

# BEYOND BARRIERS







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## CORPORATE OVERVIEW

• Board of Directors	Mr. Brijmohan D. Chiripal Mr. Amit K. Kadmawala Mr. Ponnusamy Shanmugaraja Mr. Shubhankar Jha Mr. Chitranjan Ajaib Singh Mrs. Dhara Shah	Managing Director (DIN: 00290426) Executive Director (DIN: 07016454) Executive Director (DIN: 08013737) Independent Director(DIN:07208823) Independent Director(DIN:07300731) Independent Director(DIN:06983857)
• Board Committees		
• Audit Committee	Mr. Chitranjan Ajaib Singh Mr. Brijmohan D. Chiripal Mr. Shubhankar Jha Mrs. Dhara Shah	Chairman Member Member Member
• Nomination & Remuneration Committee	Mrs. Dhara Shah Mr. Shubhankar Jha Mr. Chitranjan Ajaib Singh	Chairman Member Member
• Stakeholders' Relationship Committee	Mr. Chitranjan Ajaib Singh Mr. Shubhankar Jha Mrs. Dhara Shah	Chairman Member Member
• Corporate Identity Number (CIN)	L17110GJ1985PLC008206	
• Bankers	Bank of Baroda, Bank of Maharashtra, Oriental Bank of Commerce, State Bank of India, Vijaya Bank, The Lakshmi Vilas Bank Limited, IDBI Bank	
• Chief Executive Officer (CEO):	Mr. Tanuj Agarwal	
• Chief Financial Officer (CFO)	Mr. Mahesh Kawat	
• Company Secretary & Compliance Officer	Mr. Deepak Vyas (appointed w.e.f. 29.05.2018) Ms. Tanushree Dave (resigned w.e.f. 09.04.2018)	
• Registered Office and Plant	Ranipur Narol Road, Ahmedabad-382405 Phone:+91 - 79 - 2535 3977 / 78 / 79 / 80 Fax:+91 - 79 - 2535 3981	
• Corporate Office	'Chiripal House', Shivranjani Cross Roads, Satellite, Ahmedabad - 380 015 Phone : +91 - 79 - 2673 4660 / 2 / 3, Fax: + 91 - 79 - 2676 8656	
• Statutory Auditors	M/s. Abhishek Kumar & Associates Chartered Accountants, Ahmedabad - 380 009	
• Internal Auditors	Jhaveri Shah and Company 501-3 Aniket Complex, C.G.Road, Ahmedabad	
• Registrar and Share Transfer Agent	Link Intime India Private Limited, 5th Floor, 506 to 508 Amarnath Business Centre-I (ABC-I), Beside Gala Business Centre, Nr. St. Xavier's College Corner Off C.G. Road, Navrangpura, Ahmedabad - 380009, Gujarat Tel. No.: +91 - 79 - 26465179, Fax No.: +91 - 79 - 26465179 e-mail: ahmedabad@linkintime.co.in	
• E-mail	cs.vfl@chiripalgroup.com	
• Website	www.vishalfabricsltd.com	





## ▶ VISHAL FABRICS LIMITED

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

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

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

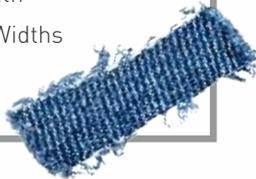
State-of-the-Art denim unit at DISPL is equipped with latest machinery. It includes 491 nos of weaving looms, 11 nos of warping units and 8 nos of IDR machines for dyeing. Finishing line consists of 3 singeing machines, 2 mercerising units, 1 stenter, 3 wet finishing machines and 1 kiss roll finishing machine. Inspection line is equipped with latest 12 inspection machines

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

## ▶ Product Spectrum

### **FABRIC TYPE**

Denims Bottoms,  
Denim Shirting and  
Joggings fabric in both  
Narrow Width  
and Wider Widths



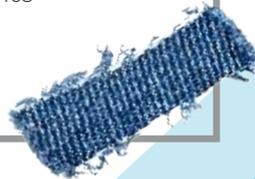
### **WEIGHT**

3 Oz. to 15 Oz.  
with finer to  
finer counts as  
well coarser to  
coarser counts



### **WEAVES**

3/1, Various Structure,  
Jacquard, Dobby,  
Knits in rigids and  
stretch fabrics



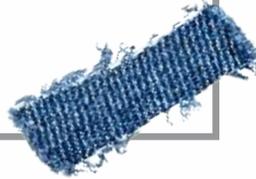
### **FABRIC BLENDS**

Cotton,  
Polyester  
and Lycra



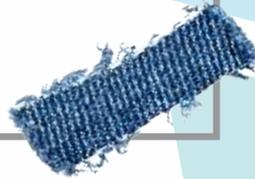
### **COLOURS**

Indigo,  
Sulphur and  
Darkest  
Deep Colour



### **FINISHES**

Dyes, Desize,  
Mercerize,  
Coating and  
Liza finishes



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

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

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

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

## MANAGING DIRECTOR'S MESSAGE

Dear Stakeholders,

I welcome you all to this year's Annual General Meeting of your Company, Vishal Fabrics Limited. It gives me immense pleasure to share with you activities of your Company during financial year 2017-18.

The company focused on expansions, vertical synergy, cost effectiveness, and high productivity and has scored high not only in monetary terms, but also in welfare activities.

I am glad to explain that your Company has achieved Operational revenue of Rs. 890.94/- Crore in Financial Year 2017-18 as compared to Rs 373.64/- Crore in the previous financial year and the profit before depreciation and tax also increased by 31.26 %, of Rs. 33.34/- Crore in the financial year 2017-18 as compared to previous financial Year of Rs. 25.40/- Crore.

Your Company has successfully completed 4 years of Listing with BSE and also Migrated from SME to Main Board. While we have progressed a long way since the listing date, we believe the journey has just begun as we continue our endeavors to climb higher. Our aim and ambition continues to build a robust organization with a

strong foundation that can weather challenges and create value for its stakeholders over many more decades.

Though the present industry scenario is challenging, Our Company expects to sustain its growth on the back of various initiatives taken in the past and in the coming years. Not with standing the macro economic slowdown, your company established high levels of governance and financial discipline and continue to remain focused on pursuing profitable growth.

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

**Thank you for your support**

**Yours Faithfully,**

**Sd/-**

**Managing Director**

**Brijmohan D. Chiripal**







## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENT:

#### Global Denim Fabric Industry Overview



The global denim fabric market is expected to be worth \$64.1 billion by 2020 up from \$55 billion in 2014. The world denim fabric industry is growing at a rate of 5%. There is a growing demand for denim fabric in the global market as jeans are being accepted as casual work attire and being modify forms for formal/Officer attire as well. (as per BusinessWire Reports)

After up-downs, a global textile business and apparel industry are flourishing at high speed. The world is on a new corridor of the industrial revolution. Analysts are anticipating more expansion with latest technologies in textile machinery. the textile machinery hubs like China, Germany, Italy, Switzerland, and India have already jumped in gigantic competition to craft and bid best technologies in textile Business.

#### Indian Textile and Apparel Market Overview

The Indian denim industry worth INR 235 billion in 2017 is growing at a compound annual growth rate (CAGR) of 10% while the overall Indian Textile industry has been growing at a CAGR of 5%. The denim fabric manufacturing industry is highly fragmented with a presence of 46 denim mills. The share of the market leader in the industry is a mere 12%. (as per Press Reports) India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with

approximately 13 per cent of total exports. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale.

The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

The demand for denim fabric in India is expected to increase on the back of an increase in the jeans market. Average jeans owned by an Indian consumer are 0.3 while the same figure is 9 for the US, 8 for the UK, 7 for Brazil and 3 for China. So, there is a vast untapped potential for growth of jeans in the Indian market. The huge youth population in India will add to the demand. (Source: JCRVIS)

## Denim Market in India

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

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

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

#### DENIM PRODUCT

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

#### TEXTILE SERVICES

The Company also engaged in the business of processing Grey Fabric using various bleaching, dyeing and printing processes. and the Company equipped with state of the art machinery to process fabric from 30 inches to 120 inches width with core capability to print, dye and finish a wide range of fabric consisting of 100% cotton, polyester and various blends, regenerated and manmade fabrics viz. Viscose, Rayon, modal, excel, polyester, nylon, acrylic, linen, etc. from finest counts to coarser counts viz. voiles, georgette, crapes, canvass, suiting, shirting, dress material, bottom weights, bed sheet, bed covers, upholstery, furnishing fabrics. Our products cater to domestic as well as global markets, ensuring most stringent quality norms.

#### OUTLOOK:

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

## SWOT ANALYSIS OF INDIAN TEXTILE INDUSTRY:

### STRENGTHS/OPPORTUNITIES

- Latest technology which provides better productivity as compared to industry standards in India.
- Large scale of operations which gives a competitive edge while dealing with large global buyers as the orders are big in volume
- Strong connects with distributors for the domestic market which provides the company to increase its market base in remote locations of India.
- The central government is planning to finalise and launch the new textile policy
- Increasing demand of Fabric as growing urbanization and a gradual shift from unorganized to organized.
- Increasing purchasing power and changing in Fashions and Lifestyle.
- Fastest growing economy in the world.
- Allows 100% FDI through the automatic route in the textile sector through 'Make in India' initiative;
- Technology Upgradation Fund Scheme launched in 1999 has also given a major boost to this sector; the scheme is continuing through the 12<sup>th</sup> plan with a massive focus on power looms.
- Financial assistance with lower Interest Rate and also provides subsidies for launching new project.

### WEAKNESSES

- Demand of Denim is not increased as compare increased in production capacity
- There is a need to develop a larger portfolio of denim garments and accessories, including shorts, shirts, bags, dresses, accessories among others currently Vishal fabrics Limited is manufacturing denim fabrics only.
- There is a lot of scope of improvement in right processing and value addition in denim through fashion-led processes and finishes. Establishment of high quality processing and washing units could help to improve the quality of finishes and colours, this attracting more consumers to try denim.



## KEY RISKS & MITIGATION MEASURES:

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

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

## INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

### Disclaimer:

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

Date: August 14, 2018

Place: Ahmedabad

For Vishal Fabrics Limited

Sd/-

Brijmohan D. Chiripal

Managing Director

## 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 33<sup>rd</sup> Annual General Meeting of the members of Vishal Fabrics Limited will be held on Thursday, September 20, 2018 at 03:00 p.m. at Chiripal Bungalow, Beside Hilarupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad - 380058 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Brijmohan D. Chiripal (DIN: 00290426), who retires by rotation and being eligible 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, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013, and rules made thereunder, (including any statutory modification(s) or amendment(s) there-to or re-enactment(s) thereof for the time being in force), if any, and pursuant to the recommendation of the Audit Committee, **M/s. Nahta Jain & Associates**, Chartered Accountants, Ahmedabad (ICAI Registration No. FRN.: 106801W), be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the 33<sup>rd</sup> Annual General Meeting till conclusion of the 38<sup>th</sup> Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company, on such remuneration plus taxes as applicable and out of pocket expenses incurred by them for the purpose of audit of the company, as may be decided by the Board of Directors."

#### SPECIAL BUSINESS:

4. **RATIFICATION AND APPROVAL OF REMUNERATION OF COST AUDITORS.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. A.G. Tulsian and Co., Practicing Cost

Accountants (FRN: 100629), who are appointed as the Cost Auditor of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019 with remuneration not exceeding of Rs. 40,000 plus GST and reimbursement of out of pocket expenses as approved by the Board of Directors be and is hereby ratified and approved."

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

5. **APPOINTMENT OF MR. PONNUSMAY RAJA (DIN:08013737) AS WHOLE TIME DIRECTOR OF THE COMPANY.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013, Mr. Ponnusmay Raja (DIN:08013737) who was appointed as Additional Director of the company and who hold the office up to the date of the ensuing Annual General Meeting, and who is eligible to appoint as a Whole Time Director of the Company and in respect of whom the Company has received a notice in writing from a member along with requisite deposit signifying the intention to propose him as a candidate for the office of the Director, be and is hereby appointed as a Director of the Company and shall be designated as "Whole Time Director", who will liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time, approval of the members of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Ponnusmay Raja as a Whole – Time Director designated as an Executive Director of the Company for a period of 5 years w.e.f. December 12, 2017 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board of Directors and Mr. Ponnusmay Raja."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to fix, alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force).

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

**6. INCREASE IN NRI INVESTMENT LIMIT FROM 10% TO 24% OF THE PAID-UP CAPITAL OF THE COMPANY.**

To consider and if thought fit to pass, with or without modifications, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to applicable provisions of Foreign Exchange Management Act, 1999, as amended ("FEMA"), Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended up to date, the current Consolidated Foreign Direct Investment Policy Circular of 2016, the Companies Act, 2013 to the extent that such provisions have not been superseded by the Companies Act, 2013 or re-notified, as the case may be and all other applicable acts, rules, regulations, provisions and guidelines (including any statutory modifications or re-enactments thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions of the Reserve Bank of India, Ministry of Finance, Ministry of Corporate Affairs, Government of India and other concerned authorities and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions, the limit of investment by Non-Resident Indians (as defined under FEMA) in the equity shares of the Company under the Portfolio Investment Scheme under FEMA, be and is hereby increased from 10% to 24% of the paid-up equity share capital of the Company.

**RESOLVED FURTHER THAT** any Director of the Company or Company Secretary is hereby severally authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolution, including without limitation, intimating the Reserve Bank of India of the increase in investment limits applicable to Non-Resident Indians and to comply with all other requirements in this regard.

**RESOLVED FURTHER THAT**, any Director of the Company or Company Secretary be and is hereby severally authorized to take all steps for giving effect to the above Resolution including filing of the necessary forms with the Registrar of Companies."

**7. INCREASE IN THE LIMIT OF FOREIGN INSTITUTIONAL INVESTORS FROM 24% TO 49% OF THE PAID-UP CAPITAL OF THE COMPANY.**

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

**"RESOLVED THAT** pursuant to the provisions of Foreign Exchange Management Act, 1999, and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable rules & regulations, guidelines and laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions the Company be and is hereby accorded to permit Foreign Institutional Investors (the "FIIs") or Foreign Portfolio Investors (FPIs) by whatever name called, to make investment in any manner in the equity shares of the Company upto an aggregate limit of 49% (Forty Nine percent) of the paid-up equity share capital of the Company, however, provided of each FIIs/FPIs in its own account and on behalf of each of their SEBI approved sub-accounts in the Company shall not exceed such limits as are applicable or may be prescribed, from time to time, under applicable Acts, Laws, Rules and Regulations (including any statutory modifications or re-enactment thereof for the time being in force)

**RESOLVED FURTHER THAT**, any Director of the Company or Company Secretary be and is hereby severally authorized to take all steps for giving effect to the above Resolution including filing of the necessary forms with the Statutory Authorities."

**By order of the Board of Directors**

Sd/-

**Date: August 14, 2018**

**Place: Ahmedabad**

**Deeapk Vyas**

**Company Secretary**

## NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 33<sup>RD</sup> ANNUAL GENERAL MEETING OF THE COMPANY IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER SELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS SENT HERewith. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
3. Members of the Company, holding shares either in physical form or dematerialized form, as on the record date i.e. Friday August 24, 2018 will receive the Annual Report through Email whose Email IDs are registered with the Depository or Company or Physical whose Email id are not registered and it's also be available on the Company's website [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Share registrars and Transfer Agents.
5. Corporate Members intending to send their authorized representatives to attend and vote at the Annual General Meeting are requested to send a duly certified copy of the Board Resolution at registered office of the company authorizing their representative to attend and vote on their behalf at the meeting.
6. Members are requested to bring their Attendance Slip along with copies of their Annual Report to the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
8. Members who hold shares in dematerialized form are requested to write their client id and DP Id numbers and those who hold shares in physical form are requested to write their folio number in the Attendance Slip for attending the Meeting.
9. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees as stipulated under Regulation 36 of the Listing Regulations, 2015 entered into with the Stock Exchange, are provided in the annexure to the notice calling Annual General Meeting.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
11. The Register of Contracts maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
12. Members holding equity shares 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.
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company/ Registrar of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
14. As per the provision of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in demat form the nomination form may be filed with the respective Depository Participant.
15. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
16. The procedure and instructions for remote e-voting is furnished in this notice.  
The instructions electronic voting (e-voting) are as under:  
Instructions for remote e-voting:
  - (i) The voting period commences on 9:00 a.m. on Monday, 17<sup>th</sup> September, 2018 and ends on 5.00 p.m. on Wednesday, 19<sup>th</sup> September, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized

form, as on the cut-off date which has been fixed as Friday, 14<sup>th</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</li> </ul>
<b>DOB</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
<b>Dividend Bank Details</b>	If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen.

However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Vishal Fabrics Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app - CDSL m-Voting available for iphone as well as android and windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form

bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xx) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the Cut Off date i.e. 14<sup>th</sup> September, 2018 may obtain the login ID and password by sending a request in writing at helpdesk.evoting@cdslindia.com.

(xxi) However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com.

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

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

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

The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at

least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 14<sup>th</sup> September, 2018.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vishalfabricsltd.com and on the website of the CDSL within two days of the resolutions at the Annual General Meeting of the Company, and communicated to Stock Exchanges.

17. All documents referred to in the accompanying notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and public holiday, during business hours upto the date of the Annual General Meeting.

18. The Companies Act, 2013 provides nomination facility to the members. As a member of the Company, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. The shares which are held in dematerialized form, the nomination form needs to be forwarded to your Depository Participant.

19. **Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 7 days in advance before the meeting so as to enable the management to keep information ready.**

20. A route map giving directions to reach the venue of the 33<sup>rd</sup> Annual General Meeting is annexed.

By order of the Board of Directors

Sd/-

Date: August 14, 2018

Place: Ahmedabad

Deeapk Vyas

Company Secretary

## EXPLANATORY STATEMENT

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

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

#### Item No. 4

The Board of Directors on the recommendation of Audit Committee at their meeting held on May 29, 2018 have approved re-appointment and remuneration of Cost Auditors to conduct audit of cost records of the Company for financial year ending 31<sup>st</sup> March, 2019 at a remuneration of Rs. 40,000/- (Rupees Forty Thousands) in accordance with provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to Cost Auditors has to be ratified and approved by shareholders of the Company. Accordingly, consent of members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification and approval of remuneration payable to Cost Auditors for financial year ending 31<sup>st</sup> March, 2019.

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

The Board recommends Ordinary Resolution set out at Item No. 4 of Notice for your approval.

#### Item No. 5

In accordance with the provisions of Section 161, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed the appointment of Mr. Ponnusmay Raja (DIN: 08013737), who vacate the office as Additional Director in this Annual General meeting and will be appointed as a Whole Time Director of the Company.

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

The Profile and specific areas of expertise along with the details and disclosures required with respect to appointment of Mr.

Ponnusmay Raja under Regulation 36 of SEBI and Secretarial Standard (SS-2) issued by the Institute of Company Secretaries of India is given in **Annexure**.

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

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

#### Item No. 6 & 7

In pursuant to regulation of Foreign Exchange Management Act, 1999, and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and all other applicable rules & regulations, guidelines and laws the Company require to take approval of shareholder for Increasing Investment limit of Non Residential Investments (NRI) from 10% to 24% (Approximately Current Investment is 8.67%) of the Paid-up Capital of the Company and Foreign Institutional Investors (the "FIIs") or Foreign Portfolio Investors (FPIs) from 24% to 49% (Approximately Current Investment is 16.63%) of the Paid-up Capital of the Company.

Your Company feels that foreign investment by NRIs, FIIs and FPIs would enhance its image and will add to its growth, therefore it wishes to increase the limits of foreign investment upto the maximum permitted limits allowed under the law.

None of the Directors, Manager, Key Managerial Personnel(s) and their relatives are concerned or interested in the above resolution. The Board of Directors recommends the Item No. 6 & 7 to be passed by the members of the Company as Special Resolutions.

**By order of the Board of Directors**

**Sd/-**

**Date: August 14, 2018**

**Place: Ahmedabad**

**Deeapk Vyas**

**Company Secretary**

## ANNEXURE

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

Name of Director	Mr. Ponnusamy Raja	Mr. Brijmohan D. Chiripal
DIN	08013737	00290426
Nationality	Indian	Indian
Date of Birth	04/02/1976	15/07/1961
Date of appointment	12/12/2017	01/06/2017
Brief Resume and Nature of Expertise in Functional Area	He has done Diploma in Textile Technology & BSC in Costume Designing & Fashion Technology. He has more than 17 years of Experience in the Textile Industry. He is also having Specialized Knowledge & Expertise in Setting up of new Textile Plant & its Expansions.	He is a Chemical Engineer with almost 20 years of business experience in Textile Processing as well as export and domestic trading.
Qualification	Diploma in Textile Technology & BSC in Costume Designing & Fashion Technology	B.E. (Chemicals)
Disclosure of Relationships between Directors inter-se	No Relationship with Director	No Relationship with Director
List of Directorship / Committee Memberships in other Listed Companies as on 31 <sup>st</sup> March, 2018.	NIL	NIL
Shareholding in Vishal Fabrics Ltd.	NIL	286000

**Notes:**

Pursuant to Regulation 26 of the Listing Regulations, only two Committee viz. Audit Committee and Stakeholders Committee have been considered

## VISHAL FABRICS LIMITED

(CIN: L17110GJ1985PLC008206)

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

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

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

### ATTENDANCE SLIP

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

#### FOR DEMAT SHARES

DP ID:
CLIENT ID:

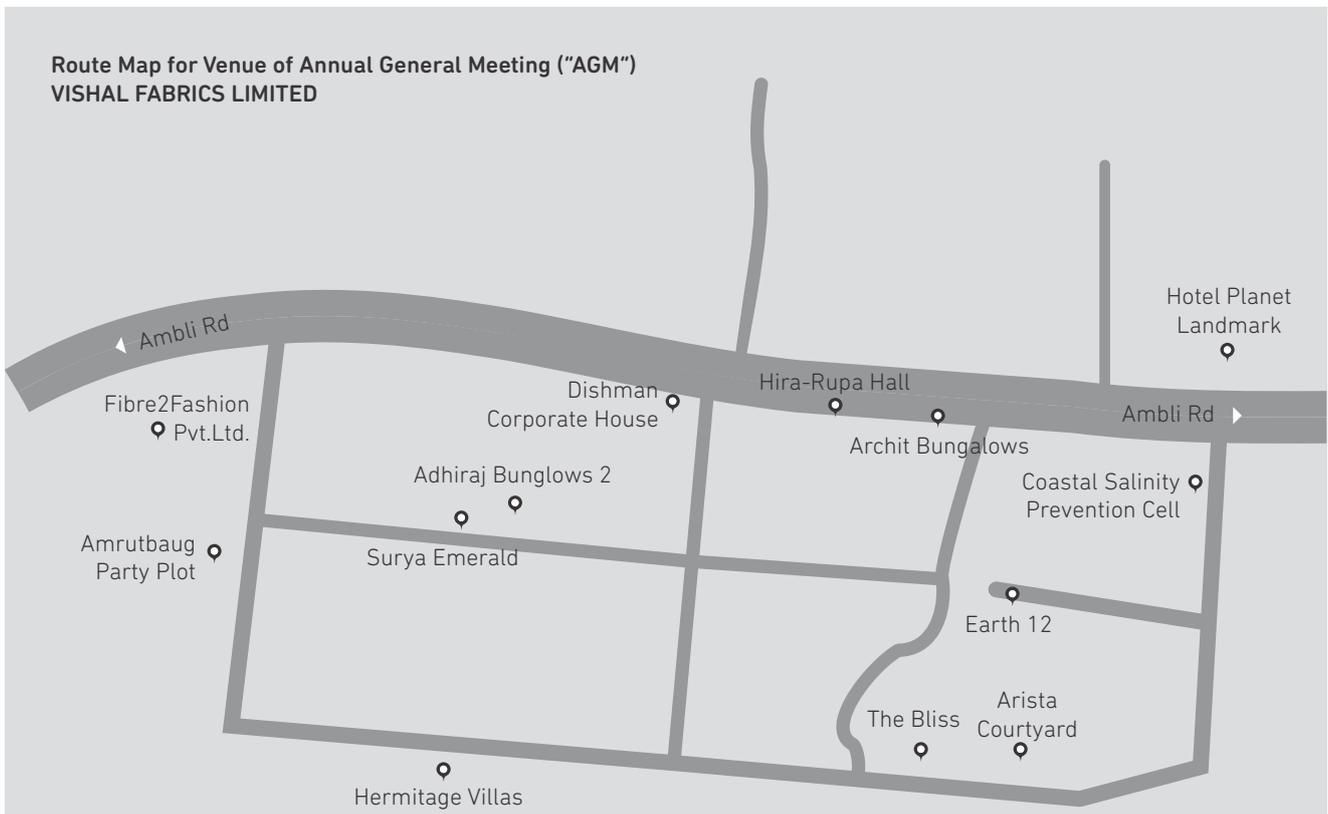
#### FOR PHYSICAL SHARES

FOLIO NO.:
NO. OF SHARES:

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

I hereby record my presence at the Annual General Meeting of the Company to be held on Thursday, 20<sup>th</sup> Day of September, 2018 at 3:00 P.M. at Chiripal Bungalow, Beside Hira-rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad – 380058.

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



## VISHAL FABRICS LIMITED

(CIN: L17110GJ1985PLC008206)

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

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

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

### FORM MGT – 11

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

#### PROXY FORM

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

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

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

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the Annual General Meeting of the Company to be held on Thursday, 20<sup>th</sup> Day of September, 2018 at 3:00 P.M. at Chiripal Bungalow, Beside Hiralupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad – 380 058 and any adjournment thereof in respect of such resolutions as are indicated below:

S.N.	RESOLUTIONS	For	Against
01.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2018, together with the reports of the Board of Directors and the Auditors thereon.		
02	To appoint a Director in place of Mr. Brijmohan D. Chiripal (DIN: 00290426), who retires by rotation and being eligible for re-appointment.		
03	To appoint the Statutory Auditors and to fix their remuneration.		
04	Ratification and approval of remuneration of Cost Auditors.		
05	Appointment of Mr. Ponnusmay Raja (Din:08013737) as Whole Time Director of the Company.		
06	Increase in NRI Investment Limit from 10% to 24% of the paid-up capital of the Company.		
07	Increase in the limit of Foreign Institutional Investors from 24% to 49% of the paid-up capital of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018 Signature of shareholder \_\_\_\_\_

\_\_\_\_\_  
Signature of first proxy holder\_\_\_\_\_  
Signature of second proxy holder\_\_\_\_\_  
Signature of third proxy holderAffix  
Rs. 1  
Revenue

#### Notes:

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

## DIRECTORS' REPORT

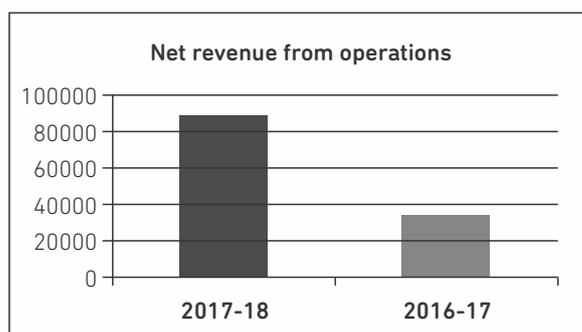
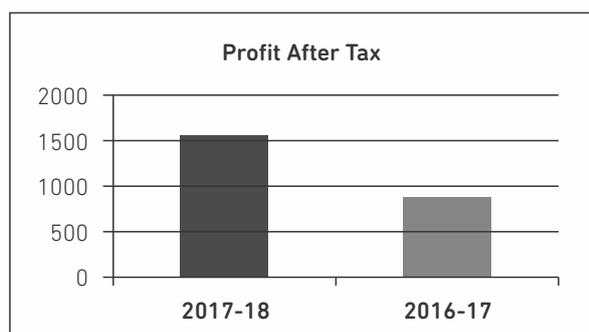
To,  
The Members  
Vishal Fabrics Limited

Your Directors are pleased to present the 33<sup>rd</sup> Annual Report along with Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2018.

### 1. FINANCIAL HIGHLIGHTS

(Rs. in lacs)

PARTICULARS	2017-18	2016-17
Net revenue from operations	89093.65	37363.63
Less : Expenditure	85872.11	34851.11
Profit Before Depreciation & Tax	3334.29	2540.17
Less : Depreciation	1366.78	626.39
Profit Before Tax	1967.51	1915.08
Less : Provision for Taxation (Including Deferred Tax)	405.00	1028.00
Profit After Tax	1562.51	886.76
Earnings per share (in Rs.)	3.56	6.73



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

During the year under review, your Company has achieved a turnover of Rs. 89093.65/- lacs as compared to a turnover of Rs. 37363.63/- lacs over the previous financial year which shows increase of 138.45% and the profit after tax increased by 76.14% to Rs. 1,562.51/- lacs in financial year 2017-18 as compared to net profit of Rs. 886.76/- lacs in previous financial year.

The Company has performed well during the financial year 2017-18 with productivity gains, volume growth and sustained margins notwithstanding rise in input costs. The Company has absorbed cost increases and yet improved margins with purchasing efficiencies, improvement in manufacturing yield/usage and overall expenditure control.

### 3. DIVIDEND

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

In pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top five hundred listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. The Board has approved and adopted the Dividend Distribution Policy and the same is available on the Company's Website viz. [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).

### 4. TRANSFERS TO RESERVES

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

### 5. CHANGE IN CAPITAL STRUCTURE

The paid-up equity share capital of the Company as on 31<sup>st</sup> March, 2018 was Rs. 2195.67/- lacs (43913334 Equity Share of Rs. 5/- each) and following changed in during the Financial Year 2017-2018.

- The Company allotted 8782667 Equity Share on right basis therefor number of Equity share increased from 13174000 to 21956667.

- The sub-division of the equity shares of the Company from the face value of Rs. 10/- (Rupees Ten) per share into the face value of Rs. 5/- (Rupees Five) per share therefor number of Equity share increased from 21956667 to 43913334.

**6. PERFORMANCE OF SUBSIDIARY COMPANY**

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

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

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

**8. EXTRACT OF ANNUAL RETURN**

In pursuant to Section 92 of the Companies Act, 2013 the Extract of the Annual Return in Form MGT – 9 is available on company website at [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).

**9. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm’s length

basis, in the ordinary course of business and were in compliance with the applicable provisions of the act and the regulations. There are no material significant related party transactions entered into by the Company and the Rules made there under are not attracted. Thus a disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive nature.

**10. CREDIT RATING**

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

**11. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**• BOARD OF DIRECTORS, COMPOSITION & CATEGORY**

The Composition of the Board is in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Board of Directors as on 31<sup>st</sup> March, 2018 as under:

Sr. No.	Name	Category	Attendance		Directorship in other Public Companies*
			Board	Last AGM	
1.	Mr. Brijmohan D** Chiripal DIN: 00290426	Managing Director (Executive)	4	Yes	2
2.	Mr. Jyotiprasad D Chiripal*** DIN: 00155695	Managing Director, Promoter (Executive)	2	N.A.	N.A.
3.	Mr. Amit Kadmawala DIN: 07016454	Whole Time Director (Executive)	6	Yes	NIL
4.	Mr. Chitranjan Singh**** DIN: 07300731	Independent Director (Non-Executive)	4	Yes	1
5.	Mrs. Dhara Shah DIN: 06983857	Independent Director (Non-Executive)	6	Yes	3
6.	Mr. Shubhankar Jha DIN:07208823	Independent Director (Non-Executive)	6	Yes	NIL
7.	Mr. Ponnusamy Raja***** DIN:08013737	Whole Time Director (Executive)	2	N.A.	NIL

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

During the year under review, the following changes occurred in the Board of Directors and Key managerial Personnel:

\*\*Mr. Brijmohan D. Chiripal (DIN:00290426) was appointed as Managing Director w.e.f. 01<sup>st</sup> June, 2017.

\*\*\*Mr. Jyotiprasad D. Chiripal (DIN: 00155695) was resigned w.e.f. 31<sup>st</sup> May, 2017.

\*\*\*\*Mr. Chitranjan Singh (DIN: 07300731), was appointed as Independent Director of the Company w.e.f. 30<sup>th</sup> May, 2017.

\*\*\*\*\*Mr. Ponnusamy Raja (DIN: 08013737) was appointed as Additional Director of the Company in the category of Executive Non-Independent Director w.e.f. 12<sup>th</sup> December, 2017 and hold the office till ensuing AGM.

#### KEY MANAGERIAL PERSONNEL (KMP)

- Mr. Tanuj Agarwal, was appointed as Chief Executive Officer (CEO) of the Company w.e.f. 24<sup>th</sup> March, 2018

#### RETIRE BY ROTATION

- Mr. Brijmohan D. Chiripal (DIN: 00290426), was appointed as Director w.e.f. 1<sup>st</sup> June, 2017. Further, he was appointed as Managing Director for a period of 5 years w.e.f. 1<sup>st</sup> June, 2017. In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Brijmohan D. Chiripal, Executive Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

## 12. NUMBER OF BOARD MEETINGS

The Board meets once in every quarter to review the quarterly financial results and other items of the agenda and if necessary, additional meetings are held as and when required. The intervening gap between the meetings

- **Constitution of the Audit Committee is as under:**

Sr. No.	Name of the Members	Designation
1.	Mr. Chitranjan Singh*	Chairman/Independent, Non-Executive
2.	Mr. Shubhankar Jha	Member/Independent, Non-Executive
3.	Mr. Brijmohan Chiripal **	Member/Managing Director, Executive
4.	Mrs. Dhara Shah	Member/Independent, Non-Executive
5.	Mr. Jyotiprasad Chiripal**	Member/Independent, Non-Executive

\*Mr. Chitranjan Singh appointed as a Chairman of Audit Committee w.e.f. June 01, 2018.

\*\*Mr. Brijmohan D. Chiripal appointed as a Member of the Audit Committee in placed of Mr. Jyotiprasad Chiripal w.e.f. June 01, 2018.

## B. NOMINATION AND REMUNERATION COMMITTEE

- **Nomination and Remuneration Committee Composition:**

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

was within the period prescribed under SEBI (LODR) Regulations, 2015 & Companies Act, 2013. The agenda is circulated well in advance to the Board members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. During the year under review, 6(Six) Board Meetings were held on 07<sup>th</sup> April, 2017, 30<sup>th</sup> May, 2017, 24<sup>th</sup> August, 2017, 10<sup>th</sup> November, 2017, 12<sup>th</sup> February, 2018, 24<sup>th</sup> March, 2018 respectively.

## 13. BOARD COMMITTEES

The Board has following Committees as per Statutory Requirements.

- Audit Committee;
- Nomination & Remuneration Committee;
- Stakeholders' Relationship Committee; &
- Corporate Social Responsibility (CSR) Committee

### A. AUDIT COMMITTEE

- **Audit Committee Composition:**

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 Audit Committee of the Company comprises of 4 members out of which 3 members are Non-Executive-Independent Directors. Mr. Chitranjan Singh is the Chairman of the Committee. The Committee members have requisite 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.

The Committee consists of 3 Directors all of whom are Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director. During the year under review, the Committee met 2 (Two) time.

- **Constitution of the Nomination and Remuneration Committee is as under:**

Sr. No.	Name of the Member	Designation
1.	Mrs. Dhara Shah	Chairman/ Independent, Non-Executive
2.	Mr. Chitranjan Singh*	Member/Independent, Non-Executive
3.	Mr. ShubhankarJha	Member/Independent, Non-Executive

\*Mr. Chitranjan Singh appointed as a Chairman of Nomination and Remuneration Committee w.e.f. June 01, 2018

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy have been posted on the website of the Company viz. [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com)

### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The composition and terms of reference of the Committee is in compliance with the Section 178 of the Companies Act, 2013 and with Regulation 20 of the Listing Regulations, 2015. The Committee consists of 3 Directors all of whom are Non-Executive Independent Directors. The Chairman of the Committee is an Independent Director. During the year under review, the Committee met 4 (Four) times. 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. During the year ended 31st March, 2018, no Shareholders' Complaints were received by the Company. For effective and efficient grievance management, the Company has dedicated email id: [cs.vfl@chiripalgroup.com](mailto:cs.vfl@chiripalgroup.com) to resolve the grievances of the investors.

- **Constitution of the Stakeholders' Relationship Committee is as under:**

Sr. No.	Name of the Member	Designation
1.	Mr. Chitranjan Singh*	Chairman/ Independent, Non-Executive
2.	Mrs. Dhara Shah	Member/Independent, Non-Executive
3.	Mr. ShubhankarJha	Member/Independent, Non-Executive

\*Mr. Chitranjan Singh appointed as a Chairman of the Stakeholders Relationship Committee w.e.f. June 01, 2018

### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company believes in the well-being of the society at large. As a social corporate citizen, it has always believed in the philosophy of "Think of others also when you think about yourself". Over past many years, the Company has contributed to the society in the field of education & knowledge enhancement and social care & concern. In line with the provisions of the Companies Act, 2013 and Rules made thereunder, a Corporate Social Responsibility Committee has been formed on 28<sup>th</sup> May, 2015 by the Board of Directors. During F.Y. 2017-2018, an amount of Rs. 34 lacs was spent towards the CSR activities. The detailed report on Corporate Social Responsibility is annexed as Annexure -I of this report.

- **Constitution of the Corporate Social Responsibility Committee is as under:**

Sr. No.	Name of the Member	Designation
1.	Mr. Brijmohan Chiripal*	Chairman/ Non-Independent, Executive
2.	Mr. ShubhankarJha	Member/ Independent, Non-Executive
3.	Mr. Chitranjan Singh**	Member/ Independent, Non-Executive
4.	Mrs. Dhara Shah	Member/ Independent, Non-Executive

\*Mr. Brijmohan D. Chiripal appointed as a Chairman of the CSR Committee w.e.f. June 01, 2018.

\*\*Mr. Chitranjan Singh appointed as a Member of the CSR Committee w.e.f. June 01, 2018.

#### 14. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 12<sup>th</sup> February, 2018 inter alia, to discuss:

- Review of the performance of Non-independent Directors and the Board of Directors as a whole.
- Review of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Assess the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the meeting.

#### 15. 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 and as per the Listing Regulations, 2015.

#### 16. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

An Independent Director shall be a person of integrity and possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing and technical operations or any other discipline related to the Company's business. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31<sup>st</sup> March, 2018 except for payment of sitting fees.

#### 17. 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.

#### 18. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee has laid down the criteria for evaluation of the performance of individual directors and the Board as a whole. Based on the criteria the exercise of evaluation was carried out through a structured process covering various aspects of the Board functioning such as composition of the Board and committees, experience & expertise, performance of specific duties & obligations, attendance, contribution at meetings, etc. The performance evaluation of the

Chairman and the Non-Independent Directors was carried out by the Independent Director. The performance of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Directors expressed their satisfaction with the evaluation process.

#### 19. AUDITORS AND AUDITORS' REPORT

##### A. STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder M/s. Abhishek Kumar & Associates, Chartered Accountants (FRN: 130052W) was appointed as a Statutory Auditor in Extra-ordinary General Meeting held on May 19, 2018 for Financial Year 2017-18 and the Auditors' Report for F.Y. 2017-18 forms part of this Annual Report and does not contain any qualification, reservation or adverse remark.

Subject to approval of Members, the Board hereby recommends the appointment of M/s. Nahta Jain & Associates, Chartered Accountants, Ahmedabad (ICAI Registration No. FRN.: 106801W), as Statutory Auditors of the Company to hold the office from the close of the ensuing Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting subject to ratification by the members if require.

The appointment, if made, would be within the prescribed limits under the Act and they are not disqualified for appointment.

##### B. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. JatinKapadia, Practicing Company Secretary, (M.No.: 26725) to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report is annexed herewith as Annexure-II. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

##### C. COST AUDITORS

In accordance with the provisions of Section 148 of the Act and rules made thereunder, the Board of Directors of the Company have appointed M/s. A.G. Tulsian and Co., Cost Accountants (FRN: 100629) as the Cost Auditor of the Company for the financial year 2017-18.

The Company has received Cost Audit Report on the cost accounts of the Company for the financial year ended 31<sup>st</sup> March, 2018 and the same will be submitted to the Central Government in due course.

The Board has re-appointed M/s. A.G. Tulsian and Co.,

Cost Accountants (FRN: 100629) as Cost Auditor to conduct the audit of cost records of your Company for the financial year 2018-19. The payment of remuneration to Cost Auditor requires the approval/ratification of the members of the Company and necessary resolution in this regard, has been included in the notice of convening 33<sup>rd</sup> AGM of the Company.

#### **D. INTERNAL AUDITOR**

In accordance with the provisions of Section 138 of the act and rules made thereunder, the Board of Directors of the Company have appointed M/s. Jhaveri Shah & Co., Chartered Accountants, (FRN: 127390W) as Internal Auditor to conduct the Internal Audit of the Company for the F.Y. 2017-18.

#### **20. CODE OF CONDUCT**

The Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Board Members and the Senior Management personnel have affirmed compliance with the code for the year 2017 - 18. The said Code of Conduct has been posted on the website of the Company. A declaration to this effect, is annexed and forms part of this report.

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

Pursuant to the provisions SEBI (LODR) Regulations 2015, a Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

#### **22. PREVENTION OF INSIDER TRADING**

Pursuant to the provisions of the regulations, the Board has formulated and implemented a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information. The same is available on the Company's website [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).

#### **23. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The said policy has been disseminated within the organisation and has also been posted on the Company's website [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).

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

The Company has always believed in providing a safe and

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal), ACT 2013. 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 2017-18:

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

#### **25. BUSINESS RESPONSIBILITY REPORT**

As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as a part of the Annual Report.

#### **26. PUBLIC DEPOSITS**

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

#### **27. INTERNAL CONTROL SYSTEM**

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

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

#### **28. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) that in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2018 and of the profit of the company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year on going concern basis;
- (v) the Directors have laid down internal financial controls, which are adequate and were operating effectively.
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, required to be disclosed by Section 134(3)(m) of the

Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are provided in the Annexure-III to this report.

#### **30. PARTICULARS OF EMPLOYEES**

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

#### **31. INSURANCE**

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

#### **32. LISTING OF SHARES**

Your Company's shares are listed at BSE Limited and the listing fee for the year 2017-18 has been duly paid.

#### **33. 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.

**Date: August 14, 2018**

**Place: Ahmedabad**

**For and on behalf of the Board**

**Brijmohan D. Chiripal**

**Managing Director**

**DIN:00290426**

**AmitKadmawala**

**Whole-time Director**

**DIN: 07016454**

## ANNEXURE-I

### Corporate Social Responsibility (CSR)

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2017-18

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

#### Objectives:

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

#### Vishal Fabrics Limited aims to achieve its CSR objectives through:

The Company aims at making a positive impact on society through educational development directly through its registered trust namely '**Milestone Educom Trust**' which is having an established track record of more than four years.

#### The Composition of the CSR Committee:

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

Average net profit of the company for last three Financial Years: Rs. 1541.90 Lacs

Prescribed CSR Expenditure (2% of the amount as in item 3 above): Rs. 30.84 Lacs

Details of CSR spent during the Financial Year 2017-18:

- (a) Total amount to be spent for the Financial Year: Rs. 34 Lacs
- (b) Amount unspent, if any: - Not Applicable

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

## ANNEXURE-II

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

#### Without Prejudice

To,  
The Members,

#### VISHAL FABRICS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vishal Fabrics Limited** (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon. Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under ;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015

- (v) The Factories Act, 1948
- (vi) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- (vii) The Contract Labour (Regulation & Abolition) Act, 1970
- (viii) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressed) Act, 2013
- (ix) Water (Prevention and Control of Pollution) Act, 1974
- (x) Payment of Gratuity Act, 1972
- (xi) Labour Law and other incidental laws
- (xii) Air (Prevention and Control of Pollution) Act, 1981

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (SME Platform);

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

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**K. JATIN & Co.,**  
**(Company Secretary)**  
**(UCN:S2017GJ508600)**  
**per Jatin Kapadia**

**Date: August 10, 2018**  
**Place: Ahmedabad**

**Company Secretary**  
**COP: 12043**

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

## 'ANNEXURE A'

To,

**VISHAL FABRICS LIMITED**

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit;
- (b) We 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. We believe that the process and practices, We followed provide a reasonable basis for our opinion;
- (c) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and Where ever required, We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- (d) 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;
- (e) 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: August 10, 2018**

**Place: Ahmedabad**

**K. JATIN & Co.,**  
**(Company Secretary)**  
**(UCN:S2017GJ508600)**  
**per Jatin Kapadia**  
**Company Secretary**  
**COP: 12043**

## ANNEXURE-III

### 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

- Installation of VFD for Raw water pump at ETP resulted in reduction in power consumption by 20%
- Reduction in generation air pressure of air compressor resulted in reduction in power consumption by 7%
- Plugged air leakages across the plant
- Installation of LED lights throughout the plant
- Installation of APFC panel for PF management to maintain PF of 0.98 – 0.99
- Installation of VFD for water circulation pump

##### iii. the capital investment on energy conservation equipment: Rs. 3 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. 821.27 (P.Y. Rs. 729.5 lacs) and the foreign exchange earned was NIL (P.Y. Rs. NIL)

## ANNEXURE-IV

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

- i. Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2017-18:

Sr. No.	Name	Category	Ratio
1.	Mr. Jyotiprasad Chiripal*	Managing Director	14.28:1
2.	Mr. Amit Kadmawala	Executive Director	2.50:1
3.	Mr. Brijmohan Chiripal**	Managing Director	47.66:1
4.	Mr. Ponnusamy Raja***	Executive Director	5.67:1

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

\* Mr. Jyotiprasad Chiripal resigned w.e.f. 31.05.2017

\*\* Mr. Brijmohan Chiripal was appointed w.e.f. 01.06.2017

\*\*\* Mr. Ponnusamy Raja was appointed w.e.f. 12.12.2017

- ii. The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the F.Y 2017-18:

Sr. No.	Name	Category	%
1.	Mr. Jyotiprasad Chiripal	Managing Director	NA
2.	Mr. Brijmohn Chiripal	Managing Director	NA
3.	Mr. Amit Kadmawala	Executive Director	12
4.	Mr. Ponnusamy Raja	Executive Director	NA
5.	Mr. Tanuj Agarwal	Chief Executive Officer	NA
6.	Mr. Mahesh Kawat	Chief Financial Officer	32
7.	Ms. Tanushree Dave	Company Secretary	NA

The median remuneration of the employees of the Company as on 31<sup>st</sup> March, 2018 was 2,52,000 per year.

- iii. The percentage decreased in the median remuneration of employees in F.Y. 2017-18 by 39.13 %.
- iv. No. of permanent employees on the rolls of the Company: 3144
- v. Average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year: 15%
- i. 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: 19.49:1.
- ii. Affirmation that the remuneration is as per the remuneration policy of the company: It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

### 2. Board of Directors.

#### a) Composition of the Board:

As on 31<sup>st</sup> March, 2018, The Board of Director comprises of 6 Directors including woman director with optimum combination of Executive and Non-Executive Directors in which Three Directors are Executive Directors and three Directors are Non-Executive Directors, of which three are independent directors.

#### b) Board Meetings:

During the year under review, 6 (Six) Meetings of the Board of Directors of the Company were convened on 07<sup>th</sup> April, 2017, 30<sup>th</sup> May, 2017, 24<sup>th</sup> August, 2017, 10<sup>th</sup> November, 2017, 12<sup>th</sup> February, 2018, 24<sup>th</sup> March, 2018. The previous Annual General Meeting of the Company was held on 28<sup>th</sup> September, 2017.

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

Name of Director & DIN	Category	No. of Board meetings attended during the year	Whether previous AGM attended	No. of other		
				Director-ships*	Committee Member-ships#	Committee Chairman-ships\$
Mr. Brijmohan D Chiripal** DIN: 00290426	Managing Director, Promoter, Executive;	4	Yes	2	1	0
Mr. Jyotiprasad D Chiripal** DIN: 00155695	Managing Director, Promoter, Executive;	2	N.A.	N.A.	N.A.	N.A.
Mrs. Dhara Shah DIN: 06983857	Non-Executive; Independent	6	Yes	3	4	1
Mr. Amit Kadmawala DIN: 07016454	Whole -Time director, Executive; Non- Independent	6	Yes	0	0	0
Mr. Shubhankar Jha DIN: 07208823	Non-Executive; Independent	5	Yes	0	2	-
Mr. Chitranjan Singh*** DIN: 07300731	Non-Executive; Independent	4	Yes	1	4	4
Mr. Ponnusmay Raja**** DIN: 08013737	Executive; Non-Independent	1	N.A.	0	0	0

#### Note:

\* Directorships in Private Companies, Foreign Companies and the Companies under Section 8 of the Companies Act, 2013 are excluded.

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

\*\* Mr. Brijmohan D Chiripal appointed as a Managing Director w.e.f. June 01, 2017 in placed of Mr. Jyotiprasad D Chiripal resigned w.e.f. May 31, 2017.

\*\*\* Mr. Chitranjan Singh appointed asa Independent Director w.e.f. May 05, 2017.

\*\*\*\* Mr. Ponnusmay Raja appointed as an Additional Director by way of passing a circular resolution w.e.f. December 12, 2017.

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

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Brijmohan D. Chiripal (DIN: 00290426), will retire by rotation at the ensuing Annual General Meeting and the necessary details of the said directors have been provided in Notice of AGM.

**d) Relation between Directors: No relationships between directors.**

**e) Details pertaining to the Non-Executive Directors' Shareholding and Compensation and disclosures:**

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

As on March 31, 2018 holding of Non-Executive Directors in Equity Shares is Nil in the Company.

**FAMILIARISATION PROGRAMME FOR DIRECTORS**

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

**3. Audit Committee:**

**a. Brief Description of Audit Committee:**

The Board has constituted a qualified and independent audit committee in accordance with the terms of reference as prescribed in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. All members of audit committee are financially literate and bring the expertise in the fields of Finance, Taxations, Economics and Risk.

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

The role of the Audit Committee includes the following:

- I. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- IV. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report;
- V. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - VI. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - VIII. Approval or any subsequent modification of transactions of the listed entity with related parties;
  - IX. Scrutiny of inter-corporate loans and investments;
  - X. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - XI. Evaluation of internal financial controls and risk management systems;
  - XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

- XIII. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- XIV. Discussion with internal auditors of any significant findings and follow up there on;
- XV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- XVI. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XVII. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- XVIII. To review the functioning of the whistle blower mechanism;
- XIX. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- XX. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- vi. Statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**C. Composition of Audit Committee and Number of Meetings Attended:**

In Financial Year 2017-2018 five meetings of the Audit Committee were held on 30<sup>th</sup> May, 2017, 24<sup>th</sup> August, 2017, 10<sup>th</sup> November, 2017, 12<sup>th</sup> February, 2018, 24<sup>th</sup> March, 2018. The attendance each of the Committee Member is under:

Sr. No.	Name of the Committee Members	Designation	No. of meeting held during the year	No. of meetings attended
1.	Mr. Chitranjan Singh*	Chairman	4	4
2.	Mrs. Dhara Shah	Member	5	5
3.	Mr. Shubhankar Jha	Member	5	4
4.	Mr. Brijmohan D. Chiripal**	Member	4	4
5.	Mr. Jyotiprasad D Chiripal**	Member	1	1

\* Mr. Chitranjan Singh appointed as a Chairman w.e.f. June 01, 2017.

\*\* Mr. Brijmohan D Chiripal appointed as a Member w.e.f. June 01, 2017 in placed of Mr. Jyotiprasad D Chiripal resigned w.e.f. May 31, 2017.

The Audit Committee invites Senior Executives, Representatives of the Statutory Auditors of the Company & Head of the Internal Audit Department, whenever it considers appropriate, in the meetings. The Company Secretary of the Company acted as the Secretary of the Committee for the financial year 2017-18.

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

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

The Nomination and Remuneration Committee of the Company has been constituted in accordance with the provisions pursuant to Regulation 19 of Listing Regulations and Section 178 of the Companies Act, 2013 ("the Act") and its composition is as per the said Regulations and provisions of the Act.

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

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

- I. to formulate criteria for determining qualifications, positive attributes and independence of a Director and oversee the succession management process for the Board and senior management employees;
- II. to recommend the Board a policy relating to the remuneration of the Directors, KMPs and other employees of the Company;
- III. to formulate criteria for evaluation of Independent Directors and the Board;
- IV. to devise a policy on Board Diversity;
- V. to carry out evaluation of every Director's performance;
- VI. to identify persons who are qualified to become Director and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- VII. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**b) Composition of Nomination and Remuneration Committee and the number of meetings attended:**

During the financial year ended 31<sup>st</sup> March, 2018, 2 (Two) meeting held on 30<sup>th</sup> May, 2017 and 12<sup>th</sup> February, 2018 was held in which following members of the Committee were present:

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

\*Mr. Chitranjan Singh appointed as a Member w.e.f. June 01, 2017.

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

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

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

25 of Listing Regulations, the Meeting of Independent Directors of the Company was held on 12<sup>th</sup> February, 2018 inter-alia to review the performance of non-independent Directors, the Chairperson of the Company and Board as a whole and to assess the quality, quantity and flow of information between the management and the Board. The said meeting was attended by all the Independent Directors of the Company.

**d) Remuneration of Director:**

**i. Remuneration to Non-Executive Directors:**

There are no pecuniary relationship or transactions

of the Non-Executive Directors vis-a-vis the Company, except otherwise stated in the Report;

Except the Chairman of the Company, all the Non-executive Directors receive sitting fees for attending Board Meetings, Audit Committee Meetings and Nomination and Remuneration Committee Meetings.

The sitting fees paid to Non-Executive Directors are within the limits prescribed under the Companies Act, 2013 read with the relevant Rules. The non-executive directors, except Chairman, have been paid sitting fees of Rs. 10,000/- per meeting for attending Board & Committee meetings.

Details of the sitting fees paid during the financial year 2017-18 are as under:

Name of the Director	Sitting fees paid (Amount in Rs.)
	Board/Committee Meeting
Mrs. Dhara Shah	60000
Mr. Chitranjan Singh	40000
Mr. Shubhankar Jha	50000

**ii. Remuneration to Executive Directors:**

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

Details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2018 is as under:

Name of the Executive Directors	Designation	Salary & Allowances	Contribution to PF	Total
Mr. Brijmohan Chiripal*	Managing Director	89,28,570	10,71,430	1,00,00,000
Mr. Jyotiprasad D Chiripal*	Managing Director	5,35,714	64,286	6,00,000
Mr. Amit Kadmawala	Whole-time Director	6,30,000	Nil	6,30,000
Mr. Ponnusamy Raja**	Executive Director	4,32,760	Nil	4,32,760

\* Mr. Brijmohan D Chiripal appointed as a Managing Director w.e.f. June 01, 2017 in placed of Mr. Jyotiprasad D Chiripal w.e.f. May 31, 2017 .

\*\* Mr. Ponnusmay Raja appointed asa Additional Director by way of passing a circular resolution w.e.f. December 12, 2017.

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

**5. Stakeholders Relationship Committee:**

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

During the financial year ended 31<sup>st</sup> March, 2018, this Committee had 4 (Four) meetings i.e. 30<sup>th</sup> May, 2017, 24<sup>th</sup> August, 2017, 10<sup>th</sup> November, 2017 and 12<sup>th</sup> February, 2018 in which following members of the Committee has attended the meetings:

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

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

Quarter Ended	Pending at the beginning of the quarter	Received during the quarter	Disposed of during the quarter	Remaining during the quarter
30 <sup>th</sup> June, 2017	Nil	Nil	Nil	Nil
30 <sup>th</sup> September, 2017	Nil	Nil	Nil	Nil
31 <sup>st</sup> December, 2017	Nil	Nil	Nil	Nil
31 <sup>st</sup> March, 2018	Nil	Nil	Nil	Nil

#### 6. Risk management policy:

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

#### 7. General Body Meetings.

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

Financial Year	Date, Time and Venue of AGM	Special Resolutions passed
2016-17	28 <sup>th</sup> September, 2017, 03.00 p.m. 'Chiripal House', Near Shivranjani Cross Roads, Satellite ,Ahmedabad-380015	a. Appointment of Mr. Brijmohan D Chiripal (DIN:00290426) as Managing Director of the Company.
2015-16	20 <sup>th</sup> September, 2016, 03.30 p.m. 'Chiripal House', Near Shivranjani Cross Roads, Satellite ,Ahmedabad-380015	a. Approval for offer, issue and allot equity shares by way of Right issue to existing equity shareholders.
2014-15	28 <sup>th</sup> September, 2015, 03.30 p.m. 'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad-380015	a. Approval for payment of Remuneration to Mr. Jyotiprasad Chiripal, Managing Director.

Postal Ballot and procedure :

1. During the Financial Year 2017-18 the company passed special resolution for Migration from SME Platform of BSE Limited to Main Board of BSE Limited through Postal Ballot
2. The Board of Director appointed Mr. Umesh G. Parikh partner of M/s. Parikh Dave & Associates - Practicing Company Secretary as a Scrutinizer.
3. The Postal Ballot Notice despatched to the Shareholders on or before September 04, 2017.
4. The Scrutinizers submitted Scrutinizer report to the Managing Director on October 07, 2017 and the results were sent to the Stock Exchanges and displayed on the Company's website.

#### 8. Means of Communication

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

9. General Shareholder Information:

a) Annual General Meeting

<b>Date</b>	20 <sup>th</sup> September, 2018
<b>Time</b>	03.00 P.M.
<b>Venue</b>	Chiripal Bungalow, Beside Hिरarupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad – 380058.
<b>Financial Year ended</b>	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March 2018
<b>Dividend</b>	The Board has not recommended any dividend for the financial year under review.
<b>Registered Office</b>	Ranipur Narol Road, Ahmedabad-382405 E-mail: cs.vfl@chiripalgroup.com Web-site: www.vishalfabricsltd.com Tel No.: 091-7925353981
<b>List of Stock Exchanges</b>	<b>1) BSE Limited</b> Address: Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001
<b>Listing Fees</b>	The Company has paid Annual Listing Fees to the Stock Exchange.
<b>Custodian Fees to Depositories</b>	The Company has paid fees for year ended 2017-18 Central Depository Services (India) Limited (CDSL).
<b>Stock Code</b>	BSE: 538598
<b>ISIN of Company' Equity Shares:</b>	INE755Q01025
<b>Corporate Identification Number (CIN)</b>	L17110GJ1985PLC008206

a) Share Transfer System:

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

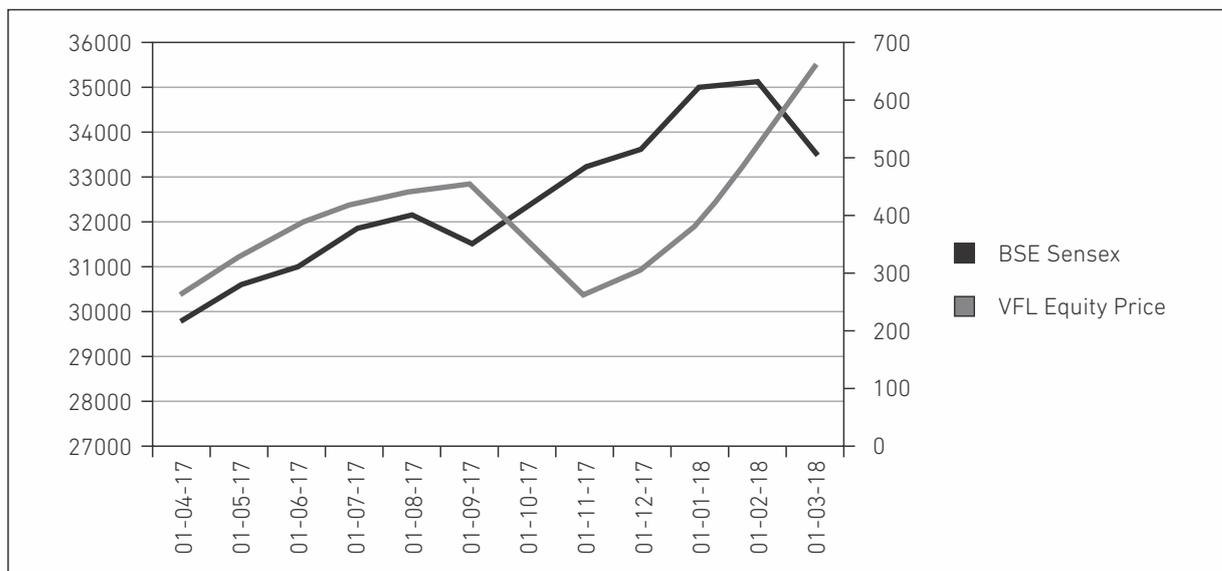
**Financial reporting for the quarter/year ending (tentative and subject to change)**

For the Quarter ended	Tentative Date
June 30, 2018	14 <sup>th</sup> August, 2018
September 30, 2018	12 <sup>th</sup> November, 2018
December 31, 2018	12 <sup>th</sup> February, 2019
March 31, 2019	28 <sup>th</sup> May, 2019

**b) Stock Market Price Data:**

Monthly high and low prices of the Company's Equity Shares on BSE Sensex for the F.Y. April, 2017 to March, 2018 are noted herein below:

Month	High Price	Low Price	Close Price	Volume No. of Shares
Apr-17	285.00	240.00	285.00	1,62,500
May-17	370.00	285.00	370.00	63125
Jun-17	392.00	365.00	392.00	1,23,750
Jul-17	446.00	397.00	445.90	2,01,250
Aug-17	465.00	445.00	445.00	1,11,250
Sep-17	465.00	450.00	460.00	55625
Oct-17	470.00	245.00	245.00	1,48,125
Nov-17	314.00	245.00	282.00	4,64,346
Dec-17	359.10	272.00	340.00	7,25,008
Jan-18	420.00	285.00	374.50	3,89,274
Feb-18	720.00	341.00	665.00	4,80,389
Mar-18	700.00	610.00	638.00	40,76,092
Apr-18	690.00	573.00	579.00	3,07,292

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

**c) Registrar and Share Transfer Agent:**

For both Physical and Demat

LinkIn time India Private Limited

5<sup>th</sup> Floor, 506-508 Amarnath Business Center -1, St Xaviers Corner, Chimanlal Girdharlal Rd, Sardar Patel Nagar, Ellisbridge, Ahmedabad, Gujarat 380009. Phone: 079 2646 5179, Website: www.linkintime.co.in

E-mail: ahmedabad@linkintime.co.in

**d) Share Transfer System:**

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

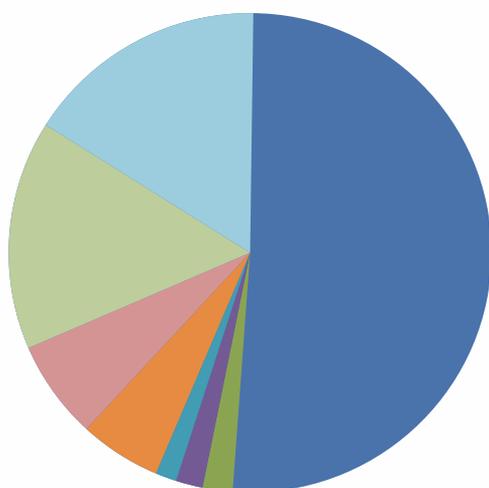
e) **Distribution of Shareholding:**

- Distribution of Shareholding as on March 31, 2018:

No. of Equity Shares held	Shareholders		Shares	
	Number	%	Number	%
1-500	993	86.7249	5930	0.0135
501-1000	9	0.7860	7956	0.0181
1001-2000	11	0.9607	13781	0.0314
2001-3000	4	0.3493	9094	0.0207
3001-4000	18	1.5721	69960	0.1593
4001-5000	8	0.6987	35845	0.0816
5001-10000	23	2.0087	174835	0.3981
100001 and above	79	6.8996	43595933	99.2772
<b>TOTAL</b>	<b>1145</b>	<b>100.0000</b>	<b>43913334</b>	<b>100.0000</b>

- Category wise Shareholding as on March 31, 2018:

Category of Shareholder	No. of Shares	% of Total Share Capital
Corporate Bodies (Promoter Co)	22544452	51.3385
Clearing Members	310	0.0007
Other Bodies Corporate	844814	1.9238
Foreign Promoters	846183	1.9269
Hindu Undivided Family	550705	1.2541
Non Resident Indians	2444409	5.5664
Non Resident (Non Repatriable)	10	0.0000
Public	2858491	6.5094
Promoters	6751998	15.3757
Promoters - HUF	48000	0.1093
Foreign Portfolio Investors (Corporate)	7023962	15.9951
<b>TOTAL</b>	<b>43913334</b>	<b>100.0000</b>



**f) Dematerialization of Shares and Liquidity:**

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

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

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

**Plant Locations:**

1. Dholi
2. Narol

**h) Address for Correspondence:**

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

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

**10. Disclosures.**

**i. Related Party Transactions:**

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

**ii. Compliances by the Company:**

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

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

The Company has set up a Vigil mechanism by way of a Whistle Blower Policy as required under Section 177(9) of the Companies Act, 2013. The Company's

personnel have access to the Chairman of the Audit Committee in exceptional circumstances. No person of the Company has been denied access to the Audit Committee and there are no instances of any such access.

**iv. Discretionary Requirements under Regulation 27 of Listing Regulation:**

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges is provided below:

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

**Modified Opinion in Auditors Report:** The Auditor report of the Company's financial statement for the year 2017-18 does not contain any modified opinion.

**Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee.

**v. Website:**

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

**vi. Web Links for Policies:**

All policy require under Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 are available at company weblink as [https://www.vishalfabricsltd.com/policies\\_codes.html](https://www.vishalfabricsltd.com/policies_codes.html)

**vii. Commodity price risk/ foreign Exchange Risk and Hedging:**

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

**11. Compliance with Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR)**

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

**12 Code of Conduct:**

The Company has laid down a Code of Conduct for the Members of the Board and the Senior Management in accordance with the Regulation 17(5) of Listing Regulations. All the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct as on 31<sup>st</sup> March, 2018 and a declaration to that effect signed by the Managing Director is enclosed of this report.

The code of conduct has been hosted on the website of the Company at [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).

**CEO/CF0 Certification:**

A Certificate signed by Mr. Tanuj Agarwal - Chief Executive Officer and Mr. Mahesh Kawat - Chief Financial Officer was placed before the Board of Directors at its meeting held on August 13, 2018 in compliance with Regulation 17(8) of Listing Regulations is enclosed of this report.

**Detail of shares lying in Suspense account :** Not Applicable

**Certificate of Independent Auditor on Corporate Governance Report is enclosed with this report.**

**DECLARATION BY THE MANAGING DIRECTOR**

I, Brijmohan Chiripal, Managing Director of Vishal Fabrics Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26 (3) of the Listing Regulations for the year ended 31<sup>st</sup> March, 2018.

**Place: Ahmedabad**

**Date: August 14, 2018**

**Brijmohan D. Chiripal**

**Managing Director**

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

### Regulation 17(8)

To,  
**The Board of Directors**  
**Vishal Fabrics Limited**

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

- a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2018 and based on our knowledge and belief, we state that:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) Significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**Date: May 29, 2018**

**Place: Ahmedabad**

**Maheshchandra Kawat**  
**Chief Financial Officer**

**Tanuj Agarwal**  
**Chief Executive Officer**

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,

**The Members**

**Vishal Fabrics Limited**

This Certificate is issued in accordance with the terms of our Company. We have examined the compliance of conditions of corporate governance by **Vishal Fabrics Limited** (the 'Company') For the year ended 31<sup>st</sup> March 2018, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

**Date: August 10, 2018**

**Place: Ahmedabad**

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

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

### **Opinion**

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate Governance as stipulated in the Listing Regulations during the year ended 31<sup>st</sup> March 2018.

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

### **Restriction on use**

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

**For Abhishek Kumar & Associates**

**Chartered Accountants**

**Abhishek Agrawal - Partner**

**M. No. 132305**

## BUSINESS RESPONSIBILITY REPORT

As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top 500 listed entity based on Marked Capitalisation require to disclose Business Responsibility Report (BRR) describing the initiative taken by Company toward environment, governance and Stakeholders.

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L17110GJ1985PLC008206
2.	Name of the Company	Vishal Fabrics Limited
3.	Registered address	Ranipur Narol Road Ahmedabad Gujarat 382405
4.	Website	www.vishalfabricsltd.com
5.	E-mail id	cs.vfl@chiripalgroup.com
6.	Financial Year reported	2017-2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	13131
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	1. Fabric-Denim 2. Complete range of textile based services
9.	Total number of locations where business activity is undertaken by the Company a. Number of International Locations (Provide details of major 5) b. Number of National Locations	Company does not have any Manufacturing Unit outside India. 1. Dholi 2. Narol
10.	Markets served by the Company – Local/State/National/International The Company covered all market.	The Company covered all market

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	Rs. 21,95,66,670
2.	Total Turnover (INR)	Rs. 890.94 Crore
3.	Total profit after taxes (INR)	Rs. 15.63 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.21%
5.	List of activities in which expenditure in 4 above has been incurred	The Company has expended in CSR through Milestone Educom Trust

### SECTION C: OTHER DETAILS

1.	Does the Company has any Subsidiary Company/ Companies?	Company has no any Subsidiary
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	N.A.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes other entity participated less than 30 % toward Business Responsibility Initiatives.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director responsible for implementation of the BR policy/policies

1. DIN Number 00290426
2. Name Mr. Brijmohan D. Chiripal
3. Designation Managing Director

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	00290426
2.	Name	Mr. Brijmohan D. Chiripal
3.	Designation	Managing Director
4.	Telephone number	079-25353977/78/79/80
5.	e-mail id	cs.vfl@chiripalgroup.com

### 2. Principle-wise (as per NVGs) BR Policy/policies

No. of Principle	Description of Principle	Name of respective Policies
Principle 01.	Business should conduct and govern themselves with Ethics, Transparency and Accountability.	Code of Conduct and Vigil Mechanism
Principle 02.	Business should provide goods and services that are safe and contribute to sustainability throughout their life circle.	CSR Policy and Internal Policy
Principle 03.	Business should promote the well-being of all employees.	Vigil Mechanism
Principle 04.	Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	CSR Policy
Principle 05.	Business should respect and promote human rights.	CSR Policy and Vigil Mechanism
Principle 06.	Business should respect, protect and make efforts to restore the environment.	CSR Policy and Factory Policy
Principle 07.	Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Code of Conduct and Internal Policy
Principle 08.	Business should support inclusive growth and equitable development.	Factory Policy and CSR Policy
Principle 09.	Business should engage with and provide value to their customers and consumers in a responsible manner.	Code of Conduct and Internal Policy

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	We are in process to upgrade your Company's Policies in consultation with relevant stakeholder.								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies conform to the nine principles of National Voluntary Guidelines (NVGs) for Business Responsibility Report.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Entire policies approved by the Board and company in process to upgrade polices and same will be signed by the Managing Director.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://www.vishalfabricsltd.com/policies_codes.html">https://www.vishalfabricsltd.com/policies_codes.html</a> and Certain Policies restricted to view online								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

When it's require the Board or CEO assess the BR Performance.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Business Responsibility Report is part of annual report and It is published every year. It is also available on the Company's website [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com).

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Ethics, bribery and corruption related point cover under Code of Conduct of the Company and our company also in process to upgrade policy with respect to ethics, bribery and corruption and it's applicable to all stakeholder of the Companies.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

Our Company has not received any complaint with respect to Ethics, bribery and corruption during the Financial Year 2017-2018.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.**

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

**Denim Product/Textile Services**

The Company Committed to social and environmental concerns, risks and opportunities. Accordingly, the Company has devised the manufacturing processes of the products and systems, factoring social and environmental concerns.

The Company has taken best effort to fulfilment of all compliance obligations related to environmental aspects and occupational health & safety.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company has adopted new techniques and alternate methods for cost reduction, reduction in input consumption ratio in the processes, and has reduced the consumption of major inputs, including energy, water, etc.

- (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The Company has reduced per unit consumption of energy, water, raw materials and other resources by adopted new technology.

**the Following steps are taken by the unit for utilizing alternate sources of energy:**

- Installation of VFD for Raw water pump at ETP resulted in reduction in power consumption by 20%
- Reduction in generation air pressure of air compressor resulted in reduction in power consumption by 7%
- Plugged air leakages across the plant
- Installation of LED lights throughout the plant
- Installation of APFC panel for PF management to maintain PF of 0.98 – 0.99
- Installation of VFD for water circulation pump

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

The Company always ensuring to protect environment, stakeholders' interest and cost effectiveness while procuring raw material or goods and the main raw materials is yarn and while procuring from manufacturers we take care safety of labour.

The Company also taking challenges of Climate Change by new product development, increasing absorption by securing availability and overcoming technical constraints; improving energy efficiency; transport and logistics optimisation, waste-to-energy recovery and emissions reduction.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The company encourages local procurement of goods

around its plants proximity and region. First preference given to local vendors for input material locally available has also encouraged setting up of many ancillary units around its plants.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The Company always take effort to Reduce, Recycle and Reuse waste product. The percentage of recycling, reusing falls in range of 5-10% and the company in process to replace with new machinery for minimize of wastage.

**Principle 3: Businesses should promote the wellbeing of all employees**

1	Please indicate the Total number of employees.	2896
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	528
3	Please indicate the Number of permanent women employees.	66
4	Please indicate the Number of permanent employees with disabilities	NIL
5	Do you have an employee association that is recognized by management.	NIL
6	What percentage of your permanent employees is members of this recognized employee association?	NIL

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- (a) Permanent Employees - 92%
  - (b) Permanent Women Employees -100%
  - (c) Casual/Temporary/Contractual Employees - 73%
  - (d) Employees with Disabilities - No

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. **Has the company mapped its internal and external stakeholders? -Yes**
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders? -Yes**
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company is committed to the welfare of marginalized and vulnerable sections of the society by way of HR policies, CSR initiatives, shareholder’s grievance mechanisms etc.

**Principle 5: Businesses should respect and promote human rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

The Company remains committed to respect and protect human rights. The Company’s Code of Business Conduct & Ethics and the human resource practices cover most of the aspects.

The Company does not hire child labour, forced labour or involuntary labour.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The company has not received any compliant in the past financial year.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?**

Yes, the Company's policy is extended to the entire group and its subsidiaries/joint ventures follow and adopt the practices/policies of the Company.

The Company ensures that it is implemented at all these levels.

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.**

The Company has strategies / initiatives for enhancing its own performance (over which it is able to exercise control) related to issues concerning the environment. There is no URL at present.

**3. Does the company identify and assess potential environmental risks? Y/N**

The Company identifies and assesses potential environmental risks for its existing and new product.

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

The Company does not have any project related to Clean Development Mechanism.

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**

The Company regularly undertakes many initiatives related to clean technology, energy efficiency and renewable energy etc.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The effluents / emissions /wastes generated by the manufacturing facilities of the Company are within the permissible limits given by CPCB / SPCB for 2017-18.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There were no pending show cause notices as on March

31,2018.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

**The Ahmedabad textile processors association  
Denim Manufactures Associates  
Confederation of Indian Industry**

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)-No**

**Principle 8: Businesses should support inclusive growth and equitable development**

**1. Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes, the Company has formulated a well-defined CSR policy and Internal Policy for focusing on Education, Health Care and Environment etc.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The programmes/projects are undertaken through in house teams/our foundation as well as in partnership with non-governmental organisations (NGOs) and governmental institutions to serve areas of community growth and sustainable development.

**3. Have you done any impact assessment of your initiative?**

Every initiative is monitored and reviewed for its effective implementation, quantitatively and qualitatively.

**4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

During the year under review, the Company has spent an amount of Rs. 34 Lakhs on CSR activities mainly on education through Milestone Educom Trust and Your Company has also donated Rs. 66 lakhs.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes, the Company has taken steps to ensure that the community initiatives benefit the community. Projects evolve out of the felt needs of the communities, and they are engaged in the implementation of the welfare driven initiatives, as well. The Communities actively partner with the Company and take ownership of the projects, eventually as its positive outcome benefits them hugely.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No any compliant pending as on the end of the financial year.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

The Company is not manufacturing end use product hence not require label on product.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. - No**

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

The Company conducts periodically Consumer survey for consumer satisfaction.

## INDEPENDENT AUDITORS' REPORT

To

**The Members**

**VISHAL FABRICS LIMITED**

### **Report on the Standalone Financial Statements**

I have audited the accompanying these standalone financial statements of M/S. VISHAL FABRICS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows statement the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these standalone financial statements based on my audit. I 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In my opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018 and its profit including other comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

### **Other Matters**

1. The comparative financial information of the company for the year ended March 31, 2017 prepaid in accordance with accounting standards, included in these standalone financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated May 30, 2017 expressed an unmodified opinion.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
  - b) In my opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The balance sheet, the statement of profit and loss and the cash flow Statement dealt with by this Report are in agreement with the books of account;
- d) In my opinion, the aforesaid these standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B". My report express an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 32 to the financial statements.
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As per our Report of Even Date For and on Behalf of

**For, Abhishek Kumar & Associates**

**Chartered Accountants**

**Firm Regn. No. 130052W**

**(CA. Abhishek Agarwal)**

**Proprietor**

**M.No. 132305**

**Date : 29/05/2018**

**Place : Ahmedabad**

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

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2018, we report that;

(i) In respect of its property plant and equipment / Fixed Assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment / fixed assets.

(b) As per the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of Inventory:

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

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

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

and (iii) (c) of the Companies (Auditor's Report) Order, 2016 are not applicable.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and guarantees and securities given.

v) According to the information and explanation given to us, the company has not accepted any deposit from the public during the year. Therefore the provisions of clause (v) of paragraph 3 of the order are not applicable to the company.

vi) The central government has prescribed maintenance of cost records under section 148(1)(d) of the companies act 2013 in respect of certain manufacturing activities of the company. Company has obtained cost audit report for the financial year 2016-17 during the year. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out detailed examination of the same.

vii) (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Goods and Service Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of afore mentioned dues were outstanding as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, details of statutory dues that have not been deposited on account of disputes are as under :

Sr. No.	Name of The Statute	Nature of Dues	Amount	Forum Where Dispute is Pending	Remark
1.	The Central Excise Act 1944	Excise	11.42	Textile Cess Appelate Tribunal	2001-02 to 2004-05
2.	Labour Laws	Labour Law Matters	12.65	Labour Commissioner Ahmedabad	2013
3.	Labour Laws	Civil Suit	4.57	City Civil Court, Ahmedabad	2005 to 2013
4.	Income Tax Act, 1961	Income Tax	0.81	A.Y. 2014-15	CIT(A)

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. As there are no debentures, the question of repayment does not arise.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the Term loans have been applied for the purpose for which they were obtained.
- During the year company has made Right issue of 8782667 shares @ Rs. 100/- each including premium of Rs. 90/- per share fully paid up.
- During the year company has been splitted its share from Rs. 10/- to Rs.5/- per share therefore number of shares at the end of the year is reached to 43913334 shares.
- (x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

As per our Report of Even Date For and on Behalf of

**For, Abhishek Kumar & Associates**

**Chartered Accountants**

**Firm Regn. No. 130052W**

**(CA. Abhishek Agarwal)**

**Proprietor**

**M.No. 132305**

**Date : 29/05/2018**

**Place : Ahmedabad**

## ANNEXURE "B" TO THE AUDITORS' REPORT

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

I have audited the internal financial controls over financial reporting of **M/S. VISHAL FABRICS LIMITED** ("the Company"), as of 31 March, 2018, in conjunction with our audit of the standalone financial statements of the Company for the year ended that date.

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

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

### **Auditor's Responsibility**

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

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding or 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.

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial

control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at 31 March 2018, 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.

As per our Report of Even Date For and on Behalf of

**For, Abhishek Kumar & Associates**

**Chartered Accountants**

**Firm Regn. No. 130052W**

**(CA. Abhishek Agarwal)**

**Proprietor**

**M.No. 132305**

**Date : 29/05/2018**

**Place : Ahmedabad**

## BALANCE SHEET AS AT 31 MARCH 2018

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	2,70,66,63,820	1,28,41,97,036	50,54,56,302
Capital work-in-progress	5	18,86,49,069	35,59,24,691	13,15,08,508
Intangible assets	6	-	83,375	-
Financial Assets				
Investments	7	2,56,56,800	51,32,997	36,72,641
Trade receivables	12	-	1,26,53,638	16,20,237
Other financial assets	9	5,13,57,488	49,10,885	24,74,032
Deferred tax assets (net)		4,03,74,577	1,17,03,487	-
Other non-current assets	10	24,83,30,205	40,43,99,703	14,15,31,711
<b>Total non-current assets</b>		<b>3,26,10,31,959</b>	<b>2,07,90,05,811</b>	<b>78,62,63,431</b>
<b>Current assets</b>				
Inventories	11	76,44,04,013	40,72,60,263	13,16,68,122
Financial Assets				
Trade receivables	12	2,63,42,16,569	1,12,26,46,677	60,84,12,910
Cash and cash equivalents	13	5,71,74,733	29,86,81,049	1,23,60,546
Other current assets	14	94,54,57,555	54,32,35,969	7,59,96,729
<b>Total current assets</b>		<b>4,40,12,52,871</b>	<b>2,37,18,23,958</b>	<b>82,84,38,307</b>
<b>Total assets</b>		<b>7,66,22,84,830</b>	<b>4,45,08,29,769</b>	<b>1,61,47,01,738</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	15	21,95,66,670	13,17,40,000	13,17,40,000
Other Equity	16	1,76,65,50,260	1,70,06,75,609	65,14,60,103
<b>Total Equity</b>		<b>1,98,61,16,930</b>	<b>1,83,24,15,609</b>	<b>78,32,00,103</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings	17	1,72,70,14,241	99,06,69,592	4,84,22,111
Trade Payables	18	-	-	-
Other financial liabilities	19	3,23,88,168	4,68,94,509	38,90,279
Provisions	20	3,06,66,311	2,57,15,487	3,02,14,077
Deferred Tax liabilities (net)	8	3,24,02,254	-	1,50,52,145
<b>Total non-current liabilities</b>		<b>1,82,24,70,974</b>	<b>1,06,32,79,588</b>	<b>9,75,78,612</b>

	Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings	17	1,28,08,10,601	36,72,46,666	41,89,53,975
Trade Payables	18	2,22,14,25,385	1,08,38,31,260	24,84,31,490
Other financial liabilities	19	25,85,01,631	3,22,22,407	2,04,77,589
Provisions	20	6,70,30,621	5,94,73,763	3,79,06,406
Other current liabilities	21	2,59,28,687	1,23,60,475	81,53,564
<b>Total current liabilities</b>		<b>3,85,36,96,924</b>	<b>1,55,51,34,572</b>	<b>73,39,23,024</b>
<b>Total Liabilities</b>		<b>3,85,36,96,924</b>	<b>1,55,51,34,572</b>	<b>73,39,23,024</b>
<b>Total Equity And Liabilities</b>		<b>5,67,61,67,899</b>	<b>2,61,84,14,160</b>	<b>83,15,01,636</b>
		<b>7,66,22,84,830</b>	<b>4,45,08,29,769</b>	<b>1,61,47,01,738</b>

Significant accounting policies

2

The notes referred to above form are an integral part of these financial statements

As per our report of even date attached

**for Abhishek Kumar & Associates.**

for and on behalf of the Board of Directors of

**Place:** Ahmedabad

Chartered Accountants

**VISHAL FABRICS LIMITED**

**Date:** 29/05/2018

ICAI Firm Registration Number :130052W

CIN : L17110GJ1985PLC008206

**Abhishek Agrawal**

**Brijmohan D.Chiripal**

**Amit Kadmawala**

**Tanuj Agrawal**

**Mahesh Kawat**

**Deepak Vyas**

Proprietor

Managing Director

Whole-time

Chief Executive

Chief Financial

Company

Membership no:132305

DIN: 00290426

Director

Officer

Officer

Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

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

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	22	8,90,93,65,313	3,73,63,62,956
Other income	23	1,04,43,962	27,64,644
<b>Total income</b>		<b>8,91,98,09,274</b>	<b>3,73,91,27,601</b>
<b>Expenses</b>			
Cost of materials consumed	24	7,56,41,29,836	2,67,28,16,251
Purchases of stock-in-trade		3,31,31,512	7,64,51,781
Changes in inventories of finished goods, work-in progress, stock in trade and packing materials	25	(19,51,93,766)	(63,23,523)
Employee benefits expense	26	61,17,53,148	45,28,47,086
Finance costs	27	22,69,48,720	5,26,46,118
Depreciation and amortisation expense	28	13,66,77,706	6,26,38,915
Other expenses	29	34,64,41,581	23,66,73,469
<b>Total expenses</b>		<b>8,72,38,88,736</b>	<b>3,54,77,50,097</b>
<b>Profit before exceptional items and income tax</b>		<b>19,59,20,538</b>	<b>19,13,77,503</b>
<b>Exceptional items</b>		8,30,742	1,30,870
<b>Profit before tax</b>		<b>19,67,51,280</b>	<b>19,15,08,373</b>
Income tax expense			
Current tax (MAT for the year)	30	4,05,00,000	4,66,49,164
Tax expenses relating to prior year paid / written back			3,97,78,967
Deferred tax (credit) / charge (including MAT credit entitlement)			1,64,04,191
<b>Total tax expense</b>		<b>4,05,00,000</b>	<b>10,28,32,322</b>
<b>Profit for the year</b>		<b>15,62,51,280</b>	<b>8,86,76,051</b>
<b>Other comprehensive income net of taxes</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement gains / (loss) of defined benefit plans		-	1,74,23,000
Changes in fair value of FVOCI equity instruments		62,300	14,60,356
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-
Remeasurement gains / (loss) of defined benefit plans			(60,30,100)
Changes in fair value of FVOCI equity instruments		(21,562)	(5,05,429)
<b>Net other comprehensive income not to be reclassified subsequently to profit or loss</b>		<b>40,738</b>	<b>1,23,47,826</b>

	Notes	Year ended 31 March 2018	Year ended 31 March 2017
<b>Items that will be reclassified subsequently to profit or loss</b>			
Debt instruments through other comprehensive income - net change in fair value			
Income tax relating to items that will be reclassified subsequently to profit or loss			
<b>Net other comprehensive income to be reclassified subsequently to profit or loss</b>			
<b>Other comprehensive income for the year, net of tax</b>		<b>40,738</b>	<b>1,23,47,826</b>
<b>Total comprehensive income for the year</b>		<b>15,62,92,018</b>	<b>10,10,23,877</b>
<b>Earnings per share:</b>			
"Basic and diluted earnings per share (Rs.) [Nominal value of per equity share is Rs. 10] (Refer note 16)"		3.56	6.73

Significant accounting policies

2

The notes referred to above form are an integral part of these financial statements

As per our report of even date attached

<b>Place:</b> Ahmedabad	<b>for Abhishek Kumar &amp; Associates.</b> Chartered Accountants	for and on behalf of the Board of Directors of <b>VISHAL FABRICS LIMITED</b>
<b>Date:</b> 29/05/2018	ICAI Firm Registration Number: 130052W	CIN: L17110GJ1985PLC008206

<b>Abhishek Agrawal</b> Proprietor Membership no: 132305	<b>Brijmohan D. Chiripal</b> Managing Director DIN: 00290426	<b>Amit Kadmawala</b> Whole-time Director	<b>Tanuj Agrawal</b> Chief Executive Officer	<b>Mahesh Kawat</b> Chief Financial Officer	<b>Deepak Vyas</b> Company Secretary
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## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

	Year ended 31 March 2018	Year ended 31 March 2017
Cash flow from operating activities		
Net profit before tax	19,67,51,280	19,15,08,373
Adjustments:		
Depreciation and amortisation	13,66,77,706	6,26,38,915
Finance expense	22,69,48,720	5,26,46,118
Finance income	(35,14,402)	(19,17,512)
<b>Operating cash flow before working capital changes</b>	<b>55,68,63,303</b>	<b>30,48,75,894</b>
<b>Working capital adjustments:</b>		
Decrease / (Increase) in trade receivables	(1,51,15,69,893)	(51,42,33,767)
(Increase) / decrease in other current assets	(40,22,21,586)	(46,72,39,240)
Decrease/ (increase) in inventories	(35,71,43,750)	(27,55,92,141)
Increase/ (decrease) in trade payables	1,13,75,94,124	83,53,99,770
Increase/ (decrease) in provisions	1,25,07,682	1,70,68,767
Increase/ (decrease) in current liabilities	1,35,68,212	42,06,911
Increase/ (decrease) in other financial liabilities	21,17,72,883	5,47,49,048
<b>Cash generated from operations</b>	<b>(33,86,29,025)</b>	<b>(4,07,64,757)</b>
Less: Income tax paid	(4,66,49,164)	(3,20,00,000)
<b>Net cash generated from operating activities (a)</b>	<b>(38,52,78,189)</b>	<b>(7,27,64,757)</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible and intangible assets	(1,55,93,02,046)	(84,14,85,153)
Proceeds from sales of disposal of tangible assets	60,15,594	1,57,565
Investment in equity instruments	(2,45,00,000)	-
Net cash flow from other financial assets	(4,64,46,603)	(24,36,853)
Capital advances and other non-current assets	15,60,69,497	(26,28,67,992)
Interest income	35,14,402	19,17,512
<b>Net cash used in investing activities (b)</b>	<b>(1,46,46,49,155)</b>	<b>(1,10,47,14,920)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of share capital		
Share application money	-	87,82,66,700
Proceeds from Long term borrowings	1,00,66,14,887	85,24,42,390
Proceeds from Unsecured loans repayable on demand	67,36,92,317	-
Repayment of Unsecured loans	(88,87,057)	(20,02,73,105)
Short term borrowings (net)	15,13,07,648	41,78,240
Finance costs paid	(21,43,06,766)	(7,08,14,044)
<b>Net cash generated from / (used in) financing activities (c)</b>	<b>1,60,84,21,029</b>	<b>1,46,38,00,180</b>

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>(24,15,06,316)</b>	<b>28,63,20,503</b>
Cash and cash equivalents at the beginning of the year	29,86,81,049	1,23,60,546
<b>Cash and cash equivalents at the end of the year</b>	<b>5,71,74,733</b>	<b>29,86,81,049</b>
Components of cash and cash equivalents		
Cash on hand	17,38,351	20,56,431
Balances with banks		
Current accounts	40,78,895	25,18,77,482
Deposit accounts	5,13,57,488	4,47,47,136
	<b>5,71,74,733</b>	<b>29,86,81,049</b>

Significant accounting policies

2

The notes referred to above form an integral part of these financial statements

As per our report of even date attached

**for Abhishek Kumar & Associates.**

for and on behalf of the Board of Directors of

**Place:** Ahmedabad

Chartered Accountants

**VISHAL FABRICS LIMITED**

**Date:** 29/05/2018

ICAI Firm Registration Number :130052W

CIN : L17110GJ1985PLC008206

**Abhishek Agrawal**

**Brijmohan D.Chiripal**

**Amit Kadmawala**

**Tanuj Agrawal**

**Mahesh Kawat**

**Deepak Vyas**

Proprietor

Managing Director

Whole-time

Chief Executive

Chief Financial

Company

Membership no:132305

DIN: 00290426

Director

Officer

Officer

Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

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

### a. Equity share capital

Balance as at 1 April 2016	13,17,40,000
Changes in equity share capital	-
As at 31 March 2017	13,17,40,000
Changes in equity share capital	8,78,26,670
As at 31 March 2018	21,95,66,670

### b. Other equity

	Reserves and surplus		Items of OCI		Total
	Securities premium	Share application money	Retained earnings	FVOCI - equity instruments	
Balance at 1 April 2016	13,50,40,158	-	51,37,71,703	26,48,241	65,14,60,103
Profit for the year	-	-	8,86,76,051	-	8,86,76,051
Other comprehensive income	-	-	-	1,23,47,826	1,23,47,826
<b>Total comprehensive income for the year</b>	-	-	<b>8,86,76,051</b>	<b>1,23,47,826</b>	<b>10,10,23,877</b>
Share application money received during the year	-	87,82,66,700	-	-	87,82,66,700
Share issue expenses	(22,12,927)	-	-	-	(22,12,927)
	-	-	<b>7,21,37,856</b>	-	<b>7,21,37,856</b>
<b>Balance as at 31 March 2017</b>	<b>13,28,27,231</b>	<b>87,82,66,700</b>	<b>67,45,85,610</b>	<b>1,49,96,068</b>	<b>1,70,06,75,609</b>
Balance at 1 April 2017	13,28,27,231	87,82,66,700	67,45,85,610	1,49,96,068	1,70,06,75,609
Profit for the year	-	-	15,62,51,280	-	15,62,51,280
Other comprehensive income	-	-	-	40,738	40,738
<b>Total comprehensive income for the year</b>	-	-	<b>15,62,51,280</b>	<b>40,738</b>	<b>15,62,92,018</b>
Transactions with owners, recorded directly in equity					-
Share application money received during the year					-
Securities premium received during the year	79,04,40,030	(87,82,66,700)			(8,78,26,670)
Share issue expenses	(25,90,696)				(25,90,696)
<b>Balance as at 31 March 2018</b>	<b>92,06,76,565</b>	-	<b>83,08,36,890</b>	<b>1,50,36,806</b>	<b>1,76,65,50,260</b>

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

### Note 1 Corporate 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 in to Public Limited Company on 31/03/2014, subsequently name changed to Vishal Fabrics Limited. The Company had came 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 and at village Dholi Taluka Dholka, Dist. Ahmedabad- Gujarat, India."

### Note 2 Basis of preparation of financial statements

#### 2.1 Basis of Preparation and presentation

"The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (Act) read with Rule 4A of Companies (Accounts) Second Amendment Rules, 2015, Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder. The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities which have been measured at fair value. The Company has adopted IndAS and the adoption was carried out in accordance with IndAS 101, First-Time Adoption of Indian Accounting Standards. The transition was carried out from the Indian Accounting Principles generally accepted in India as prescribed under under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013 ('the 2013 Act') / Companies Act 1956 ('the 1956 Act') as applicable (Indian GAAP). For all the periods upto 31st March 2017, Company prepared its financial statements in accordance with (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first the

Company has prepared in accordance with Ind AS. Refer to note 4 for information on how the Company adopted Ind AS. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Company's presentation and functional currency is Indian Rupees (₹) and all values are rounded to the nearest digits."

#### 2.2 Use of estimates

"The preparation of the Company's IndAS financial statements requires management to make informed judgements, reasonable assumptions and estimates that affect the amounts reported in the financial statements and notes thereto. Uncertainty about these could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in the future periods. These assumptions and estimates are reviewed periodically based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit & Loss in the period in which the estimates are revised and in any future periods affected. In the assessment of the Company, the most significant effects of use of judgments and/or estimates on the amounts recognized in the financial statements relate to the following areas: • Useful lives of property, plant & equipment; • Valuation of inventories; • Measurement of recoverable amounts of assets / cash-generating units; • Assets and obligations relating to employee benefits; • Evaluation of recoverability of deferred tax assets; and • Provisions and Contingencies."

### Note 3 Significant accounting policies

#### 3.1 Property, plant and equipment

"Recognition and measurement) The cost of an item of property, plant and equipment is recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item

can be measured reliably. b) Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment loss, if any. c) The initial cost of an asset comprises its purchase price or construction cost (including import duties and non-refundable taxes) after deducting trade discounts and rebates, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation (if any) and the applicable borrowing cost till the asset is ready for its intended use. d) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. e) Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss. f) Major spare parts which meet the definition of property plant and equipment are capitalized as property, plant and equipment. In other cases, the spare parts are inventorised on procurement and charged to Statement of Profit & Loss on issue/consumption. g) Direct expenses incurred during construction period on capital projects are capitalised."

### 3.2 Capital work-in-progress:

Projects under which property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**3.3 "Intangible assets:** Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Intangible assets are amortized over their respective estimated useful life which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis. The estimated useful lives of Software is 3 years."

### 3.4 Depreciation

Depreciation is calculated on cost of items of Plant and machinery forming part of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and for items other than Plant and machinery, it is calculated based on the written down value method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

### 3.5 Cash flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals or accruals of past or future cash receipts or payments. The cash flows are from operating, investing and financing activities of the Company are segregated based on the available information.

### 3.6 Transaction in Foreign Currency

Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transaction. Foreign currency monetary assets and liabilities are reported using the closing rate. Gains and losses arising on account of difference in foreign exchange rates on settlement/translation of monetary assets and liabilities on the closing date are recognized in the Statement of Profit and Loss.

### 3.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.7.1 Cash and cash equivalents

Cash comprises cash on hand and demand / short term deposits with banks. Cash equivalents are short-term balances (with

an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 3.7.2 Investments

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments, not held for trading, in other comprehensive income.

### 3.7.3 Trade receivables

Trade receivables are amounts due from customers for sale of goods in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

### 3.7.4 Borrowings

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using effective interest method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

### 3.7.5 Trade payables

Trade payables are amounts due to vendors for purchase of goods in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

### 3.7.6 Other financial assets and liabilities

Other non-derivative financial instruments are initially recognized at fair value and subsequently measured at amortized costs using the effective interest method.

### 3.7.7 De-recognition of financial assets and liabilities

"The Company derecognizes a financial asset when the contractual right to the

cash flows from the asset expires or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction which substantially all the risk and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired; the difference between the carrying amount of derecognized financial liability and the consideration paid is recognized as profit or loss."

## 3.8 Leases - Company as a lessee

### Finance lease

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognized for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

### Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating lease. Operating lease payments are recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increases.

## 3.9 Inventories

Inventories at year-end are valued at the Lower of the Cost Price or Net Realizable Value after providing for Obsolescence and other losses, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and costs incurred in bringing them to their respective present location and condition.

#### 4.0 Impairment of assets

##### Financial assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Company uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

##### Non-financial assets

##### Tangible and Intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss to such extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

#### 4.1 Revenue Recognition

"Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods includes excise duty and are net of discounts, applicable taxes, rebates and estimated returns. The revenue is recognized when the significant risks and rewards of ownership of goods are transferred to the buyer, recoverability of consideration is probable, the amount of revenue and cost incurred or to be incurred in respect of the transaction can be measured reliably and there is no continuing managerial involvement over the goods sold. Income from services is recognized when the services are rendered or when contracted milestones have been achieved. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend income is recognized when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably. Revenue / Income and Cost / Expenditure are generally accounted on accrual basis as they are earned/ incurred, except those with significant uncertainties. Dividend Income from investment is recognized as and when received. Other Incomes are accounted for on accrual basis except when the recovery is uncertain, it is accounted for on receipt basis. Claims made against the Company are evaluated as to type thereof, period for which they are outstanding and appropriate provisions made. Claims are stated net of recoveries from insurance companies and others. Administrative and other expenses are stated net of recoveries, wherever applicable."

### 3.10 Borrowing Costs

"Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred."

### 3.11 Provisions and Contingencies

"Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost."

### 3.12 Employees Benefit

"Short term employee benefits: Short term employee benefits are recognized as expenses at the undiscounted amount in the Statement of Profit and Loss of the year for which the related service is rendered."

#### Long term employee benefits:

"a) Defined Contribution Plan: Monthly contribution to the provident fund which is under defined contribution schemes are charged to Statement of Profit & Loss and deposited with the provident fund authorities on monthly basis."

"b) Defined benefit plans: The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and interest on the net defined benefit liability / (asset) is recognized in the statement of profit and loss. Past service cost are immediately recognized in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise."

"c) Termination benefits: Termination benefits are charged to the Statement of Profit and Loss in the year of accrual when the Company is committed without any possibility of withdrawal of an offer made to either terminate employment before the normal retirement date or as a result of an offer made to encourage voluntary retirement."

"d) Compensated absences and earned leaves: The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an

unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur."

### 3.13 Taxes on income

"Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit and loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively. Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate."

"Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the financial statements are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The deferred tax arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction are not recognized. Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Deferred tax

assets and liabilities are offset when the Company has a legally enforceable right to do the same. Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which gives rise to future economic benefits in the form of adjustment of future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized."

### 3.14 Earning Per Share

Basic earnings per share is computed and disclosed using the weighted average number of common shares outstanding during the year. Dilutive earning per share is computed and disclosed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except when the results would be anti-dilutive.

### Note 4 Explanation of transition to Ind AS

As stated in Note 2.1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 2 and 3 have been applied in preparing these financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

**A. Optional exemptions availed**

**1. Property plant and equipment**

"As per Ind AS 101 an entity may elect to:(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:- fair value;- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.(iii) use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition."

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.

**2. Derecognition of previously recognised financial instruments:**

The Company as classified investment in equity instruments at fair value through other comprehensive income.

**B. Mandatory exceptions**

**1. Estimates**

"Ind AS estimates on the date of transition are consistent with the estimates as at the same date made in conformity with previous GAAP."

**2. Derecognition of financial assets and liabilities**

The Company has applied the derecognition requirements of Ind AS 109 prospectively from the date of transition to Ind AS.

**3. Classification and measurement of financial assets**

"The Company has assessed classification and measurement of financial assets based on facts and circumstances prevalent on the date of transition to Ind AS."

**4. Impairment of financial assets :**

The Company has applied impairment requirements of Ind AS 109 retrospectively to financial instruments and concluded that there is no need to recognize any additional loss allowance on financial assets.

**Reconciliation of Total equity**

	Foot notes	As at 31 March 2017	As at 1 April 2016
<b>Total equity (Shareholder's fund) as per previous GAAP</b>		<b>1,81,74,36,256</b>	<b>83,37,89,448</b>
Fair value of investments in equity instruments	A	41,08,597	26,48,241
Long term borrowings at amortised cost	B	2,19,67,367	-
Reclassification of share issue expenses and netted with Securities premium	C	(45,61,079)	(40,49,842)
Deferred tax on transitional adjustments	D	(7,86,73,386)	(4,91,87,745)
<b>Total equity under IndAS</b>		<b>1,76,02,77,756</b>	<b>78,32,00,103</b>

### Reconciliation of total comprehensive income

	Foot notes	Year ended 31 March 2017
<b>Profit after tax as per previous GAAP</b>		<b>10,53,80,106</b>
Reclassification of share issue expenses and netted with Securities premium	C	17,01,690
Loan processing fees amortised on EIR basis	B	2,19,67,367
Remeasurement of gratuity recognised in other comprehensive income	D	(1,74,23,000)
Deferred tax on transitional adjustments	E	4,91,87,745
<b>Profit after tax as per IndAS</b>		<b>16,08,13,908</b>
Other comprehensive income (net of tax)		1,23,47,826
<b>Total Comprehensive income under IndAS</b>		<b>17,31,61,734</b>

#### Notes to the reconciliation between previous GAAP and IndAS:

- (A) Fair value of investments in equity instruments recognized in other comprehensive income : Under IndAS, Investment in equity shares is classified for fair value through other comprehensive income. Under previous GAAP, long-term investments are carried at cost less provision for diminution in the value of investment, other than temporary. This difference has resulted in increase of equity by Rs. 4,332,597 as at 31 March 2017 (Rs. 2,906,241 as at 1 April 2016) and profit by Rs. 1,426,356 for the year ended 31 March 2017.
- (B) Long term borrowings at amortised cost : Under IndAS, long-term borrowings are carried at amortised cost. Under previous GAAP, the borrowings are carried at their historical cost. This difference has resulted in increase in equity under IndAS Rs. 21,967,367 as at 31 March 2017 (Rs. Nil as at 1 April 2016) and increase of profit by Rs. 21,967,367 for the year ended 31 March 2017.
- (C) Share issue expenses : Under Ind AS, Transaction costs

in relation to an equity transaction are accounted for as a deduction from equity. Under previous GAAP, these costs were shown under Non-current assets and amortised over the period of five years. This difference has resulted in decrease in equity under IndAS of Rs. 4,561,079 as at 31 March 2017 (Rs. 4,049,842 as at 1 April 2016) and increase in profit of Rs. 1,701,690 for the year ended 31 March 2017.

- (D) Remeasurement of gratuity recognised in other comprehensive income : Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset and are recognised in other comprehensive income. Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. This difference has resulted in decrease in profit by Rs. 17,423,000 for the year ended March 31, 2017.

#### Cash flow statement

The transition from previous GAAP to IndAS has not had a material impact on the statement of cash flows.

**Note 5 Property, plant and equipment**

(See accounting policy in note 3.1 and 3.2)

**Reconciliation of carrying amount**

Particulars	Land	Leasehold land	Buildings	Plant and Machinery	Furniture & Fixtures	Office equipments	Air condition	Computers	Vehicles	Weighting Scale	Total	Capital work in progress
<b>Cost or deemed cost (gross carrying amount)</b>												
Balance at 1 April 2016	1,21,24,737	10,97,58,393	15,42,77,588	91,26,48,834	2,37,31,721	41,08,116	64,41,067	91,37,075	97,20,295	3,61,047	1,24,23,08,873	13,15,08,508
Additions	-	-	13,78,27,229	66,21,22,633	70,69,161	9,36,580	7,90,391	23,85,143	3,02,63,396	7,245	84,14,01,778	83,39,95,751
Disposals	-	-	-	-	-	-	-	-	1,57,565	-	1,57,565	60,95,79,568
<b>Balance at 31 March 2017</b>	<b>1,21,24,737</b>	<b>10,97,58,393</b>	<b>29,21,04,817</b>	<b>1,57,47,71,467</b>	<b>3,08,00,882</b>	<b>50,44,696</b>	<b>72,31,458</b>	<b>1,15,22,218</b>	<b>3,98,26,126</b>	<b>3,68,292</b>	<b>2,08,35,53,086</b>	<b>35,59,24,691</b>
Balance at 1 April 2017	1,21,24,737	10,97,58,393	29,21,04,817	1,57,47,71,467	3,08,00,882	50,44,696	72,31,458	1,15,22,218	3,98,26,126	3,68,292	2,08,35,53,086	35,59,24,691
Additions	-	-	50,19,75,940	1,01,20,85,024	2,16,08,789	19,15,061	8,85,241	1,16,93,806	91,38,185	-	1,55,93,02,046	18,86,49,070
Disposals	-	-	-	52,45,943	-	-	-	-	7,69,651	-	60,15,594	35,59,24,691
<b>Balance at 31 March 2018</b>	<b>1,21,24,737</b>	<b>10,97,58,393</b>	<b>79,40,80,757</b>	<b>2,58,16,10,548</b>	<b>5,24,09,671</b>	<b>69,59,757</b>	<b>81,16,699</b>	<b>2,32,16,024</b>	<b>4,81,94,660</b>	<b>3,68,292</b>	<b>3,63,68,39,538</b>	<b>18,86,49,069</b>
<b>Accumulated depreciation</b>												
Balance at 1 April 2016	-	-	9,51,49,366	59,83,96,391	2,02,47,490	28,32,921	51,37,453	83,89,212	63,85,423	3,14,315	73,68,52,571	-
Depreciation for the year	-	11,08,671	1,24,94,848	4,01,40,103	21,00,516	7,61,106	3,91,205	6,74,981	49,57,772	9,713	6,26,38,915	-
Disposals	-	-	-	-	-	-	-	-	1,35,435	-	1,35,435	-
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>11,08,671</b>	<b>10,76,44,214</b>	<b>63,85,36,494</b>	<b>2,23,48,006</b>	<b>35,94,027</b>	<b>55,28,658</b>	<b>90,64,193</b>	<b>1,12,07,760</b>	<b>3,24,028</b>	<b>79,93,56,051</b>	<b>-</b>
Balance at 1 April 2017	-	11,08,671	10,76,44,214	63,85,36,494	2,23,48,006	35,94,027	55,28,658	90,64,193	1,12,07,760	3,24,028	79,93,56,051	-
Depreciation for the year	-	11,08,670	2,95,34,398	8,78,53,314	32,77,403	8,05,430	4,98,023	33,73,648	1,01,35,390	8,055	13,65,94,331	-
Disposals	-	-	-	51,58,017	-	-	-	-	6,16,646	-	57,74,663	-
<b>Balance at 31 March 2018</b>	<b>-</b>	<b>22,17,341</b>	<b>13,71,78,612</b>	<b>72,12,31,791</b>	<b>2,56,25,409</b>	<b>43,99,457</b>	<b>60,26,681</b>	<b>1,24,37,841</b>	<b>2,07,26,504</b>	<b>3,32,083</b>	<b>93,01,75,719</b>	<b>-</b>
<b>Carrying amount (net)</b>												
As at 1 April 2016	1,21,24,737	10,97,58,393	5,91,28,222	31,42,52,443	34,84,231	12,75,195	13,03,614	7,47,863	33,34,872	46,732	50,54,56,302	13,15,08,508
As at 31 March 2017	1,21,24,737	10,86,49,722	18,44,60,603	93,62,34,973	84,52,876	14,50,669	17,02,800	24,58,025	2,86,18,366	44,264	1,28,41,97,036	35,59,24,691
<b>As at 31 March 2018</b>	<b>1,21,24,737</b>	<b>10,75,41,052</b>	<b>65,69,02,145</b>	<b>1,86,03,78,757</b>	<b>2,67,84,262</b>	<b>25,60,300</b>	<b>20,90,018</b>	<b>1,07,78,183</b>	<b>2,74,68,156</b>	<b>36,209</b>	<b>2,70,66,63,820</b>	<b>18,86,49,069</b>

#### Note 6 Intangible assets

(See accounting policy in note 3.3)

#### Reconciliation of carrying amount

Particulars	Computer software	Total
<b>Cost or deemed cost (gross carrying amount)</b>		
<b>Balance at 1 April 2016</b>	-	-
Additions	83,375	83,375
Disposals	-	-
Balance at 31 March 2017	83,375	83,375
Balance at 1 April 2017	83,375	83,375
Additions	-	-
Disposals	-	-
<b>Balance at 31 March 2018</b>	<b>83,375</b>	<b>83,375</b>
<b>Accumulated amortisation</b>		
Balance at 1 April 2016	-	-
Amortisation for the year	-	-
Disposals	-	-
Balance at 31 March 2017	-	-
Balance at 1 April 2017	-	-
Amortisation for the year	83,375	83,375
Disposals	-	-
<b>Balance at 31 March 2018</b>	<b>83,375</b>	<b>83,375</b>
<b>Carrying amount (net)</b>		
As at 1 April 2016	-	-
As at 31 March 2017	83,375	83,375
As at 31 March 2018	-	-

**Note 7 Investments**

(See accounting policies in Notes ----)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>Non-current investments</b>			
<b>Investments in equity instruments</b>			
<b>Quoted</b>			
20000 (P.Y. 20000) Equity Shares of GSL Nova Petrochemicals Ltd of Rs 5 Each	14,000	47,200	13,800
10000 (P.Y. 10000 @ Rs. 10/- Each) Equity Shares of CIL Nova Petrochemicals Ltd of Rs 10/- Each	3,19,500	2,24,000	2,58,000
<b>Equity instruments at FVOCI</b>			
<b>Unquoted</b>			
35000 (P.Y. 35000) Equity Shares of Prakash Calender P.Ltd of Rs.10/- Each	13,54,932	13,54,932	13,50,736
150 (P.Y. 150) Equity Shares of Deepak Impex P.Ltd of Rs.100 Each	7,723	7,723	7,594
20250 (P.Y.20250) Equity Shares of Chiripal Industries Ltd of Rs.10/- Each	33,29,742	33,29,742	18,73,112
350000 (P.Y. NIL) Equity Shares of Nandan Industries p.Ltd of Rs.70 Each	2,04,61,503	-	-
44 (P.Y. 44) Equity Shares of Ellisbridge Co-op Bank Ltd of Rs.25/- Each	1,100	1,100	1,100
4 (P.Y. 4) Equity Shares of Nutan Nagrik Sahakari Bank Ltd of Rs.25/- Each	100	100	100
145000 (P.Y. 145000) Equity Shares of Merit Credit Corp Ltd of Rs.1.16 Each	1,68,200	1,68,200	1,68,200
<b>Total equity instruments</b>	<b>2,56,56,800</b>	<b>51,32,997</b>	<b>36,72,641</b>
Current	-	-	-
Non-current	2,56,56,800	51,32,997	36,72,641

**Note 8 Deferred tax relates to**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>Deferred tax liabilities :</b>			
Depreciation and amortisation	8,22,20,736	3,90,60,913	4,09,06,869
Fair value of investments in equity instruments	14,21,903	14,21,903	9,16,503
Amortisation of borrowing cost	76,02,466	76,02,466	-
<b>Deferred tax assets :</b>			
MAT credit entitlement	(3,50,18,901)	(5,06,19,709)	(2,64,13,048)
Tax losses	(91,69,060)	(91,69,060)	(3,58,180)
<b>Total deferred tax liabilities (asset)</b>	<b>4,70,57,144</b>	<b>(1,17,03,487)</b>	<b>1,50,52,145</b>

#### Note 9 Other financial assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Bank fixed deposits having maturity of more than 12 months	63,26,955	49,10,885	24,74,032
Other financial assets	4,50,30,533	-	-
	<b>5,13,57,488</b>	<b>49,10,885</b>	<b>24,74,032</b>

#### Note 10 Other non-current assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Capital advance	21,26,97,296	38,06,53,673	13,22,37,903
Sundry deposits and advances	3,56,32,909	2,37,46,030	92,93,808
	<b>24,83,30,205</b>	<b>40,43,99,703</b>	<b>14,15,31,711</b>

#### Note 11 Inventories

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Valued at lower of cost and net realizable value			
Raw Materials	4,66,29,589	5,36,87,594	3,45,27,362
Work in Process	38,10,61,281	21,57,39,182	6,71,29,822
Finished Goods	28,26,30,466	9,57,22,995	-
Stores and spares	5,40,82,677	4,21,10,493	3,00,10,938
<b>Total</b>	<b>76,44,04,013</b>	<b>40,72,60,263</b>	<b>13,16,68,122</b>

#### Note 12 Trade receivables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Unsecured, considered good	2,64,47,39,607	1,13,53,00,315	61,00,33,147
<b>Total Trade receivables</b>	<b>2,64,47,39,607</b>	<b>1,13,53,00,315</b>	<b>61,00,33,147</b>
Non-current	1,05,23,037	1,26,53,638	16,20,237
Current	2,63,42,16,569	1,12,26,46,677	60,84,12,910

#### Note 13 Cash and bank balances

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>Cash and cash equivalents</b>			
Cash on hand	17,38,351	20,56,431	29,61,553
Balances with banks			
- in current accounts	40,78,895	1,08,65,907	42,83,349
- In Escrow Account - Share Application money- (Net of expences)	-	24,10,11,575	-
Fixed deposits less than 12 months maturities	5,13,57,488	4,47,47,136	51,15,644
	<b>5,71,74,733</b>	<b>29,86,81,049</b>	<b>1,23,60,546</b>

**Note 14 Other current assets**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Cenvat credit receivable	-	3,36,57,776	47,989
Taxes receivable	1,99,30,855	1,59,30,652	3,26,69,053
Advances receivable in cash or kind	92,55,26,701	49,36,47,541	4,32,79,687
<b>Total</b>	<b>94,54,57,555</b>	<b>54,32,35,969</b>	<b>7,59,96,729</b>

**Note 15 Share Capital**

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Authorized</b>						
Equity shares of Rs 5/- each with voting rights	5,00,00,000	25,00,00,000	2,50,00,000	25,00,00,000	2,00,00,000	20,00,00,000
	<b>5,00,00,000</b>	<b>25,00,00,000</b>	<b>2,50,00,000</b>	<b>25,00,00,000</b>	<b>2,00,00,000</b>	<b>20,00,00,000</b>
<b>Issued, subscribed and fully paid-up</b>						
Equity shares of Rs 5/- each with voting rights	4,39,13,334	21,95,66,670	1,31,74,000	13,17,40,000	1,31,74,000	13,17,40,000
<b>Total</b>	<b>4,39,13,334</b>	<b>21,95,66,670</b>	<b>1,31,74,000</b>	<b>13,17,40,000</b>	<b>1,31,74,000</b>	<b>13,17,40,000</b>

(Refer notes (i) to (iv) below)

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year**

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>At the beginning of the year</b>	1,31,74,000	13,17,40,000	1,31,74,000	13,17,40,000
Changes in equity share during the year	87,82,667	8,78,26,670	-	-
Total Shares	2,19,56,667	21,95,66,670		
Share Split as on from Rs. 10/- each to Rs. 5/- each as on 24/10/2017				
At the end of the year	4,39,13,334	21,95,66,670	1,31,74,000	13,17,40,000

**(ii) Details of rights, preferences and restrictions attached to the shares**

The company has only one class of ordinary equity shares. 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.

**(iii) Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of Rs. 10/- each fully paid</b>				
Chiripal Industries Ltd.	1,27,32,000	28.99%	63,66,000	48.32%
Devkinandan Corporation LLP	27,99,967	6.38%	11,79,000	8.95%
Chiripal Exim LLP	21,56,750	4.91%	10,60,500	8.05%
Manuj Chiripal	21,25,985	4.84%	6,57,500	4.99%

(iv) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	Aggregate number of shares				
	As at 31 March, 2017	As at 31 March, 2016	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2013
<b>Equity shares with voting rights</b>					
Fully paid up pursuant to contracts without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

**Note 16 Other equity**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>Securities premium</b>			
As per last balance sheet	13,28,27,231	13,50,40,158	13,50,40,158
Add : on issue of shares	79,04,40,030	-	-
Less : Share issue expenses	(25,90,696)	(22,12,927)	-
	<b>92,06,76,565</b>	<b>13,28,27,231</b>	<b>13,50,40,158</b>
<b>Share application money pending allotment</b>			
As per last balance sheet	87,82,66,700	-	-
Issue of shares / Application money received	(87,82,66,700)	87,82,66,700	-
	-	<b>87,82,66,700</b>	-
<b>Retained earnings</b>			
As per last balance sheet	67,45,85,610	51,37,71,703	51,37,71,703
Profit for the year	15,62,51,280	16,08,13,907	-
	<b>83,08,36,890</b>	<b>67,45,85,610</b>	<b>51,37,71,703</b>
<b>Other comprehensive income (OCI)</b>			
As per last balance sheet	1,49,96,068	26,48,241	26,48,241
Profit for the year	40737.97	1,23,47,826	0
	<b>1,50,36,806</b>	<b>1,49,96,068</b>	<b>26,48,241</b>

**Capital management**

"For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations"

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Borrowings (Note 17)	1,72,70,14,241	99,06,69,592	4,84,22,111
Trade payables (Note 18)	2,22,14,25,385	1,08,38,31,260	24,84,31,490
Other payables (Note 19)	3,23,88,168	4,68,94,509	38,90,279
Less : Cash and cash equivalent (Note 13)	5,71,74,733	29,86,81,049	1,23,60,546
Net debt	3,92,36,53,061	1,82,27,14,313	28,83,83,334
Equity	21,95,66,670	13,17,40,000	13,17,40,000
Other equity	1,76,65,50,260	1,70,06,75,609	65,14,60,103
Total capital	1,98,61,16,930	1,83,24,15,609	78,32,00,103
Capital and net debt	5,90,97,69,991	3,65,51,29,921	1,07,15,83,437
Gearing ratio	66%	50%	27%

"In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017."

#### Earnings per share (EPS)

Basic and diluted earnings per share

The calculation of basic earnings per share is based on loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding as follows:

Particulars	As at 31 March, 2018	As at 31 March, 2017
Profit attributable to the equity shareholders of the Company	15,62,51,280	8,86,76,051
Weighted average number of equity shares	4,39,13,334	1,31,74,000
Basic and diluted earnings per share (EPS)	3.56	6.73

#### Note 17 Borrowings

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
<b>Non-current borrowings</b>			
Term loans			
From banks			
Secured bank loans	1,71,81,86,678	97,29,54,972	3,04,34,386
Unsecured bank loans	88,27,562	1,64,21,185	1,79,87,725
From others	-	12,93,434	-
<b>Total non-curren borrowings</b>	<b>1,72,70,14,241</b>	<b>99,06,69,592</b>	<b>4,84,22,111</b>
<b>Current borrowings</b>			
<b>Loans from banks</b>			
Current portion of secured bank loans	25,42,64,701	2,76,30,874	1,86,56,698
Current portion of unsecured bank loans	35,89,851	13,35,332	13,35,332
Cash credit facilities	60,71,18,284	36,72,46,666	21,89,53,975
<b>Unsecured loans</b>			
Loans repayable on demand from others	67,36,92,317	-	20,00,00,000
	<b>1,53,86,65,153</b>	<b>39,62,12,872</b>	<b>43,89,46,005</b>
Less: Amount included under 'other financial liabilities'	(25,78,54,552)	(2,89,66,206)	(1,99,92,030)
<b>Total current borrowings</b>	<b>1,28,08,10,601</b>	<b>36,72,46,666</b>	<b>41,89,53,975</b>

(6.1a). Term Loan Rs. 712.09/- (P.Y. Rs. 127.44/-) 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 Further Term Loans are secured by second pari passu charge over current assets.

"(6.1b). Term Loan Rs. 16073.20/- (P.Y. Rs. 9689.03/-) are secured by assets purchase/created out of our Bank's finance and under cosortium arrangement for setting up a unit situated at plot No:2 & 3, Dholi Integrated Spinning Park Ltd., Dholi, Dholka Taluka, Ahmedabad Dist. Gujarat. The Term Loan is further collaterally secured by: (a) first pari-passu charge on the project fixed assets both present and future such as plant & Machinery and all other movables partins to yarn dyeing and denim processing unit at survey no 289 paiki, 297 paiki and 291 paiki total land admeasuring 54362.75 mts at spinning park in the sim of village dholi dholka ahmedabad And First Pari-pasu charge by way of hypothecation on existing fixed assets such as plant & machinery situated at near kashiram textiles mills ranipur narol road ahmedabad And second pari-passue charge by way of hypothecation of current assets both current and future such as goods, stock .raw material, finished goods, book debts etc. In addition to above securities corporate guarantee of Prakesh calender private limited and dholi integrated spinning park limited and also personal gurantee of ved prakesh chiripal, jyoti prasad chiripal, jay prakesh chiripal and brijmohan chirapal. "

Vehicles Loans are secured by hypothecation of vehicles in favour of Bank and other terms as prescribe by the respective banks.

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 copmany .

**Note 18 Trade payables**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Trade payables	2221425385	1,08,38,31,260	248431490
<b>Total</b>	<b>2,22,14,25,385</b>	<b>1,08,38,31,260</b>	<b>24,84,31,490</b>
Non-current	-	-	-
Current	2,22,14,25,385	1,08,38,31,260	24,84,31,490

**Note 19 Other financial liabilities**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Current maturities of long term borrowings	25,78,54,552	2,89,66,206	1,99,92,030
Capital creditors	3,23,88,168	4,68,94,509	38,90,279
Trade / security deposits received	6,47,079	32,56,201	4,85,559
	<b>29,08,89,799</b>	<b>7,91,16,916</b>	<b>2,43,67,868</b>
Non-current	3,23,88,168	4,68,94,509	38,90,279
Current	25,85,01,631	3,22,22,407	2,04,77,589
	<b>29,08,89,799</b>	<b>7,91,16,916</b>	<b>2,43,67,868</b>

**Note 20 Provisions**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Provision for Income tax	4,05,00,000	4,66,49,164	3,20,00,000
Provision for Leave- Encashment	-	-	3,95,622
Provision for expenses	2,65,30,621	1,28,24,599	55,10,784
Gratuity (un funded)	3,06,66,311	2,57,15,487	3,02,14,077
	<b>9,76,96,932</b>	<b>8,51,89,250</b>	<b>6,81,20,483</b>
Non-current	3,06,66,311	2,57,15,487	3,02,14,077
Current	6,70,30,621	5,94,73,763	3,79,06,406
	<b>9,76,96,932</b>	<b>8,51,89,250</b>	<b>6,81,20,483</b>

**Note 21 Other current liabilities**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Statutory liabilities	51,74,441	49,11,890	12,91,086
Sundry Others Liabilities	1,31,60,885	41,95,576	22,43,006
Advance from customers	74,57,215	21,64,436	45,38,514
Contractually reimbursable expenses	1,36,146	10,88,573	80,958
	<b>2,59,28,687</b>	<b>1,23,60,475</b>	<b>81,53,564</b>

**Note 22 Revenue from operations**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Sale of products	6,86,94,63,228	1,79,13,37,591
Sale of services	2,03,99,02,085	1,94,49,91,096
Other operating revenue	-	34,269
<b>Total revenue from operations</b>	<b>8,90,93,65,313</b>	<b>3,73,63,62,956</b>

**Note 23 Other income**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest Income	35,14,402	19,17,512.40
Foreign Exchange Gain/Loss	(23,152)	8,47,132.00
Other miscellaneous income	69,52,712	-
<b>Total</b>	<b>1,04,43,962</b>	<b>27,64,644</b>

**Note 24 Cost of materials consumed**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Cost of materials consumed	7,56,41,29,836	2,67,28,16,251
<b>Total</b>	<b>7,56,41,29,836</b>	<b>2,67,28,16,251</b>

**Note 25 Changes in inventories of finished goods, work-in progress, stock in trade and packing materials**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Inventories at the beginning of the year		
Finished goods	9,57,22,995	-
Work in progress	5,15,83,672	4,52,60,149
Inventories at the end of the year		
Finished goods	28,26,30,466	
Work in progress	5,98,69,967	5,15,83,672
(Increase)/Decrease in Inventories		
Finished goods	(18,69,07,471)	-
Work in progress	(82,86,295)	(63,23,523)
<b>(Increase)/Decrease in Inventories</b>	<b>(19,51,93,766)</b>	<b>(63,23,523)</b>

**Note 26 Employee benefits**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salary, Wages and Allowances	58,66,50,671	42,07,50,879
Contribution to Provident Fund and other funds	92,88,156	62,21,553
Gratuity	58,31,497	1,29,24,410
Leave Encashment	60,51,630	87,44,376
Staff Welfare Expenses	39,31,195	42,05,868
<b>Total</b>	<b>61,17,53,148</b>	<b>45,28,47,086</b>

**Note 27 Finance costs**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest and finance charges on financial liabilities measured at amortised cost	21,59,03,528	4,88,46,677
Bank Charges & Commission	1,10,45,192	37,99,441
<b>Total</b>	<b>22,69,48,720</b>	<b>5,26,46,118</b>

**Note 28 Depreciation expense**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
See accounting policy 3(C)(iv) and 3(C)(v)		
Depreciation of property, plant and equipment	13,65,94,331	6,26,38,915
	<b>13,65,94,331</b>	<b>6,26,38,915</b>

**Note 29 Other expenses**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>Manufacturing expenses</b>		
Lorry Freight	3,25,34,766	99,36,031
Power & Fuel	15,10,55,707	10,12,60,453
Factory expenses	1,03,13,767	36,57,808
Repairs & Maintenance Building	91,48,816	1,83,48,545
Repairs & Maintenance Machineries	1,15,01,977	1,09,45,096
Repairs & Maintenance Others	1,02,60,559	1,51,88,194
Oil & Lubricant & other	85,53,978	43,91,595
	<b>23,33,69,570</b>	<b>16,37,27,721</b>

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>Administration and Selling and distribution expenses</b>		
Rent, Rates & Taxes	98,00,863	1,59,01,379
Stationery & Printing	38,93,840	34,92,740
Payments to auditors (Refer Note below)	7,50,000	5,46,250
Conveyance	43,51,101	37,08,974
C S R Expenses	34,00,000	75,34,900
Travelling Expenses	1,00,17,007	31,15,445
Insurance	62,96,945	31,39,121
Telephone	12,95,617	11,77,060
Vehicle Expenses	31,95,610	16,03,630
Miscellaneous Expenses	2,16,72,844	83,01,092
Consultancy	98,34,072	76,09,546
Legal Expenses	38,97,485	1,62,664
Postage	26,42,435	11,73,144
Donation	76,56,000	37,00,000
Security Expenses	75,26,659	48,36,342
Sales/Vat Tax	25,68,536	33,89,221
Dalali and commission	1,19,17,364	35,05,036
Advertisement & Sales Promotion	23,55,633	49,204
	<b>11,30,72,011</b>	<b>7,29,45,748</b>
	<b>34,64,41,581</b>	<b>23,66,73,469</b>
<b>Details of payments to auditors</b>		
<b>As auditor:</b>		
Audit fee	2,00,000	3,74,000
Tax audit fee	1,50,000	86,000
<b>In other capacities</b>		
Taxation matters	3,00,000	86,000
Company law matters	1,00,000	
Certification fees		
Re-imbursement of expenses		
<b>Total payments to auditors</b>	<b>7,50,000</b>	<b>5,46,000</b>

**Note 30 Income tax**

See accounting policy in note 3.13

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>A. Expense / (benefit) recognised in statement of profit and loss:</b>		
Current tax	4,05,00,000	4,66,49,164
Deferred tax	-	1,64,04,191
<b>Total Tax expense recognised in the current year</b>	<b>4,05,00,000</b>	<b>6,30,53,355</b>
<b>B. Expense / (benefit) recognised in statement of Other comprehensive income:</b>		
Remeasurement of defined benefit liability (assets)	-	60,30,100
Equity instruments through Other comprehensive income	21,562	5,05,429
	<b>21,562</b>	<b>65,35,529</b>
<b>C. Reconciliation of effective tax rate</b>		
Profit before income taxes	19,67,51,280	19,15,08,373
Enacted rate in India	21.3%	21.34%
Expected income tax expenses	4,19,89,871	4,08,70,951
Adjustments to reconcile expected income tax expense to reported income tax expense:		
Other items	(14,89,871)	57,78,213
Temporary timing differences	-	1,64,04,191.48
<b>Income tax expenses recognised in the statement of profit and loss</b>	<b>4,05,00,000</b>	<b>6,30,53,355</b>
<b>Effective tax rate</b>	<b>20.58%</b>	<b>32.92%</b>

**Note 31 Financial instruments - Fair value and risk management**
**Valuation**

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in quoted equity shares is measured at quoted price or NAV.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Particulars	As at 31 March 2018			As at 31 March 2017		
	Carrying amount	Level of input used in		Carrying amount	Level of input used in	
		Level 1	Level 2		Level 1	Level 2
<b>Financial assets</b>						
<b>At amortised cost</b>						
Trade receivables	2,64,47,39,607	-	-	1,13,53,00,315	-	-
Cash and bank balances	5,71,74,733	-	-	29,86,81,049	-	-
Other financial assets	5,13,57,488	-	-	49,10,885	-	-
<b>At FVTOCI</b>						
Investments	2,56,56,800	3,33,500	2,53,23,300	51,32,997	2,71,200	48,61,797
<b>Financial liabilities</b>						
<b>At amortised cost</b>						
Borrowings	3,00,78,24,842	-	-	1,35,79,16,258	-	-
Trade payables	2,22,14,25,385	-	-	1,08,38,31,260	-	-
Other financial liabilities	29,08,89,799	-	-	7,91,16,916	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements described below: "Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities; and Level 2 : Inputs other than the quoted prices included withing Level 1 that are observable for the asset or liability, either directly or indirectly."

**c) Financial risk management**

"The Company has exposure to the following risks arising from financial instruments:

- a) credit risk (see (C)(ii));
- b) liquidity risk (see (C)(iii)); and
- c) market risk (see (C)(iv))."

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company,

**ii. Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, certain loans and advances and other financial assets.

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount		
	31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Trade receivables	2,63,42,16,569	1,13,53,00,315	61,00,33,147
Cash and cash equivalents	5,71,74,733	29,86,81,049	1,23,60,546
Other financial assets	5,13,57,488	49,10,885	24,74,032
	<b>2,74,27,48,790</b>	<b>1,43,88,92,249</b>	<b>62,48,67,725</b>

**Trade receivables**

"The Company has developed guidelines for the management of credit risk from trade receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment."

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The Company's exposure to credit risk for trade receivables by relationship is as follows:

	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
Third party customers	2,63,42,16,569.18	86,91,27,315	60,87,44,147
Related parties	-	26,61,73,000	12,89,000

### Other financial assets

This balance primarily constitute of Bank fixed deposits having maturity of more than 12 months.

### Cash and cash equivalents

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

### iii. Liquidity risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has current financial assets which the management believes is sufficient to meet all its liabilities maturing during the next 12 months.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, including contractual interest.

	Carrying amount	Total	Less than one year	More than one year
<b>As at 31 March 2018</b>				
Borrowings	3,00,78,24,842		1,28,08,10,601	1,72,70,14,241
Trade payables	2,22,14,25,385		2,22,14,25,385	-
Other financial liabilities	29,08,89,799		25,85,01,631	3,23,88,168
	<b>2,51,23,15,184</b>		<b>2,47,99,27,015</b>	<b>3,23,88,168</b>
<b>As at 31 March 2017</b>				
Borrowings	1,35,79,16,258	-	36,72,46,666	99,06,69,592
Trade payables	1,08,38,31,260	-	1,08,38,31,260	-
Other financial liabilities	7,91,16,916	-	4,68,94,509	3,22,22,407
	<b>2,52,08,64,435</b>	<b>-</b>	<b>1,49,79,72,436</b>	<b>1,02,28,91,999</b>
<b>As at 31 March 2016</b>				
Borrowings	46,73,76,086	-	41,89,53,975	4,84,22,111
Trade payables	24,84,31,490	-	24,84,31,490	-
Other financial liabilities	2,43,67,868	-	2,04,77,589	38,90,279
	<b>74,01,75,444</b>	<b>-</b>	<b>68,78,63,054</b>	<b>5,23,12,390</b>

### iv. Market risks

Market risk is the risk of loss of future earnings or fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is exposed to market risk primarily related to foreign exchange rate risk (currency risk), interest rate risk and the market value of its investments. Thus the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

**Note 32 Contingent liabilities and commitments (to the extent not provided for)**

(Rs. In Lacs)

Particulars	As at 31 March, 2018	As at 31 March, 2017
<b>Commitments</b>		
Estimated amount of contracts remaining unexecuted on capital account (net of advances) not provided for	6,097.95	9,962.80
<b>Contingent liabilities</b>		
<b>Claims against the Company not acknowledged as debts:</b>		
Un Expired Letter of Credit and Bank Guarantee (Net of Margin)	768.44	425.74
Corporate Guaranteed Given	296.74	296.74
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 parties 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.		
Civil suit is filled agains the company for recovery of Rs. 4.57 lacs in City Civil Court, Ahmedabad and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of accounts.	4.75	4.75
Company has filled petitin against order of Textile Cess Appellate Tribunal for demand amouting to Rs. 17.75 lacs and accordingly to the company the matter is still pending at the balance sheet date hence not provided in the books of accounts.	17.75	17.75
There are four cases filled agains the company for aggregating to Rs. 12.65 lacs with Labour Court Ahmedabad and accordingl to the company the matter is still pending at the Balance Sheet date hence not provided in the books of accounts.	12.65	12.65

**Note 33 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31 March, 2018	As at 31 March, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
(v) The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-

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 34 Value of imports calculated on CIF basis**

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
<b>Value of imports calculated on CIF basis</b>		
A) Raw Material	262.07	397.17
B) Spares & Other Material	298.54	8.24
C) Foreign Travel Expenses	39.46	NIL

**Note 35 Operating segment**

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

**Note 36 Related party disclosures**

**Details of related parties**

Description of relationship	Names of related parties
(i) Concerns in which KMP or Relative of KMP Interested with whom transaction during the year	Chiripal Charitable Trust Chiripal Industries Ltd. Chiripal Textile Mills Pvt. Ltd. CIL Nova Petrochemicals Ltd. Dholly Integrated Spinning Park Ltd. Milestone Educom Trust Nandan Denim Ltd. Nandan Industries Pvt. Ltd. Nandan Terry Pvt. Ltd. Narol Textile Infrastructure & Enviro Management Nova Textile Pvt. Ltd. Prakash Calender Pvt. Ltd. Shanti Education Initiative Ltd. Shanti Exports Pvt. Ltd. Tripoli Management Pvt. Ltd.
(ii) Key Management Personnel (KMP)	Jyoti Prasad D. Chiripal Brijmohan D. Chiripal Amit Kadmawala Shubhnikar Jha Dhara Shah Chitranjan Singh Tanuj Agarwal Mahesh Kawat Tanushree Deepak Vyas
(iii) Relative of Key Management Personnel (KMP)"	

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017:

(Rs. In Lacs)

Particulars	KMP		Concerns in which KMP or their relative Interested		Total	
	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Purchase	0.00	0.00	3067.87	1226.28	3067.87	1226.28
Sales	0.00	0.00	432.17	2739.02	432.17	2739.02
Donation	0.00	0.00	66.00	25.00	66.00	25.00
CSR	0.00	0.00	34.00	75.00	34.00	75.00
Director Remuneration	101.42	41.58	0.00	0.00	0.00	41.58
Salary and Allowances	12.85	10.16	0.00	0.00	0.00	10.16
Investment in Share	0.00	0.00	350.00	0.00	-	-
Rent	0.00	0.00	0.39	17.48	0.39	17.48
Influent Treatment Charges	0.00	0.00	26.22	0.00	26.22	0.00
Loan taken	0.00	0.00	3365.00	3958.51	3365.00	3958.51
Repayment of loans	0.00	0.00	2300.00	5638.83	2300.00	5638.83

**Note 37**

The previous year figures have been regrouped/rearranged to make them comparable with the current year's figure.

**Note 38**

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.

**Note 39**

Balances of sundry debtors, sundry creditors and loans and advances etc. are subject to confirmation and reconciliation and consequential adjustment if any.

As per our report of even date attached

**for Abhishek Kumar & Associates.**

for and on behalf of the Board of Directors of

**Place:** Ahmedabad

Chartered Accountants

**VISHAL FABRICS LIMITED**

**Date:** 29/05/2018

ICAI Firm Registration Number :130052W

CIN : L17110GJ1985PLC008206

**Abhishek Agrawal**

**Brijmohan D.Chiripal**

**Amit Kadmawala**

**Tanuj Agrawal**

**Mahesh Kawat**

**Deepak Vyas**

Proprietor

Managing Director

Whole-time

Chief Executive

Chief Financial

Company

Membership no:132305

DIN: 00290426

Director

Officer

Officer

Secretary



**Vishal Fabrics Limited**  
(A Chiripal Group Company)

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