shareholders' Complaints were received by the Company. For effective and efficient grievance management, the Company has dedicated email id: tanushree.dave@chiripalgroup.com

**VI. INFORMATION ON GENERAL MEETINGS OF THE COMPANY:****a. Annual General Meeting (AGM):**

Sr.no	Financial Year	Date	Time	Venue	No. of Special Resolutions passed
1.	2012-13	September 30, 2013	11.30 a.m.	Ranipur Narol Road, Ahmedabad – 382 405.	-
2.	2013-14	September 30, 2014	3.30 p.m.	'Chiripal House', Nr. Shivranjani Cross Roads, Satellite, Ahmedabad - 380015	-
3.	2014-15	September 28, 2015	3.30 p.m.	'Chiripal House', Nr. Shivranjani Cross Roads, Satellite, Ahmedabad - 380015	2

**b. Extraordinary General Meeting (EGM):**

No Extraordinary General Meeting of the shareholders of the Company was held during the year under review.  
The Company has not passed any resolution through postal ballot during the year under reference.

**VII. DISCLOSURES:**

- I. The Company has no material significant related party transactions that may have a potential conflict with the interest of the Company. The details of transaction between the Company and the related parties are given under Notes to the Financial Statement for the year ended March 31, 2016.
- II. No penalties have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets.
- III. All Accounting standard mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
- IV. The Company has adopted a Code of Conduct for Prevention of Insider Trading ("The Code") in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation. The Code is amended from time to time in accordance with the changes brought in by SEBI in the Insider Trading Regulations.
- V. Vigil Mechanism / Whistle Blower Policy.  
The Company has in place a Whistle Blower Policy for Directors and Employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's code of conduct or ethical policy. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. The protected disclosure should be made to the Chairman of the Audit Committee to the email ID: [khandualarakhita@yahoo.com](mailto:khandualarakhita@yahoo.com).
- VI. Reconciliation of Share Capital Audit  
Audit for reconciliation of share capital of the Company to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. The audit confirmed that the total issued/ paid up capital is in agreement with the total number of dematerialized shares held with NSDL and CDSL.

**VIII. MEANS OF COMMUNICATION:**

The Board of Directors of the Company approves and takes on record the half yearly and annual results and announces forthwith results to the Stock Exchange, where the shares are listed. Also the results are displayed on the Company's website - [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).

**IX. 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 2015 - 16. 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.

**X. SUBSIDIARY COMPANIES**

The Company does not have any Subsidiaries.



**XI. SHAREHOLDERS GENERAL INFORMATION**

i. 31<sup>st</sup> Annual General Meeting

<b>Date</b>	<b>Monday, 28th September, 2015</b>
Time	3:30 P.M.
Venue	'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015
Date of Book Closure	September 21, 2015 to September 28, 2015 (both days inclusive)
Dividend Payment Date	NIL

ii. Tentative Financial calendar for the year F.Y. 2015-16

Financial Year	1st April, 2015 – 31st March, 2016
First Half year results	Second week of November, 2015
Results for the year end	Third week of May, 2016

iii. Listing on Stock Exchange and security code

<b>Stock Exchange</b>	
BSE Limited (BSE SME Segment)	Security Code: 538598
ISIN for Equity Shares	INE755Q01017

Annual Listing Fees for the Financial Year 2016-17 is paid to the Stock Exchange

iv. Market Price Data

Month	BSE Limited	
	High (Rs.)	Low (Rs.)
April – 2015	69.50	65.00
May – 2015	79.90	74.50
June – 2015	85.70	85.00
July – 2015	-	-
August – 2015	99.60	85.85
September – 2015	135.00	101.00
October – 2015	190.00	140.00
November – 2015	163.00	149.00
December – 2015	167.00	160.00
January – 2016	169.00	168.00
February – 2016	170.00	168.00
March - 2016	169.00	169.00


**v. Distribution of equity shareholding as on 31st March, 2016**

Sr.no	Name of Shares	No. of Shares	% to Capital	Number of Shareholders	% of Total Holders
1	1-2000	7500	0.06	5	3.36
2	2001-3000	138000	1.05	46	30.87
3	3001-5000	18000	0.14	4	2.68
4	5001-10000	150005	1.14	22	14.77
3	10001 and above	12860495	97.62	72	48.32
	<b>TOTAL</b>	<b>13174000</b>	<b>100.00</b>	<b>149</b>	<b>100.00</b>

**vi. Shareholding Pattern as on 31st March, 2016**

Sr.no	Category	Number of shares held	Percentage of Shareholding
1	Promoters	712000	5.40
2	Bodies Corporate (Promoter)	8988000	68.23
3	Other Bodies Corporate	22500	0.17
4	Foreign Institutional Investors	6000	0.05
5	Hindu Undivided Family	367500	2.79
6	Clearing Member	13505	0.10
7	Public	2848500	21.62
8	Non Resident Indians	215995	1.64
	<b>TOTAL</b>	<b>13174000</b>	<b>100.00</b>

**vii. Dematerialization of shares and liquidity:**

100% of the Company's paid up Equity Share Capital is held in dematerialized form with the National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) as on 31st March, 2016.

**viii. Outstanding GDRs / ADRs / Warrants or any Convertible instruments:**

As of date the Company has not issued these types of securities.

**ix. Share Transfer System**

As all the shares are held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit / credit of the accounts involved.

**x. Registrars and Transfer Agents:**
**Link Intime India Private Limited**

Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market,  
Behind Shoppers Plaza II, Off. C.G. Road, Ahmedabad – 380 009  
Phone : +91 - 79 - 26465179 • Fax : +91 - 79 - 26465179  
Email: ahmedabad@linkintime.co.in  
Website: www.linkintime.co.in

**xi. Name, designation and address of the Compliance Officer:**
**Ms. Tanushree Dave**

Company Secretary, Ranipur Narol Road, Ahmedabad – 382405  
Phone: + 91 - 79 - 25353977/78/79/80  
Fax: +91 - 79 – 25353981  
Email: tanushree.dave@chiripalgroup.com

**xii. Address for correspondence:**
**Registered Office and Plant Location:**

Ranipur Narol Road, Ahmedabad – 382 405  
Phone: + 91 - 79 - 25353977/78  
Fax: +91 - 79 - 25353981  
Email: cs.vfl@chiripalgroup.com  
Website: www.vishalfabricsltd.com

**Corporate Office:**

Chiripal House, Near Shivrani Cross Roads,  
Satellite, Ahmedabad – 380 015  
Phone: + 91 - 79 - 26734660/2/3  
Fax: + 91 – 79 – 26768656



**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

TO THE MEMBERS OF VISHAL FABRICS LIMITED

I have examined the compliance of conditions of Corporate Governance by Vishal Fabrics Limited ('the Company'), for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1 April, 2015 to 30 November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December, 2015 to 31 March, 2016.

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

In my opinion and to the best of our information and according to the explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / Listing Regulations, as applicable.

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

**Date :** 23<sup>rd</sup> August, 2016**Place:** Ahmedabad**Jatin Kapadia**  
Company Secretary  
C OP : 12043**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD**

(Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We, the undersigned certify that:

We have reviewed financial statements for the year and that to the best of our knowledge and belief:

these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

these statements give a true and fair view of the state of affairs of Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

We accept overall responsibility for the Company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and report significant issues to the Audit Committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.

We indicate to the Auditors and to the Audit Committee: significant changes in internal control over financial reporting during the year;

significant changes in accounting policies during the year; instances of significant fraud of which we have become aware of and which involve management or other employees who have a significant role in the Company's internal control system over the financial reporting.

However, during the year there were no such changes or instances.

For Vishal Fabrics Limited

**Date :** 23<sup>rd</sup> August, 2016**Place:** Ahmedabad**Jyotiprasad Chiripal**  
Managing Director**Mahesh Kawat**  
Chief Financial Officer**DECLARATION AS REQUIRED UNDER SCHEDULE V PART D OF THE SEBI**

(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

All Directors and Senior Management members of the Company have affirmed compliance with Code of Conduct for Directors and Senior Management of Vishal Fabrics Limited for the year ended March 31, 2016.

For Vishal Fabrics Limited

**Date :** 23<sup>rd</sup> August, 2016**Place:** Ahmedabad**Jyotiprasad Chiripal**  
Managing Director



## INDEPENDENT AUDITORS' REPORT

To,  
The Members,  
Vishal Fabrics Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Vishal Fabrics Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the Financial Statements

The Company's 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting 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 the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by companies directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

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

- i. in the case of the Balance sheet, of the state of affairs of the company as at March 31, 2016;
- ii. in the case of the Statement of Profit and Loss, the profit for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors report) Order, 2016 ("The Order") issued by the central government of india in terms of subsection 11 of section 143 of the Act, We give in the annexure a statement on the matter specified in paragraphs 3 & 4 of the order.



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 it appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
- f. In our opinion, the company has, in all material respects, an adequate internal financial controls, system over financial reporting and such internal financial control over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the company.
- g. With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.

1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 (c) to (j) to the financial statements;
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Date :** 23<sup>rd</sup> May, 2016  
**Place:** Ahmedabad

Sd/-  
**Krunal A. Shah**  
Partner  
Membership No.: 115801



## ANNEXURE TO THE AUDITORS' REPORT

### Annexure to the Independent Auditors' Report

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date

#### (I) In Respect of its Fixed Assets:

- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets,
- (b) These Fixed Assets have been physically verified by the management at the reasonable intervals in accordance with regular programme of verification. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.

#### (ii) In Respect of its inventory:

According to the information and explanation given to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification during the year.

#### (iii) The company has given loans to three parties covered in the register maintained U/s. 189 of the Companies Act, 2013.

- a) According to information and explanation, the company has granted interest free loan to two parties and interest bearing loan to one party, covered in the register maintained U/s. 189 of the Companies Act, 2013, prima facie, the terms and conditions are not prejudicial to company's interest;
- b) According to the information and explanations given to us, the loans granted by the company are interest free loans except to one party, hence the question of recovery of interest does not arise in case of two parties and in case of principal, as explained to us there is no stipulation for repayment of loan.

In case of interest bearing loan, interest recovered and question of recovery of principal, does not arise as explained to us, there is no stipulation for repayment of loan.

- c) In respect of loan granted by the company during the year, since there is no stipulation for repayment, overdue exceeding more than ninety days does not arise.

- (iv) According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

- (v) According to information and explanations given to us the company has not accepted any deposits during the year.

- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the said records with a view to determine whether they are accurate or complete.

#### (vii) According to the information and explanations given to us, in respect of statutory dues:

- a) The company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

According to information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2016 for a period of more than six months from the date of becoming payable.

- b) According to the information and explanation given to us, the following dues of income tax, excise duty have not been deposited on account of disputes,



Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act 1944	Excise	1141668 633617	2001-02 to 2004-05 2004-05 to 2006-07	Textile Cess Appellate Tribunal
Labour Laws	Labour Law Matters	250000	2013	Labour Commissioner Ahmedabad
Labour Laws	Civil Suit	457378	2005 to 2013	City Civil Court Ahmedabad
Income Tax Act 1961	Income Tax	730110 203415 2842504	A.Y. 2011-12 A.Y. 2012-13 A.Y. 2013-14	ITAT CIT – (A) CIT – (A)
Sales Tax Act	VAT CST	2544091 1004749	F.Y. 2011-12 F.Y. 2011-12	Joint Commissioner of Commissioner Tax (A) Joint Commissioner of Commissioner Tax (A)

- (viii) Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) We have not noticed or reported any fraud by the company or any fraud on the Company by its officers or employees during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to information and explanation given to us, the Company is not a Nidhi Company, accordingly paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with.
- (xvi) The paragraph 3(xvi) of the Order is not applicable to the Company as the company is not a required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

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

**Date :** 23<sup>rd</sup> May, 2016  
**Place:** Ahmedabad

Sd/-  
**Krunal A. Shah**  
Partner  
Membership No.: 115801



## **ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VISHAL FABRICS LIMITED**

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 Vishal Fabrics Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on 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 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. 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 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.

### **Auditors' 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 on Auditing, 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 and, 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 was 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 my /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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 2016, 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.

For, **Anil S. Shah & Co.**  
Chartered Accountants  
Firm's Reg. No.: 100474W

Sd/-  
**Krunal A. Shah**  
Partner  
Membership No.: 115801

**Date :** 23<sup>rd</sup> May, 2016

**Place:** Ahmedabad



**BALANCE-SHEET AS AT 31<sup>st</sup> March, 2016**

Sr. No.	Particulars	Note	Amount in Rs.	
			As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>A</b>	<b>SHARE HOLDERS FUNDS</b>			
	Share Capital	3	131740000	131740000
	Reserve & Surplus	4	702049447	559430632
			<b>833789447</b>	<b>691170632</b>
<b>B</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	5	248422111	185366539
	(b) Deferred tax liabilities (Net)	0	0	
	(c) Other Long term liabilities	6	3890279	0
	(d) Long-term provisions	7	30214077	18566524
			<b>282526467</b>	<b>203933063</b>
<b>C</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	8	218953975	263185136
	(b) Trade payables	9	248431490	198389214
	(c) Other current liabilities	10	28631153	56594125
	(d) Short-term provisions	11	37906406	13068352
			<b>533923025</b>	<b>531236827</b>
	<b>TOTAL&gt;&gt;&gt;&gt;</b>		<b>1650238939</b>	<b>1426340522</b>
<b>II</b>	<b>ASSETS</b>			
<b>A</b>	<b>Non-current assets</b>			
	(a) Fixed assets	12		
	(i) Tangible assets		505456303	303523965
	(ii) Intangible assets	0	0	
	(iii) Capital work-in-progress		131508508	46290810
	(iv) Intangible assets under development	0	0	
	(b) Non-current investments	13	1024400	1024400
	(c) Deferred tax assets (Net)	14	7722552	11366208
	(d) Long-term loans and advances	15	167992748	156436449
	(e) Other non current assets	16	5670079	6464586
			<b>819374589</b>	<b>525106418</b>
<b>B</b>	<b>Current assets</b>			
	(a) Current investments	0	0	
	(b) Inventories	17	131668121	136620731
	(c) Trade receivables	18	608412910	537372427
	(d) Cash and cash equivalents	19	14834578	63314019
	(e) Short-term loans and advances	20	75948740	163926926
	(f) Other current assets	0	0	
			<b>830864349</b>	<b>901234103</b>
	<b>TOTAL&gt;&gt;&gt;&gt;</b>		<b>1650238938</b>	<b>1426340522</b>

The notes referred to above are an integral part of Profit & Loss Significant Accounting Policies and Notes on Accounts as Note "2"

**M/s. ANIL S. SHAH & CO.**

Chartered Accountants  
Firm Reg. No. 100474W

**KRUNAL A. SHAH**

Partner  
Membership No.115801

Place: Ahmedabad

Date: 23/05/2016

For Vishal Fabrics Limited

**Jyotiprasad Chiripal**  
Managing Director

**Mahesh Kawat**  
C.F.O.

**Amit Kadmawala**  
Director

**Poonam Pabla**  
Company Secretary





STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> March, 2016

Sr. No.	Particulars	Note	Amount In Rs.	
			As at 31 <sup>st</sup> March,2016	As at 31 <sup>st</sup> March,2015
I.	Revenue from operations	21	2735780283	2236264853
	Less Excise duty	0	0	
	<b>Revenue from operations (net)</b>		<b>2735780283</b>	<b>2236264853</b>
II.	Other Income	22	3044770	1226769
III.	<b>Total revenue &gt;&gt;(i+ii)</b>		<b>2738825053</b>	<b>2237491622</b>
IV.	<b>Expenses</b>			
	(a) Cost of Materials	23	1821789497	1497485854
	(b) Purchases of stock-in-trade	24	124064564	124699641
	(c) Changes in inventories of finished goods,work-in-progress	25	(12056376)	(6513339)
	(d) Employee benefits expenses	26	347341677	271521452
	(e) Finance costs	27	50767999	53182678
	(f) Depreciation and amortisation expense	12	34394475	30585030
	(g) Other expenses	28	194557958	167363243
	<b>Total expenses</b>		<b>2560859794</b>	<b>2138324559</b>
V.	Profit / (Loss) before exceptional and extraordinary items and tax		177965258	99167063
VI.	Exceptional items		131250	41543
VII.	Profit / (Loss) before extraordinary items and tax		178096508	99208606
VIII.	Extraordinary Items		0	(5250)
IX.	Profit / (Loss) before tax		178096508	<b>99203356</b>
X.	<b>Tax expense :</b>			
	(a) Current tax expense for current year		32000000	6000000
	(b) MAT credit/utilisation		0	0
	(c) Tax expense relating to prior year/paid/ written back		(165963)	(3294397)
	(d) Deferred tax assets to prior year witten back		0	0
	(e) Deferred tax Liabilities		3643656	3137770
			35477693	5843373
XI.	<b>Profit / ( Loss) from for the period from continuing operations</b>		<b>142618815</b>	<b>93359983</b>
XII.	Profit / ( Loss) from discontinuing operations (before tax)		0	0
XIII.	Tax expense of discontinuing operations		0	0
XIV.	Profit / ( Loss) from discontinuing operations (after tax)		0	0
XV.	<b>Profit / ( Loss) from for the period from continuing operations</b>		<b>142618815</b>	<b>93359983</b>
	Earning per equity share [nominal value of 10/- (perivious year-10)]		<b>13174000</b>	<b>11898614</b>
	Basic and Diluted		10.83	7.85

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

M/s.ANIL S. SHAH & CO.

Chartered Accountants  
Firm Reg. No. 100474W

KRUNAL A. SHAH

Partner  
Membership No.115801

Place: Ahmedabad

Date: 23/05/2016

For Vishal Fabrics Limited

Jyotiprasad Chiripal  
Managing Director

Mahesh Kawat  
C.F.O.

Amit Kadmawala  
Director

Poonam Pabla  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

Sr. No.	Particulars	Amount in Rs.	
		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	Net Profit After Tax & Exceptional Items	142618815	93359983
	<b>Adjustments for:</b>		
	Depreciation & amortization	31067766	30585030
	Preliminary Exp.	1292837	1292837
	(Profit) / Loss on Sale of assets	(131250)	(41543)
	Interest Income	(859013)	(565804)
	Provision for Income Tax	31834037	2705603
	Deffered Tax	3643656	3137771
		66848033	37113894
	<b>Operating Profit Before Working Capital Changes</b>	<b>209466849</b>	<b>130473877</b>
	<b>Adjustments for:</b>		
	Trade and Other Receivables	(71040483)	3966152
	Inventories	4952610	(30898696)
	Trade Payables	50042276	(21505384)
	Short term provisions	24838054	953763
	Long Term Provisions	11647553	7621618
	Other Long term liabilities	3890279	0
	Other current liability	(27962972)	(23221193)
	Increase/Decrease in Short Term Borrowings	(44231161)	(26401087)
	Non Current Investment	0	79500
	Short term Loans and Advances	87978186	53556691
	Other non current assets	794507	(3536349)
		40908849	(39384985)
	<b>Cash Generated from Operations</b>	<b>250375698</b>	<b>91088892</b>
	Income Taxes	31834037	2705603
	<b>Net Cash Generated by Operating Activities</b>	<b>218541661</b>	<b>88383289</b>
<b>B.</b>	<b>Cash Flow from Investing Activities:</b>		
	Purchase of Fixed Assets	(236326813)	(17059820)
	Capital Work In Progress	(85217698)	(46290810)
	Sale of Fixed Assets	3326710	362357
	Profit/loss on Sale of Fixed Assets	131250	41543
	Interest Income	859013	565804
	<b>Net Cash Generated by / (used in) Investing Activities</b>	<b>(317227538)</b>	<b>(62380926)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities:</b>		
	Increase in Share Capital & Share Premium	0	156330000
	Increase/decrease in Long Term Borrowings	63055572	(26084280)
	Increase in Long term Loans Advances	(11556299)	(102588522)
	Preliminary Exp.	(1292837)	(1292837)
	<b>Net Cash Generated by / (used in) Finance Activities</b>	<b>50206436</b>	<b>26364361</b>
	<b>Net (Decrease) / Increase in Cash and cash equivalents</b>	<b>(48479442)</b>	<b>52366724</b>
	Opening Cash and Cash Equivalent	63314020	10947296
	<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b>14834578</b>	<b>63314020</b>

As per our Report of even date annexed herewith

**M/s. ANIL S. SHAH & CO.**

Chartered Accountants  
Firm Reg. No. 100474W

**KRUNAL A. SHAH**

Partner  
Membership No. 115801

Place: Ahmedabad  
Date: 23/05/2016

For Vishal Fabrics Limited

**Jyotiprasad Chiripal**  
Managing Director

**Amit Kadmwala**  
Director

**Mahesh Kawat**  
C.F.O.

**Poonam Pabla**  
Company Secretary

**Note : 1 Company Information**

The company was incorporated as private limited company as Vishal Fabrics Private Limited on 22/10/1985 under the Companies Act, 1956, in the state of Gujarat at Ahmedabad. The company was then converted into public limited company on 31/03/2014, subsequently name change to Vishal Fabrics Limited. The company had come out with IPO by offering 3474000 equity shares of Rs. 45/- (including premium Rs.35/-) and listed on BSE SME Platform in F.Y. 2014-15.

Vishal Fabrics Limited is promoted by Chiripal Group engaged in manufacturing of wide range of textile fabrics on Job work and own requirement having manufacturing fabrics at Ranipur, Opp. Kashiram Mills, Narol Road, Narol, Ahmedabad.

**Note : 2****Significant Accounting Policies, Contingent Liabilities and Notes Forming Part of Accounts****2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENT**

- (a) These financial statements have been prepared under the historical cost of conversion in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India and referred to Section 129 & 133 of the Companies Act, 2013.
- (b) The Company follows the mercantile system of accounting on going concern basis.

**2.2 USE OF ESTIMATES**

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

**2.3 FIXED ASSETS AND CAPITAL WORK IN PROGRESS**

- a) Fixed assets are stated at cost of acquisition or construction (net of cenvat credits). All cost relating to the acquisition and installation of fixed assets are capitalized and include borrowing costs directly attributable to construction or acquisition of fixed assets, up to the date of asset is put to use and adjustment arising out of exchange rate variation relating to liabilities attributable to those fixed assets.
- b) They are stated at historical cost less depreciation.
- c) Project under which Fixed Assets are not yet ready for their intended use are acquired at cost, comprising direct cost, related incidental and pre-operative expenses and attributable interest.
- d) Pre operative Expenses/Income are classified under Capital Work in Progress under Fixed Assets.

**2.4 DEPRECIATION**

- a) Depreciation on Fixed Assets is provided to the extent of depreciable amount on Straight Line Method on Plant & Machineries and Written Down Value Method on other than Plant & Machineries. Depreciation is provided based on useful life of the asset as prescribed in Schedule II to the Companies Act, 2013.

- b) Lease hold assets are amortized over term of the lease, from the year of commencement of production of manufacturing facility.

**2.5 Leases**

Assets taken under lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit & Loss on a Straight line basis over the lease term.

**2.6 REVENUE RECOGNITION**

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

**2.7 INVENTORIES**

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

**2.8 INVESTMENTS**

Non Current Investments are stated at cost. Provision for diminution in the value of Non Current Investments is made only if such a decline is other than temporary. Current Investments are stated at lower of Cost or Market Value, if any.

**2.9 RETIREMENT BENEFITS**

- a) **GRATUITY**  
Liabilities in respect of Gratuity is assessed actuarially and provided accordingly.
- b) **PROVIDENT FUND AND LEAVE ENCASHMENT**  
A liability in respect of Provident Fund & Leave Encashment is provided in the accounts on accrual basis for the period.

**2.10 FOREIGN CURRENCY TRANSACTION**

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

**2.11 BORROWING COST**

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

**2.12 PRELIMINARY EXPENDITURE**

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

**2.13 TAXES ON INCOME**

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

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

**2.14 PRIOR PERIOD ITEMS**

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

**2.15 PROVISION**

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

**2.16 CASH FLOW STATEMENT**

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

**2.17 EARNING PER SHARE**

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

**2.18 CONTINGENT LIABILITIES**

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



**NOTE - 3 Share Capital**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>AUTHORISED</b>		
20000000 Equity Shares of Rs.10/- each (Previous Year 15000000 Shares @ Rs. 10/- each)	200000000	150000000
	<b>200000000</b>	<b>150000000</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
13174000 Equity Shares of Rs.10/- each fully paid up (Previous Year 13174000 Shares @ Rs. 10/- each fully paid up)	131740000	131740000
<b>Total</b>	<b>131740000</b>	<b>131740000</b>

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

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	13174000	9700000
Add: Shares issued as bonus @Rs. 100/- each	0	0
Total Shares after Bonus Issue	13174000	9700000
Add: Shares issued as bonus @Rs. 10/- each	0	0
Add: Shares Issued @ Rs. 10/- each	0	3474000
Less : Shares cancelled	0	0
Equity: Shares at the end of the year	13174000	13174000

**3.2** 3474000 Equity Shares @ Rs. 45/- each (including premium Rs. 35/-) were allotted under IPO Issue as on 31st July 2014 in Accounting year 2014-15

**3.3 Terms attached to Equity Share**

The Company has only one class of Equity Shares having a par value of Rs.10/- per share. Each holder of Equity shares is entitled to one vote per share.

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

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

1	Name of Shareholders	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
		No. of Shares	% held	No. of Shares	% held
1	Chiripal Industries Ltd.	6366000	48.32%	6366000	48.32%
2	Devkinandan Corporation LLP	1311000	9.95%	1311000	9.95%
3	Chiripal Exim LLP	1311000	9.95%	1311000	9.95%
4	Harshadbhai N.Patel	552000	4.19%	720000	5.47%

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


**NOTE - 4 Reserve & Surplus**

Sr. No.	Particulars	Amount in Rs.	
		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A</b>	<b>GENERAL RESERVE</b>		
	Balance Brought Forward	0	0
	Less : During the year for issue of Bonus Shares (vide board resolution dt. 20/01/2014 and 25/02/2014)	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>
<b>B</b>	<b>PROFIT &amp; LOSS ACCOUNT</b>		
	Balance Brought Forward	420340632	326980649
	Add : Profit/(loss) for the year	142618815	93359983
	<b>Total</b>	<b>562959447</b>	<b>420340632</b>
<b>C</b>	<b>SECURITY PREMIUM RESERVE</b>		
	Balance Brought Forward	139090000	17500000
	Add : During the year	0	121590000
	<b>Total</b>	<b>139090000</b>	<b>139090000</b>
	<b>TOTAL (A+B+C+D)</b>	<b>702049447</b>	<b>559430632</b>

**NOTE - 5 Long-Term Borrowing**

Sr. No.	Particulars	Amount in Rs.	
		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>5.A</b>	<b>SECURED TERM LOANS</b>	28141152	71436140
	From Banks		
<b>5.B</b>	<b>OTHER SECURED LOANS FROM BANK</b>	2293234	2046848
	(Vehicle Loan)		
	<b>Total</b>	<b>30434386</b>	<b>73482988</b>
<b>5.C</b>	<b>OTHER LOANS AND ADVANCES (UNSECURED)</b>		
	From Bank	17987725	24379848
	From Intercompany Corporate	200000000	87503703
	<b>Total</b>	<b>217987725</b>	<b>111883551</b>
	<b>TOTAL (A+B+C)</b>	<b>248422111</b>	<b>185366539</b>
	Current Maturity of Long Term Borrowings		
	Amount disclosed under the head "other Current Liabilities" (Note 10)	19992030	25811387
	<b>Total</b>	<b>268414141</b>	<b>211177926</b>

5.1 Term Loan Rs. 28141152/- (P.Y. Rs. 71436140/-) are secured by way of first pari passu over all fixed assets/ immovable properties of the company situated at Ranipur, Narol Road, Narol, Ahmedabad over the movable assets including Plant & Machineries situated at Ranipur Narol road, Narol Ahmedabad, further corporate guarantee given by certain companies and personal guarantee of Managing Director and relative of such Managing Director, repayable in 28 to 32 equal quarterly installments having rate of interest of 13.70% to 13.95% p.a. Further Term Loans are secured by second pari passu charge over current assets.


**5.2 1. Average Maturity Profile of Term Loans(Secured) From**

Particulars	Installment	Installment	Installment	Installment
	due between	due between	due between	due for more
	1 to 2 year	2 to 3 year	3 to 4 year	then 4 year
T.L 6	18800000	7067275	0	0
Vehicle Loan	837343	926590	453232	-
<b>Total</b>	<b>19637343</b>	<b>7993865</b>	<b>453232</b>	<b>0</b>

**5.3 2. Average Maturity Profile of Term Loans (unsecured) From Banks.**

Particulars	Installment	Installment	Installment	Installment
	due between	due between	due between	due for more
	1 to 2 year	2 to 3 year	3 to 4 year	then 4 year
SCB Loan	1335332	1335332	1335332	13981729

5.4 Vehicles Loans are secured by hypothecation of vehicles in favour of Bank.

5.5 Other loans and advances from bank (un secured) 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.

**NOTE - 6 Other Long-Term Liabilities**

	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Sundry Creditors for Capital Goods	3890279	0
<b>Total</b>	<b>3890279</b>	<b>0</b>

**NOTE - 7 Long-Term Provisins**

	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Gratuity (un funded)	30214077	18566524
<b>Total</b>	<b>30214077</b>	<b>18566524</b>

**NOTE - 8 Short-Term Borrowings**

	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
SECURED		
<b>Working Capital Loan From Banks</b>		
Cash credit facilities	218953975	263185136
<b>Total</b>	<b>218953975</b>	<b>263185136</b>

8.1 Working capital loans are secured by hypothecation of present and future stock of Raw Materials, Stock In Process, Semi Finished Goods, stores and spares, Book Debts and receivables further corporate guarantee given by certain companies and personal guarantee of Managing Director and relatives of such Managing Director of the Company repayable on demand having interest rate of 12.80% to 13.20%.


**NOTE - 9 Trade Payables**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Sundry Creditors for Goods	131305861	98550723
Sundry Creditors for Expenses	117125629	99838491
<b>Total</b>	<b>248431490</b>	<b>198389214</b>

**Note : 9. 1** The details of amounts outstanding to Small and Medium Enterprise based on available information with the Company is as under:

Particulars	Amount in	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Principal amount due and remaining unpaid	-	-
Interest payable on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond the ei)pointed day dving the year	-	-
Interest th.le and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of fl.wther interest rem aining, due and payable in succeeding years	-	-

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

**NOTE - 10 Other Current Liabilities**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Current maturities of long-term borrowings (Refer Note - 5)		
Term Loans	17900000	24629819
Unsecured Loan	1335332	1278540
Vehicle Loans	756698	1181568
<b>Total : A</b>	<b>19992030</b>	<b>27089927</b>
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	1291086	1405066
Contractually reimbursable expenses	80958	562127
Trade / security deposits received	485559	7031014
Advances from customers	4538514	139986
Sundry Others Liabilities(including credit balance of bank )	2243006	20366004
<b>Total : B</b>	<b>8639123</b>	<b>29504198</b>
<b>Total (A+B)</b>	<b>28631153</b>	<b>56594125</b>

**NOTE - 11 Short-term Provisions**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Provision for Taxation	32000000	6000000
Provision for Leave- Encashment	395622	1782808
Expenses	5510784	5285544
<b>Total</b>	<b>37906406</b>	<b>13068352</b>





NOTE - 12 FIXED-ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2015	Additions	Deductions /adjustments	As at March 31, 2016	As at April 1, 2015	Additions	Deductions /adjustments	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015
Land	12124737	0	0	12124737	0	0	0	0	12124737	12124737
Lease-hold Land	0	109758393	0	109758393	0	0	0	0	109758393	0
Factory Buil.Narol.	154277588	0	0	154277588	88064574	7084792	0	95149366	59128222	66213014
Plant & Machinery	791676008	124299536	3326710	912648834	577942342	23780759	3326710	598396391	314252443	213733666
Furniture & Fixture	23698177	33544	0	23731721	19438478	809012	0	20247490	3484231	4259699
Air condition	5772672	668395	0	6441067	4909667	227786	0	5137453	1303614	863005
Computer Fix	8679065	458010	0	9137075	8207709	181503	0	8389212	747863	471356
Office Equipment	3548643	559473	0	4108116	2308555	524366	0	2832921	1275195	1240088
Vehical Fix	9170834	549461	0	9720295	4608956	1776467	0	6385423	3334872	4561878
Weighting Scale	361047	0	0	361047	304525	9790	0	314315	46732	56522
<b>TOTAL &gt;&gt;&gt;&gt;</b>	<b>1009308771</b>	<b>236326812</b>	<b>3326710</b>	<b>1242308873</b>	<b>705784806</b>	<b>34394475</b>	<b>3326710</b>	<b>736852571</b>	<b>505456302</b>	<b>303523965</b>
<b>PREVIOUS YEAR</b>	<b>996992080</b>	<b>17059820</b>	<b>4743129</b>	<b>1009308771</b>	<b>679580545</b>	<b>30585033</b>	<b>4380772</b>	<b>705784806</b>	<b>303523965</b>	<b>317411535</b>
Capital (wip)										
Factory Buil. Narol	0	0	0	0	0	0	0	0	0	0
Plant & Machinery	46290810	131508508	46290810	131508508	0	0	0	0	131508508	131508508
<b>TOTAL &gt;&gt;&gt;&gt;</b>	<b>46290810</b>	<b>131508508</b>	<b>46290810</b>	<b>131508508</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>131508508</b>	<b>131508508</b>

NOTE-13 Non Current Investments

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Investment in Equity Instruments		
Long Term Investments Other then Trade		
<b>UNQUOTED SHARES (At Cost)</b>		
20250 (P.Y.13500) Equity Shares of Chiripal Industries Ltd of Rs.10/- Each	90000	90000
<b>UNQUOTED SHARES (At Cost) Other</b>		
35000 (P.Y. 35000) Equity Shares of Prakash Calender P.Ltd of Rs.10/- Each	350000	350000
44 (P.Y. 44) Equity Shares of Ellisbridge Co-op Bank Ltd of Rs.25/- Each	1100	1100
4 (P.Y. 4) Equity Shares of Nutan Nagrik Sahakari Bank Ltd of Rs.25/- Each	100	100
150 (P.Y. 150) Equity Shares of Deepak Impex P.Ltd of Rs.100 Each	15000	15000
145000 (P.Y. 145000) Equity Shares of Merit Credit Corp Ltd of Rs.1.16 Each	168200	168200
<b>Long Term Investments Other then Trade</b>		
<b>QUOTED SHARES (At Cost)</b>		
20000 (P.Y. 20000) Equity Shares of GSL Nova Petrochemicals Ltd of Rs 5 Each Market Value Rs. 13800/- (Previous Year Rs.12000/-)	200000	200000
10000 (P.Y. 10000 @ Rs. 10/- Each) Equity Shares of CIL Nova Petrochemicals Ltd of Rs 10/- Each (Market ValueRs. 227500/- of (Previous Year Rs.190000/-)	200000	200000
<b>Total</b>	<b>1024400</b>	<b>1024400</b>
1. Aggregate value of Unquoted Investmetns	624400	624400
2. Market Value of Quoted Investment	241300	202000
3. Aggregate value of Quoted Investmetns	400000	400000



NOTE-14 Deferred tax assets (Net)

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Deferred Tax Liability</b> (Refer Note 38 )	0	0
<b>Deffered tax asses</b> (Refer Note 38 )	7722552	11366208
<b>Total</b>	7722552	11366208

NOTE - 15 Long-term loans and advances

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Advance for Capital Goods (Unsecured, considered good)</b>		
Unsecured, considered good for Land	0	127548200
Unsecured, considered good for fixed Assets	132237903	11130899
MAT Credit Entitlement	26413048	11453034
<b>Balances with government authorities (Unsecured, considered good)</b>		
CENVAT credit receivable	47989	47989
Other Deposits	9293808	6256327
<b>Total</b>	167992748	156436449

NOTE-16 Other non current assets

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Trade receivable (Exceeding Six Months)	1620237	1620237
<b>Unsecured, considered good</b>		
Less: Provision for Doubtful	0	0
<b>Total (A)</b>	1620237	1620237
I P O Exp. (Un amortised)	2897512	3863349
Preliminary Exp. (Un amortised)	654000	981000
Pre-Operative Exp. (Un amortised)	498330	0
<b>Total (B)</b>	4049842	4844349
<b>Total (A+B)</b>	5670079	6464586



**NOTE -17 Inventories**

(As taken valued & Certified By the Directors)

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Raw Material</b>		
Colour & Chemicals (At Cost)	32289050	39459019
Design (At Cost)	2238312	1515992
<b>Work in Progress</b>		
Grey Cloth (At Cost)	21869673	34994572
Work in Process of Job (At Cost)	45260149	33203773
<b>Finished Goods</b>		
Fabrics (At Cost or Market value which ever lower)	0	0
Grey Cloth (At Cost)	0	0
<b>Others</b>		
Stores & Spares (At Cost)	22303660	20845022
Coal & Firewood (At Cost)	5050170	5279617
Packing Material (At Cost)	967567	876889
Stationery (At Cost)	548666	230366
Diesel & Oil (At Cost)	1140874	215481
<b>Total</b>	<b>131668121</b>	<b>136620731</b>

**NOTE-18 Trade Receivables**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>( UnSecured Considered Good )</b>		
More than six months ( Reffer note 16)		
Within Six months (Others)	608412910	537372427
Less: Provision for Doubtful	0	0
<b>Total</b>	<b>608412910</b>	<b>537372427</b>

**NOTE-19 Cash and Cash Equivalents**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Cash on Hand	2961553	2535418
In Current Account	4283349	51784224
F.D.R. A/c with Bank	7589676	8994377
(As margin money for LC and Bank Gurantee Limits with Banks) (F.D.R. of Rs.2474032/- (PY. Rs.4168126) with maturity more than one year)		
<b>Total</b>	<b>14834578</b>	<b>63314019</b>



**NOTE-20 Short-term Loans and Advances**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Tax Deducted at source	15477726	13238544
Income Tax Refundable	17191327	19817208
Advance Recoverable in Cash or in Kind or for value to be Received.	43279687	130871174
<b>Total</b>	<b>75948740</b>	<b>163926926</b>

**NOTE-21 Revenue from operations**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Sale of products</b>		
Manufactured goods		
Fabrics Sales	681980553	477396739
<b>Trading goods</b>		
Chips sales	124064564	124699640
<b>Sale of services</b>		
Jobwork Sales	1929735165	1634168474
<b>Total</b>	<b>2735780283</b>	<b>2236264853</b>

**NOTE-22 Other Income**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Share Dividend	0	7
Vatav Kasar	14	94709
Interest on F.D.R.	859013	565804
Interest on Income Tax Refund	1320418	451252
Net Balance written off A/C	865326	114997
<b>Total</b>	<b>3044770</b>	<b>1226769</b>

**NOTE-23 Cost of Materials**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Material consumed comprises:</b>		
<b>Raw material</b>		
Gray Cloth Consumed	644368939	454105395
<b>Colour &amp; Chemicals Consumed</b>		
Indeginious	620766581	584913332
<b>Others</b>		
Coal & Firewood Consumed (Indeginious)	377329270	325261157
Stores & Spares Consumed (Indeginious)	114453808	70210024
Packing & Folding Expenses (Indeginious)	14168346	14259053
Design Consumed (Indeginious)	50702553	48736893
<b>Total</b>	<b>1821789497</b>	<b>1497485854</b>



**NOTE-24 Purchases of stock-in-trade**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Chips purchase	124064564	124699641
<b>Total</b>	<b>124064564</b>	<b>124699641</b>

**NOTE-25 Changes of inventories of finished goods,work in progree and stock-in-trade**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Inventories at the end of the year:</b>		
Finished goods	0	0
Work in Progress	45260149	33203773
Stock-in-trade	0	0
	<b>45260149</b>	<b>33203773</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	0	2156622
Work in Progress	33203773	24533812
Stock-in-trade	0	0
	<b>33203773</b>	<b>26690434</b>
<b>Total</b>	<b>12056376</b>	<b>6513339</b>

**NOTE-26 Payment to Employees**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Salaries, Wages, Bonus & P.F. etc.	323910222	257777436
Contributions to provident funds	4345517	3253943
Gratuity (Refer Note no.7 )	11787553	7621618
Leave Encashment	4258164	353075
Staff Welfare	3040221	2515380
<b>Total</b>	<b>347341677</b>	<b>271521452</b>

**NOTE-27 Financial Expenses**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Bank & Other Interest	34825824	28672917
Bank Interest On Term Loan	10313537	19340486
L C Charges	1265474	1332267
Bank Charges & Commission	4363164	3837008
<b>Total</b>	<b>50767999</b>	<b>53182678</b>



**NOTE-28 Other Expenses**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Manufacturing Expenses</b>		
Lorry Freight	7739732	10643069
Power & Fuel	79166157	79132318
Factory Expenses	3943921	6115726
Repairs & Maintenance Building	21850686	15379299
Repairs & Maintenance Machineries	15665980	11542248
Repairs & Maintenance Others	9417270	11116377
Oil & Lubricant & other	4689572	498711
<b>Administration &amp; Selling and Distribution Exp.</b>		
Rent, Rates & Taxes	6047181	3591300
Stationery & Printing	1881869	2048463
Auditors Remuneration (Refer Note : 28.1)	194650	415732
Conveyance	2880849	2744508
C S R Expenses	0	379684
Travelling Expenses	2555348	1661128
Insurance	1428716	1845533
Telephone	884721	834550
Vehicle Expenses	896344	776155
Miscellaneous Expenses	13142560	6827145
Consultancy	5234788	3828236
Legal Expenses	8700	83609
Postage	220982	215727
Donation	6566000	2556200
Security Expenses	3861862	2733856
Sales Tax	1730627	1195537
Dalali & Commission	1004263	1138012
Advertisement & Sales Promotion	3545180	60120
<b>Total</b>	<b>194557958</b>	<b>167363243</b>

**NOTE-28.1 Payments to the Auditor**

Particulars	Amount in Rs.	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Payments to the auditors comprises		
Statutory audit	160300	157304
Tax Audit	34350	33708
Company Law	0	112360
Certification	0	112360
<b>Total</b>	<b>194650</b>	<b>415732</b>



**Note : 29 CONTINGENT LIABILITIES**

- (a) The estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 3581.32 Lac. (P.Y.250.00 Lac.) against which advance have been paid Rs. 1322.38 Lac. (P.Y. 111.30 Lac.)
- (b) Un-expired Letter of Credits and Bank Guarantee (net of margins) Rs. 237.65 Lacs (Previous Year Rs. 740.27 Lacs)
- (c) The Company has received Assessment Order U/s. 143(3) of the Income Tax Act, 1961 for the A.Y. 2012-13, against which company has preferred an appeal before CIT (A). Due to effect of this Assessment order MAT Credit Entitlement has been reduced by Rs. 203415/-, As the matter is pending with CIT (A), company is hopeful of positive outcome, hence, no provision is made in books of accounts.
- (d) The Company has received Assessment Order U/s. 143(3) of the Income Tax Act, 1961 for the A.Y. 2013-14, against which company has preferred an appeal before CIT (A). Due to effect of this Assessment order refund has been reduced from Rs. 8836324/- to Rs. 5993820/- and consequently MAT Credit Entitlement has also been reduced. As the matter is pending with CIT (A), company is hopeful of positive outcome, hence, no provision is made in books of accounts.
- (e) Income Tax Department has filled an appeal against the order of CIT (A) for A.Y. 2011-12, having demand of Rs. 730110/-. CIT (A) has decided the appeal for A.Y. 2011-12 in favour of the assessee. As the matter is pending with ITAT, till date, no provision for same is made in books of account.
- (f) As per information and explanation given to us, an employee fraud had occurred in the company for the amount aggregating to Rs.1193137/- as per the FIR filed with the Police station, Ahmedabad out that Rs.66927/- covered in the F.Y.2007-08. The company has not provided for that in the books of account and shown as recoverable in the name of employee under the head Loans and Advances as the board is of the opinion that the amount is fully recoverable.
- (g) 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.763.65 lacs with insurance company for loss of damaged goods and assets own and parites goods received for job work, out of total Rs.717.92 Lacs for goods received from various parties for job work. Against which company has received claim of Rs. 399.95 lacs out of Rs. 133.00 Lacs 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.45.73 Lacs.
- (h) Civil Suit is filled against the company for recovery of Rs. 457378/- in City Civil Court, Ahmedabad and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.

- (i) Company has filled petition against order of Textile Cess Appellate Tribunal for demand amounting to Rs. 1775285/- and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.
- (j) There are three cases filled against the company for aggregating to Rs. 250000/- with Labour Court Ahmedabad and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.
- (k) In respect of Corporate Guarantee given: Not provided in the accounts in respect of Corporate Guarantee given : Rs. 296.74 Lac
- (l) The Company has received Assessment Order U/s. 32,34,35 of Gujarat Value Added Tax Act, 2003 for the F.Y. 2011-12 and raised demand in respect of VAT Rs. 2544091/- and CST Rs. 1004749/-, against which company has preferred an appeal before Joint Commissioner of Commercial Tax (A). As the matter is pending with Joint Commissioner of Commercial Tax (A), company is hopeful of positive outcome, hence, no provision is made in books of accounts. till date, no provision for same is made in books of account. The company has already paid Rs. 2223252/- against the same.

**Note : 30**

Provision for current year's income tax aggregating to Rs.3,20,00,000/- (P.Y. Rs. 60,00,000/- ) has been made on estimated basis for the accounting year ended on 31.03.2015. The actual tax liabilities of the company will be determined on the basis of taxable income of the company for F.Y 2015-16.

**Note : 31**

**Expenses includes following payments to Directors**  
Employment cost include managerial remuneration paid / payable during the year in accordance with the provisions of Companies Act, 2013.

Remuneration to Directors:-	2015-16	2014-15
Managerial Remuneration	2534142	1395000
Contribution to Provident Funds	205372	115200
	<b>2739514</b>	<b>1510200</b>

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

**Note : 32**

**Earning per share**

Particular	2015-16	2014-15
(a) Net Profit after tax available for Equity Share Holders	142618815	93360931
(b) Weighted Avg. No. of shares used as denominator for		
Calculation of Basic EPS on shares of Rs. 10 each.	13174000	11898613
Basic/Diluted Earning per shares (a/b)	10.83	7.85


**Note : 33**
**Exceptional and Extra Ordinary Item**

Particular	2015-16	2014-15
a. Profit / (Loss) on sale of Fixed assets	131250	41543
b. Profit / (Loss) on sale of Investment in Shares	Nil	(5250)
<b>Total</b>	<b>131250</b>	<b>36293</b>

**Note : 34**
**Related Party**

The Company has identified the following related parties under Accounting standard – 18 on related parties, issued by the institute of chartered accountants of India and as per Section 188 of The Companies Act 2013.

- a) Related parties with whom transaction have taken place during the year Associates /Enterprise which has significant influence
- i. Chiripal Industries Ltd.
  - ii. Nandan Denim Ltd
  - iii. Shanti Export Pvt. Ltd.
  - iv. Chiripal Poly Films Ltd
  - v. Shanti Educational Initiative Limited
  - vi. Millestone Educom Trust
  - vii. Shanti Polytechnic Foundation Ltd.
  - viii. Dholly Integrated Spinning Park Ltd.
  - ix. Chiripal Textile Mills Pvt. Ltd.
  - x. Shanti Spincot Pvt. Ltd.
  - xi. Tripoli Management Pvt. Ltd.
- b) key management personnel
- i. Mr. Jyotiprasad D. Chiripal (Managing Director) (Appointment w.e.f. 04.04.14)
  - ii. Mr. Vinodkumar Ajmera (Vice President)
  - iii. Mr. Amit Kadmawala (Additional Director) (Appointment w.e.f. 13.11.14)
  - iv. Mr. Arakhita Khandul (Independent Director) (Appointment w.e.f. 04.04.14)
  - v. Mrs. Nitika D. Chiripal (Director) (Resignation w.e.f. 17.08.15)
  - vi. Mrs. Dhara S. Shah (Additional Director) (Appointment w.e.f. 05.03.15)
  - vii. Mr. Maheshchandra Kawat (Chief Financial Officer) (Appointment w.e.f. 04.04.14)
  - viii. Ms. Poonam Pabla (Company Secretary)
  - ix. Mr. Shubhankar Jha (Independent Director) (Appointment w.e.f. 28.05.15)

e) The Related Party Transactions are under:

Sr. no	Nature Of Transactions	Associates Companies	Key Management Personal
1	<b>Purchase</b>		
	Goods/Process Charge	42885863 (60175607)	
	Lease Hold Land Purchase	109758393 (Nil)	
2	<b>Sales</b>	<b>39082807</b>	
	Goods	(217282091)	
3	<b>Finance</b>		
	Inter corporate Deposit	116342500	
	Deposit Given	(Nil)	
4	<b>Other</b>		
	Paid on their behalf	842500 (26601574)	
	Paid on behalf of us	1507000 (1374051)	
	Donation	5000000 (2000000)	
	Deposit	Nil (1000000)	
	Advance For Land	NIL (7109500)	
5	<b>Expenses</b>	1028250	
	Rent & Maintenance	(683277)	
	Remuneration		5995548 (4249052)
	Interest Paid	2831370 (Nil)	-
6	<b>Outstanding</b>		
	Sundry Debtors	1289705 (160131913)	
	Inter corporate deposit given	Nil (Nil)	
	Deposit	Nil (1000000)	
	Advance For Land	Nil (128097500)	
	Provision for Exp.	Nil (683277)	
	Financial Guarantee Obtained	198000000 (198000000)	





**Note : 35**

**Capital Work in Progress and Pre operative Expenditure**

Company is implementing 80 MMPA Denim Fabric Manufacturing and processing unit of fab rics width upto 2100 MM at Plot No. 2 & 3, Dholi Integrated Spinning Park Ltd., Village : Dholi, TA.: Dholka, Dist.: Ahmedabad and the estimated project cost is Rs. 283.26 crore. The expenditure incurred till 31.03.2016 has been classified under Capital work in Progress and the details thereof produced below.

**Capital Work in Progress**

<b>Particulars</b>	<b>Amount (Rs.)</b>
Additional VAT on Capital Goods Purchased	714699
Bank Charges	5080
Capital Work In Progress Civil	54907232
Capital Work In Progress Civil – PEB	56918211
Capital Work in Progress for Electric Fittings	38006
Capital Work In Progress Plant & Machinery	3061282
Consultancy Charges	937433
Conveyance Exps.	30082
Corporate Petroleum - Deposit	10000
Electricity Charges	155076
Interest on Sales Tax	1287
Interest on TDS	324
Laboratory Exps.	2736
Legal & Professional Charges	400798
Miscellaneous Exps.	223913
Oil & Fuel Exps.	79065
Pre Operative Bank Processing Fees	2628500
Pre Operative Employee Cost	5039638
Preoperative Expenses	57684
Printing & Stationery Exps.	24204
Rent Expense	11450
Service Tax on Contract for CIVIL	2777147
Service Tax on Goods Transport	2394
Service Tax on PEB – Erection	281300
Service Tax on Plant & Machinery	88760
Telephone & Mobile Exps.	32134
Travelling Exps.	163263
VAT on Capital Goods Purchases	2860008
Vehicle	56802
	<b>131508508</b>



**Note : 36**

**Deferred Taxes**

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

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

Component	Deferred Tax Asset/ (Deferred Tax Liabilities) as at 01/04/2015	Current Year DTA/ (DTL)	Deferred Tax Asset/ (Deferred Tax Liabilities) as at 31/03/2016
Opening Bal. Of Deferred Tax assets	11366204	-	-
Difference in Depreciation between accounting books and tax return for year end as on 31.03.2016	-	(7723092)	-
Provision for Gratuity for F.Y.2015-16 disallowable U/S. 43B of The Income Tax Act,1961	-	4079436	7722552

Tax Impact for the above purpose has been arrived by applying a tax rate of 34.608 % being the rate prevailing for the Indian Companies under the Income Tax Act, 1961

**Note : 37**

**Segment Information**

- The segments have been identified in line with the AS-17, taking into account the organization structure as well as the differential risks and returns of these segments. Business segments have been considered as primary segments.
- Inter segment revenue have been accounted for based on the transaction price agreed between segments which is primarily market led.
- Geographical segment is not considered as exports are insignificant.

**Note : 38**

**Impairment of assets**

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

**Note : 39**

**Value of Imported/Indigenous Stores Spares and Components Consumed.**

Class of Goods	2015-16		2014-15	
	Qty	Value	Qty	Value
<b>A) Indigenous</b>				
Design		50702553		48736893
Colour Chemi.	N.A	620766581	N.A	584913332
Stores & Spares	N.A	114453808	N.A	70210024
<b>B) Imported</b>				
Design	N.A	N.A	N.A	N.A
Colour Chemi.	N.A	N.A	N.A	N.A
Stores & Spares	N.A	N.A	N.A	N.A

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


**Note : 40**
**Earning / Expenditure in Foreign Currency**

	2016	2015
<b>A. Expenditure in foreign currency during the Financial year on account of royalty, know-how, Professional consultation fees, interest and Other matters</b>	NIL	NIL
a) Foreign Bank charge & Commission	NIL	NIL
b) Foreign Traveling	749956	477149
c) Advertisement	NIL	NIL
<b>B. Value of Imports on C.I.F. basis in respect of</b>		
a) Raw Materials	NIL	NIL
b) Spares & other matters	NIL	NIL
c) Capital Goods	NIL	NIL
C. Remittances of Foreign currency on account Of dividend	NIL	NIL
D. Value of Imported Raw material consumed	NIL	NIL
E. Income in Foreign currency during the Financial year on account of Sales.	NIL	Nil

**Note : 41**
**Employee Benefit Plans**
**a. Defined Contribution Plans : Provident Fund**

The Company makes Provident Fund contributions to defined contribution plans for qualifying employee. Under the schemes the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company recognized Rs. 4345517/- (P.Y. Rs. 3253943/-) for Provident Fund contributions in the statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the schemes.

**b. Defined Benefit Plans : Gratuity**

The following table sets out the funded status of the defined benefit schemes and the amount recognized in the financial statements.

Particulars	2016	2015
<b>Statement of Profit and Loss</b>		
Current Service Cost	9631924	3211708
Interest on Obligation	1438229	913130
Expected Return on Plan Assets	-	-
Net Actuarial Loss/ (Gain)	717400	3496781
Past Service Liabilities	-	-
Losses/ (Gains) on curtailment and settlement	-	-
Total included in Employer Benefit Expense	11787553	7621618
Prior Year Charge	-	-
<b>Total charge to P&amp;L</b>	<b>11787553</b>	<b>7621618</b>
<b>Reconciliation of Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	19124553	11502934
Prior Year Charge	-	-
Service Cost	9631924	3211708
Interest Cost	1438229	913130
Actuarial Losses (Gains)	717400	3496781
Past service Liabilities	-	-
Losses (gains) on curtailments	-	-



## VISHAL FABRICS LIMITED

Particulars	2016	2015
Liabilities extinguished on settlement	-	-
Benefits Paid	(100000)	-
Benefits Payable	-	-
<b>Closing Defined Benefit Obligation</b>	<b>30812106</b>	<b>19124553</b>
Reconciliation of Plan Assets		
Opening Value of Plan Assets	-	-
Expected deducted from the fund	-	-
Expected Return	-	-
Actuarial gains / (losses)	-	-
Contributions by employer	-	-
Benefits paid	-	-
<b>Closing Value of Plan Assets</b>	<b>-</b>	<b>-</b>
<b>Actuarial Assumptions</b>		
Discount Rate	7.80%	7.80%
Expected Return on Plan Assets	-	-
Salary Growth Rate	5.50%	5.50%
Retirement Age	58 Years	58 Years
Mortality Rates	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

### Note : 42

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

Signature to Notes 1 to 42

As per our report and even date annexed

**M/s. ANIL S. SHAH & CO.**  
Chartered Accountants  
Firm Reg. No. 100474W

**KRUNAL A. SHAH**  
Partner  
Membership No.115801

Place: Ahmedabad  
Date: 23/05/2016

For Vishal Fabrics Limited

**Jyotiprasad Chiripal**  
Managing Director

**Mahesh Kawat**  
C.F.O.

**Amit Kadmawala**  
Director

**Poonam Pabla**  
Company Secretary



**VISHAL FABRICS LIMITED**

(CIN: L17110GJ1985PLC008206)

Registered 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.

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

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

I hereby record my presence at the 31st Annual General Meeting of the Company to be held on Tuesday, 20th September, 2016 at 3:30 P.M. at the Corporate Office of the Company situated at 'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015.

\_\_\_\_\_  
Signature of the Shareholder or Proxy

**VISHAL FABRICS LIMITED**

(CIN: L17110GJ1985PLC008206)

Registered Office: Ranipur Narol Road, Ahmedabad – 382 405  
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 : _____



## VISHAL FABRICS LIMITED

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

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or falling him

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or falling him

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

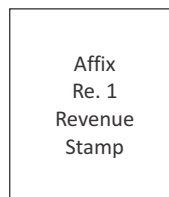
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or falling him

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the 31st Annual General Meeting of the Company to be held on Tuesday, 20th September, 2016 at 3:30 P.M. at the Corporate office of the company situated at 'Chiripal House', Near Shivrnanajani Cross Roads, Satellite, Ahmedabad – 380 015 and any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions	Optional	
	For	Against
<b>Ordinary Business:</b>		
1. Adoption of Audited Financial Statements as on March 31, 2016.		
2. Re-appointment of Mr. Amit Kadmawala (DIN: 07016454)		
3. Appointment of Auditors and fixing their remuneration.		
<b>Special Business:</b>		
4. Ratification of Remuneration of Cost Auditors.		
5. Increase in the Authorized Share Capital to Rs. 25 Crore.		
6. Authorizing raising of funds through rights issue & conversion of unsecured loans of promoter & promoter group into equity shares of the Company through rights issue.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

Signature of shareholder \_\_\_\_\_



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

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

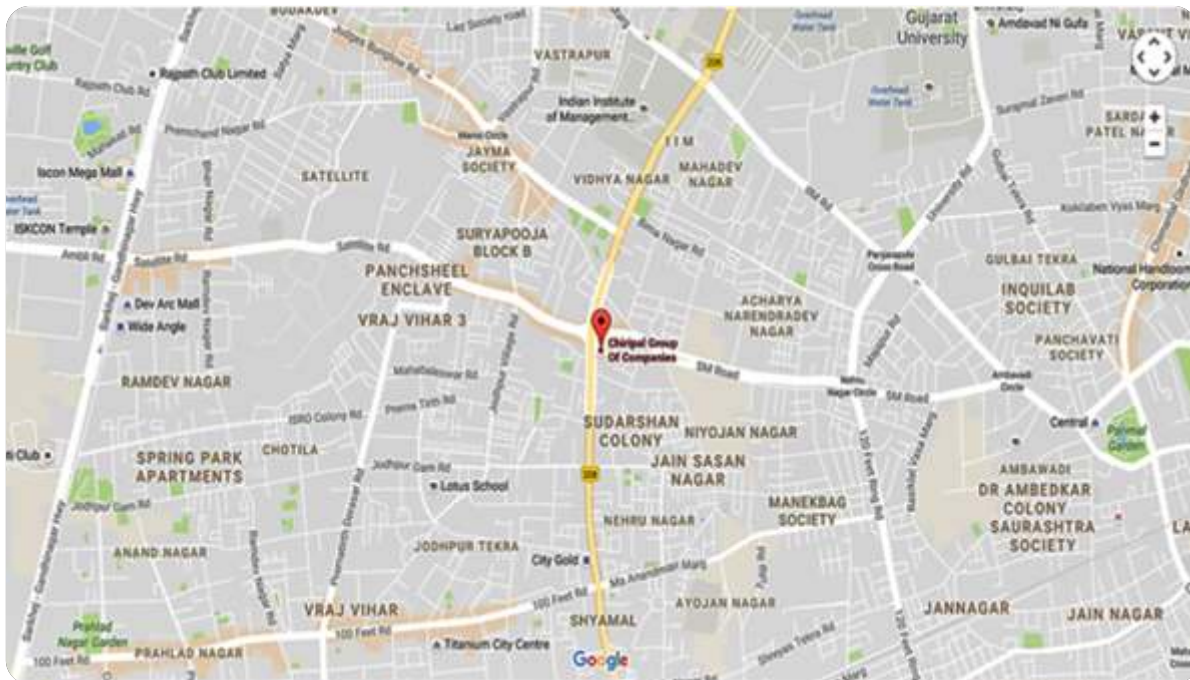
\_\_\_\_\_  
Signature of third proxy holder



**Notes:**

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

**Route Map for Venue of 31st Annual General Meeting (“AGM”)  
Vishal Fabrics Limited**





## **VISHAL FABRICS LIMITED**

(CIN: L17110GJ1985PLC008206)

**Registered Office:**

Ranipur Narol Road, Ahmedabad – 382 405

**Ph. No.:** +91 - 79 - 25353977/78/79/80;

**Fax:** +91 - 79 - 25353981

**Email:** [cs.vfl@chiripalgroup.com](mailto:cs.vfl@chiripalgroup.com)

**Website:** [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com)