

30TH ANNUAL REPORT

2014-2015



VISHAL FABRICS LIMITED



VISHAL FABRICS LIMITED

Corporate Information

BOARD OF DIRECTORS	Mr. Jyotiprasad Chiripal Mr. Shubhankar Jha Mr. Arakhita Khandual Mr. Amit Kadmawala Ms. Dhara Shah	<i>Managing Director (DIN: 00155695)</i> <i>Independent Director (DIN: 07208823)</i> <i>Independent Director (DIN: 00055601)</i> <i>Executive Director (DIN: 07016454)</i> <i>Independent Director (DIN: 06983857)</i>
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CORPORATE IDENTITY NUMBER CIN: L17110GJ1985PLC008206

BANKERS Oriental Bank of Commerce
IDBI Bank
The Lakshmi Vilas Bank Limited

CHIEF FINANCIAL OFFICER Mr. Mahesh Kawat

COMPANY SECRETARY Ms. Poonam Pabla

REGISTERED OFFICE AND PLANT Ranipur Narol Road,
Ahmedabad – 382 405
Phone: + 91 - 79 - 25353977/78/79/80
Fax: +91 - 79 – 25353981

CORPORATE OFFICE ‘Chiripal House’,
Shivranjani Cross Roads,
Satellite, Ahmedabad – 380 015
Phone: + 91 - 79 - 26734660/2/3
Fax: + 91 - 79 – 26768656

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

REGISTRAR AND SHARE TRANSFER AGENT Link Intime India Private Limited
303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, Off. C.G. Road,
Ahmedabad – 380 009
Tel. No.: +91 - 79 - 26465179
Fax No.: +91 - 79 - 26465179
Email: ahmedabad@linkintime.co.in

EMAIL AND WEBSITE cs.vfl@chiripalgroup.com, www.vishalfabricsltd.com

CONTENTS	Page No.
Notice	1-10
Directors’ Report	11-24
Management Discussion and Analysis Report	25
Report on Corporate Governance	26-31
Independent Auditors’ Report	32-35
Balance Sheet	36
Statement of Profit & Loss	37
Cash Flow Statement	38
Notes Forming part of the Financial Statements	39-53



VISHAL FABRICS LIMITED

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(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 30th Annual General Meeting of the members of Vishal Fabrics Limited will be held on Monday, September 28, 2015 at 3:30 P.M. at the Corporate Office of the Company situated at 'Chiripal House', Near Shivrangani Cross Roads, Satellite, Ahmedabad – 380015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2015, the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jyotiprasad Chiripal (DIN: 00155695), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the Statutory Auditors and to fix their remuneration and in this regards to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder as amended from time to time, M/s. Anil S. Shah & Co., Chartered Accountants (FRN: 100474W) are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and that their appointment be at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**
“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Ms. Dhara Shah (DIN: 06983857) who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161(1) of the Companies Act, 2013 w.e.f March 05, 2015 and holds office upto the ensuing Annual General Meeting and who qualifies for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years effective from the conclusion of this Annual General Meeting.”
5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**
“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Shubhankar Jha (DIN: 07208823) who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161(1) of the Companies Act, 2013 w.e.f May 28, 2015 and holds office upto the ensuing Annual General Meeting and who qualifies for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years effective from the conclusion of this Annual General Meeting.”
6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**
“RESOLVED THAT Mr. Amit Kadmwala (DIN: 07016454) who was appointed as an Additional Director of the Company by the Board of Directors pursuant to the provisions of section 161(1) of the Companies Act, 2013 w.e.f November 13, 2014 and who holds office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.”



“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time, approval of the members of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Amit Kadmwala as a Whole – Time Director designated as an Executive Director of the Company for a period of 5 years w.e.f. November 13, 2014 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 to between the Directors and Mr. Amit Kadmwala.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution), be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the said Act, and applicable provisions of Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 for such part of the period where relevant Sections and Schedule were in force, and subject to the approval of the Central Government and such other authorities as may be necessary, consent of the members of the Company be and is hereby accorded for payment of remuneration of ₹ 36,00,000/- per annum, payable for financial year in which adequate profit is earned, to Mr. Jyotiprasad Chiripal (DIN: 00155695), as Managing Director of the Company for remainder of duration of his appointment upto April 03, 2019.”

“RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and/ or as approved by the Central Government or such other competent authority.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. A.G. Tulsian and Co., Cost Accountants (FRN: 100629), who are appointed as the Cost Auditor of the Company by the Board of Directors to conduct the audit of the cost records of the Company be paid remuneration for the financial year ending March 31, 2016, ₹ 30,000/- (Rupees Thirty Thousand Only) plus service tax, travelling and other out of pocket expenses incurred by them in connection with the said audit.”

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

“RESOLVED THAT consent of the Company be and is hereby accorded under the provision of Section 181 and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company to contribute on behalf of the Company to bona fide charitable and other funds as may be deemed fit and appropriate by the Board, provided however that the total amount up to which the Board of Directors may contribute to such bona fide charitable and other funds as aforesaid from time to time shall not exceed, in the aggregate the sum of ₹ 1 Crore (Rupees One Crore Only) in any one Financial Year.”

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

“RESOLVED THAT pursuant to the provisions in Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment thereof) and the rules framed thereunder, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing ₹ 15,00,00,000/- (Rupees Fifteen Crore Only) divided into 1,50,00,000 (One Crore Fifty Lac) Equity Shares of ₹ 10/- (Rupees Ten Only) each to ₹ 20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore) Equity Shares of ₹ 10/- (Rupees Ten Only) each ranking pari passu with the existing shares of the Company .”

11. 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 61 and 64 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s), amendment or re-enactment thereof) and the rules framed thereunder, the consent of the members be and is hereby accorded for substituting Clause V of the Memorandum of Association of the Company with the following Clause:

V. The Authorized Share Capital of the Company is ₹ 20,00,00,000/- (Rupees Twenty Crore Only) divided into 2,00,00,000 (Two Crore) Equity shares of ₹ 10/- (Rupees Ten Only) each.”

12. 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 section 62 and other applicable provisions, if any, of the Companies Act, 2013 along with



VISHAL FABRICS LIMITED

rules enacted thereunder ("Companies Act") (including any amendment(s), statutory modification(s) or re-enactment thereof), enabling provisions of the Memorandum and Articles of Association of the Company, listing agreement entered into by the Company with the stock exchange where equity shares of the Company of face value of ₹ 10/- each is listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended ("SEBI (ICDR) Regulations"), Foreign Exchange Management Act, 1999 as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and clarifications issued thereon from time to time and subject to other required rules, regulations, guidelines, notifications and circulars issued by the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), the Government of India ("GOI"), the stock exchange, Department of Industrial Policy & Promotion and / or any other competent authorities from time to time to the extent applicable, subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, stock exchange, RBI, Foreign Investment Promotion Board, GOI and/or any other concerned statutory or other relevant authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/or sanctions which may be agreed to by the Board of Directors of the Company ("Board" which term shall include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board in its absolute discretion to create, offer, issue and allot equity shares ("Equity Shares") and /or Global Depository Receipts ("GDRs") and /or American Depository Receipts ("ADRs") ("Securities") in the course of domestic and / or international offerings representing either equity shares or a combination of the foregoing for an amount not exceeding ₹ 70 Crore (Rupees Seventy Crore only), for cash and at such premium / discount, as applicable, as the Board deems fit to all eligible investors including but not limited to existing equity shareholders as on record date, residents and / or non-residents, whether institutions, incorporated bodies, Foreign Institutional Investors, Qualified Institutional Buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and / or otherwise and / or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company, in the course of domestic and / or international offerings through public issue and / or private placement and /or rights issue and / or Qualified Institutional Placement ("QIP") and / or any other permitted modes through prospectus and/or an offer document and / or private placement offer letter and/or such other documents / writings/ circulars / memoranda in such manner, by way of cash at such time or times in such tranche or tranches and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company, so as to enable the Company to list on any Stock Exchange in India and / or Luxembourg and /or London and /or New York and /or Singapore and /or Hong Kong and / or any of the Overseas Stock Exchanges as may be permissible."

"RESOLVED FURTHER THAT the Securities issued in foreign markets shall be deemed to have been made abroad and / or in the market and / or at the place of issue of the Securities in the international market and may be governed by the applicable laws."

"RESOLVED FURTHER THAT in the event of issue of GDRs / ADRs, the pricing shall be determined in compliance with principles and provisions set out in the Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and other applicable provisions, as amended from time to time."

"RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the pricing shall be determined in compliance with principles and provisions set out in Regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations, as amended from time to time and the Company may offer a discount of not more than 5% (five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time."

"RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of QIP under Chapter VIII of SEBI (ICDR) Regulations, as amended from time to time, the relevant date for the purpose of the pricing of the Equity Shares shall be the meeting in which the Board decides to open the issue."

"RESOLVED FURTHER THAT the Company may enter into any arrangement with any agencies or bodies as are authorized by the Board for the issue of GDRs and / or ADRs represented by underlying equity shares in the share capital of the Company with such features and attributes as are prevalent in international / domestic capital markets for instruments of this nature and to provide for the tradability and free transferability thereof in accordance with market practices as per the domestic and /or international practice and regulations, and under the norms and practices prevalent in the domestic/ international capital markets and subject to applicable laws and regulations and the Articles of Association of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions, the consent of the Company be and hereby accorded to the Board to do all such acts, deeds, matters and things including but not limited to finalization and approval of the offer document(s), private placement offer letter, determining the form and manner of the issue, including the class of investors to whom the Securities are to be issued and allotted, number of Securities to be allotted, issue price, face value, fixing the record date, execution of various transaction documents, as the Board may in its absolute discretion deem fit and to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the proceeds as it may in its absolute discretion deem fit."



“RESOLVED FURTHER THAT the Securities to be created, issued, allotted and offered in terms of this Resolution shall be subject to the provisions of the Memorandum and Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board and its committee thereof be and is hereby authorized to issue in consultation with and subject to the approval, if necessary, of any concerned authorities, Draft Letter of Offer, Letter of Offer including Abridged Letter of Offer (hereinafter collectively referred as “Offer Document”), Composite Application Form and other documents to the persons stipulated above containing the terms and conditions of such issue as the Board may decide, including the rights entitlement ratio, pricing, right to renunciation, eligibility or otherwise to apply for additional shares in the event of renouncement by the Shareholder, eligibility or otherwise of the renouncee to apply for additional shares, payment of subscription monies, listing of the new Equity Shares with the Stock Exchanges, restriction as to subscription and transfer as provided in the Articles of Association of the Company, order and basis of allotment in the event of over subscription, premium to be charged on the shares, finalize payment structure, to vary the size of the issue, appoint Lead Manager(s), Banker(s), Legal Advisor(s), Registrar and other intermediaries/ agencies, to fix the record date / book closure in consultation with the Stock Exchange and to finalise such other terms and conditions as may be deemed necessary or stipulated in such Offer Document and such other documents as may be permitted by the concerned authorities in accordance with the applicable laws and the Board be and is hereby expressly authorized and empowered to accept such variations and modifications as the SEBI, Stock Exchanges or any other concerned authorities may stipulate in that behalf and also at its discretion to amend, modify, vary or alter all or any other terms of the issue including the right to increase, decrease or recalculate the number of Equity Shares to be created, offered and alter the terms as to premium and to include in the Offer Document or such other documents they offer for subscription, all such other terms and conditions of offer as are necessary or expedient in the discretion of the Board and/or may have to be incorporated on account of any modifications or amendments required or accepted by any concerned authority.”

“RESOLVED FURTHER THAT all the new Equity Shares to be issued and allotted shall be subject to the Memorandum of Association and Articles of Association of the Company and the equity shares to be issued and allotted shall rank pari-passu in all respects with the existing equity shares of the Company, including entitlement of dividend except as may be otherwise provided pursuant to the terms of the Issue in any of the Issue documents.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of equity shares, the Board of Directors of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deemed necessary or desirable for such purpose, including without limitation, the entering into arrangements for managing, marketing, underwriting, listing, trading and to issue any documents and writing and to pay any fees, commission, remuneration, expenses relating thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such offer(s) or issue(s) or allotment(s) as it may, in its absolute discretion, deem fit.”

“RESOLVED FURTHER THAT the unsubscribed portion, if any, of the aforesaid shares to be so offered and issued, after considering the applications received from the Shareholders of the Company, shall be disposed off in such manner, as the Board may deem fit and proper at its absolute discretion and as most beneficial to the Company.”

“RESOLVED FURTHER THAT in the event the Equity Shares are issued in the course of rights issue, if the Equity Shares are not subscribed, the same may be disposed of by the Board in such manner which is not dis-advantageous to the shareholders and the Company.”

“RESOLVED FURTHER THAT the approval of the Company is hereby accorded to the Board to appoint merchant bankers, underwriters, depositories, custodians, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in the issue and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts/ agreements, memorandum, documents, etc., with such agencies, to seek the listing of Securities on one or more recognized stock exchange(s), to affix common seal of the Company on any arrangements, contracts/ agreements, memorandum, documents, etc. as may be required.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board in consultation with the merchant banker(s), advisors and/or other intermediaries as may be appointed by the Company in relation to the issue of Securities, be and is hereby authorised on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue and allotment of Securities and listing thereof with the stock exchanges or otherwise as may be required in relation to the issue and to resolve and settle all questions and difficulties that may arise in the issue, offer and allotment of Securities, including finalization of the number of Securities to be issued in each tranche thereof, form, terms and timing of the issue of Securities including for each tranche of such issue of Securities, identification of the investors to whom Securities are to be offered, utilization of the proceeds and other related, incidental or ancillary matters as the Board may deem fit at its absolute discretion, to make such other applications to concerned statutory or regulatory authorities as may be required in relation to the issue of Securities and to agree to such conditions or modifications that may be imposed by any relevant authority or that may otherwise be deemed fit or proper by the Board and to do all acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit and to settle any questions, difficulties or doubts that may arise in relation to the any of the aforesaid or otherwise in relation to the issue of Securities.”



VISHAL FABRICS LIMITED

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred to any officer of the Company.”

“RESOLVED FURTHER THAT (i) all monies received out of Rights Issue shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 40 of the Companies Act, 2013; (ii) the details of all monies utilised out of the Rights Issue referred to in (i) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised; and (iii) details of all unutilised monies out of the Rights Issue, if any, referred to in (i) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.”

Date: August 17, 2015

Place: Ahmedabad

By order of the Board of Directors

Poonam Pabla

Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HER SELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.
3. Electronic copy of the Annual Report for FY 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a Physical copy of the same. Members may also note that the Notice of Annual General Meeting and Annual Report for 2014-15 will also be available on the Company's website www.vishalfabricsltd.com.
4. Corporate Members intending to send their authorized representatives to attend and vote at the Annual General Meeting are requested to send a duly certified copy of the Board Resolution at registered office of the company authorizing their representative to attend and vote on their behalf at the meeting.
5. Members are requested to bring their Attendance Slip along with copies of their Annual Report to the meeting.
6. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
7. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees as stipulated under clause 52 of the Listing Agreement entered into with the Stock Exchange, are provided in the annexure to the notice calling Annual General Meeting.
8. Members holding equity shares in electronic form are requested to notify the change of address or bank mandates to their Depository Participant with whom they are maintaining their demat accounts.
9. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company/Registrar of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent of the Company.
11. As per Notification issued by Ministry of Corporate Affairs dated 19th of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on SME platform of BSE Limited. Therefore Company is not providing e-voting facility to its shareholders.
12. Members are requested to intimate their Email IDs for correspondence and quicker response to their queries.
13. The Register of Members and Share Transfer Register shall remain closed for registering share transfer from Monday, September 21, 2015 to Monday, September 28, 2015 (Both days inclusive).
14. All documents referred to in the accompanying notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Annual General Meeting.

**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

Ms. Dhara Shah was appointed as an Additional Director by the Board of Directors w.e.f March 05, 2015 in accordance with the provisions of Section 161(1) of the Companies Act, 2013 in the category of Independent Director. Pursuant to the said section the above director holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member of the company proposing her candidature for appointment as Director of the Company in accordance with the provisions of section 160 of the Companies Act, 2013. Ms. Dhara Shah is not disqualified from being appointed as a Director in terms of section 164 of the act. Section 149 of the Act stipulates the criteria of Independence and pursuant to said section an Independent director can hold office for a term upto 5(five) consecutive years on the Board of the Company and shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Ms. Dhara Shah that she meets the criteria of Independence as prescribed under sub- section(6) of section 149 of the Act. Brief resume of Ms. Dhara Shah together with other details as required under clause 52 of the Listing Agreement is provided as an annexure to the notice calling Annual General Meeting. The Board feels that presence of Ms. Dhara Shah on the Board is desirable and would be beneficial to the Company and hence recommend the resolution for adoption.

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

Item No. 5

Mr. Shubhankar Jha was appointed as an Additional Director by the Board of Directors w.e.f May 28, 2015 in accordance with the provisions of Section 161(1) of the Companies Act, 2013. Pursuant to the said section the above director holds office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of section 160 of the Companies Act, 2013. Mr. Shubhankar Jha is not disqualified from being appointed as a Director in terms of section 164 of the Act. Section 149 of the Act stipulates the criteria of Independence and pursuant to said section an Independent director can hold office for a term upto 5(five) consecutive years on the Board of the company and shall not be included in the total number of directors for retirement by rotation. The Company has received a declaration from Mr. Shubhankar Jha that he meets the criteria of Independence as prescribed under sub- section(6) of section 149 of the Act. Brief resume of Mr. Shubhankar Jha together with other details as required under clause 52 of the Listing Agreement is provided as an annexure to the notice calling Annual General Meeting. The Board feels that presence of Mr. Shubhankar Jha on the Board is desirable and would be beneficial to the company and hence recommend the resolution for adoption.

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

Item No. 6

Mr. Amit Kadmawala was appointed as an Additional Director by the Board of Directors w.e.f. November 13, 2014 in accordance with the provisions of Section 161(1) of the Companies Act, 2013. In terms of Section 161(1) of the Act, Mr. Amit Kadmawala holds office only upto the date of the ensuing Annual General Meeting but is eligible for appointment as a Director. The Company has received a notice in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of section 160 of the Companies Act, 2013. The Board also appointed Mr. Kadmawala as Whole –Time Director designated as Executive Director of the Company for a period of 5 years w.e.f. November 13, 2014.

The principal terms and conditions of appointment including remuneration of Mr. Amit Kadmawala as a Whole – Time Director, subject to the limits prescribed in Schedule V of the Companies Act, 2013, placed before the meeting are as follows:

- 1) Period: From 13th November 2014 to 12th November 2019
- 2) Nature of duties:
 - a) The Whole – Time Director shall devote his whole time and attention to the business of the Company and carry out such duties, as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company, including performing duties as assigned by the Board from time to time.
 - b) The Whole – Time Director shall not exceed the powers so delegated by the Board pursuant to clause 2(a) above.
 - c) The Whole – Time Director undertakes to employ the best of the skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
- 3) a) Remuneration: The Executive Director shall be entitled to salary of ₹ 5,64,000 p.a., subject to annual increments each year, will be decided by the Board and will be merit-based and take into account the Company's performance; incentive remuneration and/or commission; benefits, perquisites; bonus; allowances etc. as may be determined by the Board from time to time.



VISHAL FABRICS LIMITED

- b) Minimum Remuneration: Where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay to the Executive Director remuneration by way of Salary, Benefits, Perquisites and Allowances, and Incentive Remuneration as specified above.
- 4) The personnel policies of the Company and the related Rules which are applicable to other employees of the Company will also be applicable to the Whole – Time Director, unless specifically provided otherwise.
- 5) The terms and conditions of the appointment of the Whole – Time Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Whole – Time Director, subject to such approvals as may be required.
- 6) This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of such notice.
- 7) The employment of the Whole – Time Director may be terminated by the Company without notice or payment in lieu of notice if the Whole – Time Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
- 8) In the event the Whole – Time Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

Other than Mr. Kadmawala, none of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution at Item No. 6 of the accompanying Notice.

Mr. Kadmawala is not related to any other Director of the Company.

Item No. 7

The Nomination and Remuneration Committee, in its meeting held on August 17, 2015 recommended and the Board of Directors, in its meeting held on August 17, 2015, approved the payment of remuneration of ₹ 36,00,000/- per annum, payable for financial year in which adequate profit is earned, to Mr. Jyotiprasad Chiripal (DIN 00155695), as Managing Director of the Company for remainder of duration of appointment upto April 03, 2019 subject to the approval of the shareholders in the General Meeting and the Central Government.

Disclosure as required under Schedule XIII of the Companies Act, 1956 and Schedule V to the Companies Act, 2013 is given hereunder and Annexure to this Notice.

The details of Mr. Jyotiprasad Chiripal in pursuance of the provisions of the Listing Agreement are mentioned in Annexure.

Approval of the shareholders is sought for ratification of remuneration paid/remuneration payable for the remaining period of existing appointment of Mr. Jyotiprasad Chiripal as Managing Director of the Company. With his vast experience, the Board of Directors considered it to be desirable to approve ratification and approval of remuneration payable to him for his current tenure of appointment as Managing Director. The Board of Director recommends the relevant resolution for your consideration and approval as a Special Resolution. None of the Directors except Mr. Jyotiprasad Chiripal, is concerned or interested in the resolution. No other Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Item No. 8

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

On recommendation of the Audit Committee, the Board at its meeting held on 28th May, 2015, has approved the appointment of M/s. A.G. Tulsian & Co., Cost Accountants as the Cost Auditor of the Company for the Financial Year 2015-16 at a remuneration of ₹ 30,000/- plus reimbursement of service tax and all out of pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the cost auditor is to be ratified by the members in accordance with the provisions of the Act and Rule 14 of the Rules.

Accordingly, the Directors recommend the Ordinary Resolution as set out at item no. 8 of the Notice for approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at item no. 8 of the Notice.

Item No. 9

The Board of Directors of the Company is authorized to make contributions to Bona fide charitable and other funds under Section 181 of the Companies Act, 2013, provided that prior permission of the Members is required for such contributions in case any amount the aggregate of which, in any financial year, exceeds five per cent of its average net profits for the three immediately preceding financial years. The Board of Directors of the Company propose to take approval of the members to contribute any amount the aggregate of which will in any Financial Year does not exceed ₹ 1(One) Crore .



VISHAL FABRICS LIMITED

Accordingly, the Board recommends the Ordinary resolution in relation to contribution to Bona fide Charitable and other funds, for the approval by the members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution.

Item No. 10 & 11

The present Authorised Share Capital of the Company is Rs. ₹ 15,00,00,000/- (Rupees Fifteen Crore Only) divided into 1,50,00,000 (One Crore Fifty Lac) equity shares of face value of ₹ 10/- (Rupees Ten) each. In order to meet the eventualities such as augmenting resources, issue of shares etc., it is hereby proposed to increase the Authorised Share Capital to ₹ 20,00,00,000/- (Rupees Twenty Crore Only) by addition of 50,00,000 (Fifty Lac) equity shares of the face value of ₹ 10/- (Rupees Ten) each. The management is considering further issue of share capital on rights basis or otherwise, so it is proposed to increase the Authorised Share Capital from ₹ 15 crore to ₹ 20 crore commensurate with the business requirements. Consequent to the increase of Authorized Share Capital, the Authorized Share Capital Clause contained in Clause V of the Memorandum of Association of the Company needs to be altered as indicated in Resolution No. 11 contained in the Notice. Your Directors recommend the Resolutions set out at Sl. Nos. 10 and 11 for the approval of the shareholders of the Company.

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

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

Item No. 12

As the members are aware, your Company is in the process of expanding its business by pursuing growth opportunities in business, for which long term funds are required to be generated. In order to meet your Company's growth objectives and also to strengthen its financial position and finance its expansion plans, the Board of Directors at their meeting held on August 17, 2015 have proposed to generate long term resources by issuing further securities through various fund raising options.

The Company has been exploring various avenues for raising funds by way of issue of equity shares ("Equity Shares") and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") ("Securities") to all eligible investors including but not limited to existing of equity shareholders as on record date, residents and / or non-residents, whether institutions, incorporated bodies, Foreign Institutional Investors, Qualified Institutional Buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and / or otherwise and / or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company in the course of domestic and / or international offerings through public issue and / or private placement and / or rights issue and / or Qualified Institutional Placement ("QIP") and / or any other permitted modes through prospectus and / or an offer document and / or private placement offer letter and/or such other documents / writings / circulars / memoranda in such manner, at such time or times in such tranche or tranches for an amount not exceeding ₹ 70 crore (Rupees Seventy Crore only), for cash and at such premium / discount, as applicable, as the Board deems fit and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors. The Equity Shares shall rank *paripassu* with the existing equity shares of the Company.

In case of Rights Issue:

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

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

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



VISHAL FABRICS LIMITED

documents to be issued in this regard.

In case of QIP, it will be ensured that:

- a) The relevant date for the purpose of pricing of the Equity Shares would, pursuant to Chapter VIII of the SEBI (ICDR) Regulations, be the date of the meeting in which the Board or duly authorized committee thereof decides to open the proposed issue of Equity Shares;
- b) The pricing for this purpose shall be in accordance with regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time;
- c) The issue and allotment of Equity Shares shall be made only to Qualified Institutional Buyers (QIBs) within the meaning of SEBI (ICDR) Regulations and such Equity Shares shall be fully paid up on its allotment;
- d) The total amount raised in such manner and all previous QIPs made by the Company in a financial year would not exceed 5 times of the Company's net worth as per the audited balance sheet for the previous financial year;
- e) The Equity Shares shall not be eligible to be sold for a period of 1 year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI (ICDR) Regulations.

For making any further issue of shares to any person(s) other than existing equity shareholders of the Company approval of members is required to be obtained by way of passing a Special Resolution, in pursuance to section 62 (1) (c) of the Companies Act.

Therefore the Board recommends the resolution contained in Item No. 12 to be passed by the members so as to enable it to issue further Securities.

The proposed issue is in the interest of the Company and your Directors commend the resolution for your approval.

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

The Board accordingly recommends the resolution as set out in Item No. 12 of the Notice for the approval of the members.

Date: August 17, 2015

Place: Ahmedabad

Registered Office:

Ranipur Narol Road,

Ahmedabad – 382 405

CIN: L17110GJ1985PLC008206

By order of the Board of Directors

Poonam Pabla

Company Secretary



VISHAL FABRICS LIMITED

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

Name of Director	Date of Birth	Brief Resume and Nature of Expertise in Functional Area	List of Directorship / Committee Memberships in other Public Companies as on 31 st March, 2015
Mr. Jyotiprasad Chiripal (00155695)	21 st August, 1953	Mr. Jyotiprasad Chiripal is a Promoter Director of the Company. He is Commerce Graduate from Gujarat University. He has more than 28 years of experience in fabric and yarn business and marketing of knitted apparels. He is responsible for the overall growth and development of the Company.	Other Directorship: CIL Nova Petrochemicals Ltd, Chiripal Energy Limited, Chiripal Industries Limited, Chiripal Infrastructure Limited Committee positions held in Vishal Fabrics Limited: • Member – Audit Committee Committee Positions held in other Public Companies: CIL Nova Petrochemicals Limited • Member – Audit Committee • Member – Stakeholders Relationship Committee
Ms. Dhara Shah (06983857)	14 th November, 1988	Ms. Dhara Shah is an Associate Member of the Institute of Company Secretaries of India (ICSI). She has completed her Bachelor of Commerce and LLB from Gujarat University. Currently she is providing her services as a Company Secretary in practice.	Other Directorship: Ace Software Exports Limited, Mayur Floorings Limited Committee positions held in Vishal Fabrics Limited: • Member – Audit Committee • Member – Stakeholders Relationship Committee Committee Positions held in other Public Companies: Mayur Flooring Limited • Member – Audit Committee • Member – Stakeholders Relationship Committee
Mr. Shubhankar Jha (07208823)	05 th June, 1948	He is a Gold Medalist in B.Sc (Agri) and has also pursued M.A. in Gandhian Thought and Social Science from Gujarat Vidhyapith. He has more than 39 years of experience in the Banking sector. He was associated with UCO Bank and served as General Manager handling Operations, Planning & Development, Credit Monitoring, Risk Management and Stressed Assets Management. He has also held the position of Chairman of Regional Rural Bank. He has also served as a National Coordinator for Indian School of Micro Finance for Women and Master Trainer for Financial Inclusion with Indian Institute of Banking and Finance (IIFB), Mumbai.	Other Directorship: NIL Committee positions held in Vishal Fabrics Limited: NIL Committee Positions held in other Public Companies: NIL
Mr. Amit Kadmawala (07016454)	06 th July, 1977	Mr. Amit Kadmawala is associated with the Company since May 2006. He is responsible for reduction in the cost and quality enhancement of the production. His work includes ensuring the proper functioning of the store and plant and achieving the best possible output. He is also responsible to keep a watch at costing of all the departments and abnormal costs occurring, if any.	Other Directorship: NIL Committee positions held in Vishal Fabrics Limited: NIL Committee Positions held in other Public Companies: NIL

**DIRECTORS' REPORT**

To,
The Members,

Your Directors have pleasure in presenting the 30th Annual Report along with Audited Financial Statements for the year ended March 31, 2015.

FINANCIAL RESULTS**(₹ in Lacs)**

PARTICULARS	2014-15	2013-14
Net revenue from operations	22362.65	20402.93
Profit Before Depreciation & Tax	1297.88	1023.42
Less : Depreciation	305.85	695.59
Profit Before Tax	992.03	327.83
Less : Provision for Taxation (Including Deferred Tax)	58.43	38.36
Profit After Tax	933.60	289.47
Earnings per share (in Rs)	7.85	12.91

OPERATIONS

During the year under review your Company has achieved a turnover of ₹ 22362.65 Lac as compared to a turnover of ₹ 20402.93 Lac over the previous Financial Year which shows increase of 9.61%. The Profit Before Depreciation and Tax increased by 26.82% to ₹ 1297.88 Lac as compared to ₹ 1023.42 Lac in the Financial Year 2013-14. The Profit After Tax stood at ₹ 933.60 Lac against ₹ 289.47 Lac in the previous year, recording a growth of 222.52%.

SHARE CAPITAL

The Paid Up Equity Share Capital of the Company as on 31st March, 2014 was ₹ 970 Lac. During the year under review the Company has issued 34,74,000 Equity Shares through Initial Public Offering (IPO). Subsequently the Equity Shares of the Company were listed on the SME Platform of BSE Limited. As on 31st March, 2015, the Paid Up Equity Share Capital is ₹ 1317.40 Lac

DIVIDEND

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

PUBLIC DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

BOARD OF DIRECTORS

Mr. Gautam Gandhi (DIN: 00049735) and Ms. Nitika Chiripal (DIN: 00154827) resigned from the Board w.e.f. April 29, 2015 and August 17, 2015 respectively due to their personal reasons. The Board places on record its appreciation for the valuable services rendered by them during their tenure as Directors of the Company.

Mr. Amit Kadmawala (DIN: 07016454) was appointed as an Additional Director by the Board of Directors w.e.f. November 13, 2014 and who shall hold office upto the date of ensuing Annual General Meeting. The company has received a notice from a member signifying his intention to propose his candidature for the office of a Director and accordingly it is proposed to appoint him as Director of the Company. Further pursuant to the provisions of the Companies Act, 2013, the Company approves of the appointment and terms of remuneration of Mr. Amit Kadmawala as a Whole – Time Director designated as an Executive Director of the Company.

Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 and Companies Articles of Association, Mr. Jyotiprasad Chiripal (DIN: 00155695) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Necessary resolution for his re-appointment is placed before the shareholders for approval. The Board recommends his re-appointment.

Brief resume of the Directors being appointed / reappointed as required by the Listing Agreement is provided in the Notice convening the Annual General Meeting of the Company.



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.

Company's Policy on appointment and remuneration of Directors

Appointment of Independent Directors

With the coming into force of the Companies Act, 2013, Mr. Arakhita Khandual was appointed as Independent Director at the Annual General Meeting held on September 30, 2014.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013, Ms. Dhara Shah (DIN: 06983857) and Mr. Shubhankar Jha (DIN: 07208823) were appointed as an Additional Director designated as an Independent Director w.e.f. March 05, 2015 and May 28, 2015 respectively. They shall hold office up to the date of the ensuing Annual General Meeting. However as per provisions of the Companies Act, 2013, the Independent Directors are required to be appointed by shareholders and they shall not be liable to retire by rotation. The Company has received requisite notice in writing from member proposing Ms. Dhara Shah and Mr. Shubhankar Jha for appointment as Independent Directors. The Company has also received declaration from such Independent Directors that they meet the criteria of Independence as prescribed under section 149(6) of the Companies Act, 2013. Accordingly it is proposed to appoint them for a term of five consecutive years effective from the conclusion of this Annual General Meeting.

Criteria for appointment of Independent Directors

An Independent Director shall be a person of integrity and possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing and technical operations or any other discipline related to the Company's business.

Criteria for appointment of Managing Directors / Whole - Time Directors

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

Remuneration Policy

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

Performance Evaluation

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

Key Managerial Personnel

During the year under review, Mr. Jyotiprasad Chiripal – Managing Director, Mr. Mahesh Kawat – Chief Financial Officer and Ms. Poonam Pabla – Company Secretary were designated as Key Managerial Personnel pursuant to the requirements of the applicable provisions of the Companies Act, 2013 read with rules made thereunder.

SUBSIDIARY COMPANY

The Company has no subsidiaries.

EXTRACT OF ANNUAL RETURN

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

INSURANCE

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

RELATED PARTY TRANSACTIONS

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

RISKS MANAGEMENT POLICY

In line with the regulatory requirements, the Company has framed a Risk Management Policy to identify and access the key business risk areas and a risk mitigation process. A detailed exercise is being carried out at regular intervals to identify, evaluate, manage and monitor all business



risks. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the accounts for the financial year ended 31st March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year on going concern basis;
- (v) the Directors have laid down internal financial controls, which are adequate and were operating effectively.
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

A. STATUTORY AUDITORS

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

B. COST AUDITORS

As per the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 framed thereunder and the Cost Audit Orders issued from time to time, Cost Audit was not applicable to the Company for the financial year 2014-15. The Board of Directors have appointed M/s. A.G. Tulsian and Co., Cost Accountants, as Cost Auditors to audit cost records of the Company for the financial year 2015-16. A resolution seeking members' approval for the remuneration payable to them forms part of the Notice convening the AGM. Cost Audit Report for the Financial Year 2013-14 was filed with the Central Government pursuant to Section 233B of the Companies Act, 1956.

C. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Prerna Poddar and Associates, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report is annexed herewith as Annexure - III. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

MANAGEMENT DISCUSSION AND ANALYSIS

As stipulated in Clause 52 of the Listing Agreement, the Management Discussion and Analysis Report forms part of this Annual Report.

NUMBER OF MEETINGS OF THE BOARD

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

CORPORATE GOVERNANCE REPORT

A report on Corporate Governance as stipulated under clause 52 of the Listing Agreement with the Stock Exchange forms part of the Annual Report. Certificate from the Practising Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under the aforesaid clause 52 forms part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 were not applicable to the Company for the Financial Year 2014-15. However as the Net Profit of the Company for the financial year 2014-15 have exceeded the limits mentioned in Section 135, the Company has constituted a Corporate Social Responsibility Committee in their Board Meeting held on May 28, 2015.



VISHAL FABRICS LIMITED

INTERNAL CONTROL SYSTEM

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES

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

APPRECIATION AND ACKNOWLEDGEMENT

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

Date: August 17, 2015

Place: Ahmedabad

For and on behalf of the Board

Jyotiprasad Chiripal

Managing Director



ANNEXURE I

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i. CIN	L17110GJ1985PLC008206
ii. Registration Date	22/10/1985
iii. Name of the Company	Vishal Fabrics Limited
iv. Category / Sub-Category of the Company	Public Company / Limited by shares
v. Address of the Registered office and contact details	Ranipur Narol Road, Ahmedabad – 382 405
vi. Whether Listed Company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 303, Shopper's Plaza – V, Opp. Municipal Market, Off. C. G. Road, Navrangpura, Ahmedabad – 380 009 Telephone: +91 79 26465179 Fax: +91 79 2646 5179 Email id: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2014)				No. of Shares held at the end of the year (As on 31-03-2015)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	Promoters									
(1)	Indian									
a)	Individual / HUF	0	712000	712000	7.34	712000	0	712000	5.40	(1.94)
b)	Central Govt.	0	0	0	0	0	0	0	0	0
c)	State Govt.(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	0	8988000	8988000	92.66	8988000	0	8988000	68.23	(24.43)
e)	Bank / FI	0	0	0	0	0	0	0	0	0
f)	Any Other	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	0	9700000	9700000	100	9700000	0	9700000	73.63	(26.37)
(2)	Foreign									
a)	NRIs – Individuals	0	0	0	0	0	0	0	0	0
b)	Others - Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corporate	0	0	0	0	0	0	0	0	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any Other	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	0	9700000	9700000	100	9700000	0	9700000	73.63	(26.37)



VISHAL FABRICS LIMITED

B	Public Shareholding									
(1)	Institutions									
a)	Mutual Funds	0	0	0	0	0	0	0	0	0
b)	Banks / FI	0	0	0	0	0	0	0	0	0
c)	Central Govt.	0	0	0	0	0	0	0	0	0
d)	State Govt.(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	0	0	0	0	0	0	0	0	0
g)	FIs	0	0	0	0	0	0	0	0	0
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(1)	0	0	0	0	0	0	0	0	0
(2)	Non-Institutions									
a)	Bodies Corporate	0	0	0	0	48000	0	48000	0.36	0.36
b)	Individuals									
i.	Individual shareholders holding nominal share capital up to ₹ 1 lakh	0	0	0	0	162000	0	162000	1.23	1.23
ii.	Individual shareholders holding nominal share capital excess of ₹ 1 lakh	0	0	0	0	3219000	0	3219000	24.43	24.43
c)	Others									
i.	NRI	0	0	0	0	45000	0	45000	0.34	0.34
ii.	OCB	0	0	0	0	0	0	0	0	0
iii.	Trust	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)	0	0	0	0	3474000	0	3474000	26.37	26.37
	Total Public Shareholding (B) = (B)(1)+(B)(2)	0	0	0	0	3474000	0	3474000	26.37	26.37
C	Shares held by Custodian for GDRs and ADRs									
	Promoter and Promoter group	0	0	0	0	0	0	0	0	0
	Public	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	0	9700000	9700000	100	13174000	0	13174000	100	0

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2014)			Shareholding at the end of the year (As on 31-03-2015)			% of change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Chiripal Industries Limited	6366000	65.63	0	6366000	48.32	0	(17.31)
2	Chiripal Exim LLP	1311000	13.52	0	1311000	9.95	0	(3.57)
3	Devkinandan Corporation LLP	1311000	13.52	0	1311000	9.95	0	(3.57)
4	Pritidevi B. Chiripal	296000	3.05	0	296000	2.25	0	(0.80)
5	Nishi J Agarwal	72000	0.74	0	72000	0.55	0	(0.19)



VISHAL FABRICS LIMITED

6	Shiwani V Chiripal	72000	0.74	0	72000	0.55	0	(0.19)
7	Saloo J. Agarwal	48000	0.49	0	48000	0.36	0	(0.13)
8	Priyanka Brijmohan Chiripal	40000	0.41	0	40000	0.30	0	(0.11)
9	Savitridevi V. Chiripal	32000	0.33	0	32000	0.24	0	(0.09)
10	Vishal V Chiripal	32000	0.33	0	32000	0.24	0	(0.09)
11	Deepak J Agrawal	24000	0.25	0	24000	0.18	0	(0.07)
12	Manjudevi J. Agarwal	24000	0.25	0	24000	0.18	0	(0.07)
13	Ronak B Agarwal	24000	0.25	0	24000	0.18	0	(0.07)
14	Urmiladevi J. Agarwal	24000	0.25	0	24000	0.18	0	(0.07)
15	Vedprakash Devkinandan Chiripal	24000	0.25	0	24000	0.18	0	(0.07)
	TOTAL	9700000	100	0	9700000	73.63	0	(26.37)

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

Note: There is no change in the number of shares held by the promoters of the Company. However the percentage of the shareholding has changed during the year due to issue of Equity Shares through Initial Public Offer (IPO) and the allotment was made on August 13, 2014.

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

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Cumulative shareholding during the year (01-04-14 to 31-03-15)	
		No. of shares	% of total shares of the Company			No. of shares	% of total shares of the Company
1	Harshadbhai Narandas Patel	0	0.00	13-08-2014 31-12-2014	336000 384000	720000	5.47
2	Viraj Amar Patel	0	0.00	31-12-2014	336000	336000	2.55
3	Samir Narayan Bhuta	0	0.00	13-08-2014	168000	168000	1.28
4	Pushpadevi Agarwal	0	0.00	29-08-2014 05-09-2014	60000 93000	153000	1.16
5	Ruchika M. Agarwal	0	0.00	29-08-2014 05-09-2014	60000 93000	153000	1.16
6	Manmohan S. Agarwal	0	0.00	29-08-2014 05-09-2014	60000 87000	147000	1.12
7	Shivkumar O. Agarwal	0	0.00	29-08-2014 05-09-2014 12-09-2014	60000 84000 3000	147000	1.12
8	Sushila Ashokbhai Chiripal	0	0.00	13-08-2014 29-08-2014 24-10-2014 12-12-2014 02-01-2015 23-01-2015 06-02-2015	3000 78000 -18000 3000 -6000 6000 3000	69000	0.52
9	Durgeshwari Pradipbhai Chiripal	0	0.00	13-08-2014 29-08-2014 24-10-2014 02-01-2015 27-03-2015	3000 78000 -18000 -3000 6000	66000	0.50
10	Anandbhai Nathubhai Agrawal	0	0.00	13-08-2014 29-08-2014 02-01-2015	3000 78000 -21000	60000	0.46
11	Gunjan Motilal Sekhani	0	0.00	12-09-2014 19-09-2014 05-12-2014 19-12-2014	21000 21000 15000 3000	60000	0.46
12	Motilal Govindram	0	0.00	12-09-2014 19-09-2014 31-12-2014	21000 27000 12000	60000	0.46
13	Pawankumar Rambilas Agarwal	0	0.00	13-08-2014 29-08-2014	3000 57000	60000	0.46



VISHAL FABRICS LIMITED

14	Prakash Govindram	0	0.00	12-09-2014	21000	60000	0.46
				19-09-2014	18000		
				19-12-2014	18000		
				31-12-2014	3000		
15	Rishi Pawankumar Agrawal	0	0.00	13-08-2014	3000	60000	0.46
				29-08-2014	57000		
16	Rukmani Pavankumar Agarwal	0	0.00	13-08-2014	3000	60000	0.46
				29-08-2014	57000		
17	Shubhi Rishi Agrawal	0	0.00	13-08-2014	3000	60000	0.46
				29-08-2014	57000		

v) Shareholding of Directors and Key Managerial Personnel

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

V. INDEBTEDNESS

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

(₹ in Lac)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01-04-2014)				
i) Principal Amount	1295.07	1151.62	-	2446.69
ii) Interest due but not paid	16.37	-	-	16.37
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1311.44	1151.62	-	2463.05
Change in Indebtedness during the financial year 2014-15				
Addition	-	-	-	-
Reduction	318.50	32.78	-	351.28
Net Change	318.50	32.78	-	351.28
Indebtedness at the end of the financial year (31-03-2015)				
i) Principal Amount	981.36	1118.84	-	2100.20
ii) Interest due but not paid	11.58	-	-	11.58
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	992.94	1118.84	-	2111.78

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lac)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		(MD) Mr. Jyotiprasad Chiripal	(Director) Mr. Amit Kadmwala	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	9.60	4.08	13.68
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	0.15	0.15
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	0.12	0.12
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of profit	-	-	-
	- Others, specify	-	-	-



VISHAL FABRICS LIMITED

5	Others, please specify	-	-	-
	Contribution to Provident Fund	1.15	-	1.15
	Total	10.75	4.35	15.1
	Ceiling as per Act	10% of the Net Profit of the Company		

B. Remuneration to other Directors (₹ in lacs)

Sr. No.	Name of Directors	Fees for attending board / Committee meetings	Particulars of Remuneration Commission paid for financial year	Others, please specify	Total
1	Mr. Arakhita Khandual	0.55	-	-	0.55
2	Mr. Gautam Gandhi	0.55	-	-	0.55
	Total (B)	1.10	-	-	1.10
	Overall Ceiling as per Act	1% of the Net Profit of the Company			

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager (₹ in lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Mahesh Kawat (CFO)	Ms. Poonam Pabla (CS)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	3.17	1.58	4.75
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.15	0.12	0.27
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	1.56	0.39	1.95
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- As % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, please specify	-	-	-
	Contribution to Provident Fund	0.53	-	0.53
	Total	5.41	2.09	7.50

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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



Annexure – II

Form No. AOC-2

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

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

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Chiripal Industries Limited	Purchase of Colour Chemicals	-	Prevailing Market Price	04.04.2014	-
Chiripal Industries Limited	Sale of Chips	-	Prevailing Market Price	04.04.2014	-
CIL Nova Petrochemicals Limited	Sale of Chips	-	Prevailing Market Price	04.04.2014	-
Nandan Denim Limited	Grey Purchase	-	Prevailing Market Price	04.04.2014	-
Nandan Denim Limited	Sale of Fabrics	-	Prevailing Market Price	04.04.2014	-
Shanti Exports Private Limited	Rent paid	-	Prevailing Market Price	04.04.2014	



ANNEXURE – III

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,
The Members,
Vishal Fabrics Limited
Ahmedabad

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

Based on my verification of the Company’s papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on 31st March, 2015 according to the applicable provisions of:

- a) The Companies Act, 1956 and the Companies Act, 2013 (‘the Act’) and the rules made there under, as applicable;
- b) The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- d) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e) Other laws applicable to the Company as per the representations made by the Management.

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

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

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

I further report that:

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

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Prerna Poddar & Associates,
Company Secretary
Prerna Poddar
Proprietor
ACS No.: 31138
C P No.: 11443**

**Date: 17th August, 2015
Place: Ahmedabad**

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



'Annexure A'

To,
The Members,
Vishal Fabrics Limited
Ahmedabad

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

- (a) Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit;
- (b) I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion;
- (c) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
- (d) Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- (e) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- (f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Prerna Poddar & Associates,
Company Secretary**

**Prerna Poddar
Proprietor
ACS No.: 31138
C P No.: 11443**

**Date: 17th August, 2015
Place: Ahmedabad**



ANNEXURE IV

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

A. CONSERVATION OF ENERGY:

i. the steps taken or impact on conservation of energy

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

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

- The company has installed filters enabling to increase the reuse of treated effluent water.
- The company has installed hot water collector which enables the reuse of hot water.
- Installed CRP plant for reusing of caustic soda.

iii. the capital investment on energy conservation equipments: ₹ 19 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 ₹ 477149 (P.Y. ₹ 431010) and the foreign exchange earned was NIL (P.Y. ₹ 453750)



ANNEXURE V

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

- i. No. of permanent employees on the rolls of the Company : 234
- ii. The percentage increase in the median remuneration of employees in FY 2015 stood at 12.68%
- iii. Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2014-15:

Sr. No.	Name	Category	Ratio
1.	Mr. Jyotiprasad Chiripal	Managing Director	5.49:1
2.	Mr. Amit Kadmawala	Executive Director	2.22:1

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

- iv. The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2014-15:

Sr. No.	Name	Category	%
1.	Mr. Jyotiprasad Chiripal	Managing Director	-
2.	Mr. Amit Kadmawala	Executive Director	14.28
3.	Mr. Mahesh Kawat	Chief Financial Officer	7.05
4.	Ms. Poonam Pabla	Company Secretary	10.00

- v. The explanation on the relationship between average increase in remuneration and Company's performance:
Company's Profit before Tax has grown from ₹ 327.83 Lacs during 2013-14 to ₹ 992.03 Lacs during 2014-15, an increase of 202.61% against which the increase in Employee expense is 21.87 %.

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

Sr. No.	Name	Category	%
1.	Mr. Jyotiprasad Chiripal	Managing Director	1.15
2.	Mr. Amit Kadmawala	Executive Director	0.47
3.	Mr. Mahesh Kawat	Chief Financial Officer	0.58
4.	Ms. Poonam Pabla	Company Secretary	0.22

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

Particulars	31.03.2015	31.03.2014
Market Capitalisation of the Company (₹ in Lacs)	8563.1	N.A.
Issued Capital (in Nos.)	1,31,74,000	97,00,000
Closing Price at BSE Ltd (in ₹)	65	N.A.
Earnings Per Share (in ₹)	7.85	12.91
Price Earnings Ratio as at the closing date	8.28	NIL

- viii. Average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year: 12.27%
- ix. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: 1:1.96
- x. The key parameters for any variable component of remuneration availed by the Directors: N.A.
- xi. Affirmation: Your directors affirm that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**MANAGEMENT'S DISCUSSION AND ANALYSIS****INDUSTRY STRUCTURE & DEVELOPMENT**

The Indian Textile and Apparel industry has been a significant contributor to the Indian economy and continues to play a pivotal role in India's growth story through its contribution to industrial output and employment generation. It is also one of the largest contributing sectors of India's exports worldwide. The size of the Indian Textile and Apparel industry is estimated to be ₹ 5,30,000 Crore. It contributes 14% to industrial production while its share in Indian exports stands at a significant 12%. India is one of the few countries with a complete and integrated textile value chain having production at each level of textile manufacturing with an overall annual growth of 8.9%.

COMPETITION

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

GENERAL ECONOMIC AND BUSINESS CONDITIONS

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

INTERNAL CONTROL SYSTEM AND ADEQUACY

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

FINANCIAL AND OPERATIONAL PERFORMANCE**(₹ in Lacs)**

PARTICULARS	2014-15	2013-14
Net revenue from operations	22362.65	20402.93
Profit Before Depreciation & Tax	1297.88	1023.42
Less : Depreciation	305.85	695.59
Profit Before Tax	992.03	327.83
Less : Provision for Taxation (Including Deferred Tax)	58.43	38.36
Profit After Tax	933.60	289.47

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive cooperation in the efforts of the management to carry the Company to greater heights. Continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company.

CAUTIONARY STATEMENT

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



REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

II. BOARD OF DIRECTORS

Composition of the Board:

The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. As on 31st March, 2015, the Board comprises of 6 (six) Directors, out of which 2 (two) are Executive Non Independent Directors, 3 (three) are Non Executive Independent Directors and 1 (one) is Non Executive Non Independent Director. The Composition of the Board is in accordance with clause 52 of the Listing Agreement entered into with the Stock Exchange.

The names and categories of the Directors on the Board as on 31st March, 2015, their attendance at the Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Sr. No.	Name of Directors	Category of Directors	Attendance		Directorship in other Public Companies*	Committee Positions**	
			Board	Last AGM		Chairman	Member
1.	Mr. Jyotiprasad Chiripal DIN: 00155695	Managing Director	8	Yes	4	-	2
2.	Ms. Nitika Chiripal DIN: 00154827	Non-Executive & Non-Independent	4	No	-	-	-
3.	Mr. Mahavirsingh Yadav*** DIN: 00155774	Executive Director	1	N.A.	-	-	-
4.	Mr. Gautam Gandhi DIN: 00049735	Non-Executive & Independent	3	Yes	-	-	-
5.	Mr. Arakhita Khandual DIN: 00055601	Non-Executive & Independent	4	Yes	-	-	-
6.	Mr. Amit Kadmawala**** DIN: 07016454	Executive Director	1	N.A.	-	-	-
7.	Ms. Dhara Shah***** DIN: 06983857	Non-Executive & Independent	-	N.A.	2	-	2

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

** Includes only Audit Committee and Stakeholders' Relationship Committee.

*** resigned w.e.f. 4th April, 2014

**** appointed w.e.f. 13th November, 2014

***** appointed w.e.f. 5th March, 2015

Board Meetings:

During the year, 8 Board Meetings were held on 4th April, 2014, 27th May, 2014, 2nd June, 2014, 22nd July, 2014, 13th August, 2014, 3rd September, 2014, 13th November, 2014 and 5th March, 2015. The Annual General Meeting was held on 30th September, 2014. The gap between two meetings did not exceed one hundred and twenty days.

Board Procedures:

The agenda is circulated well in advance to the Board members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. All the relevant information, required to be placed before the Board of Directors as per Clause 52 of the Listing Agreement are duly considered and taken on record / approved by the Board.

The Company did not have any pecuniary relationship or transactions with Non Executive Directors during the year ended 31st March, 2015 except for payment of sitting fees.

Independent Directors' Meeting

During the year under review, the Independent Directors met on March 05, 2015, inter alia, to discuss:



VISHAL FABRICS LIMITED

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

III. AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and with Clause 52 of the Listing Agreement. The scope of activities of Audit Committee broadly include review reports of the Internal Auditors and to discuss the same with them periodically, to meet Statutory Auditors to discuss their findings / suggestions, to review weaknesses in internal controls reported by Internal and Statutory Auditors, to review financial reporting systems and internal control systems, to review quarterly / half yearly / annual financial results and other matters.

Audit Committee Composition:

The Audit Committee comprises of Directors having requisite knowledge of Finance, Accounts and Company Law. The composition meets the requirements of Section 177 of the Companies Act, 2013 and Clause 52 of the Listing Agreement. The Company Secretary acts as the Secretary of the Committee. The Chairman of the Committee was present at the last Annual General Meeting.

Audit Committee Meetings:

During the year under review, the Committee met 4 (four) times during the year under review.

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

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

* appointed w.e.f. 5th March, 2015.

IV. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference:

Terms of reference of the Committee, includes considering the matters relating to the Company's policies on remuneration payable and determining the package to the Managing Director and Executive Director, commission to be paid to the Directors and other matters specified in section 178 of the Companies Act, 2013 and Clause 52 of the Listing Agreement.

Nomination & Remuneration Committee Composition, Meetings held and attendance:

Composition:

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

Meetings:

During the year under review, the Committee met 3 (Three) times during the year under review.

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

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

* appointed w.e.f. 5th March, 2015. Before her appointment, Mr. Gautam Gandhi was serving as Chairman of the Committee.

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

Executive Directors:

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

Non Executive and Independent Directors:



VISHAL FABRICS LIMITED

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

Remuneration to Directors

1. The remuneration paid to the Managing Director, is as approved by the shareholders in the Extra – Ordinary General Meeting held on 08th April, 2014 for a period of 5 (Five) years, from 4th April, 2014 to 3rd April, 2019.

2. **Details of Remuneration paid to the Directors during the Financial Year 2014-15 are as follows:** (₹ in lacs)

Sr. No.	Name of Directors	Salaries and Perquisites (Rs)	Sitting Fees (Rs)	Commission (Rs)	No of Shares held
1.	Mr. Jyotiprasad Chiripal	9.60	-	-	-
2.	Ms. Nitika Chiripal	-	-	-	-
3.	Mr. Gautam Gandhi	-	0.55	-	-
4.	Mr. Arakhita Khandual	-	0.55	-	-
5.	Mr. Amit Kadmawala*	4.35	-	-	-
6.	Ms. Dhara Shah**	-	-	-	-

* appointed w.e.f. 13th November, 2014.

** appointed w.e.f. 5th March, 2015.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

Terms of Reference:

The Stakeholders Relationship Committee deals with all matters relating to Stakeholders/Investors Grievance and its redressal.

Meetings:

During the year under review, the Committee met 3 (Three) times during the year under review.

Name of Committee members:

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

* appointed w.e.f. 5th March, 2015

Stakeholders Grievance Redressal:

During the year ended 31st March, 2015, no Shareholders' Complaints were received by the Company. For effective and efficient grievance management, the Company has dedicated email id: cs.vfl@chiripalgroup.com

VI. INFORMATION ON GENERAL MEETINGS OF THE COMPANY:

a. Annual General Meeting (AGM):

Financial Year	Date	Time	Venue	No. of Special Resolutions passed
2011-12	September 29, 2012	11.30 a.m.	Ranipur Narol Road, Ahmedabad – 382 405.	-
2012-13	September 30, 2013	11.30 a.m.	Ranipur Narol Road, Ahmedabad – 382 405.	-
2013-14	September 30, 2014	3.30 p.m.	'Chiripal House', Nr. Shivranjani Cross Roads, Satellite, Ahmedabad - 380015	-

b. Extraordinary General Meeting (EGM):

Extraordinary General Meeting of the shareholders of the Company was held on April 08, 2014 with shorter notice during the year under review.

The Company has not passed any resolution through postal ballot during the year under reference.

VII. DISCLOSURES:

i. The Company has no material significant related party transactions that may have a potential conflict with the interest of the Company. The details of transaction between the Company and the related parties are given under Notes to the Financial Statement for the year ended March 31, 2015.



VISHAL FABRICS LIMITED

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

VIII. MEANS OF COMMUNICATION:

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

IX. CODE OF CONDUCT:

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

X. SUBSIDIARY COMPANIES

The Company does not have any Subsidiaries.

XI. SHAREHOLDERS GENERAL INFORMATION

i. 30th Annual General Meeting

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

ii. Tentative Financial calendar for the year 2015-16

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

iii. Listing on Stock Exchange and security code

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

Annual Listing Fees for the Financial Year 2015-16 is paid to the Stock Exchange.

iv. Market Price Data

Month*	BSE Limited	
	High (₹)	Low (₹)
August - 2014	50.00	44.05
September - 2014	55.60	47.00
October - 2014	52.00	50.00
November - 2014	52.00	52.00
December - 2014	55.00	54.55
January - 2014	57.20	53.00



VISHAL FABRICS LIMITED

February - 2014	60.45	50.00
March - 2014	65.00	61.50

* Data has been provided from the month of August, as the Company was listed on the SME Platform of BSE Limited w.e.f. 20th August, 2014.

v. Distribution of equity shareholding as on 31st March, 2015

Sr. No.	Number of shares	No. of Shares	% to Capital	Number of Shareholders	% of Total Holders
1	1-3000	150000	1.14	50	43.10
2	3001-10000	27000	0.20	4	3.45
3	10001 and above	12997000	98.66	62	53.45
	TOTAL	13174000	100.00	116	100.00

vi. Shareholding Pattern as on 31st March, 2015

Sr. No.	Category	Number of shares held	Percentage of Shareholding
1	Promoters	712000	5.40
2	Bodies Corporate (Promoter)	8988000	68.23
3	Other Bodies Corporate	48000	0.36
4	Public	3381000	25.66
5	Non Resident Indians	45000	0.34
	TOTAL	13174000	100.00

vii. Dematerialization of shares and liquidity:

100% of the Company's paid up Equity Share Capital is held in dematerialized form with the National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) as on 31st March, 2015.

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

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

ix. Share Transfer System

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

x. Registrars and Transfer Agents:

Name and Address : Link Intime India Private Limited
Unit No. 303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off. C.G. Road, Ahmedabad – 380 009

Phone : +91 - 79 - 26465179
Fax : +91 - 79 - 26465179
Email : ahmedabad@linkintime.co.in
Website : www.linkintime.co.in

xi. Name, designation and address of the Compliance Officer:

Ms. Poonam Pabla
Company Secretary
Ranipur Narol Road,
Ahmedabad – 382405
Phone: + 91 - 79 - 25353977/78/79/80
Fax: +91 - 79 – 25353981
Email: cs.vfl@chiripalgroup.com

xii. Address for correspondence:

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

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



DECLARATION

I, Jyotiprasad Chiripal, Managing Director of the Company hereby confirm that all the Board members and Senior Management Personnel have affirmed with the Code of Conduct for the Financial Year ended March 31, 2015.

Date: August 17, 2015
Place: Ahmedabad

For Vishal Fabrics Limited
Jyotiprasad Chiripal
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Vishal Fabrics Limited

I have examined the compliance of conditions of Corporate Governance by Vishal Fabrics Limited for the year ended March 31, 2015, as stipulated in clause 52 of the Listing Agreement entered into with the Stock Exchange.

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

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

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

Date: 17th August, 2015
Place: Ahmedabad

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

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER TO THE BOARD

We, the undersigned certify that:

- a) We have reviewed financial statements for the year and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements give a true and fair view of the state of affairs of Company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept overall responsibility for the Company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all levels of management and statutory auditors, and report significant issues to the Audit Committee of the Board. The auditors and audit committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
- d) We indicate to the Auditors and to the Audit Committee:
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year;
 - iii) instances of significant fraud of which we have become aware of and which involve management or other employees who have a significant role in the Company's internal control system over the financial reporting.

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

Date: August 17, 2015
Place: Ahmedabad

Jyotiprasad Chiripal
Managing Director

For Vishal Fabrics Limited
Mahesh Kawat
Chief Financial Officer



INDEPENDENT AUDITORS' REPORT

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Vishal Fabrics Limited ("the Company") which comprise the Balance sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the 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 judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

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

Opinion

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

- i. In the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2015;
- ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



VISHAL FABRICS LIMITED

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) 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 29 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-
Krunal A. Shah
Partner

Membership No.: 115801

Date : 28/05/2015
Place : Ahmedabad

**ANNEXURE TO THE AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of Vishal Fabrics Limited ("the Company") on the standalone financial statements for the year ended on 31st March 2015, we report that:

1. In respect of Fixed Assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b. As per the information and explanation given to us, all the fixed assets have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification.

2. In respect of Inventories:

- a. As per the information and explanation given to us, the inventories have been physical verified by the management at reasonable intervals during the year.
- b. In our opinion and as per the information and explanation given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c. The Company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stocks and books records were not material.

3. In respect of Loans and Advances granted during the year:

As per information and explanation given to us, the Company has not granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') and therefore, the clauses (iii) (a) and (b) of the Companies (Auditor's Report) Order, 2015 are not applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in the internal controls.
5. During the year, the company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the company.
6. As per the information and explanation provided to us the company is not required to maintain the cost records as per the provisions of Companies (Cost Records and Audit) Rules 2014, hence Clause (vi) of the Companies (Auditor's Report) order, 2015 are not applicable.
7. In respect of Statutory Dues:
 - a. According to the records of the Company, the Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities applicable to it.
 - b. According to the information and explanations given to us, the following dues of income tax, custom duty and excise duty have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act 1944	Excise	1141668 633617	2001-02 to 2004-05 2004-05 to 2006-07	Textile Cess Appellate Tribunal
Labour Laws	Labour Law Matters	250000	2013	Labour Commisisoner Ahmedabad
Labour Laws	Civil Suit	457378	2005 to 2013	City Civil Court Ahmedabad
The Custom Act, 1962	Custom	90000	2013-14	Commisisoner of Custom, Jamnagar

- c. During the year no amount is required to be transferred to the Investor Education and Protection Fund and hence clause (c) of clause (vii) of the Companies (Auditor's Report) Order, 2015 is not applicable.
8. The company has no accumulated losses and has not incurred any cash losses during the financial year under review or in the immediately preceding financial year.
9. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.



VISHAL FABRICS LIMITED

10. As per the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. To the best of our knowledge and belief and according to the information and explanation given to us, no fresh term loans availed by the company during the year under audit.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

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

Sd/-
Krunal A. Shah
Partner

Membership No.: 115801

Date : 28/05/2015
Place : Ahmedabad



VISHAL FABRICS LIMITED

BALANCE-SHEET AS AT 31ST MARCH, 2015

	PARTICULARS	Note	Amount in ₹	
			As at 31 st March, 2015	As at 31 st March, 2014
I	EQUITY AND LIABILITIES			
A	Share Holders Funds			
	Share Capital	3	131740000	97000000
	Reserve & Surplus	4	559430632	344480651
			691170632	441480651
B	Non-current liabilities			
	(a) Long-term borrowings	5	185366539	211450819
	(b) Other Long term liabilities	6	-	-
	(c) Long-term provisions	7	18566524	10944906
			203933063	222395725
C	Current liabilities			
	(a) Short-term borrowings	8	263185136	289586223
	(b) Trade payables	9	198389214	219894598
	(c) Other current liabilities	10	56594125	79815318
	(d) Short-term provisions	11	13068352	12114589
			531236827	601410728
	TOTAL		1426340522	1265287104
II	ASSETS			
A	Non-current assets			
	(a) Fixed assets	12		
	(i) Tangible assets		303523965	317411535
	(ii) Intangible assets		-	-
	(iii) Capital work-in-progress		46290810	-
	(iv) Intangible assets under development		-	-
	(b) Non-current investments	13	1024400	1103900
	(c) Deferred tax assets (Net)	14	11366208	14503978
	(d) Long-term loans and advances	15	156436449	53847926
	(e) Other non current assets	16	6464586	2928237
			525106418	389795576
B	Current assets			
	(a) Current investments		-	-
	(b) Inventories	17	136620731	105722035
	(c) Trade receivables	18	537372427	541338579
	(d) Cash and cash equivalents	19	63314020	10947296
	(e) Short-term loans and advances	20	163926926	217483617
	(f) Other current assets		-	-
			901234104	875491527
	TOTAL		1426340522	1265287104

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

M/s. ANIL S. SHAH & CO.
Chartered Accountants
Firm Reg. No. 100474W
KRUNAL A. SHAH
Partner
(Membership No. 115801)
Date: 28/05/2015
Place: Ahmedabad

For, VISHAL FABRICS LIMITED

Jyotiprasad Chiripal
Managing Director

Nitika Chiripal
Director

Mahesh Kawat
Chief Financial Officer

Poonam Pabla
Company Secretary



VISHAL FABRICS LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2015

	PARTICULARS	Note	Amount in ₹	
			As at 31 st March, 2015	As at 31 st March, 2014
I.	Revenue from operations	21	2236264853	2040292817
	Less Excise duty		-	-
	Revenue from operations (net)		2236264853	2040292817
II.	Other Income	22	1226769	818651
III.	Total revenue (i+ii)		2237491622	2041111468
IV.	Expenses			
	(a) Cost of Materials	23	1497485854	1440503472
	(b) Purchases of stock-in-trade	24	124699641	95800758
	(c) Changes in inventories of finished goods, work-in-progress	25	(6513339)	(987041)
	(d) Employee benefits expenses	26	271521452	222787112
	(e) Finance costs	27	53182678	64093894
	(f) Depreciation and amortisation expense	12	30585030	69558501
	(g) Other expenses	28	167363243	116682747
	Total expenses		2138324559	2008439443
V.	Profit / (Loss) before exceptional and extraordinary items and tax		99167063	32672025
VI.	Exceptional items		41543	111130
VII.	Profit / (Loss) before extraordinary items and tax		99208606	32783155
VIII.	Extraordinary Items		(5250)	-
IX.	Profit / (Loss) before tax		99203356	32783155
X.	Tax expense :			
	(a) Current tax expense for current year		6000000	7700000
	(b) MAT credit/utilisation		-	-
	(c) Tax expense relating to prior year/paid / written back		(3294397)	861346
	(d) Deferred tax assets to prior year written back		-	38941
	(e) Deferred tax liabilities		3137770	(4764257)
			5843373	3836030
XI.	Profit / (Loss) from for the period from continuing operations		93359983	28947125
XII.	Profit / (Loss) from discontinuing operations (before tax)		-	-
XIII.	Tax expense of discontinuing operations		-	-
XIV.	Profit / (Loss) from discontinuing operations (after tax)		-	-
XV.	Profit / (Loss) from for the period from continuing operations		93359983	28947125
	Earning per equity share [nominal value of 10/- (previous year-10)]		11898614	2242877
	Basic and Diluted		7.85	12.91

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

The schedules referred to above forms an integral part of Profit & Loss

M/s. ANIL S. SHAH & CO.
Chartered Accountants
Firm Reg. No. 100474W
KRUNAL A. SHAH
Partner
(Membership No. 115801)
Date: 28/05/2015
Place: Ahmedabad

For, VISHAL FABRICS LIMITED

Jyotiprasad Chiripal
Managing Director

Nitika Chiripal
Director

Mahesh Kawat
Chief Financial Officer

Poonam Pabla
Company Secretary



VISHAL FABRICS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	Amount in ₹	
	As at 31 st March, 2015	As at 31 st March, 2014
A. Cash Flow from Operating Activities		
Net Profit After Tax & Exceptional Items	93359983	28947124
Adjustments for:		
Depreciation & amortization	30585030	69231501
Preliminary Expense	1292837	327000
(Profit) / Loss on Sale of assets	(41543)	(111130)
Interest Income	(565804)	(598085)
Provision for Income Tax	2705603	8561346
Deffered Tax	3137771	(4764257)
	37113894	72646375
Operating Profit Before Working Capital Changes	130473877	101593499
Adjustments for:		
Trade and Other Receivables	3966152	108532014
Inventories	(30898696)	3552326
Trade Payables	(21505384)	(8311819)
Short term provisions	953763	(1210687)
Long Term Provisions	7621618	963968
Other Long term liabilities	0	(1003023)
Other current liabilities	(23221193)	2861549
Non Current Investment	79500	0
Short term Loans and Advances	53556691	(158874581)
Other Non Current assets	(3536349)	2739339
	(12983898)	(50750914)
Cash Generated from Operations	117489979	50842585
Income Taxes	2705603	8561346
Net Cash Generated by Operating Activities	114784376	42281239
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(17059820)	(11198566)
Capital Work in Progress	(46290810)	0
Sale of Fixed Assets	362357	153345
Profit/loss on Sale of Fixed Assets	41543	111130
Interest Income	565804	598085
Net Cash Generated by / (used in) Investing Activities	(62380926)	(10336006)
C. Cash Flow from Financing Activities:		
Increase in Share Capital & Share Premium	156330000	22500000
Increase/Decrease in Long Term Borrowings	(26084280)	47613900
Increase/Decrease in Short Term Borrowings	(26401087)	(61836467)
Increase in Long term Loans Advances	(102588522)	(40024972)
Preliminary Exp.	(1292837)	(327000)
Net Cash Generated by / (used in) Finance Activities	(36726)	(32074539)
Net (Decrease) / Increase in Cash and cash equivalents	52366724	(129306)
Opening Cash and Cash Equivalent	10947296	11076602
Cash & Cash Equivalents at the end of the period	63314020	10947296

As per our Report of even date annexed herewith

M/s. ANIL S. SHAH & CO.
Chartered Accountants
Firm Reg. No. 100474W
KRUNAL A. SHAH
Partner
(Membership No. 115801)
Date: 28/05/2015
Place: Ahmedabad

For, VISHAL FABRICS LIMITED

Jyotiprasad Chiripal
Managing Director

Nitika Chiripal
Director

Mahesh Kawat
Chief Financial Officer

Poonam Pabla
Company Secretary



NOTE: 1 COMPANY INFORMATION

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

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

NOTE: 2 SIGNIFICANT ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES FORMING PART OF ACCOUNTS

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENT

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

2.2 USE OF ESTIMATES

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

2.3 FIXED ASSETS AND CAPITAL WORK IN PROGRESS

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

2.4 DEPRECIATION

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

2.5 REVENUE RECOGNITION

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

2.6 INVENTORIES

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

2.7 INVESTMENTS

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

2.8 RETIREMENT BENEFITS

a) Gratuity

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

b) Provident Fund and Leave Encashment

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



2.9 FOREIGN CURRENCY TRANSACTION

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

2.10 BORROWING COST

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

2.11 PRELIMINARY EXPENDITURE

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

2.12 TAXES ON INCOME

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

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

2.13 PRIOR PERIOD ITEMS

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

2.14 PROVISION

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

2.15 CASH FLOW STATEMENT

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

2.16 EARNING PER SHARE

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

2.17 CONTINGENT LIABILITIES

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



VISHAL FABRICS LIMITED

NOTE 3: Share Capital

		Amount in ₹	
		As at 31 st March, 2015	As at 31 st March, 2014
15000000	Authorised Equity Shares of ₹ 10/- each (Previous Year 15000000 Shares @ ₹ 10/- each)	150000000	150000000
		150000000	150000000
13174000	Issued, Subscribed and Paid-Up Equity Shares of ₹ 10/- each fully paid up (Previous Year 9700000 Shares @ ₹ 10/- each fully paid up)	131740000	97000000
	Total	131740000	97000000

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

	As at 31 st March, 2015	As at 31 st March, 2014
	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	9700000	115000
Add: Shares issued as bonus @ ₹ 100/- each	0	345000
Total Shares after Bonus Issue	9700000	460000
Total Shares after Sub division of share capital from ₹ 100/- to ₹ 10/- each	0	4600000
Add: Shares issued as bonus @ ₹ 10/- each	0	4600000
Add: Shares Issued @ ₹ 10/- each	3474000	500000
Less : Shares cancelled	0	0
Equity Shares at the end of the year	13174000	9700000

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

3.3 There was a sub division of Equity Share Capital from ₹ 100/- to ₹ 10/- per share vide board resolution dt. 25th February 2014 in Accounting year 2013-14

3.4 Terms attached to Equity Share

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

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

3.5 The details of Shareholders holding more than 5% shares

Sr. No.	Name of Shareholders	As at 31st March, 2015		As at 31st March, 2014	
		No. of Shares	% held	No. of Shares	% held
1	Chiripal Industries Ltd.	6366000	48.32%	6366000	65.33%
2	Devkinandan Corporation LLP	1311000	9.95%	1311000	13.52%
3	Chiripal Exim LLP	1311000	9.95%	1311000	13.52%
4	Harshadbhai N.Patel	720000	5.47%	0	0.00%

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

NOTE 4: RESERVES AND SURPLUS

		Amount in ₹	
		As at 31 st March, 2015	As at 31 st March, 2014
A	GENERAL RESERVE		
	Balance Brought Forward		195000
	Less : During the year for issue of Bonus Shares (vide board resolution dt. 20/01/2014 and 25/02/2014)	-	(195000)
		-	-



VISHAL FABRICS LIMITED

B	PROFIT & LOSS ACCOUNT		
	Balance Brought Forward	326980649	324918526
	Add : Profit/(loss) for the year	93359983	28947125
	Less : During the year for issue of Bonus Shares (vide board resolution dt. 20/01/2014 and 25/02/2014)	-	(26885000)
		420340632	326980651
C	SECURITY PREMIUM RESERVE		
	Balance Brought Forward	17500000	53420000
	Add : During the year	121590000	17500000
	Less : During the year for issue of Bonus Shares (vide board resolution dt. 20/01/2014 and 25/02/2014)	-	(53420000)
		139090000	17500000
	TOTAL	559430632	344480651

NOTE 5: LONG - TERM BORROWING

		Amount in ₹	
		As at 31 st March, 2015	As at 31 st March, 2014
5.A	SECURED TERM LOANS		
	From Banks	71436140	96073599
5.B	OTHER SECURED LOANS FROM BANK (Vehicle Loan)	2046848	215673
		73482988	96289272
5.C	OTHER LOANS AND ADVANCES (UNSECURED)		
	From Bank	24379848	22208628
	From Corporate	87503703	92952919
		111883551	115161547
		185366539	211450819
	Current Maturity of Long Term Borrowings Amount disclosed under the head "other Current Liabilities" (Note 10)	25811387	34854644
	Total	211177926	246305463

5.1 Term Loan ₹ 71436140/- (P.Y. ₹ 96073599/-) are secured by way of first pari passu over all fixed assets/ immovable properties of the company situated at Ranipur, Narol Road, Narol, Ahmedabad over the movable assets including Plant & Machineries situated at Ranipur Narol road, Narol Ahmedabad, further corporate guarantee given by certain companies and personal guarantee of Managing Director and relative of such Managing Director, repayable in 28 to 32 equal quarterly installments having rate of interest of 14.25% to 14.50% p.a. Further Term Loans are secured by second pari passu charge over current assets.

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

	Installment due between 1 to 2 year	Installment due between 2 to 3 year	Installment due between 3 to 4 year	Installment due for more than 4 year
T.L 5	8571428	3812575	-	-
T.L 6	14900000	17900000	18800000	18800000
Vehicle Loan	1181568	1085145	692411	269,292
Total	24652996	22797720	19492411	19069292

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

	Installment due between 1 to 2 year	Installment due between 2 to 3 year	Installment due between 3 to 4 year	Installment due for more than 4 year
SCB Loan	4728300	4728300	4728300	25217600

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

5.5 Other loans and advances from bank (un secured) is collaterally secured by property situated at A-621 Sushant Lok-1, Nr. Centre Point Pizza Hut, Gurgaon, Delhi owned by partnership firm own by relatives of Managing Director, further guarantee of Managing Director, relative of such Managing Director of the company and corporate guarantee of Chiripal Industries Ltd.



VISHAL FABRICS LIMITED

NOTE 6: OTHER LONG-TERM LIABILITIES

	Amount in ₹	
	As at 31 st March, 2015	As at 31 st March, 2014
Sundry Creditors for Capital Goods	-	-
Total	-	-

NOTE 7: LONG TERM PROVISIONS

	Amount in ₹	
	As at 31 st March, 2015	As at 31 st March, 2014
Gratuity (Un funded)	18566524	10944906
Total	18566524	10944906

NOTE 8: SHORT TERM BORROWINGS

	Amount in ₹	
	As at 31 st March, 2015	As at 31 st March, 2014
SECURED		
Working Capital Loan		
From Banks		
Cash credit facilities	263185136	248176820
Packing Credit facility	-	41409403
UN SECURED		
From Others	-	-
Total	263185136	289586223

8.1 Working capital loans are secured by hypothecation of present and future stock of Raw Materials, Stock In Process, Semi Finished Goods, stores and spares, Book Debts and receivables further corporate guarantee given by certain companies and personal guarantee of Managing Director and relatives of such Managing Director of the Company repayable on demand having interest rate of 13.50% to 14.25%.

NOTE 9: TRADE PAYABLES

	Amount in ₹	
	As at 31 st March, 2015	As at 31 st March, 2014
Sundry Creditors for Goods	98550723	128673766
Sundry Creditors for Expenses	99838491	91220832
Total	198389214	219894598

Note: 9.1 The details of amounts outstanding to Small and Medium Enterprise based on available information with the Company is as under:

	Amount in ₹	
	As at 31 st March, 2015	As at 31 st March, 2014
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining, due and payable in succeeding years	-	-

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



VISHAL FABRICS LIMITED

NOTE 10: OTHER CURRENT LIABILITIES

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Current maturities of long-term borrowings (Refer Note - 5)		
Term Loans	24629819	34728572
Unsecured Loan	1278540	4728300
Vehicle Loans	1181568	126072
	27089927	39582944
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	1405066	2066035
Contractually reimbursable expenses	562127	616192
Trade / security deposits received	7031014	9760227
Advances from customers	139986	661053
Sundry Others Liabilities(including credit balance of bank)	20366004	27128867
	29504198	40232374
Total	56594125	79815318

NOTE 11: SHORT TERM PROVISIONS

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Provision for Taxation	6000000	7700000
Provision for Leave - Encashment Expenses	1782808	1124049
	5285544	3290540
Total	13068352	12114589

NOTE 12: FIXED ASSETS

ASSETS	Amount in ₹									
	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2014	Additions	Deductions/ adjustments	As at March 31, 2015	As at April 1, 2014	Additions	Deductions/ adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Land	12124737	-	-	12124737	-	-	-	-	12124737	12124737
Factory Building Narol	154277588	-	-	154277588	80132240	7932334	-	88064574	66213014	74145348
Plant & Machinery	782099397	11751283	2174672	791676008	560678819	19094295	1830772	577942342	213733666	221420578
Air condition	5573137	199535	-	5772672	4723458	186209	-	4909667	863005	849679
Furniture & Fixture	23551921	146256	-	23698177	18469627	968851	-	19438478	4259699	5082294
Computer Fix	8506465	172600	-	8679065	8017996	189713	-	8207709	471356	488469
Weighting Scale	361047	-	-	361047	292683	11842	-	304525	56522	68364
Office Equipment	3040091	508552	-	3548643	1624024	684531	-	2308555	1240088	1416067
Vehicle Fix	7457697	4281594	2568457	9170834	5641698	1517258	2550000	4608956	4561878	1815999
TOTAL	996992080	17059820	4743129	1009308771	679580545	30585033	4380772	705784806	303523965	317411535
Previous Year	986927951	11198531	1134402	996992080	611330104	69231498	981057	679580545	317411535	375597847
Capital Work in Progress										
Plant & Machinery	-	46290810	-	46290810	-	-	-	-	46290810	-

Pursuant to the enactment of Companies Act 2013, the Company has applied the estimated useful lives as specified in Schedule II, accordingly the revised remaining carrying value is being depreciated over the remaining useful lives.


NOTE 13: NON CURRENT INVESTMENTS

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Investment in Equity Instruments		
Long Term Investments Other than Trade		
Unquoted Shares (At Cost)		
20250 (P.Y. 13500) Equity Shares of Chiripal Industries Ltd of ₹ 10 Each	90000	90000
Unquoted Shares (At Cost) Other		
35000 (P.Y. 35000) Equity Shares of Prakash Calender P.Ltd of ₹10 Each	350000	350000
44 (P.Y. 44) Equity Shares of Ellisbridge Co-op Bank Ltd of ₹ 25 Each	1100	1100
4 (P.Y. 4) Equity Shares of Nutan Nagrik Sahakari Bank Ltd of ₹ 25 Each	100	100
150 (P.Y. 150) Equity Shares of Deepak Impex P.Ltd of ₹ 100 Each	15000	15000
145000 (P.Y. 145000) Equity Shares of Merit Credit Corp Ltd of ₹ 1.16 Each	168200	168200
Nil (P.Y. 75000) Equity Shares of Sun Fin Lease (Guj) Ltd of ₹ 1.00 Each	-	79500
Long Term Investments Other than Trade		
Quoted Shares (At Cost)		
20000 (P.Y. 20000) Equity Shares of GSL Nova Petrochemicals Ltd. of ₹ 5 Each (Market Value ₹ 12000/-) (Previous Year ₹ 11400/-)	200000	200000
10000 (P.Y. 20000 at ₹ 5/- Each) Equity Shares of CIL Nova Petrochemicals Ltd. of ₹ 10/- Each (Market Value ₹ 190000/- of (Previous Year ₹ 245000/-)	200000	200000
Total	1024400	1103900
1. Aggregate value of Unquoted Investments	624400	703900
2. Market Value of Quoted Investment	202000	256400
3. Aggregate value of Quoted Investments	400000	400000

NOTE 14: DEFERRED TAX ASSETS (NET)

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Deferred Tax Liability (Refer Note 38)	-	-
Deferred Tax Assets (Refer Note 38)	11366208	14503978
Total	11366208	14503978

NOTE 15: LONG-TERM LOANS AND ADVANCES

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Advance for Capital Goods (Unsecured, considered good)		
Unsecured, considered good for Land	127548200	40000000
Unsecured, considered good for Fixed Assets	11130899	998444
MAT Credit Entitlement	11453034	9298466
Balances with government authorities (Unsecured, considered good)		
CENVAT credit receivable	47989	47989
Other Deposits	6256327	3503027
Total	156436449	53847926

NOTE 16: OTHER NON CURRENT ASSETS

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Trade receivable (Exceeding Six Months)	1620237	1620237
Unsecured, considered good		
Less: Provision for Doubtful	-	-
	1620237	1620237
IPO Exp. (Un amortised)	3863349	-
Preliminary Exp. (Un amortised)	981000	1308000
	4844349	1308000
Total	6464586	2928237



VISHAL FABRICS LIMITED

NOTE 17: INVENTORIES

(As taken valued & Certified By the Directors)

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Raw Material		
Colour & Chemicals (At Cost)	39459019	37070876
Design (At Cost)	1515992	2194587
Work in Progress		
Grey Cloth (At Cost)	34994572	18043882
Work in Process of Job (At Cost)	33203773	24533811
Finished Goods		
-Fabrics (At Cost or Market value which ever lower)	-	2156622
Others		
Stores & Spares (At Cost)	20845022	16001493
Coal & Firewood (At Cost)	5279617	3587285
Packing Material (At Cost) Stitching Material	876889	1191648
Stationery (At Cost)	230366	336698
Diesel & Oil (At Cost)	215481	605133
Total	136620731	105722035

NOTE 18: TRADE RECEIVABLES

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
(Unsecured Considered Good)		
More than six months (Refer note 16)		
Within Six months (Others)	537372427	541338579
Less: Provision for Doubtful	0	0
Total	537372427	541338579

NOTE 19: CASH AND CASH EQUIVALENTS

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Cash on Hand	2535418	3773264
In Current Account	51784224	1256557
F.D.R. A/c with Bank	8994377	5917475
(As margin money for LC and Bank Guarantee Limits with Banks)		
(F.D.R. of ₹4168126/- (P.Y. ₹ Nil) with maturity more than one year)		
Total	63314020	10947296

NOTE 20: SHORT – TERM LOANS AND ADVANCES

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Tax Deducted at source	13238544	12151174
Income Tax Refundable	19817208	15643120
Advance Recoverable in Cash or in Kind or for value to be received		189689323
	130871174	
Total	163926926	217483617

NOTE 21: REVENUE FROM OPERATIONS

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Sale of products		
Manufactured goods		
Fabrics Sales	477396739	224074241



VISHAL FABRICS LIMITED

Fabric Exports Sales	-	453750
Semi Finished Cloth of Gray	-	7395071
Trading goods		
Fabrics Sales	-	402442790
Chips sales	124699640	95800757
Sale of services		
Job work Sales	1634168474	1310092176
Other operating revenues		
Drawback	-	34032
Total	2236264853	2040292817

NOTE 22: OTHER INCOME

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Insurance Claim	-	150315
Share Dividend	7	12
Vatav Kasar	94709	277
Interest on F.D.R.	565804	598085
Foreign Exchange Difference	-	12606
Interest on Income Tax Refund	451252	-
Net Balance written off A/C	114997	57356
Total	1226769	818651

NOTE 23: COST OF MATERIALS

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Material consumed comprises:		
Raw material		
Gray Cloth Consumed	454105395	549752838
Colour & Chemicals Consumed		
Indigenous	584913332	495753686
Others		
Coal & Firewood Consumed (Indigenous)	325261157	272021925
Stores & Spares Consumed (Indigenous)	70210024	65622977
Packing & Folding Expenses (Indigenous)	14259053	22665274
Design Consumed (Indigenous)	48736893	34686772
Total	1497485854	1440503472

NOTE 24: PURCHASES OF STOCK-IN-TRADE

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Chips purchase	124699641	95800758
Total	124699641	95800758

NOTE - 25: CHANGES OF INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Inventories at the end of the year:		
Finished goods	-	2156622
Work in Progress	33203773	24533811
	33203773	26690433
Inventories at the beginning of the year:		
Finished goods	2156622	-
Work in Progress	24533812	25703392
Total	6513339	987041



VISHAL FABRICS LIMITED

NOTE - 26: PAYMENT TO EMPLOYEES

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Salaries, Wages, Bonus & P.F. etc.	257777436	213248421
Contributions to Provident Fund	3253943	4242228
Gratuity A/c. (Refer Note no. 7)	7621618	1432574
Leave Encashment	353075	1630346
Staff Welfare	2515380	2233543
Total	271521452	222787112

NOTE - 27: FINANCIAL EXPENSES

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Bank and Other Interest	28672917	41310732
Bank Interest On Term Loan	19340486	19514451
L C Charges	1332267	1033025
Bank Charges & Commission	3837008	2235686
Total	53182678	64093894

NOTE - 28: OTHER EXPENSES

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Manufacturing Expenses		
Lorry Freight	10643069	8224289
Power & Fuel	79132318	44193621
Factory Expenses	6115726	810726
Repairs & Maintenance Building	15379299	8878230
Repairs & Maintenance Machineries	11542248	9056470
Repairs & Maintenance Others	11116377	8970430
Oil & Lubricant & other	498711	1675957
Administration & Selling and Distribution Exp.		
Rent, Rates & Taxes	3591300	3104244
Stationery & Printing	2048463	1536534
Audit Fees Remuneration (Refer Note : 28.1)	415732	112360
Conveyance	2744508	2426846
CSR Expenses	379684	-
Travelling Expenses	1661128	4455349
Insurance	1845533	2256131
Telephone	834550	699318
Vehicle Expenses	776155	894570
Miscellaneous Expenses	6827145	9476289
Consultancy	3828236	4087502
Legal Expenses	83609	22936
Postage	215727	162750
Donation	2556200	83200
Security Expenses	2733856	2609293
Sales Tax	1195537	910189
Dalali & Commission	1138012	1946651
Advertisement & Sales Promotion	60120	88862
Total	167363243	116682747

28.1 PAYMENTS TO THE AUDITOR

	Amount in ₹	
	As at 31st March, 2015	As at 31st March, 2014
Payments to the auditors comprises		
Statutory audit	157304	84785



VISHAL FABRICS LIMITED

Tax Audit	33708	27575
Company Law	112360	0
Certification	112360	0
Total	415732	112360

Note: 29 Contingent Liabilities

- The estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 250.00 Lac. (P.Y. 500.00 Lac.) against which advance have been paid ₹ 111.30 Lac. (P.Y. 409.98 Lac.)
- Un-expired Letter of Credits and Bank Guarantee (net of margins) ₹ 740.27 Lacs (Previous Year ₹ 480.28 Lacs)
- As per information and explanation given to us, an employee fraud had occurred in the company for the amount aggregating to ₹ 1193137/- as per the FIR filed with the Police station, Ahmedabad out that ₹ 66927/- covered in the F.Y.2007-08. The company has not provided for that in the books of account and shown as recoverable in the name of employee under the head Loans and Advances as the board is of the opinion that the amount is fully recoverable.
- During the F.Y. 2010-11 Fire has occurred in the factory premises of the company and the company has acknowledge the claim of ₹ 763.65 lacs with insurance company for loss of damaged goods, out of total ₹ 717.92 Lacs for goods received from various parties for job work. The company has not provided for the same as the claim/matter is pending with insurance company till the date. The company has also not provided for loss of own goods costing ₹ 45.73 Lacs.
- Civil Suit is filed against the company for recovery of ₹ 457378/- in City Civil Court, Ahmedabad and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.
- Deputy Commissioner of Customs, Custom Division, Jamnagar has imposed a penalty amounting to ₹ 90000/- and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.
- Company has filled petition against order of Textile Cess Appellate Tribunal for demand amounting to ₹ 1775285/- and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.
- There are seven cases filed against the company for aggregating to ₹ 250000/- with Labour Court Ahmedabad and according to the company the matter is still pending at the Balance sheet date hence not provided in the books of account.

Note: 30 During the year the Company has made an Initial Public Offer (IPO), for 34,74,000 equity shares of ₹ 10/- each at a price of ₹ 45/- per share (including premium of ₹ 35/- per share). The company is listed on BSE SME Platform.

Note: 31 The company has incurred ₹ 6050000/- for IPO and it has been treated as deferred revenue expenditure to be written off in next 5 years, commencing for F.Y. 2014-15.

As per certified by management the company has utilized the IPO Proceeds for Long Term Working Capital required detailed below,

Particular	Amount (₹)	Remarks
Amount raised through IPO	15,63,30,000.00	Received the proceeds of IPO on in A/c. CC No. 01704010000250 of Oriental Bank of Commerce, Ashram Road Branch, Ahmedabad-380009
Less:		Various party's payment made as per bank statement
1. Long Term Working Capital	14,00,00,000.00	
2. Expenditure for General Corporate Purpose	1,0280000.00	
3. Issue related Exp.	6050000.00	
Balance unutilized	Nil	

Note: 32 Provision for current year's income tax aggregating to ₹ 60,00,000/- (P.Y. ₹ 77,00,000/-) has been made on estimated basis for the accounting year ended on 31.03.2015. The actual tax liabilities of the company will be determined on the basis of taxable income of the company for F.Y 2014-15.

Note: 33 Foreign Exchange difference Credited to Profit and Loss Account amounting to ₹ NIL/- (P.Y. ₹ 12606/-)

Note: 34 Expenses includes following payments to Directors

Employment cost include managerial remuneration paid / payable during the year in accordance with the provisions of the Companies Act, 2013

Remuneration to Directors	2014-15 (₹)	2013-14 (₹)
Managerial Remuneration	1395000	8885491
Contribution to Provident Funds	<u>115200</u>	<u>850452</u>
	1510200	9735943



VISHAL FABRICS LIMITED

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

Note: 35 Earning per share

Particular	2014-15 ₹	2013-2014 ₹
(a) Net Profit after tax available for Equity Share Holders	93360931	28947124
(b) Weighted Avg. No. of shares used as denominator for calculation of Basic EPS on shares of ₹ 10 each	11898613	2242877
Basic/Diluted Earning per shares (a/b)	7.85	12.91

Note: 36 Exceptional Item

Particular	2014-2015 ₹	2013-2014 ₹
(a) Profit / (Loss) on sale of Fixed assets	41543	111130
(b) Profit / (Loss) on sale of Investment in Shares	(5250)	-
Total	36293	111130

Note: 37 Related Party

The Company has identified the following related parties under Accounting Standard – 18 on related parties, issued by the Institute of Chartered Accountants of India and as per Section 188 of the Companies Act, 2013.

a. Related parties with whom transaction have taken place during the year Associates /Enterprise which has significant influence

- i. Chiripal Industries Ltd.
- ii. Nandan Exim Ltd
- iii. Shanti Export Pvt. Ltd.
- iv. Chiripal Poly Films Ltd
- v. Shanti Educational Initiative Limited
- vi. Millestone Educom Trust
- vii. Shanti Polytechnic Foundation Ltd.
- viii. Dholi Integrated Spinning Park Ltd.

b. Key Management Personnel

- i. Mr. Jyotiprasad D. Chiripal (Managing Director) (Appointment w.e.f. 20.07.04)
- ii. Mr. Vinodkumar Ajmera (Vice President)
- iii. Mr. Amit Kadmwala (Additional Director) (Appointment w.e.f. 13.11.14)
- iv. Mr. Arakhita Khandul (Director)
- v. Ms. Nitika D. Chiripal (Director) (Appointment w.e.f. 04.04.14)
- vi. Ms. Dhara S. Shah (Additional Director) (Appointment w.e.f. 05.03.15)
- vii. Mr. Maheshchandra Kawat (Chief Financial Officer) (Appointment w.e.f. 04.04.14)
- viii. Ms. Poonam Pabla (Company Secretary)
- ix. Mr. Vinodkumar Shah (Resignation w.e.f. 04.04.14)
- x. Mr. Gautam Gandhi (Additional Director) (Resignation w.e.f. 29.04.15)

c. The Related Party Transactions are under:

(Amount in ₹)

Sr. No.	NATURE OF TRANSACTIONS	ASSOCIATES COMPANIES	HOLDING COMPANY	KEY MANAGEMENT PERSONNEL
1	Purchase Goods/Process Charge	60175607 (87674739)	Nil (39612552)	-
2	Sales Goods	217282091 (117161322)	Nil (19514558)	-
3	Finance Inter corporate Deposit Deposit Given	Nil (33500000)	-	-



VISHAL FABRICS LIMITED

4	Other			
	Paid on their behalf	26601574 (Nil)	-	-
	Paid on behalf of us	1374051 (Nil)	-	-
	Donation	2000000 (Nil)		
	Deposit	1000000 (Nil)		
	Advance For Land	71097500 (40000000)		
5	Expenses	683277		
	Rent & Maintenance	(453958)	-	-
	Remuneration	-	-	4249052 (8885491)
6	Outstanding			
	Sundry Debtors	160131913 (92816600)	Nil (44655097)	-
	Inter corporate deposit given	Nil (27550000)	-	-
	Deposit	1000000 (Nil)	-	-
	Advance For Land	128097500 (Nil)	-	-
	Provision for Exp.	683277 (Nil)	-	-

Note: 38 Deferred Taxes

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

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

(Amount in ₹)

Component	Deferred Tax Asset/(Deferred Tax Liabilities) as at 01/04/2014	Current Year DTA/ (DTL)	Deferred Tax Asset/(Deferred Tax Liabilities) as at 31/03/2015
Opening Bal. Of Deferred Tax assets	14503974	-	-
Difference in Depreciation between accounting books and tax return for year end as on 31.03.2015	-	(5609985)	
Provision for Gratuity for F.Y. 2014-15 disallowable U/S. 43B of The Income Tax Act,1961	-	2472215	11366204

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

Note: 39 The Company is not a subsidiary company as on 31/03/2015. The Company was subsidiary of Chiripal Industries Limited in F.Y. 2013-14.

Note: 40 Borrowing cost incurred during the year, which are attributable to the acquisition or construction of qualifying assets to the extent of ₹ Nil (P.Y. ₹ Nil) capitalized by the company.

Note: 41 Segment Information

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



VISHAL FABRICS LIMITED

- b) Inter segment revenue have been accounted for based on the transaction price agreed between segments which is primarily market led.
- c) Geographical segment is not considered as exports are insignificant.

Note: 42 Impairment of assets

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

Note: 43 Value of Imported/Indigenous Stores Spares and Components Consumed.

(Amount in ₹)

Class of Goods	2014-15		2013-14	
	Qty	Value	Qty	Value
A) Indigenous				
Design		48736893		34686772
Colour Chemi.	N.A	584913332	N.A	495753686
Stores & Spares	N.A	70210024	N.A	65622977
B) Imported				
Design	N.A	N.A.	N.A	N.A.
Colour Chemi.	N.A	N.A.	N.A	N.A.
Stores & Spares	N.A.	N.A.	N.A.	N.A.

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

Note: 44 Earning / Expenditure in Foreign Currency

Particulars	2014-15 ₹	2013-14 ₹
A Expenditure in foreign currency during the Financial year on account of royalty, know-how, Professional consultation fees, interest and other matters	-	-
a) Foreign Bank Charge & Commission	-	1060
b) Foreign Traveling	477149	429950
c) Advertisement	-	-
B Value of Imports on C.I.F. basis in respect of		
a) Raw Materials	-	-
b) Spares & other matters	-	-
c) Capital Goods	-	-
C Remittances of Foreign currency on account of dividend	-	-
D Value of Imported Raw material consumed	-	-
E Income in Foreign currency during the Financial year on account of Sales	-	453750

Note: 45 Employee Benefit Plans

a) Defined Contribution Plans : Provident Fund

The Company makes Provident Fund contributions to defined contribution plans for qualifying employee. Under the schemes the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The company recognized ₹ 3253943/- (P.Y. ₹ 4242228/-) for Provident Fund contributions in the statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the schemes.

b) Defined Benefit Plans : Gratuity

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

Particulars	2014-15 ₹	2013-14 ₹
Statement of Profit and Loss		
Current Service Cost	3211708	2943820
Interest on Obligation	913130	805629
Expected Return on Plan Assets	-	-
Net Actuarial Loss/ (Gain)	3496781	(2501591)
Past Service Liabilities	-	-



VISHAL FABRICS LIMITED

Losses/ (Gains) on curtailment and settlement	-	-
Total included in Employer Benefit Expense	7621618	1247858
Prior Year Charge	-	184716
Total charge to P&L	7621618	1432574
Reconciliation of Defined Benefit Obligation		
Opening Defined Benefit Obligation	11502934	10070360
Prior Year Charge	-	184716
Service Cost	3211708	2943820
Interest Cost	913130	805629
Actuarial Losses (Gains)	3496781	(2501591)
Past service Liabilities	-	-
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlement	-	-
Benefits Paid	-	-
Benefits Payable	-	-
Closing Defined Benefit Obligation	19124553	11502934
Reconciliation of Plan Assets		
Opening Value of Plan Assets	-	-
Expected deducted from the fund	-	-
Expected Return	-	-
Actuarial gains / (losses)	-	-
Contributions by employer	-	-
Benefits paid	-	-
Closing Value of Plan Assets	-	-
Actuarial Assumptions		
Discount Rate	7.80%	9.10%
Expected Return on Plan Assets	-	-
Salary Growth Rate	5.50%	5.50%
Retirement Age	58 Years	58 Years
Mortality Rates	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Note: 46

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

Signature to Notes 1 to 46

As per our report and even date annexed.

M/s. ANIL S. SHAH & CO.
Chartered Accountants
Firm Reg. No. 100474W
KRUNAL A. SHAH
Partner
(Membership No. 115801)
Date: 28/05/2015
Place: Ahmedabad

For, VISHAL FABRICS LIMITED

Jyotiprasad Chiripal
Managing Director

Nitika Chiripal
Director

Mahesh Kawat
Chief Financial Officer

Poonam Pabla
Company Secretary

