



**RISING HIGHER.
DELIVERING MORE.**



INSIDE THE REPORT



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To know more about the company scan the QR Code

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



For long, businesses believed in profitability as the only measure of success.

But true success comes with patience and resilience.

And our story chronicles a tale of endearing value and ambitious growth, coloured with an optimism to go beyond norms and set new standards of excellence.

We are tirelessly working to expand our horizons, multiplying opportunities and aspiring to rise higher, while fulfilling expectations – relentlessly!

ABOUT CHIRIPAL GROUP

Chiripal Group is one of the leading manufacturers and exporters of Textile and BOPP Film products in India with a group turnover of more than ₹ 6,000+ crore.

We started operations in 1972 with a few power looms and have over the years evolved into multifaceted textile conglomerate producing fiber to apparel under one roof. Our extensive experience of over four decades enabled us to create a sustainable business empire spanning across varied fields ranging from Petrochemicals, Chemicals and Infrastructure to Spinning, Weaving, Knitting, Fabric Processing, BOPP Film manufacturing and Educational Initiatives. Our quest for innovation and excellence enables us to set new benchmarks across operational verticals. Banking on the expertise of our team and our state-of-the-art facilities, we have established a significant presence for our businesses in domestic as well as international markets.

2,000+ crore

Combined Net worth of all group companies

More than

₹ **6,000** crore

Group revenue for FY 2019-20

20,000+

Number of employees in the group



Group Company	Line of Business	Details
Nandan Denim Ltd.	Textile	The Company is India's leading denim fabric manufacturer, engaged in the manufacture of denims, cotton fabric and yarn.
Chiripal Industries Ltd. (Fabric Division)	Textile	The Company has diverse operations comprising of Process Division, Woven Fabrics Division, Knitting Division, Polar Fleece Division, Flock Division, Cotton Hosiery Division, Embroidery Division and Chemical Division.
Vishal Fabrics Ltd.	Textile	One of the leading textile fabrics processing and manufacturing companies producing a wide range of products for men, women and kids.
Chiripal Industries Ltd. (Petrochemical Unit)	Yarn & Petrochemicals	The Company produces superior quality yarn in its state-of-the-art manufacturing facilities and delivers a wide variety of customized products to meet diverse customer requirements.
CIL Nova Petrochemicals Ltd.	Yarn & Petrochemicals	One of the leading producers of POY, FOY, PTY, and DTY yarns. The Company's extensive experience in processing various fabrics enhances its ability to meet high quality standards and successfully expand its presence in international markets.
Chiripal Poly Films Ltd.	Packaging Solutions	A leading manufacturer of flexible packaging solutions, CPFL produces BOPP films, BOPET films, and PET resin chips to provide tailor-made packaging solutions.
Vraj Integrated Textile Park Ltd.	Textile Park	Vraj Integrated Textile Park has been designed as a modern textile hub. It offers comprehensive and integrated textile manufacturing solutions for various manufacturing processes and helps to deliver excellent quality products at highly competitive rates.
Shanti Educational Initiatives Ltd.	Education	One of the fastest growing education companies, it plans, builds and manages educational institutions from play school to grade 12.

ABOUT VISHAL FABRICS

A flagship company of the Chiripal Group, Vishal Fabrics Limited is a leading denim manufacturer. With over 35 years of experience, the Company leverages its state-of-the-art manufacturing facility, with a capacity of over 100 MMPA, to deliver premium fabrics that effortlessly match global standards.

The Company passionately believes in 'delivering more than expected' and relies on innovation and technology to emerge as a pioneer in the textile industry, delivering end-to-end fabric solutions for a growing clientele.



VISION

To promote Denim from an occasional lifestyle product to a fully accepted lifestyle necessity, from youth-centric fashion wear to a premium fabric that caters to all ages and from an outdoor attire to a fabric that is worn round the clock. Vishal Fabrics wants to create a world where denim is a household narrative and not just a style statement.



MISSION

For us, denim is a fabric that weaves people together in a thread of unity. Our mission is to produce premium quality denim that breaks the barriers of age, gender and location. We aim to keep doing what we do best – keeping our customers, their likes and their needs first, always!



VALUES

- We credit our success to the foundation of our unflinching core values. We never compromise on production quality and are in a constant hunt for innovations that can help us in scaling up our quality levels.
- We pledge to follow the fairest business practices to ensure a healthy, just and all-inclusive business ecosystem.
- We keep customers first. Always.



1,296.84 crore

Revenue from operations in
FY 2019-20

2,677

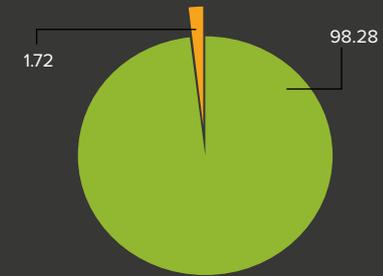
Number of employees as on
31st March, 2020

1.48

Debt-equity ratio

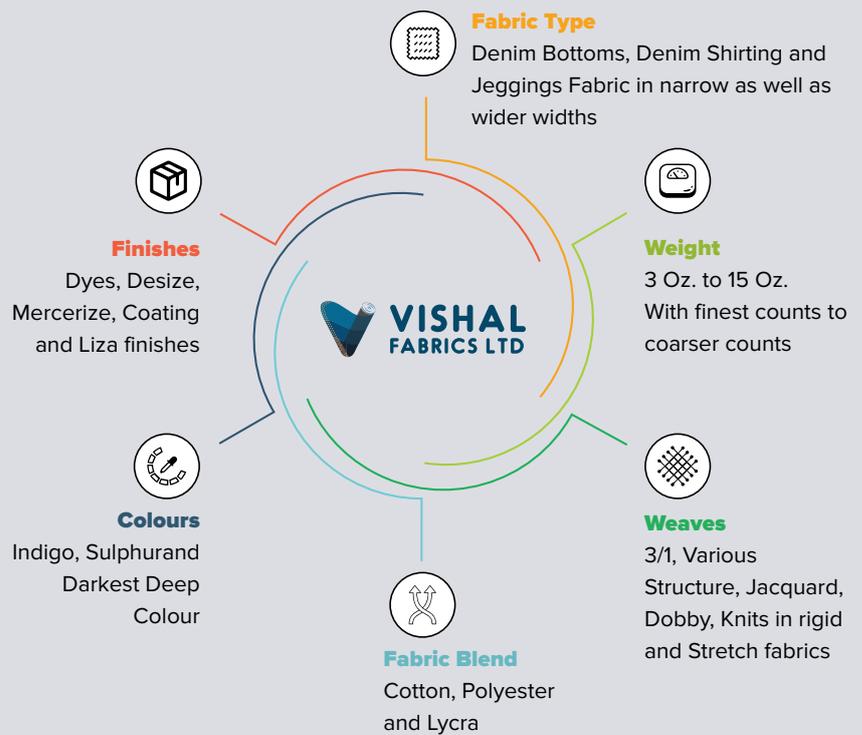
REVENUE %

Region

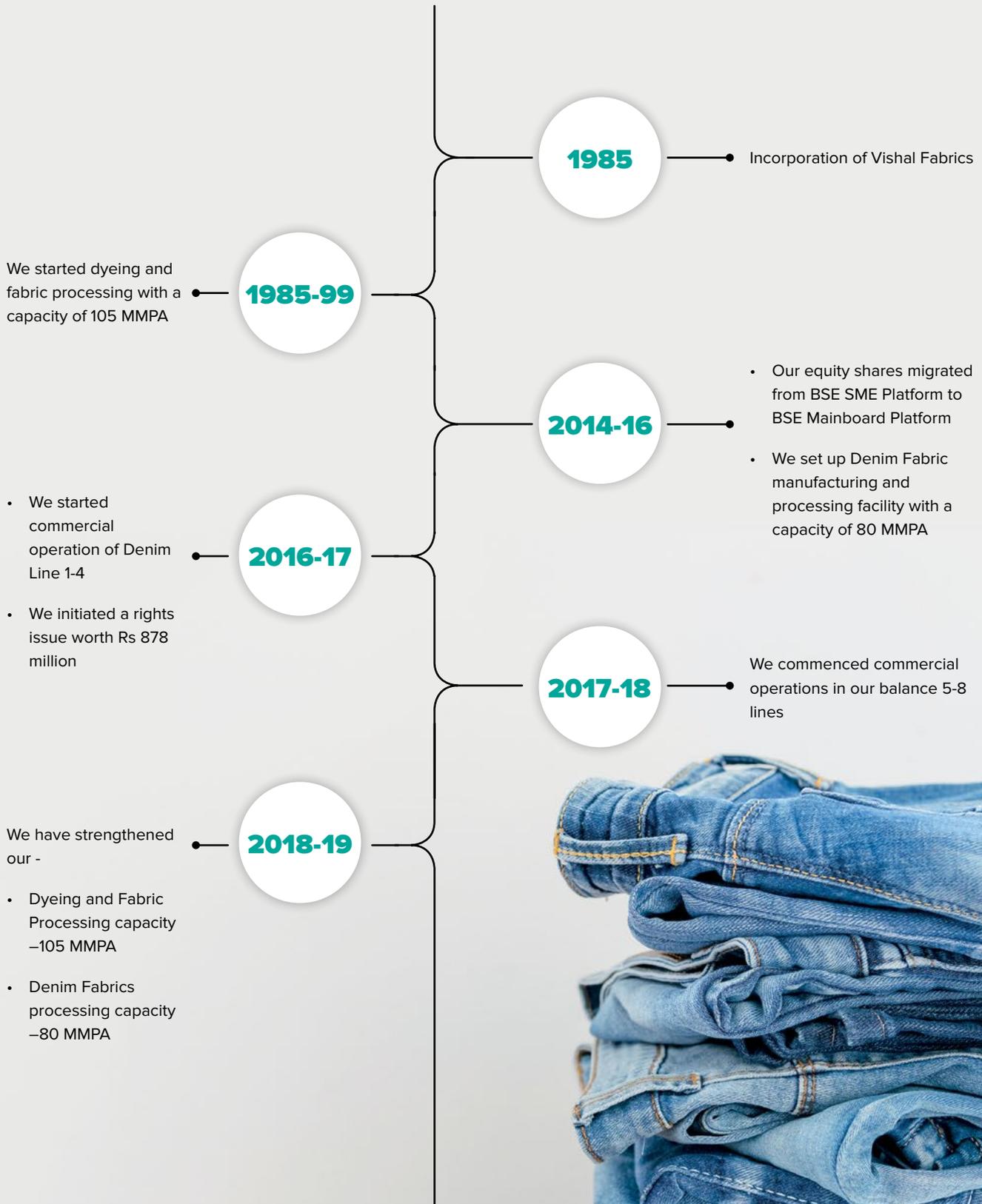


● Domestic ● International

OUR OFFERINGS



OUR STORY SO FAR...



CHAIRMAN'S MESSAGE



Dear Shareholders,

It is indeed a pleasure to share with you Vishal Fabrics' performance and our collective gains for the fiscal year 2019-20.

Your Company continues to maintain a strong market standing with its constant focus on delivering globally acceptable, premium quality products, designed to enhance customer delight. We remain firm on our virtues and values, while we keep evolving our innovative product portfolio to match a dynamic business environment.

The last fiscal proved to be immensely challenging due to multiple macro-economic factors which led to a slowdown in the global as well as Indian economy. The severe impact of the COVID-19 pandemic further worsened the situation. Several countries across the globe, including India, imposed a nationwide lockdown which resulted in temporary closure of businesses, leading to a significant decline in economic growth.

The government announced various fiscal and monetary policies aimed at reviving an ailing economy. A stimulus package of ₹ 20 lakh crore was also sanctioned by the government during the

pandemic, to bring the economy back on track.

Despite several headwinds, your Company continued to grow and deliver value, reflecting the strength of its robust business model and its strategic abilities to tide through tough times. We recorded an operational revenue of ₹ 1,296.84 crores, witnessing a growth of 29.89% as compared to the previous year. The net profit also grew significantly, by 68.53%, from ₹ 17.86 crores in FY 2018-19 to ₹ 30.10 crores in FY 2019-20.

In keeping with our endeavour to become a key player in the Denim industry, your Company remains focused on enhancing its operational efficiency and strengthening its market share. We greatly emphasize investments in ultra-modern technology to ensure agility across our processes, ranging from spinning and weaving to delivering finished products. We currently have a processing capacity of 105 MMPA, while our dyeing capacity is 80 MMPA. Over the years, we have concentrated on developing our state-of-the-art manufacturing facilities and we aspire to expand them further to improve our market reach.

We are associated with some of the most renowned fashion brands in the industry and we continue to embark on opportunities to establish ourselves as a preferred partner for our valued patrons. We currently export our products to over 12 countries around the world and aim to expand our geographic presence further in the years to come.

At Vishal Fabrics, we are aware of our social responsibility and believe in nurturing mutually beneficial relationships. We continue to invest in educational endeavours and emphasize on environmental sustainability and

social welfare to truly reflect our philosophy of "Thinking about others when thinking of self".

Going forward, your Company will be focusing on building strategic tie-ups with leading global retail brands for direct sales. We will also continue to work on optimising our capacity utilisation while improving operational efficiency.

With higher revenues, enhanced cost efficiency and a strong financial discipline, I am positive about the success of our future endeavours and the growth of your Company, as we move ahead. Moreover, an increased focus on superior technology and automation will ensure better outcomes and empower us to set new benchmarks in our industry.

In conclusion, I would like to express my heartfelt gratitude towards the Board and our Management for their constant guidance. I am also thankful to our employees for their hard work and dedication towards the Company. I acknowledge the support of our Creditors, Customers, Bankers and every other stakeholder for their faith and trust in our abilities.

The world at the moment continues to grapple with unprecedented challenges. While we remain cognizant of our responsibilities and duties, we are also confident about navigating through tough times and deliver sustainable returns in the days ahead. We continue to look forward with enthusiasm, welcoming another exciting year of opportunities and growth.

Thank you, everyone.

Brijmohan D. Chiripal
Chairman

CFO'S MESSAGE

Dear Shareholders,

The global pandemic continues to impact the business environment, with added pressures on credit availability and margins. However, resting on our strategic abilities, we continue to grow and improve our profitability and performance.

Vishal Fabrics reported strong financial performance in FY 2019-20 despite challenging circumstances. During the year, the Company experienced robust revenue growth of 29.88% to reach ₹ 12968.4 million as compared to ₹ 9984.9 million in FY 2018-19. Increased domestic demand and improvement in exports contributed to our growing sales. It was primarily led by a shift in consumer preference, driven mainly by favourable demographics, the growth of a fashion-conscious urban population and increasing reach of organised retail segments. Higher disposable income also helped to increase demand. The global denim jeans market is projected to grow at a CAGR of 4.6% to reach \$130 billion by 2021. Taking into consideration, the acceptance of denims as a preferred fabric, we remain optimistic about exponential opportunities in this segment.

During the year, we also adopted superior technology and resorted

to automated processes to reduce operational expenses and ensure cost optimization. In addition, we increased the capacity utilisation of denim manufacturing from 55% to 75% in FY 2019-20. These initiatives have contributed to better efficiency and higher EBITDA margins. During the year, we registered an EBITDA of ₹ 1034.2 million as compared to ₹ 747.6 million in the previous year, recording an impressive YoY growth of 38.33%. Besides, our EBITDA margin stood at 7.97%, in comparison to 7.49% in the last fiscal.

In FY19-20, our business segments delivered impressive results. Yarn sales improved 48% in FY19-20 and reached ₹ 7716 million against ₹ 5629 million in the previous year. Moreover, we carried forward the momentum and recorded 37% growth in the sale of finish fabrics. With sales of ₹ 3269 million during the year under review, it was significantly higher than ₹ 2213 million recorded in the previous year. Presently, our debt equity ratio stands at a comfortable 1.5x, indicating the financial prudence of our company and proving our ability to perform amidst inopportune circumstances.

Although the pandemic has largely affected the prospects of the textile industry, it is anticipated to bounce back

in the near future. The government's efforts to introduce favourable policies for the textile sector and an overall impetus to boost economic activity is expected to augur well for businesses. Moreover, as the effects of the pandemic subside and things gradually fall in place, domestic as well global demand is likely to pick up. Capitalizing on such opportunities, we aim to expand our operations to newer geographies, improve capacity utilisation and ramp up margins in the days ahead. We are also looking forward to strategic alliances with global retail brands to improve our sales further.

While increasing shareholders' value remains our prime objective for formulating future strategies, we continue to focus on improving our prospects to ensure long-term growth. As we step into another fiscal, our positivity and relentless dedication to perform against all odds motivate us to confidently fulfil organisational objectives.

Regards,

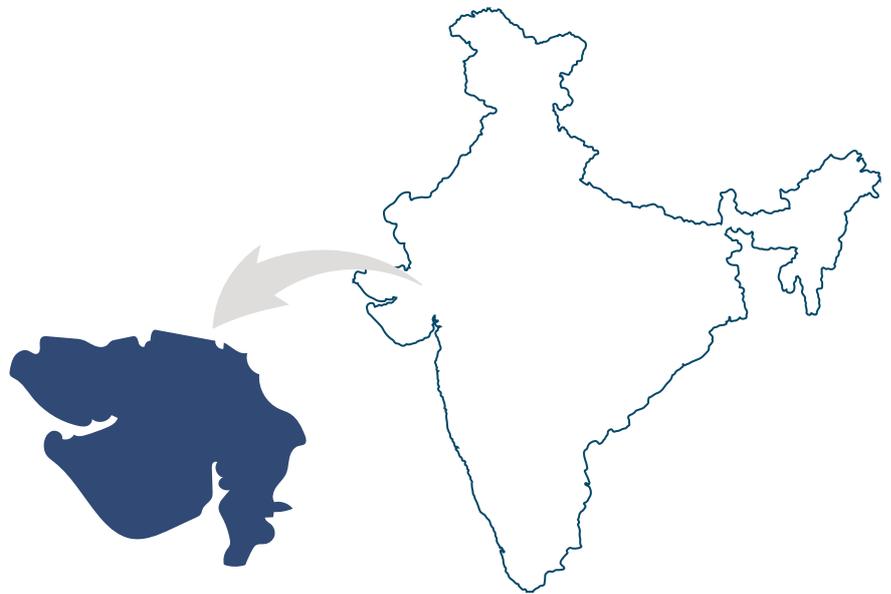
Mr. Vinay Thadani

OUR MANUFACTURING CAPABILITY

Our state-of-the-art manufacturing facilities are equipped with latest technology to scale operations and successfully integrate end-to-end processes. With our extensive experience in fabric manufacturing, we continue to enhance our capabilities to deliver the best weaves.

VISHAL FABRICS IS

- A leading manufacturer of premium denim fabrics
- Renowned for weaving denim fabric with width between 62" and 90"
- Recognized for manufacturing standard to premium grade fabric



80

MMPA

Dyeing capacity

105

MMPA

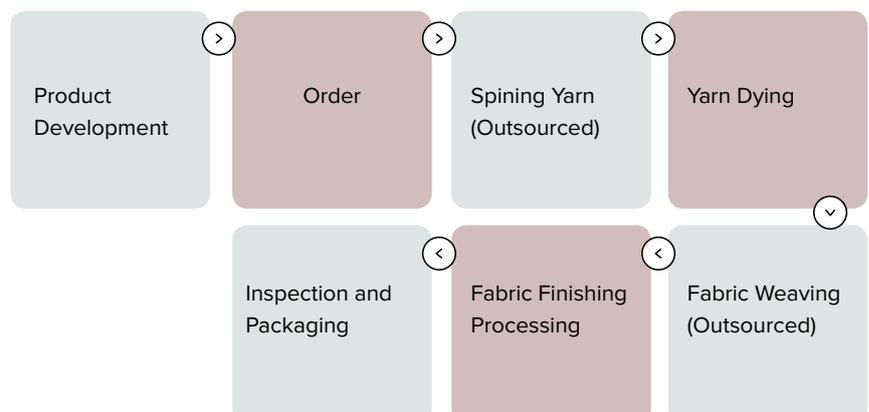
Processing capacity

Designing over

30+

products per month

VISHAL MODEL

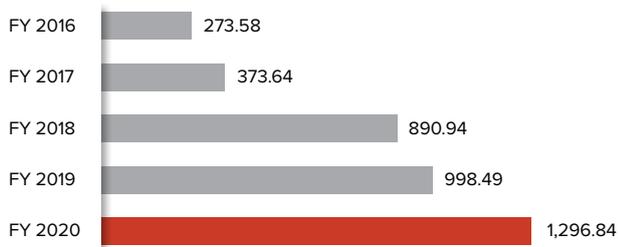


OUR CLIENTELE



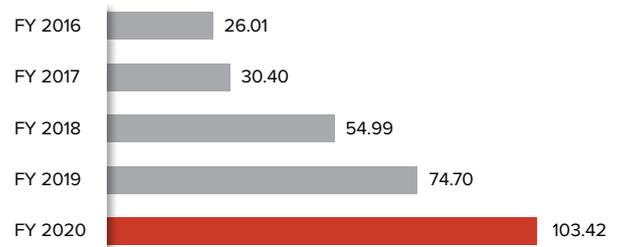
IN THE SPOTLIGHT – OUR FINANCIAL PERFORMANCE

Revenue from operations
(₹ in Crore)



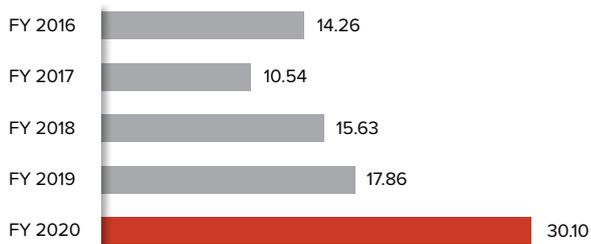
36.51% 5 year CAGR growth

EBITDA
(₹ in Crore)



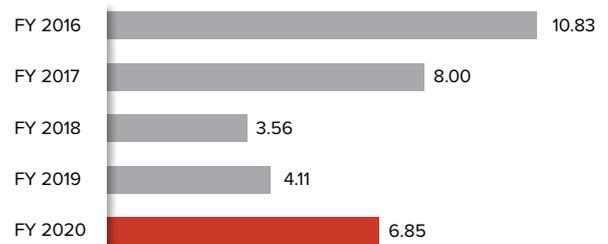
31.79% 5 year CAGR growth

PAT
(₹ in Crore)



16.12% 5 year CAGR growth

EPS
(₹ in Crore)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Brijmohan D. Chiripal
Managing Director & CEO
(DIN: 00290426)

Mr. Amit K. Kadmawala
Whole Time Director
(DIN: 07016454)

Mr. Ravindra Bajaj
Whole Time Director
(DIN: 08243855)

Mr. Shubhankar Jha
Independent Director
(DIN:07208823)

Mr. Chitranjan Ajaib Singh
Independent Director
(DIN:07300731)

Mrs. Dhara Shah
Independent Director
(DIN:06983857)

BOARD COMMITTEES

Audit Committee

Mr. Chitranjan Ajaib Singh
Chairman

Mr. Brijmohan D. Chiripal
Member

Mr. Shubhankar Jha
Member

Mrs. Dhara Shah
Member

Nomination & Remuneration Committee

Mrs. Dhara Shah
Chairman

Mr. Shubhankar Jha
Member

Mr. Chitranjan Ajaib Singh
Member

Stakeholders' Relationship Committee

Mr. Chitranjan Ajaib Singh
Chairman

Mr. Shubhankar Jha
Member

Mrs. Dhara Shah
Member

Corporate Identity Number (CIN)
L17110GJ1985PLC008206

BANKERS

Bank of Baroda
Bank of Maharashtra
Punjab National Bank
State Bank of India
The Lakshmi Vilas Bank Limited
South Indian Bank
Bandhan Bank.

CHIEF EXECUTIVE OFFICER (CEO)

Mr. Tanuj Agarwal (upto 18.12.2019)

CHIEF FINANCIAL OFFICER (CFO)

Mr. Vinay Thadani
(appointed w.e.f. 25.05.2019)

Mr. Mahesh Kawat
(resigned w.e.f 05.04.2019)

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Deepak Vyas (upto 10.10.2020)

REGISTERED OFFICE AND PLANT

Ranipur Narol Road,
Ahmedabad-382405
Phone: +91 - 79 - 2535 3977 / 78 / 79 / 80
Fax:+91 - 79 - 2535 3981

Corporate Office

'Chiripal House', Shivranjani Cross Roads,
Satellite, Ahmedabad – 380 015
Phone : +91 - 79 - 2647 3301

STATUTORY AUDITORS

M/s. Nahta Jain & Associates
Chartered Accountants

Internal Auditors

M/s. Jhaveri Shah and Company
M/s. Haribhakti & Co. LLP

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

E-MAIL

cs.vfl@chiripalgroup.com

WEBSITE

www.vishalfabricsltd.com

MANAGEMENT DISCUSSION & ANALYSIS

Industry Structure and Development

Global Textile and Apparel Market Overview

Textile consists of one of the most flexible materials, extensively used for varied purposes. The global textile and apparel industry continues to grow, backed by capacity expansion, growing demand and increasing consumption of natural fibres in the production of textile & apparels. The global textile market was valued at \$961.5 billion in CY 2019 and is projected to grow at a CAGR of 4.3% from CY 2020-27¹, owing to factors such as rising disposable income and rapid urbanisation. In terms of volume, cotton is anticipated to be the largest raw material segment, accounting for a market share of 39.5% in CY 2019. At present, China, India, and the U.S. are the major cotton producers in the world.

Denim fabrics form an integral part of the textile and apparel industry. Today, it is recognized as a fashionable fabric that is considered a must-have item for every wardrobe. Its unique style, appearance and utility has contributed to its unrivalled dominance in the fashion industry. Besides, its popularity can be attributed to factors such as affordability, durability and its prominence as a comfortable fabric.

However, the textile and apparel industry along with the denim jeans industry was significantly hit by the COVID-19 pandemic. As nationwide lockdowns were imposed in several countries, production came to a halt, leading to a temporary closure of businesses. Furthermore, livelihoods were rampantly affected and consumer spending mainly focused on essential items. This resulted in a massive decline in demand for clothing. However, with government efforts to bolster an ailing economy, the textile market is anticipated to look up in the near future.

The denim market, in particular, will be driven by the growth of an urban population, changing perceptions about 'executive wear' and the convergence of business and leisure wear. New-age entrepreneurs believe in fostering a casual working environment and this attitude is leading to a growing adoption for denim as a preferred fabric for daily wear. Rising environmental stewardship among consumers have also enhanced demand for natural and organic denims. These factors coupled with constant innovations by denim manufacturers, are expected to drive the global denim jeans market. It is projected to touch US\$87.3 billion by 2027².

Indian Textile and Apparel Market Overview

The textile and apparel industry plays a vital role in the Indian economy and contributes around 2% of the country's GDP³. The textiles and apparel industry in India spans across the value chain, with adequate resources for delivering fibre and yarn to fabric and apparel. The segment is extremely diversified and includes traditional handloom, handicrafts, wool, and silk product

segments to an organized textile manufacturing and production industry. India's textiles industry has the capacity to produce a wide variety of products suitable for different market segments, both within and outside India. Presently, India is the world's second largest exporter of textiles and clothing and the domestic textile and apparel industry is the second-largest employer in the country, providing employment to approximately 45 million people.

Growing focus on the Indian textiles and clothing industry and favourable government policies are likely to augur growth of this sector. The government's efforts to introduce export promotion policies for the textiles sector has opened up multiple opportunities for industry players. Moreover, 100% FDI has been allowed under the automatic route, resulting in a spurt of investments in the textiles sector over the past five years.

As the COVID-19 pandemic subsides, the textile industry in India is expected to bounce back and rebound growth. Resting on government support and growing demand for Indian products in the export market, the industry remains poised to explore opportunities in the days ahead.

Denim Market in India

The denim industry in India has witnessed strong growth over the years, backed by rising production capacity and increasing demand. India currently boasts of a denim manufacturing capacity of approximately 1,500 MMPA. The industry has been growing at a CAGR of 9% over the last 5 years and almost 35% of the jeans manufactured today are sustainable, showcasing the industry's commitment to deliver on its environmental goals.

With the entry of international brands, changing preferences for branded products and the growth of a young millennial population, the denim industry in India has become highly lucrative. Introduction of advanced technology, emergence of newer trends and a constantly deepening market reach have further driven the growth of the industry.

Denim continues to be a preferred choice even in rural areas. With an increasing adoption of casual clothing over traditional outfits, the market for denim is consistently growing across the country. Moreover, the growing penetration of E-Commerce channels have led to brand awareness and quality consciousness, creating more opportunities for the denim wear segment. Increasing disposable income, urbanisation and a growing preference for western wear in semi-urban and rural areas is anticipated to play a vital role in the growth of the denim industry.

¹https://www.inkworldmagazine.com/contents/view_breaking-news/2020-02-19/global-textile-market-to-register-cagr-of-43-from-2020-to-2027-grand-view-research/

²<https://www.globenewswire.com/news-release/2020/05/22/2037755/0/en/Global-Denim-Jeans-Industry.html>

³IBEF – Indian Textile and Apparel Industry

Company Overview

About Us

Vishal Fabrics Limited (VFL) is a denim manufacturing and fabric processing unit incorporated in 1985. A part of the renowned Chiripal Group, the Company leverages over 3 decades of experience to provide unmatched products to a diverse clientele. The Company constantly strives to improve its manufacturing facilities and aims to develop India's leading dyeing, printing and processing units. Its state-of-the-art manufacturing facilities are equipped with latest technology and deliver innovative products that adhere to international quality standards. Over the years, the company has managed to emerge as a pioneer in the textile industry, setting new standards of excellence.

Risk Mitigation Strategies

The Company functions in a dynamic business environment and its operations may be exposed to varied risks. To mitigate its impact, the Company appropriately identifies and assesses threats and takes necessary actions to address such risks.

Management Risk

Changes in key managerial positions and senior administrative levels may impact operations. It might hamper decision making and information flow within the organization, thereby adversely affecting day-to-day operations.

The senior management of the company is highly experienced and its expertise in this field allows the Company to seamlessly conduct operations and take important decisions that augur well for the growth of the organization.

Economic Risk

The fashion and apparel industry is impacted by cyclic changes in the economy. Drop in consumer spending, unexpected economic slowdown or policy changes may lead to a substantial impact on the profitability of the company and the entire sector.

The global economy was marred by significant volatility for a greater part of the last fiscal. However, government efforts to improve sectoral policies and the introduction of fiscal packages may alleviate the trouble faced by the textile sector. As consumer spending increases, the textile industry is expected to benefit and the Company remains poised to capitalize on emerging opportunities in the sector.

Raw Material Procurement

Fluctuation in raw material prices can adversely affect the Company's profitability and margins. Inability to procure raw materials at suitable prices may affect the Company.

The Company utilizes cotton as a primary raw material and price fluctuations may affect its top-line. To mitigate such risks, the Company leverages its proximity to cotton fields to procure large quantities of raw materials directly from farmers. This prevents inventory build-up and significantly reduces transportation costs. Besides, the Company's relation with raw material suppliers allows it to procure produce at reasonable rates. It helps the Company to mitigate and reduce the impact of fluctuating raw material prices on its profitability.

Operation and Maintenance

The company is equipped with state-of-the-art manufacturing facilities. However, inability to procure spare parts or in the event of any unprecedented crisis, the Company's operations may be impacted.

To insulate its operations from such risks, the company ensures regular maintenance of its manufacturing units and has adequate contingency plans to tackle unforeseen events.

Risk Mitigation Strategies

Market Risk

Due to the global economic slowdown, supply chain issues may directly affect market demand for our products.

The Company constantly monitors market forces and adapts its policies in accordance with evolving market demands.

Currency volatility

As the company caters to a number of foreign clients, it is exposed to risks associated with foreign currency fluctuations.

Currency volatility is related to commodity prices, but as the Company sources majority of its raw materials from India, its exposure to foreign currency risk is minimum. The Company also hedges its operations against foreign currency risks and minimizes its impact significantly.

Competition Risk

In a constantly changing fashion industry, inability to meet the needs of clients, especially those of outsourced manufacturers, may result in a loss of market share, taking into consideration the competitive business landscape.

The Company's design teams closely monitor changes in the fashion industry and collaborate with experts to deliver products that are attuned to prevalent and upcoming trends. Further, the Company's in-house R&D team constantly innovates new shades, fabrics and textures to develop exceptional products that enable them to stay ahead of the curve.

Environmental Risk

The chemicals employed in the manufacturing process can be harmful for the environment.

The Company adheres to safety norms and regulations to reduce its environmental impact and mitigate threats to the natural ecosystem.

Internal Control System and their Adequacy

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

Human Resources

The company takes pride in the commitment and dedication of its employees and considers its Human Resource vital to the success of the organization. The company fosters a conducive environment for encouraging professional growth and fulfilment of organizational objectives. It believes in promoting a safe and conducive working environment, designed to nurture a motivated and engaged workforce.

The company acknowledges the efforts of its people and takes great pride in the dedication, sincerity and hard work of its workforce.

Key Financial Ratios

Financial Ratio	FY 2019-20	FY 2018-19	Change in %	Reason for change
(i) Debtors Turnover	4.70	3.74	25.80%	Due to Decrease in Credit Provided to Debtors and increase in Sales
(ii) Inventory Turnover	19.44	13.89	39.94%	Due to Increase in Sales
(iii) Interest Coverage Ratio	3.67	2.88	27.60%	Due to Increase in Operational Margin
(iv) Current Ratio	1.56	1.50	3.98%	Due to Increase in Value of Debtors with Increase in Sales
(v) Debt Equity Ratio	1.48	1.65	-10.25%	Due to Increase in reserve due to profit
(vi) Operating Profit Margin (%)	7.81%	7.49%	4.30%	Due to Reduction of Cost of Materials with Subsidy Benefit
(vii) Net Profit Margin (%)	2.32%	1.81%	28.16%	Combine effect of Increase in Operating Margin and Increase in Revenue
(viii) Return on Net Worth (%)	12.19%	8.34%	46.19%	Due to Increase in Operational Margin

NOTICE

NOTICE is hereby given that the 35th Annual General Meeting of the members of Vishal Fabrics Limited (the Company) will be held on Wednesday, 9th December, 2020 at 03:00 p.m. IST through Video Conferencing (“VC”) / Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020, together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Brijmohan D. Chiripal (DIN: 00290426), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. A.G. Tulsian and Co., Practicing Cost Accountants (FRN: 100629), who are appointed as the Cost Auditor of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021 with remuneration not exceeding of Rs. 45,000 plus GST and reimbursement of out of pocket expenses as approved by the Board of Directors be and is hereby ratified and approved.

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

4. 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, Section 64 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with the Companies (Share Capital and Debentures) Rules, 2014 (including any re-enactment(s) and modification(s) made there under, if any, for the time being in force) and as per the provisions of Memorandum and Articles of Association of the Company, the existing Authorized Share Capital of the Company be and is hereby increased from the existing Rs. 25,00,00,000/- (Rupees Twenty-Five Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of face value of Rs. 5/- to Rs. 45,00,00,000/- (Rupees Forty-Five Crore only) divided into 9,00,00,000 (Nine Crore) Equity Shares of face value of Rs. 5/- each.”

“**RESOLVED FURTHER THAT** pursuant to Sections 13, 61, 64 and other applicable provisions, if any, of the Companies Act read with the Companies (Incorporation) Rules, 2014 (including any re-enactment(s) and modification(s) made there under, if any, for the time being in force), the existing Clause V of the Memorandum of Association of the Company be and is hereby replaced by the following Clause:

- V. The Authorized Share Capital of the Company is Rs. 45,00,00,000/- (Rupees Forty-Five Crore only) divided into 9,00,00,000 (Nine Crore) Equity Shares of face value of Rs. 5/- each.

“**RESOLVED FURTHER THAT** the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary or desirable for giving effect to this resolution, including to delegate all or any of its powers herein conferred to any Committee of Director(s)/ any other Officer(s) of the Company.”

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 Article 42 of the Articles of Association of the Company and pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable Regulations and Guidelines issued by the Securities and Exchange Board of India (the “SEBI”) and Reserve Bank of India (the “RBI”) (including any statutory modification(s) or re-enactment thereof for the time being in force) and such necessary approvals, permissions and sanctions, as may be required in this regard, the consent of the Members be and is hereby accorded to the Board for capitalization of sum to the extent of Rs. 10,97,83,335/- from the General Reserves and Profits of the Company, as may be considered necessary by the Board, for the purpose of issuance of bonus equity shares of face value of Rs. 5/- (Rupees Five only) each, credited as fully paid-up shares to the holders of the existing equity shares of the Company, whose name appears in the Register of Members maintained by the Company’s Registrar and Transfer Agent / List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as on the Record Date to be decided by the Board of Directors for this purpose, in the proportion of 1 (One) Equity Share for every 2 (Two) existing fully paid-up Equity Shares held by the Members.

“**RESOLVED FURTHER THAT** the new equity shares of Rs. 5 (Rupees Five only) each to be allotted as Bonus Shares shall be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank *pari passu* with the existing fully paid-up equity shares of the Company in all respects and shall be entitled to participate in full in any dividends and any other corporate action declared after the new equity shares are allotted.”

“**RESOLVED FURTHER THAT** the bonus shares shall be issued to the members in the same mode as existing shares are held by them on the record date and the bonus equity shares in physical form shall thereafter be dispatched to the members, except in respect of those members who hold existing equity shares in dematerialized form, within the period prescribed or that may be prescribed in this behalf, from time to time.”

“**RESOLVED FURTHER THAT** the Board of Directors/ Committee(s) of the Board thereof, shall not issue fractional share certificate(s) and instead consolidate all such fractional entitlement(s), if any, and there upon issue and allot equity shares in lieu thereof to a nominee(s) to be selected by the Board/ Committee(s), who shall hold the equity shares as trustee(s) on behalf of the members entitled to fractional entitlement(s) with the express understanding that such nominee(s) shall sell the same in the market at such time or times may be decided by the Board/ Committee(s), and distribute their net sale proceeds after adjusting the cost and expenses in respect thereof, to the members in proportion to their respective fractional entitlement(s).”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors/Committee(s) of the Board and the Company Secretary of the Company be and is hereby authorized severally to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchanges for obtaining of in-principle approval, listing of shares, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other authorities as may be necessary for the purpose, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Shares, signing of all deeds and documents as may be required.”

6. 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 14 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, approval be and is hereby granted for alteration of existing Articles of Association of the Company in such manner and up to the extent as follows:

A. The existing Article 83 of the Articles of Association of the Company be replaced with the following Article:

83. The Company in General Meeting may declare dividends to be paid to the Members other than the Members who have waived/forgone their right of receiving any Dividend (including any Interim Dividend), declared / to be declared by the Company for Financial Year, in accordance with Rules framed by the Board and amended from time to time, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in General Meeting.

B. After the existing Article 83 of the Articles of Association of the Company, following new Article being Article 83A be and is hereby added as follows:

83A “Notwithstanding anything contained in these Articles of Association of the Company, but subject to the provisions of the Act and other applicable Rules of the statutory authorities and the Rules framed by the Board of Directors of the Company in this behalf as amended from time to time by the Board, it shall be open for the Shareholders of the Company who hold the equity shares in the Company to waive/forgo his/her / their right to receive the dividend (interim or final) by him/ them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company. The waiver/forgoing by the Shareholders, his/her/their right to receive the dividend (interim or final) by him/her/them under this Article shall be irrevocable immediately after the record date /book closure date fixed for determining the names of Shareholders entitled for dividend. The Company shall not be entitled to declare or pay and shall not declare or pay dividend on equity shares to such Shareholders who have waived/forgone his/her / their right to receive the dividend (interim or final) by him/ her / them under this Article.

Subject to the provisions of the Act, the Directors may, from time to time, pay to the Members other than the Members who have waived/foregone their right of receiving any dividend declared / to be declared by the Company for any financial year, in accordance with Rules framed by the Board and amended from time to time, such interim dividends as in their judgment the position of the Company justifies.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and for removing any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as “The Board”) be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary and to settle any questions or difficulties

that may arise with regard to giving effect to the above resolution and / or to carry out such modifications / directions as may be ordered by the relevant Authority.”

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

“RESOLVED FURTHER THAT pursuant to section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and applicable provisions, if any, of the Companies Act, 1956 and in accordance with the Memorandum of Association and Articles of Association of the Company and all other applicable regulations as amended from time to time, and subject to all such approval(s), consent(s), permission(s), sanction(s), if any, of appropriate statutory, governmental and other authorities and departments in this regard and subject to such condition(s) and modification(s) as may be prescribed or imposed, while granting such approval(s), consent(s), permission(s), sanction(s), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the “Board”, which term shall be deemed to include any committee(s) constituted / to be constituted by the Board to exercise its powers including powers conferred by this resolution, to the extent permitted by law), on the terms and conditions contained in the Financing Documents, such terms and conditions to provide, *inter alia*, for an option to the Lenders to convert the whole or part of the outstanding of the Additional Facilities (whether then due or payable or not), into fully paid up equity shares of the Company at par or book value, whichever is lower and in the manner specified in a notice in writing to be given by the Lenders to the Company (hereinafter referred to as the “Notice of Conversion”) and in accordance with the following conditions:

- (i) The conversion right reserved as aforesaid may be exercised by the Lenders on one or more occasions during the term of the Additional Facilities;
- (ii) On receipt of the Notice of Conversion, the Company shall, allot and issue the requisite number of fully paid up equity shares to the respective Lenders or any other person identified by the Lenders, as from the date of conversion and the Lenders shall accept the same in satisfaction of the part of the loans so converted;
- (iii) The part of the Additional Facilities so converted shall cease to carry interest as from the date of conversion and the loan shall stand correspondingly reduced. Upon such conversion, the repayment installments of the loan payable after the date of conversion as per the Financing Documents shall stand reduced proportionately by the amounts of the loan so converted. The equity shares so allotted and issued to the Lenders or such other person identified by the Lenders shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank *pari passu* with the existing equity shares

of the Company in all respects. The Company shall, at all times, maintain sufficient unissued authorised equity shares for the above purpose;

- (iv) In the event that the Lenders exercise the conversion right aforesaid, the Company shall at its cost get the equity shares, issued to the Lenders or such other person identified by the Lenders as a result of the conversion, listed with such stock exchanges as may be prescribed by the Lenders or such other person identified by the Lenders and for the said purpose the Company shall take all such steps as may be necessary to the satisfaction of the Lenders or such other person identified by the Lenders, to ensure that the equity shares are listed as required by the Lenders or such other person identified by the Lenders; and
- (v) The loans shall be converted into equity shares at a price to be determined in accordance with the applicable laws at the time of such conversion.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise the terms and conditions for raising the Additional Facilities, from time to time, with an option to convert the Additional Facilities including existing into equity shares of the Company anytime during the term of the Additional Facilities, on the terms specified in the Financing Documents, including upon happening of an event of default by the Company in terms of the loan arrangements.”

“RESOLVED FURTHER THAT on receipt of the Notice of Conversion, the Board be and is hereby authorized to do all such acts, deeds and things as may be necessary and shall allot and issue requisite number of fully paid up equity shares in the Company to such Lenders.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to issue, offer and allot from time to time to the Lenders such number of equity shares for conversion of the outstanding portion of the loans as may be desired by the Lenders.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to accept such modifications and to accept such terms and conditions as may be imposed or required by the Lenders arising from or incidental to the aforesaid terms providing for such option and to do all such acts and things as may be necessary to give effect to this resolution.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, be and is hereby authorised to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the aforesaid shares, to dematerialize the shares of the Company and to resolve and settle any question, difficulty or doubt that may arise in this regard and to do all such other acts, deeds, matters and things in connection or incidental thereto as the Board

in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby also authorised to delegate all or any of the powers herein conferred by this resolution to any committee of directors or any person/s as it may in its absolute discretion deem fit in order to give effect to this resolution.”

By order of the Board of Directors

Date: 3rd November, 2020
Place: Ahmedabad

Brijmohan D. Chiripal
Managing Director & CEO

NOTES:

1. In order to contain the spread of Novel Coronavirus (COVID-19), the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated April 8, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM as per the procedure mentioned in point no. 21.
2. This AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. The Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to appointment / re-appointment of Directors and explanatory statements in respect to special business to be transacted at the meeting, is annexed hereto.
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees as stipulated under Regulation 36 of the SEBI (LODR) Regulations, 2015 entered into with the Stock Exchange, are provided in the annexure to the notice calling Annual General Meeting.
5. Corporate Members are entitled to appoint their authorized representatives pursuant to Sections 112 and 113 of the Companies Act, 2013, as the case may be, to attend the AGM through VC/OAVM or to vote through e-Voting are requested to send a certified copy of the Board resolution to the Scrutinizer by e-mail at cskjco@gmail.com with a copy marked to cs.vfl@chiripalgroup.com
6. Members of the Company as on the record date i.e. 6th November, 2020 will receive the Annual Report along with Notice through Email whose Email IDs are registered with the Depository or Company and it's also be available on the Company's website at <https://vishalfabricsltd.com/annual-reports/> and on the website of Link Intime at <https://instavote.linkintime.co.in/>
7. In accordance with MCA Circular No. 20/2020 dated 5th May, 2020 and SEBI Circular No. SEBI/HO/ CFD/CMD1/ CIR/P/2020/79 dated 12 May 2020, the Annual Report for FY 2019-20 and Notice of AGM are being sent in electronic mode.
8. Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
9. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to participate at the AGM.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 and the Register of Contracts maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
11. Members holding equity shares are requested to notify the change of address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts.
12. 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.
13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
15. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. 27th November, 2020 only, shall be entitled to avail the facility of remote e-voting/e-voting and participate in the AGM.
16. Mr. Jatin Kapadia, COP Number 12043, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, first count the votes cast during the meeting and thereafter unblock the votes cast through remote e-voting and e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The voting

rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 2nd December, 2020.

17. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.vishalfabricsltd.com and on the website of Link Intime within two days of the resolutions at the Annual General Meeting of the Company, and communicated to Stock Exchanges.
18. All documents referred to in the accompanying notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays and public holiday, during business hours up to the date of the Annual General Meeting.
19. The Companies Act, 2013 provides nomination facility to the members. As a member of the Company, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by the members who currently hold shares in their single name. Nomination can avoid the process of acquiring any right in shares through transmission by law. In case of nomination for the shares held by the joint holders, such nomination will be effective only on death of all the holders. The shares which are held in dematerialized form, the nomination form needs to be forwarded to your Depository Participant.
20. Any member desiring any clarification/explanation in respect of the information given in this annual report is requested to submit query to the company at least 7 days in advance before the meeting so as to enable the management to keep information ready.

21. The detailed procedure for participation in the meeting through VC/OAVM.

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020, 05th May, 2020 and SEBI Circular dated 12th May, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Link Intime India Private Limited (LIPL), as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by LIPL.
- There being no physical shareholders in the Company, the Register of members and share transfer books of the Company will not be closed. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Wednesday, 2nd December, 2020,

shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

- A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Wednesday, 2nd December, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
- The remote e-voting will commence on 9:00 A.M. on Sunday, 6th December, 2020 and will end on 5:00 P.M. on Tuesday, 8th December, 2020 During this period, the members of the Company holding shares as on the Cut-off date i.e. Wednesday, 2nd December, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by LIPL thereafter.
- Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date i.e. Wednesday, 2nd December, 2020.

Remote e-Voting Instructions for shareholders:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company

- #### B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

- Shareholders/ members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**
- Shareholders/ members holding shares in **NSDL demat account shall provide 'D', above**
- Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**'; else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for

the Scrutinizer to verify the same.

If you have forgotten the password:

- o Click on 'Login' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
- Select the "**Company**" and '**Event Date**' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**

- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
 - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
- B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
- C. Mobile No.:** Enter your mobile number.
- D. Email ID:** Enter your email id, as recorded with your DP/Company.
- Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

NOTE:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel: +91 22 – 4918 6175.

• Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the cs.vfl@chiripalgroup.com for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company

reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Note:

Members seeking any information with regard to the accounts or any matter to be placed at the AGM or who would like to ask questions, are requested to write 3 days in advance to the Company mentioning their name demat account number/folio number, email id, mobile number at cs.vfl@chiripalgroup.com so as to enable the management to keep the information ready.

• Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/

Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any

disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

CONTACT DETAILS FOR UPDATE ANY INFORMATION:

Company	<p>Vishal Fabrics Limited Shanti Corporate House, Beside Hira Rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad - 380058 Phone: 9099952542; Email: cs.vfl@chiripalgroup.com Web: https://vishalfabricsltd.com/</p>
Registrar and Transfer Agent	<p>Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, Maharashtra. Tel: +91 79 2646 5179/86/87; Email: ahmedabad@linkintime.co.in; Web: www.linkintime.co.in</p>
e-Voting Agency	<p>Mr. Rajiv Ranjan Email: enotices@linkintime.co.in; Tel: +91 22 – 4918 6000</p>
VC/OAVM	<p>Mr. Rajiv Ranjan Email: instameet@linkintime.co.in; Tel: +91 22 – 4918 6175</p>
Scrutinizer	<p>Mr. Jatin Kapadia Email: cskjco@gmail.com ; Tel: +91 79 489 44 6 55</p>

By order of the Board of Directors

Date: 3rd November, 2020
Place: Ahmedabad

Brijmohan D. Chiripal
Managing Director & CEO

EXPLANATORY STATEMENT

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

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

Item No. 3

The Board of Directors on the recommendation of Audit Committee at their meeting held on 10th July, 2020 have approved re-appointment and remuneration of Cost Auditors to conduct audit of cost records of the Company for financial year ending 31st March, 2021 at a remuneration, not in excess of Rs. 45,000/- (Rupees Forty Five Thousands) in accordance with provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to Cost Auditors has to be ratified and approved by shareholders of the Company. Accordingly, consent of members is sought for passing an Ordinary Resolution as set out at Item No.3 of the Notice for ratification and approval of remuneration payable to Cost Auditors for financial year ending 31st March, 2021.

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

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

Item No.4

The current Authorized Share Capital of your Company is Rs. 25,00,00,000/- (Rupees Twenty-Five Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 5/- each. The issue of bonus shares as mentioned in Item No. 5 would require increase in the Authorized Share Capital of the Company and consequential alteration to the existing Clause V of the Memorandum of Association of the Company.

The Board of Directors in its meeting held on 22nd October, 2020 has proposed to increase the Authorized Share Capital to Rs. 45,00,00,000/- (Rupees Forty-Five Crore only) divided into 9,00,00,000 (Nine Crore) Equity Shares of Rs. 5/- each.

Pursuant to the provisions of Sections 61 and 63 and other applicable provisions of the Act and subject to applicable statutory and regulatory approvals, the increase in Authorized Share Capital, alteration of the Capital Clause of the Memorandum of Association and issue of bonus shares of the Company require approval of the Members.

Accordingly, the Board recommends the Item No. 4 to be passed as Ordinary Resolution by the Members of the Company.

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

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

Item No.5

The equity shares of your Company are listed and actively traded on BSE Limited. With a view to encourage the participation of small investors by making equity shares of the Company affordable, increasing the liquidity of the equity shares and to expand the retail shareholders' base, the Board of Directors in its meeting held on 22nd October, 2020 considered, approved and recommended an issue of bonus shares in the proportion of One new equity share of the Company of Rs. 5 each for every Two existing equity shares of the Company of Rs. 5 each held by the Members on the "Record Date" to be determined by the Board by capitalizing a sum of not exceeding Rs. 10,97,83,335/- out of the General Reserves and Profits of the Company as at 30th June, 2020.

The bonus shares, once allotted, shall rank pari-passu in all respects and carry the same rights as the existing equity shares and holders of the bonus shares shall be entitled to participate in full in any dividend and other corporate action, recommended and declared after the new equity shares are allotted.

Thus, pursuant to Article 42 of the Articles of Association of the Company and provisions of Sections 63 and other applicable provisions, if any, of the Companies Act, 2013 and subject to applicable statutory and regulatory approvals, the issue of bonus shares of the Company requires the approval of the Members of the Company.

Accordingly, the Board recommends the Item No. 5 to be passed as Ordinary Resolution by the Members of the Company.

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

The Board recommends Ordinary Resolution set out at Item No. 5 of Notice for your approval.

Item No.6

Certain shareholders enquired from the Board of Directors whether there are any conditions / stipulations in the Article of Association of the Company that enables any shareholder or its group to waive / forgo the dividend, whether interim or final, to be declared by the Company at any point of time in the future. On the perusal of the existing Articles of Association of the Company, there was no condition / stipulation by which any share-holder or group can waive or forgo any type of dividend to be declared at any time in future. Further the Company does not have any guidelines or set procedures as on date in this regard. The matter may be in the personal interest of the shareholders concerned as it relates to forgoing their entitlements or rights which is a purely personal choice. As far as the Company is concerned, a suitable provision is required in the existing Articles of Association of the Company. The proposed resolution is meant to alter the existing Articles of Association of the Company by amending the existing

Article No. 83 and addition of a new article as Article “83A” after the existing article 83 of the Articles of Association. After the alteration of existing Article No. 83 and insertion of the new Article “83A” in the Article, the Board of Directors of the Company will have suitable powers to accept the request to forgo / waive the right to receive dividend by the Shareholders of the Company.

The Draft amended Article of Association has been placed on the website of the Company - for members' inspection.

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

The Board recommends Ordinary Resolution set out at Item No. 6 of Notice for your approval.

Item No.7

Section 62(1)(c) of the Companies Act, 2013, inter-alia, provides that where at any time, a Company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered to any person, if it is authorized by a special resolution for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed. Further, Section 62(3) of the Companies Act, 2013, provides that nothing in Section 62 shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the company; provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

In terms of the provisions of the Companies Act, 2013, the shareholders of the Company have already accorded approval to the Board of Directors of the Company to borrow money / moneys up to an amount of Rs. 2000.00 crores (Rupees Two Thousand Five Hundred Crores only) and to create charges on the Company's properties for securing the borrowing within the above limits and working capital facilities availed or to be availed by passing a special resolution. For the purposes of such Borrowings, the Company may, from time to time, be required to execute financing documents, which provides for an enabling option to the Lenders, to convert the whole or any part of such outstanding Financial Assistance (comprising loans, debentures or any other financial assistance categorized as loans), into fully paid up Equity Shares of the Company;

(i) upon occurrence of a default in payment of Interest or repayment of any Instalment or Interest thereon or any combination thereof, subject to an appropriate notice of default and a cure period for the said default as may be agreed to; and /or

(ii) in accordance with the rights conferred on the Lenders pursuant to any regulations of Reserve Bank of India as modified from time to time.

Such conversion, in the events as mentioned above, will be at a price in accordance with the relevant guidelines of the Securities Exchange Board of India and such other law as may be applicable.

In line with the regulatory changes in the recent past, the changes in the Companies Act and in line with the various directives issued by Reserve Bank of India, from time to time, the Company has been advised to pass special resolution under section 62(3) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder to enable the banks and financial institutions lenders (hereinafter referred to as the “Lenders”) to convert the Facilities together with the outstanding loans or any other financial assistance (hereinafter referred to as the “Loans”), in foreign currency or Indian Rupee, already availed from the lenders or as may be availed from the Lenders, from time to time, at their option, into equity shares of the Company upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable laws at the time of such conversion.

Accordingly, the Board recommends the resolution as set out in Item No.7 to enable the Lenders, in terms of the lending arrangements, entered or to be entered and as may be specified under the Financing Documents already executed or to be executed in respect of the Loans availed or to be availed, at their option, to convert the whole or part of their respective Loans into equity shares of the Company, upon such terms and conditions as may be deemed appropriate by the Board and at a price to be determined in accordance with the applicable law at the time of such conversion.

Since decision of raising the financial assistances or agreeing to terms and conditions for raising the financial assistances (including option to convert loan into equity) are required to be taken on quick basis, especially keeping in view the interest of the Company, it may not be feasible for the Company to seek shareholders consent each and every time, in view of the timings and the expenses involved, hence this resolution.

Pursuant to provisions of section 62(3) of the Companies Act, 2013, this resolution requires approval of the shareholders by way of passing of a special resolution. Hence, the Board recommended the said enabling resolution for the approval of shareholders.

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

The Board recommends Ordinary Resolution set out at Item No. 7 of Notice for your approval.

By order of the Board of Directors

Brijmohan D. Chirpal
Managing Director & CEO

Date: 3rd November, 2020

Place: Ahmedabad

ANNEXURE

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

(Under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements), 2015)

In respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are as follows:

Name of Director	Mr. Brijmohan D. Chiripal
DIN	00290426
Nationality	Indian
Date of Birth	15/07/1961
Age	59 years
Date of appointment	01/06/2017
Brief Resume and Nature of Expertise in Functional Area	Mr. Brijmohan Chiripal is a visionary, think tank, and a beacon of astute leadership in the Chiripal Group. He is a Chemical Engineer with almost 21 years of business experience in Textile Processing as well as export and domestic trading.
Educational Qualification	B.E. (Chemicals)
Disclosure of Relationships between Directors inter-se	No Relationship with Director
List of Directorship / Committee Memberships in other Listed Companies as on 31st March, 2020.	NIL
Shareholding in Vishal Fabrics Ltd.	16,63,000 No of Equity Shares

Notes:

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

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

Date: 3rd November, 2020
Place: Ahmedabad

Brijmohan D. Chiripal
Managing Director

DIRECTORS' REPORT

To,
The Members
Vishal Fabrics Limited

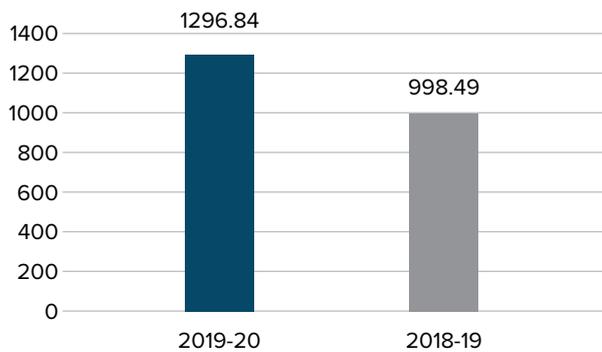
Your Directors are pleased to present the 35th Annual Report along with Audited Financial Statements for the financial year ended 31st March, 2020.

1. FINANCIAL HIGHLIGHTS

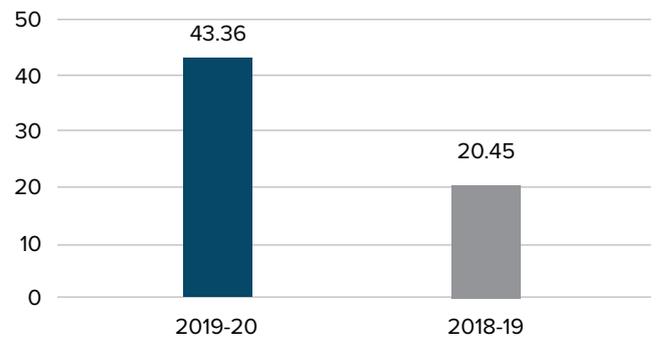
(₹ in Crore)

Particulars	2019-20	2018-19
Net revenue from operations	1296.84	998.49
Other income	2.31	1.04
Less: Expenditure (excluding depreciation)	1225.46	949.78
Profit Before Depreciation & Tax	73.69	49.75
Less : Depreciation	30.33	29.31
Profit Before Tax	43.36	20.45
Less : Provision for Taxation (Including Deferred Tax)	13.26	2.59
Profit After Tax	30.10	17.86
Earnings Per Share (in ₹)	6.85	4.07

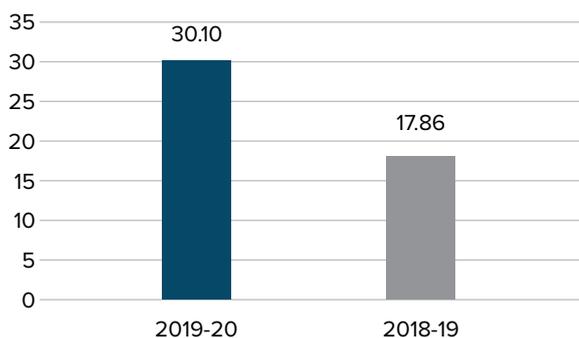
Net Revenue from operations



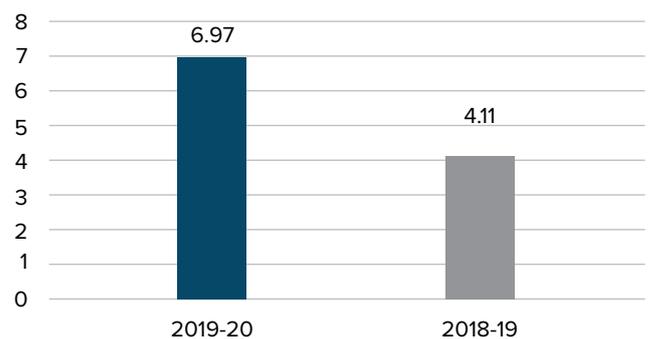
Profit Before Tax



Profit After Tax



Earnings per share (in ₹)



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

During the year under review, your Company has achieved a turnover of ₹ 1296.84/- Crore as compared to a turnover of ₹ 998.49/- Crore over the previous financial year which shows increase of 29.88%. The profit before depreciation and tax was ₹ 73.69 /- crore which increased by 48.12 % as compared to previous year. further the profit after tax was ₹ 30.10/-Crore as compared to net profit of ₹ 17.86/- Crore in the previous year, which increased by 68.53%.

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

3. COVID-19 PANDEMIC

The World Health Organisation (WHO) declared COVID-19 a global pandemic on March 2020 and the Ministry of Home Affairs, Government of India on 24th March, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of COVID-19. Consequently operation was shut down completely. In the course of time, the Company received approval from the concerned authorities of the State of Gujarat to resume its operation on 11th April, 2020 and with complying of COVID-19 guidelines resumed operations with a limited workforce and the Company has been monitoring potential knock-on effects on production and deliveries and will try to mitigate the same. The marketing team of the Company has been in constant touch with customers across the country and well-positioned to tap the opportunities that may come across post the lockdown. We have a strong orderbook and will continue to serve our customers diligently.

The Company has taken various initiatives towards financial, medical and community support in the fight against COVID-19 pandemic as under;

- Chiripal Group contributed ₹ 1 crore to Gujarat CM Relief Fund to fight COVID-19 pandemic.
- We have undergone sanitisation process in surrounding villages
- The Chiripal Group has supported 50,000 plus people with sanitizers and soaps.
- The Company supplied food grains to 2,500 plus families.
- We have also distributed food packages to 50,000 plus people in need.
- We also distributed masks to 50,000 plus people to fight the pandemic.
- The Chiripal Group also donated towels to 20,000 plus people.

Vishal Fabrics Limited has been closely monitoring the evolution of the Corona Virus situation and its impact on the business.

4. DIVIDEND

The Company is concerned for organic growth and capital expenditure therefor the Board of Directors have not recommended any dividend during the year.

In pursuance to Regulation 43A of the SEBI (LODR) Regulations, 2015, the Company has formulated a Dividend Distribution Policy which was approved and adopted in the Board Meeting and the same is available on company's weblink as <https://vishalfabricsltd.com/wp-content/uploads/2018/11/Dividend-Distribution-Policy.pdf> and also from part of this as Annexure VIII.

5. TRANSFERS TO RESERVES

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

6. CHANGE IN CAPITAL STRUCTURE

The paid-up equity share capital of the Company as on 31st March, 2020 was ₹ 2195.67/- lacs (43913334 Equity Shares of ₹ 5/- each) During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on 31st March, 2020, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

7. PERFORMANCE OF SUBSIDIARY COMPANY

The Company has no subsidiaries therefore not required to provide detail of performance of subsidiary Company.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

9. EXTRACT OF ANNUAL RETURN

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

10. RELATED PARTY TRANSACTIONS

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

All Related Party Transactions are placed before the Audit Committee for approval. Omnibus approval was obtained on

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

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

11. CREDIT RATING

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

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

DIRECTORS RETIRING BY ROTATION

Mr. Brijmohan Chiripal (DIN: 00290426), Managing Director of the Company, aged 67 years, retires by rotation as a Director at the conclusion of this Annual General Meeting pursuant to the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible have offered himself for re-appointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM.

DIRECTOR

- Mr. Ravindra Bajaj (DIN: 08243855) was regularized as Whole Time Director in the category of Executive Non-Independent Director w.e.f. 30th September, 2019.

KEY MANAGERIAL PERSONNEL (KMP)

- Mr. Mahesh Kawat, resigned from the post of Chief Financial Officer (CFO) of the Company w.e.f. 5th April, 2019.
- Mr. Tanuj Agarwal resigned from the post of Chief Executive Officer (CEO) of the Company w.e.f. 18th December, 2019.
- Mr. Vinay Thadani was appointed as Chief Financial Officer (CFO) of the Company w.e.f. 25th May, 2019.
- Mr. Brijmohan Chiripal was appointed as Chief Executive Officer (CEO) of the Company w.e.f. 14th February, 2020.

The composition of the Board of Directors and its Committees are provided in the Corporate Governance Report, which forms part of the Annual Report. Certificate of Non-Disqualification of Directors has been attached as Annexure I.

13. NUMBER OF BOARD AND COMMITTEE MEETINGS

The Board meets once in every quarter to review the quarterly financial results and other items of the agenda and if necessary, additional meetings are held as and when required. The intervening gap between the meetings was within the period prescribed under SEBI (LODR) Regulations, 2015 & Companies Act, 2013. The agenda is circulated well in advance to the Board members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. The details of the Board and its Committees meetings and attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of the Annual Report.

14. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 14th November, 2019 inter alia, to discuss:

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

All Independent Directors were present at the meeting.

FAMILIARIZATION PROGRAMMES

The Company has adopted a familiarization policy for Independent Directors. The policy as well as the details with regard to no. of hours and details of imparting the training to the Independent Directors of the Company are available on the Company's website.

The Independent Directors have yet to clear their proficiency test as per MCA guidelines.

Independent Directors Databank

The Company has received confirmations from Independent Directors confirming that they have registered their names in the Independent Directors' Databank.

Nomination and Remuneration Policy

The Company has formulated and adopted the Nomination and Remuneration Policy in accordance with the provisions of Companies Act, 2013 read with Rules issued thereunder and the Listing Regulations.

The salient features of the Policy are set out in the Corporate Governance Report which forms part of this Annual Report. The Policy is also available on the website of the Company.

15. DECLARATION FROM INDEPENDENT DIRECTORS

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

16. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

An Independent Director shall be a person of integrity and possess appropriate balance of skills, experience and knowledge as details provided in the Corporate Governance Report. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31st March, 2020 except for payment of sitting fees.

17. CRITERIA FOR APPOINTMENT OF MANAGING DIRECTORS / WHOLE - TIME DIRECTORS.

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

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

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

18. CORPORATE SOCIAL RESPONSIBILITY (CSR):

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

19. FORMAL ANNUAL EVALUATION

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

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

20. AUDITORS AND AUDITORS' REPORT

A. STATUTORY AUDITOR

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

The Auditors' Report for F.Y. 2019-20 forms part of this Annual Report and do not contain any qualification, reservation or adverse remark.

B. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Jatin Kapadia, Practicing Company Secretary, (M.No.: 26725) to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report is annexed herewith as **Annexure-IV**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The Secretarial Compliance Report has been attached as Annexure II.

C. COST AUDITOR

In accordance with the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company had appointed M/s. A.G. Tulsian and Co., Cost Accountants (FRN: 100629) as the Cost Auditor of the Company for the financial year 2019-20.

The Board has re-appointed M/s. A.G. Tulsian and Co., Cost Accountants (FRN: 100629) as Cost Auditor to conduct the audit of cost records of your Company for the financial year 2020-21. The payment of remuneration to Cost Auditor requires the approval/ratification of the members of the Company and necessary resolution in this regard, has been included in the notice convening 35th AGM of the Company.

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

The Cost Audit Report, in Form No. CRA-4 (XBRL mode), for the year ended 31st March, 2019 was filed with the Central Government within the prescribed time.

D. INTERNAL AUDITOR

In accordance with the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company have appointed two Internal Auditors for the F.Y. 2020-21.

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

Details in respect of frauds reported by Auditors other than those which are reportable to the Central Government

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

21. 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 2019 - 20. 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.

22. MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT

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

23. PREVENTION OF INSIDER TRADING

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

The updated "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" ("Code of Fair Disclosure") uploaded on the Company's website at <https://vishalfabricsltd.com/wp-content/uploads/2019/04/Code-on-Insider-Trading-updated-as-on-30.03.2019.pdf>

24. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

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

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

26. PUBLIC DEPOSITS

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

27. RISK MANAGEMENT

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

28. INTERNAL CONTROL SYSTEM

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

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

29. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors confirm that:

- (i) that in the preparation of the accounts for the financial year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2020 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.

30. 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-V** to this report.

31. 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-VI** to this Report.

32. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as required by Regulation 34(2) of the Listing Regulations is annexed as **Annexure-VII** and forms an integral part of this Report.

33. ENVIRONMENT, HEALTH AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

DISCLOSURE UNDER SCHEDULE V(F) OF THE SEBI (LODR) REGULATIONS, 2015

The Company does not have any Unclaimed Shares issued in physical form pursuant to Public Issue / Rights Issue.

34. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

35. INSURANCE

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

36. LISTING OF SHARES

Your Company's shares are listed at BSE Limited and the listing fee for the year 2020-2021 has been duly paid.

37. COMPLIANCE WITH SECRETARIAL STANDARD

The Company has complied with Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government from time to time.

38. APPRECIATION AND ACKNOWLEDGEMENT

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

For and on behalf of the Board

Brijmohan D. Chiripal
Managing Director
DIN: 00290426

Amit Kadmawala
Whole-time Director
DIN: 07016454

Date: 3rd November, 2020
Place: Ahmedabad

ANNEXURE-I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Vishal Fabrics Ltd
Ranipur, Narol Road,
Ahmedabad,
Gujarat, 382405

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vishal Fabrics Limited having CIN L17110GJ1985PLC008206 and having registered office at Ranipur, Narol Road, Ahmedabad, Gujarat, 382405 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have not been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr No.	Name of Director	DIN	Date of Appointment of Director
01.	Brijmohan Chiripal Devkinandan	00290426	01/06/2017
02.	Dhara Rupeshkumar Shah	06983857	05/03/2015
03.	Amit Kadmawala Khemchand	07016454	13/11/2014
04.	Shubhankar Jha	07208823	28/05/2015
05.	Chitranjan Ajaib Singh	07300731	30/05/2017
06.	Ravindrakumar Bajranglal Bajaj	08243855	25/05/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

K. JATIN & CO.,
(COMPANY SECRETARY)
(UCN:S2017GJ508600)

JATINBHAI HARISHBHAI KAPADIA

PROPRIETOR

COP: 12043

ACS: 26725

DATE: 24th July, 2020

PLACE: AHMEDABAD

ANNEXURE-II

SECRETARIAL COMPLIANCE REPORT OF VISHAL FABRICS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2020

We Jatin Harishbhai Kapadia have examined:

- (a) all the documents and records made available to us and explanation provided by Vishal Fabrics Limited (“the listed entity”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2020 (“Review Period”) in respect of compliance with the provisions of :

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – Not Applicable during the year under reviewed;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not Applicable during the year under reviewed;
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not Applicable during the year under reviewed;
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013 - Not Applicable during the year under reviewed;
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and circulars/ guidelines issued thereunder;

and based on the above examination, I/We hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
----- N.A. -----			

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars*) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
----- N.A. -----				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended... <i>(The years are to be mentioned)</i>	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
----- N.A. -----				

K. JATIN & CO.,
(COMPANY SECRETARY)
(UCN:S2017GJ508600)

DATE: 24th July, 2020
PLACE: AHMEDABAD
UDIN: A026725B000500902

JATINBHAI HARISHBHAI KAPADIA
PROPRIETOR
COP: 12043

ANNEXURE-III

Corporate Social Responsibility (CSR)

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (“CSR”) ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

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

Objectives:

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

Vishal Fabrics Limited aims to achieve its CSR objectives through:

The Company aims at making a positive impact on society through educational development directly through its registered trust namely ‘Milestone Educom Trust; ‘Happiness Reserves Foundation’ and ‘Chiripal Charitable Trust’ for the below mentioned objectives:

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

and boards, among others and helping in setting up of libraries and science laboratories and other related activities;

- Promoting education by providing educational resources for students as computer & study material, student books & periodicals, teaching aids, computer hardware & software for smart classes, workshops on self-defense and enhancing soft skills;
- Socializing the importance of education for children and community leaders;
- Granting scholarship for higher education, etc.

The Composition of the CSR Committee:

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

Average Net Profit of the Company for last three Financial Years: ₹ 19.55/- Crores

Prescribed CSR Expenditure (two per cent of the Average net profit i.e. ₹ 1954.95/- Lacs): ₹ 0.39/- Crore

Details of CSR spent during the Financial Year 2019-20:

- (a) Total amount to be spent for the Financial Year: ₹ 1.37/- Crores
- (b) Amount unspent, if any: - Not Applicable

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

For and on behalf of the Board

Date: 3rd November, 2020
Place: Ahmedabad

Brijmohan D. Chiripal
Managing Director
DIN: 00290426

ANNEXURE-IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members

Vishal Fabrics Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial period ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns, filed and other record maintained by the Company for the financial year ended on 31st March, 2020 according to the provisions of:

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

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable**
- e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable**
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable**
- h. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and (i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. - **Not applicable**
- (vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of periodic certificate under internal Compliance system submitted to the Board of Directors of the Company.

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

- (i) Secretarial Standards, as amended from time to time, issued by the Institute of Company Secretaries of India. - Generally complied with.
- (ii) The Listing Agreements and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

participation at the meeting. All the decisions made in the Board/ Committee meeting(s) were carried out with unanimous consent of the all the Directors/Members present during the meeting.

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

We further report that during the audit period, no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company.

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

Date: - 24th July, 2020
Place: - Ahmedabad
UDIN:- A026725B000500869

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

Jatin Kapadia
Company Secretary
COP: 12043

'Annexure -A'

To,
The Members,
Vishal Fabrics Limited

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company

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

Date: - 24th July, 2020
Place: - Ahmedabad
UDIN:- A026725B000500869

Jatin Kapadia
Company Secretary
COP: 12043

ANNEXURE-V

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 and rule 8(3) of the Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY:

i. the steps taken or impact on conservation of energy

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

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

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

iii. the capital investment on energy conservation equipment: ₹ 3.7 /-Lacs

B. TECHNOLOGY ABSORPTION:

i. the efforts made towards technology absorption

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

ii. the benefits derived as a result of above efforts

- Quality of fabric processed improved by adoption of new technology.

- Cost Efficient Use
- Increased Productivity and Efficiency
- Data Analysis and Reporting
- Risk analysis and prepare performance reports

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

iv. the expenditure incurred on Research and Development:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE FINANCIAL YEAR 01/04/2019 TO 31/03/2020:

EXPORT DETAILS

PARTICULARS	AMOUNT	CURRENCY
TOTAL EXPORT MADE	3099179	USD
RECEIVABLE AGAINST EXPORT INVOICE	216077	USD

IMPORT DETAILS

PARTICULARS	AMOUNT	CURRENCY
TOTAL IMPORT MADE	1599869	USD
TOTAL IMPORT MADE	13247	EUR

ANNEXURE-VI

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

- i. Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2019-20:

Sr. No.	Name	Category	Ratio
1.	Mr. Brijmohan Chiripal	Managing Director	27.18:1
2.	Mr. Amit Kadmawala	Whole time Director	3.28:1
3.	Mr. Ravindra Bajaj	Whole time Director	6.99:1

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

- ii. The percentage of increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, during F.Y 2019-20:

Sr. No.	Name	Category	%
1	Mr. Brijmohan Chiripal*	Managing Director & CEO	5.13
2	Mr. Amit Kadmawala	Whole time Director	6.79
3	Mr. Ravindra Bajaj **	Whole time Director	NA
4	Mr. Tanuj Agarwal***	Chief Executive Officer	NA
5	Mr. Mahesh Kawat****	Chief Financial Officer	NA
6	Mr. Vinay Thadani*****	Chief Financial Officer	NA
7	Mr. Deepak Vyas	Company Secretary	20

*Mr.Brijmohan Chiripal has been appointed as Chief Executive Officer w.e.f. 14.02.2020

** Mr. Ravindra Bajaj has been appointed as Director w.e.f. 25.05.2019

***Mr. Tanuj Agarwal has resigned as Chief Executive Officer w.e.f. 18.12.2019

****Mr. Maheshchandra Kawat has resigned as Chief Financial Officer w.e.f. 05.04.2019.

*****Mr. Vinay Thadani has been appointed as Chief Financial Officer w.e.f. 25.05.2019

The median remuneration of the employees of the Company as on 31st March, 2020 was ₹ 2,56,488 per year.

- iii. The percentage Increased in the median remuneration of employees in F.Y. 2019-20 by 8% (VFL Denim) and No increase in VFL Narol.
- iv. No. of permanent employees on the rolls of the Company: - 2677
- v. Average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year: 8%
- vi. Affirmation that the remuneration is as per the remuneration policy of the company: Yes

ANNEXURE-VII

Business Responsibility Report

The Directors of the Company present the “**Business Responsibility Report**” (BRR) in pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 describing the initiative taken by Company toward environment, governance and Stakeholders based on the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities (NBGs).

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L17110GJ1985PLC008206
2.	Name of the Company	Vishal Fabrics Limited
3.	Registered address	Ranipur Narol Road Ahmedabad Gujrat 382405
4.	Website	www.vishalfabricsltd.com
5.	E-mail id	cs.vfl@chiripalgroup.com
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Textile (13131)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Fabric-Denim 2. Complete range of textile-based services
9.	Total number of locations where business activity is undertaken by the Company a. Number of International Locations (Provide details of major 5) b. Number of National Locations	No Manufacturing Unit outside India but having export business with many countries across the world. Two manufacturing units in Gujarat, one at Dholi and second at Narol.
10.	Markets served by the Company – Local/State/National/ International	The Company covered all market.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹ 2195.67 Crore
2.	Total Turnover (INR)	₹ 1296.84 Crore
3.	Total profit after taxes (INR)	₹ 30.10 Crore
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	4.55%
5.	List of activities in which expenditure in 4 above has been incurred	The Company has expended in CSR through Happiness Reserve Foundation, Chiripal Charitable Trust and Mile Stone Educom Trust.

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head

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

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

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

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

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

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

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

Governance related to BR

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

When ever required the Board or CEO assess the BR Performance.

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

Business Responsibility Report is part of Annual Report and It is published every year. It is also available on the Company's website www.vishalfabricsltd.com.

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

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

Denim Product/Textile Services

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

The Company has made best efforts to fulfil all compliance obligations related to environmental aspects and occupational health & safety likes;

- The company uses go green washing machine for sampling and development; using water spray technology for washing to save ~803 KL water per annum.
- Eco-friendly dyes are used as alternatives to chemical dyes.
- The Company has created a massive green cover at the plant and also at the industrial park in an attempt to preserve, enhance and encourage green spaces.

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

Respective details of conservation of energy are provided in Annexure of the Board's Report.

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

Presently, the Company does not have specific policy related to ethics, bribery and corruption but the Company is committed to building a strong ethical organisation and in the adopted code of conduct it is defined that the Directors and Senior Management Personnel shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct not only on Company's premises & offsite but also at Company sponsored business, social events, etc. They shall act and conduct themselves free from fraud and deception.

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

Our Company has not received any complaint with respect to ethics, bribery and corruption during the Financial Year 2019-2020.

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

The Company has established new plant at Dholi and all Machineries, Assets there are as per new technology which are more efficient and eco-friendlier.

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

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

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

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

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

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

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

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

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

The Company always takes effort to Reduce, Recycle and Reuse waste product. The percentage of recycling, reusing

falls in range of 5-10% and the Company is in process of replacing with new machinery for minimizing of wastage.

Principle 3: Businesses should promote the wellbeing of all employees

Employee safety is our utmost priority. Our HR department is playing a very proactive role by constantly communicating with all our permanent and on-contract employees and monitoring their health. The Company provides a work environment that promotes well-being of its employees and has also conducted various training programs focused on wellness of body, mind and soul.

1	Please indicate the Total number of employees.	2677
2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	771
3	Please indicate the Number of permanent women employees.	37
4	Please indicate the Number of permanent employees with disabilities	2
5	Do you have an employee association that is recognized by management.	NIL
6	What percentage of your permanent employees is members of this recognized employee association?	NIL

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

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees – 90%
- (b) Permanent Women Employees – 100%
- (c) Casual/Temporary/Contractual Employees – 75%
- (d) Employees with Disabilities - No

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

1. Has the company mapped its internal and external stakeholders? -Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. – Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

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

Principle 5: Businesses should respect and promote human rights

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

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

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

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

The Company has not received any complaint in the past financial year.

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

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

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

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

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

The Company has strategies / initiatives for enhancing its own performance (over which it is able to exercise control) related to issues concerning the environment and for this, Company uses go green washing machine for sampling and development, water spray technology for washing to save ~803 KL water per annum and eco-friendly dyes are used as alternatives to chemical dyes and also created a massive

green cover at the plant and also at the industrial park in an attempt to preserve, enhance and encourage green spaces. Presently, there is no URL and the Company has ETP (Effluent Treatment Plant) to reuse industrial waste water and safe disposal to the environment. The Company reuses 70 to 75% of industrial waste water and use it for other processes. These initiatives of the Company leads to reduction in global environmental issues and provides safe environment for all.

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

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

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

There is no any registered project related to clean development mechanism, but Company continuously endeavours to identify opportunities to contribute for this.

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

The Company regularly undertakes many initiatives related to clean technology, energy efficiency, renewable energy, etc. details related to this provided in the annexure of the Board's report and same is available on the website of the Company.

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

The effluents / emissions / wastes generated by the manufacturing facilities of the Company are within the permissible limits given by CPCB/SPCB for 2019-20.

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

There were no pending show cause notices as on 31st March, 2020.

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

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

The Ahmedabad Textile Processors Association
Denim Manufacturers Association
Confederation of Indian Industry

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

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

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

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

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

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

During the year under review, the Company has spent an amount of ₹ 1.37 Crore on CSR activities through Happiness Reserve Foundation, Chiripal Charitable Trust and Mile Stone Educom Trust.

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

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

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

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

No complaints are pending as on the end of the financial year.

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

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

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

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

The Company manufactures high quality products as per the requirement of customer therefore no requirement of survey.

ANNEXURE-VIII

Dividend Distribution Policy

Introduction

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations"), require the Company to formulate and disclose a Dividend Distribution Policy. The Board of Directors ("Board") of **Vishal Fabrics Limited** ("the Company") has adopted this Dividend Distribution Policy to comply the Regulation 43A of the SEBI (LODR) Regulations, 2015.

Dividend Distribution Philosophy

The Company always believes to enhance long term value of the shareholders along with maintaining the liquidity and leverage ratios and protecting the interest of all the stakeholders including customers, debtors, suppliers, employees and the Government. The company always takes efforts in Business expansion therefore adequate funds are retained for sustaining its operations and capital expenditure for future growth of the Company.

Dividend includes Interim Dividend and it represents distributed profit to shareholder in proportion to the amount paid-up by equity shareholder.

Circumstances under which shareholders may or may not expect Dividend

- The company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital and company enhance long term value of shareholders.
- The Company has capability to generate higher return in comparison to return generated by other investment .
- The Company has incurred losses or there is inadequacy of profits.
- The Board will assess the Company's financial requirements, including its growth opportunities and other pertinent factors for the purpose of considering dividend. The dividend for any financial year shall ordinarily be paid out of the Company profits for that year in terms of the provisions of the Companies Act, 2013.

Financial parameters and other internal and external factors to be considered for declaration of dividend.

a) internal factors to be considered for declaration of dividend:

- Availability of surplus.
- The Company's liquidity position and future cash flow needs

- Requirements of capital expenditure.
- Obligations of the Company like Loan Payment, statutory due, repayment of debt etc.
- Stipulations/ Covenants of loan agreements, if any
- Any other relevant factor that the Board may deem fit to consider

b) External factors to be considered for declaration of dividend:

- Prevailing taxation policy and legal requirements.
- Dividend pay-out ratios of companies in the same industry.
- Shareholder expectation.
- Macro-economic and business conditions in general.

Retained earnings shall be utilized

The Company's retained earnings may be applied for:

- Organic growth needs including working capital, capital expenditure, repayment of debt, etc.
- Establishing various projects/ plans as considered appropriate by the Board of the Company.
- Payment of Dividend in future years
- Issue of Bonus shares
- Any other permissible purpose

Parameters that shall be adopted with regard to various classes of shares

The Company has presently only one class of shares, i.e., equity shares and if company issue any other class of shares, the Policy shall be modified accordingly therefore currently this clause is not applicable.

Modification of the policy

The Board may modify this policy from time to time at its discretion or in line with any amendment made in the Act or applicable Regulations. In case of a conflict between this policy and the extent regulations, the regulations shall prevail.

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2020, in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

2. Board of Directors:

a) Composition of the Board:

As on 31st March, 2020, The Board of Director comprises of 6 Directors including Woman Director with optimum combination of Executive and Non-Executive Directors in which three Directors are Executive Directors and three Directors are Non-Executive Independent Directors.

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

Name of Director & DIN	Category	No. of Board meetings attended during the year	Whether previous AGM attended	No. of other entity			
				Directorships in Public Company	Directorship in Listed Company	Committee Memberships ^f	Committee Chairmanships ^g
Mr. Brijmohan D Chiripal DIN: 00290426	Managing Director, Promoter, Executive;	4	Yes	1.	1	0	0
Mrs. Dhara Shah DIN: 06983857	Non-Executive; Independent	4	No	3	1. Ace Software Exports Limited – Independent Director 2. Mayur Floorings Limited- Independent Director 3. Vishal Fabrics Ltd Independent Director	3	1
Mr. Amit Kadmawala DIN: 07016454	Whole –Time Director, Executive; Non- Independent	4	No	1	1	0	0
Mr. Shubhankar Jha DIN: 07208823	Non-Executive; Independent	4	Yes	1	1	2	0
Mr. Chitranjan Singh DIN: 07300731	Non-Executive; Independent	2	Yes	2	1. Shanti Educational Initiatives Limited - Independent Director 2. Vishal Fabrics Ltd Independent Director	0	4
Mr. Ravindra Bajaj* DIN: 08243855	Whole Time Director, Executive; Non- Independent	3	No	1	1	0	0

Note:

^f Memberships and Chairmanships of Audit Committee and Stakeholders Relationship Committee in Public Company have been considered.

* Mr. Ravindra Bajaj –was appointed as Additional Director of Company w.e.f. 25th May, 2019.

* Mr. Ravindra Bajaj –was appointed as Whole time Director of Company w.e.f. 30th September, 2019.

b) Board Meetings:

During the year under review, 4 (Four) Meetings of the Board of Directors of the Company were convened on 25th May, 2019, 13th August, 2019, 14th November, 2019 and 14th February, 2020. The previous Annual General Meeting of the Company was convened on 30th September, 2019.

c) Appointment / Re-Appointment of Directors:

Details of Appointment and Re-appointment of Directors are provided in the Notice of Annual General Meeting.

d) Relation between Directors: No relationships between Directors.

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

Apart from sitting fees for attending Board & Committee meetings, no other fees or commission is paid to the

Non-Executive Independent Directors during the financial year.

As on 31st March, 2020 holding of Non-Executive Directors in Equity Shares and convertible instruments are Nil in the Company.

f) Familiarization Program for Directors:

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

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

While all the Board members possess the skills identified, their area of core expertise is given below:

Skills and its description	Mr. Brijmohan Chiripal	Mr. Amit Kadmawala	Mr. Ravindra Bajaj	Mrs. Dhara Shah	Mr. Chitranjan Singh	Mr. Shubhankar Jha
Leadership/Operational Experience Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth	✓	✓	✓	✓	✓	✓
Accounting and Financial Skills Leadership experience in handling financial management of a large organization along with an understanding of accounting and financial statements.	✓	✓	-	✓	✓	✓
Strategic Planning Expertise in developing and implementing strategies for sustainable and profitable in the changing business environment. Ability to assess the strength and weaknesses of the Company and devise strategies to gain competitive advantage.	✓	✓	✓	✓	✓	✓
Legal and Risk Management Knowledge and experience in regulatory and governance requirements and ability to identify key risks affecting the governance of the Company	-	-	-	✓	✓	✓
Corporate Governance Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices	✓	✓	✓	✓	✓	✓
Marketing Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation	✓	✓	✓	-	-	-
Sustainability and Environment Experience in leading the sustainability visions of organizations, to be able to integrate these into the strategy of the Company	✓	✓	✓	✓	✓	✓

- h) The Board of Directors have confirmed that the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the management.
- i) No Independent Director resigned during the year ended 31st March, 2020.

3. Audit Committee:

a. Brief Description of Audit Committee:

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

b. Terms of Reference

The role of the Audit Committee includes the following:

- I. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- IV. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
- V. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- VI. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- VIII. Approval or any subsequent modification of transactions of the listed entity with related parties;
- IX. Scrutiny of inter-corporate loans and investments;
- X. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- XI. Evaluation of internal financial controls and risk management systems;
- XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XIII. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- XIV. Discussion with internal auditors of any significant findings and follow up there on;
- XV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- XVI. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XVII. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- XVIII. To review the functioning of the whistle blower mechanism;
- XIX. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- XX. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including

existing loans / advances / investments existing as on the date of coming into force of this provision

XXI. Any other activity as the Board may determine from time to time.

The Audit Committee shall mandatorily review the following information:

- i. Management Discussion and Analysis of financial condition and results of operations;
- ii. Statement of significant Related Party Transactions (as defined by the audit committee), submitted by management;
- iii. Management letters / letters of Internal Control weaknesses issued by the statutory auditors;

iv. Internal Audit Reports relating to Internal Control weaknesses; and

v. The appointment, removal and terms of remuneration of the chief Internal Auditors shall be subject to review by the Audit Committee.

vi. Statement of deviations:

- a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations, 2015.
- b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations, 2015.

Composition of Audit Committee and Number of Meetings Attended:

In Financial Year 2019-2020 four meetings of the Audit Committee were held on 25th May, 2019; 13th August, 2019; 14th November, 2019 and 14th February, 2020. The attendance each of the Committee Member is under:

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

The Audit Committee invites Senior Executives, Representatives of the Statutory Auditors of the Company & Head of the Internal Audit Department, whenever it considers appropriate, in the meetings. The Company Secretary of the Company acted as the Secretary of the Committee for the financial year 2019-20.

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

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

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

a) Brief description of Nomination and Remuneration Committee:

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

b) Terms of Reference:

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

Composition of Nomination and Remuneration Committee and the number of meetings attended:

During the financial year ended 31st March, 2020, 3 (Three) meeting held on 25th May, 2019; 13th August, 2019 and 14th February, 2020 in which following members of the Committee were present:

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

Ms. Dhara Shah was not present at AGM but had delegated her powers to Mr. Shubhankar Jha

c) Performance Evaluation Criteria for Independent Directors:

The Board of Directors have formulated performance evaluation criteria of Independent Directors of the Company. The Performance Evaluation of Independent Directors is carried out on the basis of their role, expertise, skills, leadership qualities, strategic direction to align company's value and standards, effective decision making ability, initiative on knowledge updates, internal controls etc. and the reports of performance evaluation were placed before the meeting held on 14th February, 2020.

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 25 of the SEBI (LODR) Regulations, 2015, the Meeting of Nomination and Remuneration Committee of the Company was held on 14th February, 2020 inter-alia to review the performance of non-independent Directors, the Chairperson of the Company and Board as a whole and to assess the quality, quantity and flow of

information between the management and the Board. The said meeting was attended by all the Independent Directors of the Company.

d) Remuneration of Director:**i. Remuneration to Non-Executive Directors:**

There are no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, except otherwise stated in the Report;

All the Non-Executive Directors receive sitting fees for attending Board Meetings, Audit Committee Meetings, Nomination and Remuneration Committee Meetings, Stakeholders Relationship Committee Meetings and CSR Committee Meetings.

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

Details of the sitting fees paid during the financial year 2019-20 are as under:

Name of the Committee Members	Sitting fees paid (Amount in ₹)
	Board/Committee Meeting
Mrs. Dhara Shah	55000
Mr. Chitranjan Singh	30000
Mr. Shubhankar Jha	95000

ii. Remuneration to Executive Directors:

Mr. Amit Kadmawala-Whole-Time Director, Mr. Brijmohan Chiripal -Managing Director, Mr. Ravindra Bajaj-Whole-Time Director are the Executive Directors of the Company.

Details of remuneration paid to the Executive Directors of the Company during the year ended 31st March, 2020 are as under:

Name of the Executive Directors	Designation	Salary & Allowances	Contribution to PF	Total
Mr. Brijmohan Chiripal	Managing Director	62,13,162	7,28,569	69,71,431
Mr. Amit Kadmawala	Whole-time Director	8,40,012	Nil	8,40,012
Mr. Ravindra Bajaj *	Whole Time Director	17,92,307	Nil	17,92,307

* Mr. Ravindra Bajaj –was appointed as Additional Director of Company w.e.f. May 25, 2019 and regularized as Whole Time Director in the Annual General Meeting held on September 30, 2019.

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

5. Stakeholders Relationship Committee:

The Committee is responsible for matters related to stakeholders' grievances and roles and responsibilities provided in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Committee is headed by Mr. Chitranjan Singh, Chairman of the Committee who oversees the redressal of investor grievances and Mr. Deepak Vyas appointed as Compliance Officer of the Company (Mr. Deepak Vyas resigned with effect from 10th October, 2020).

During the financial year ended 31st March, 2020, this Committee had 4 (Four) meetings i.e. 25th May, 2019; 13th August, 2019; 14th November, 2019 and 14th February, 2020 in which following members of the Committee has attended the meetings:-

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

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

Quarter Ended	Pending at the beginning of the quarter	Received during the quarter	Disposed of during the quarter	Remaining during the quarter
30 th June, 2019	Nil	Nil	Nil	Nil
30 th September, 2019	Nil	Nil	Nil	Nil
31 st December, 2019	Nil	Nil	Nil	Nil
31 st March, 2020	Nil	Nil	Nil	Nil

In connections with the above Grievances details, the company submits report with stock exchange on quarterly basis.

6. Risk management policy:

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

7. General Body Meetings:

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

Financial Year	Date, Time and Venue of AGM	Special Resolutions passed
2018-19	30 th September, 2019, 03:00 p.m. at Shanti Corporate House, Beside Hira Rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad - 380058	a. Re-appointment of Mrs. Dhara Rupeshkumar Shah as Non-Executive Independent Director of the company b. Re-appointment of Mr. Shubhankar Jha as Non-Executive Independent Director of the company
2017-18	20 th September, 2018, 03.00 p.m Chiripal Bungalow, Beside Hira Rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad - 380058	a. Increase in NRI investment limit from 10% to 24% of the paid-up capital of the company b. Increase in the limit of Foreign Institutional Investors from 24% to 49% of the paid-up capital of the company
2016-17	28 th September, 2017, 03.00 p.m Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad-380015	a. Appointment of Mr. Brijmohan D Chiripal (DIN:00290426) as Managing Director of the Company.

- Postal Ballot and procedure:**

Postal Ballot Resolution is not passed during last year.

8. Means of Communication

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

In the previous year, Company published press release which were published in media and respective details uploaded on the website in section "Media Coverage".

Generally, the Company provides Annual Reports, notice of the meetings and other communications to the Shareholders through e-mail, post or courier and due to outbreak of COVID-19 pandemic this year, the Annual Report for FY 2019-20 and Notice of AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

9. General Shareholder Information:

a. Annual General Meeting

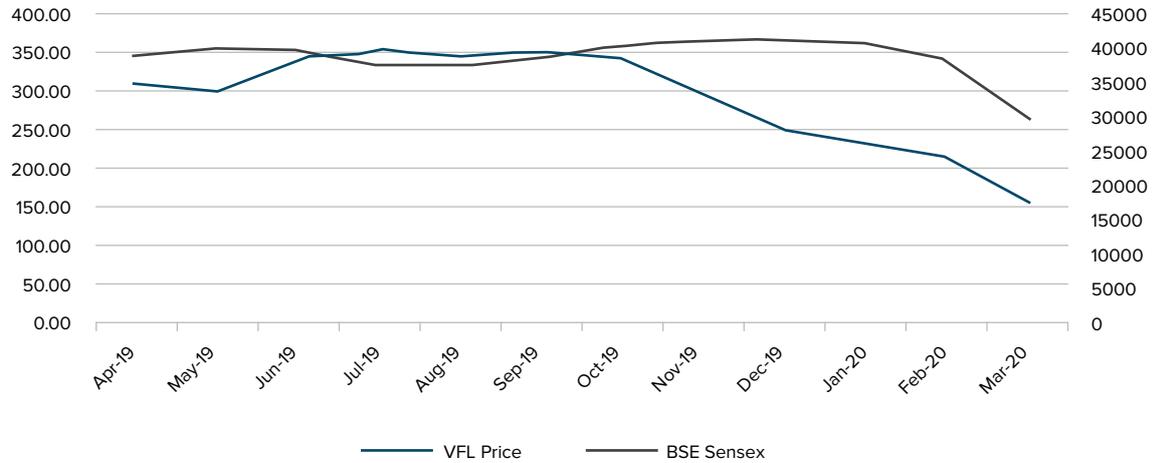
Date	3 rd December, 2020
Time	03.00 P.M.
Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA circular and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Financial Year ended	1 st April 2019 to 31 st March 2020
Dividend	The Board has not recommended any dividend for the financial year under review.
Registered Office	Ranipur Narol Road,Ahmedabad-382405 E-mail: cs.vfl@chiripalgroup.com Web-site: www.vishalfabricsltd.com Tel No.: 091-7925353981
List of Stock Exchanges	1) BSE Limited Address: Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001 2) National Stock Exchange of India Limited (permitted to trade) Address: National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
Listing Fees	The Company has paid Annual Listing Fees to the Stock Exchange.
Custodian Fees to Depositories	The Company has paid fees for the financial year 2019-20 of Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).
Stock Code	BSE: 538598 NSE: VISHAL
ISIN of Company' Equity Shares:	INE755Q01025
Corporate Identification Number (CIN)	L17110GJ1985PLC008206

b. Stock Market Price Data:

Monthly high and low prices of the Company's Equity Shares on BSE Sensex for F.Y. 2019-2020 are noted herein below:

Month	High Price	Low Price	Close Price	Volume No. of Shares
Apr-19	390.00	250.00	308.30	195330
May-19	334.90	235.00	299.00	950245
Jun-19	350.95	282.00	340.00	1372213
Jul-19	412.90	338.00	350.00	526680
Aug-19	355.00	289.95	345.00	29651
Sep-19	352.00	344.00	352.00	29758
Oct-19	352.00	331.00	340.00	10159
Nov-19	330.00	297.00	298.00	402
Dec-19	292.00	238.10	250.00	38148
Jan-20	252.00	232.00	232.00	145906
Feb-20	237.00	215.00	215.00	148258
Mar-20	216.00	134.00	158.50	1984101

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



c. Registrar and Share Transfer Agent:

For Demat Securities:

Link Intime India Private Limited

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

d. Share Transfer System:

Entire holding of the company is in dematerialized form and matters pertaining to Share Transfer are being handled by Link Intime India Private Ltd.

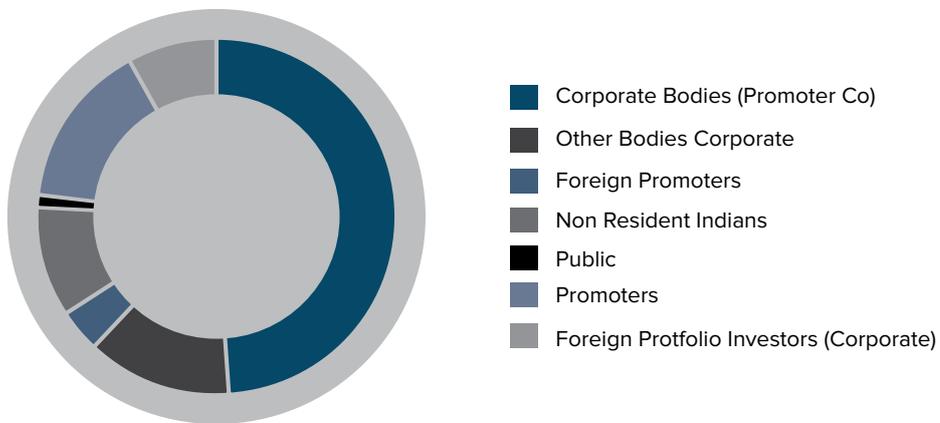
e. Distribution of Shareholding:

- Distribution of Shareholding as on 31st March, 2020:

No. of Equity Shares held	Shareholders		Shares	
	Number	%	Number	%
1- 500	191	67.9715	7654	0.0174
501-1000	6	2.1352	5572	0.0127
1001-2000	8	2.847	11575	0.0264
2001-3000	2	0.7117	5004	0.0114
3001-4000	5	1.7794	18923	0.0431
4001-5000	10	3.5587	46575	0.1061
5001-10000	7	2.4911	43870	0.0999
100001 and above	52	18.5053	43774161	99.6831
TOTAL	281	100	43913334	100.0000

- Category wise Shareholding as on March 31, 2020:

Category of Shareholder	No. of Shares	% of Total Share Capital
Corporate Bodies (Promoter Co)	21541554	49.0547
Clearing Members	13440	0.0306
Other Bodies Corporate	5894891	13.4239
Foreign Promoters	1641373	3.7378
Hindu Undivided Family	19365	0.0441
Non Resident Indians	4198166	9.5601
Public	296189	0.6745
Promoters	6738058	15.344
Foreign Portfolio Investors (Corporate)	3570298	8.1303
TOTAL	43913334	100



f. Dematerialization of Shares and Liquidity:

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

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

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

h. Plant Locations:

1. Dholi, Ahmedabad
2. Narol, Ahmedabad

i. Address for Correspondence:

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

Link Intime India Pvt Ltd
5th Floor, 506-508 Amarnath
Business Center -1, St Xaviers Corner,
Chimanlal Girdharlal Rd, Sardar Patel
Nagar, Ellisbridge, Ahmedabad,
Gujarat 380009
Phone: 079- 2646 5179
Website: www.linkintime.co.in
E-mail: ahmedabad@linkintime.co.in

Registered Office
Vishal Fabrics Limited,
Ranipur Narol Road
Ahmedabad- 382405.
Tel: 9099952542
Fax: 091-7925353981
Website: www.vishalfabricsltd.com
E-mail: cs.vfl@chiripalgroup.com

j. Credit Rating:

Name of Rating Agency: Brickwork India Ratings Private Limited

Facility	Previous Rating	Upgraded Rating
Fund Bases Loan Facility	BWR BBB+ (Outlook: Stable)	BWR A- (Outlook: Stable)
Non-Fund Based Loan Facility	BWR A2	BWR A2+

10. Disclosures:
i. Related Party Transactions:

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

The Company has adopted a policy on materiality of related party transactions and dealing with Related Party Transactions and the same is disclosed on the website of the Company.

ii. Compliances by the Company:

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

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

The Company has set up a Vigil mechanism by way of a Whistle Blower Policy as required under Section 177(9) of the Companies Act, 2013 to provide vigil mechanism for Directors/Employees to voice their concerns in a responsible and effective manner regarding unethical behaviour, actual or suspected, fraud or violation of the Company's policies and code of conduct. It also provides adequate safeguards against victimization of Directors/Employees who avail the mechanism.

No person of the Company has been denied access to the Audit Committee and there are no instances of any such access and the Whistle Blower Policy is available on the website of the Company.

iv. Website:

The Company's Website www.vishalfabricsltd.com contains a special dedicated section 'Investor Relations' where the information pertaining to the Financial Results,

Shareholding Pattern, Annual Reports, Listing Information, policies etc are available and can be downloaded.

v. Web Links for Policies:

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

vi. Commodity Price Risk/ Foreign Exchange Risk and Hedging:

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

vii. The Company has not raised any fund during the previous financial year through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
viii. A Certificate from a Company Secretary:

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

ix. Recommendation of any Committee of the Board which is mandatorily required :

The Board has accepted all the recommendations of various Committees of the Board during the financial Year 2019-2020.

x. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part –

Total Fees of ₹ 7,50,000/- p.a.

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

- Number of complaints filed during the financial year - NIL
- Number of complaints disposed of during the financial year- NIL
- Number of complaints pending as on end of the financial year.-NIL

xii. Non-Compliance :

- a. There is no non-compliance of any requirement of Corporate Governance Report as required under the SEBI (LODR) Regulations, 2015.

xiii. Discretionary Requirements :

- Shareholders' Rights
As the quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website.
- Modified opinion(s) in audit report
There are no qualifications in the Auditor's Report on the financial statements of the company.
- Reporting of Internal Auditor
Internal Auditors are invited to the meetings of Audit Committee wherein they report directly to the Committee.
- Detail of shares lying in Suspense account: Not Applicable

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

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

12 Code of Conduct:

- a. The Company has laid down a Code of Conduct for the Members of the Board and the Senior Management in accordance with the Regulation 17(5) of the SEBI (LODR) Regulations, 2015. All the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct as on 31st March, 2020 and a declaration to that effect signed by the Chief Executive Officer is enclosed of this report.

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

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

- b. I, Brijmohan Chiripal, Chief Executive Officer of Vishal Fabrics Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26 (3) of the SEBI (LODR) Regulations, 2015 for the year ended 31st March, 2020.

Date: 3rd November, 2020
Place: Ahmedabad

Brijmohan Chiripal
Chief Executive Officer

Independent Auditor's Certificate on Corporate Governance

To,
The Members
Vishal Fabrics Limited

This Certificate is issued in accordance with the terms of our Company. We have examined the compliance of conditions of corporate governance by **Vishal Fabrics Limited** (the 'Company') For the year ended 31st March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and Paragraphs C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015 (the listing regulation)

Management's Responsibility

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

Auditor's Responsibility

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

We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance note on certification of Corporate Governance issued by Chartered Accounts of India

and the guidance note on special purposes issued by ICAI which requires that We comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

Opinion

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate Governance as stipulated in the Listing Regulations during the year ended 31st March, 2020.

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

Restriction on use

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

For **Nahta Jain & Associates**
Chartered Accountants

Gaurav Nahta – Partner

M. No. – 116735

UDIN: 20116735AAAAIK9733

Date: 29th August, 2020

Place: Ahmedabad

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

Regulation 17(8)

To,
The Board of Directors
Vishal Fabrics Limited

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

- a) We have reviewed the financial statements for the financial year ended on 31st March, 2020 and based on our knowledge and belief, we state that:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company’s code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) Significant changes, if any, in the internal control over financial reporting during the year ;
 - (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over financial reporting.

Date: 10th July, 2020
Place: Ahmedabad

Vinay Thadani
Chief Financial Officer

Brijmohan Chiripal
Chief Executive Officer

Independent **AUDITORS' REPORT**

To
the Members of
M/S. VISHAL FABRICS LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/S. VISHAL FABRICS LTD. ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian accounting Standards prescribed under section 133 of the Act read with the companies (Indian Accounting standards) Rule, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020 and its profit & total Comprehensive Income, Changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Responsibility of Management for Standalone Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss including Other Comprehensive Income, statement of changes in equity and the cash flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014;
 - e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our

separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

As per our Report of Even Date
 For and on Behalf of
 For, Nahta Jain & Associates
 Chartered Accountants
 Firm Regn. No. 106801W
 (CA. Gaurav Nahta)
 Partner
 M. No. 116735

Place : Ahmedabad
 Date : 10.07.2020
 UDIN : 20116735AAEP4376

Annexure "A" to the Independent Auditor's Report

RESPONSIBILITIES FOR AUDIT OF FINANCIAL STATEMENT

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

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

report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

As per our Report of Even Date

For and on Behalf of

For, Nahta Jain & Associates

Chartered Accountants

Firm Regn. No. 106801W

(CA. Gaurav Nahta)

Partner

M. No. 116735

Place : Ahmedabad

Date : 10.07.2020

UDIN : 20116735AAEP4376

Annexure "B" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report that;

- (i) In respect of Fixed Assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In respect of Inventory:
- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. As informed to us there were no material discrepancies noticed on verification between the physical stocks and the book records and any discrepancies found has been properly dealt within the books of accounts.
- (iii) In respect of the loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained u/s. 189 of the Companies Act, 2013:
- (a) During the year under audit, the Company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013 hence clause 3 (iii) (a), (iii) (b) and (iii) (c) of the Companies (Auditor's Report) Order, 2016 are not applicable.
- (b) According to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (c) According to the information and explanation given to us, the company has not accepted any deposit from the public during the year. Therefore the provisions of clause (v) of paragraph 3 of the order are not applicable to the company.
- (d) The central government has prescribed maintenance of cost records under section 148(1)(d) of the companies act 2013 in respect of certain manufacturing activities of the company. Company has obtained cost audit report for the financial year 2018-19 during the year. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out detailed examination of the same.
- (e) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Goods & Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of afore mentioned dues were outstanding as at 31st March 2020 for a period of more than six months from the date they became payable.
- (f) According to the information and explanations given to us, details of statutory dues that have not been deposited on account of disputes are as under:

(Rs. In Lacs)

Sr. No.	Name of The Statute	Nature of Dues	Amount	Forum Where Dispute is Pending	Remark
1.	The Central Excise Act 1944	Excise	11.42	Textile Cess Appellate Tribunal	2001-02 to 2004-05

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or banks. As there are no debentures, the question of repayment does not arise.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us, the Term loans have been applied for the purpose for which they were obtained.
- (x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made preferential allotment/private placement of shares during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

As per our Report of Even Date

For and on Behalf of

For, Nahta Jain & Associates

Chartered Accountants

Firm Regn. No. 106801W

(CA. Gaurav Nahta)

Partner

M. No. 116735

Place : Ahmedabad

Date : 10.07.2020

UDIN : 20116735AAEP4376

Annexure "C" **TO THE AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of M/S. VISHAL FABRICS LIMITED ("the Company"), as of 31 March, 2020, in conjunction with our audit of the standalone financial statements of the Company for the year ended that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

As per our Report of Even Date
For and on Behalf of
For, Nahta Jain & Associates
Chartered Accountants
Firm Regn. No. 106801W
(CA. Gaurav Nahta)
Partner
Membership no. 116735

Place : Ahmedabad
Date : 10.07.2020
UDIN : 20116735AAEP4376

BALANCE SHEET

as at 31st March 2020

(Rs. in Crore)

Particulars	Notes	As at 31/03/2020	As at 31/03/2019
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	263.19	285.59
(b) Capital Work-In-Progress	2A	30.11	23.24
(c) Financial Assets			
(i) Investments	3	22.11	21.99
(ii) Others Financial Assets	4	0.00	0.87
(d) Deferred Tax Assets (Net)	5	0.00	3.83
(e) Other Non-Current Assets	6	6.32	6.09
TOTAL NON-CURRENT ASSETS		321.74	341.60
2 CURRENT ASSETS			
(a) Inventories	7	66.25	60.62
(b) Financial Assets			
(i) Trade Receivables	8	305.60	246.32
(ii) Cash And Cash Equivalents	9	19.00	2.18
(iii) Bank Balances Other Than (ii) Above	10	7.10	5.14
(c) Other Current Assets	11	50.70	86.06
TOTAL CURRENT ASSETS		448.65	400.32
TOTAL ASSETS		770.39	741.92
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	12	21.96	21.96
(b) Other Equity	13	224.94	194.72
TOTAL EQUITY		246.89	216.68
LIABILITIES			
1 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	14	225.11	250.58
(ii) Other Financial Liabilities	15	3.67	3.18
(b) Provisions	16	4.29	3.85
(c) Deferred Tax Liabilities (Net)	5	1.96	0.00
TOTAL NON-CURRENT LIABILITIES		235.03	257.61
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	115.48	76.48
(ii) Trade Payables	18	138.74	156.00
- Due to Micro and Small Enterprises		0.00	0.00
- Due to Creditors other than Micro and Small Enterprises		138.74	156.00
(iii) Other Financial Liabilities	19	24.46	29.91
(b) Other Current Liabilities	20	4.11	2.91
(c) Provisions	21	1.52	1.14
(d) Current Tax Liabilities (Net)	22	4.16	1.19
TOTAL CURRENT LIABILITIES		288.47	267.63
TOTAL EQUITY AND LIABILITIES		770.39	741.92

Significant Accounting Policies as annexed in Note-1 of standalone financial statement

The accompanying Notes 2 to 49 are integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors of **Vishal Fabrics Limited**

CIN : L17110GJ1985PLC008206

For **Nahta Jain and Associates**

Chartered Accountants

Firm Registration No: 106801W

Gaurav Nahta

Partner

Membership No.: 116735

Place: Ahmedabad

Date: July 10,2020

Brijmohan Chirpal

Managing Director

DIN : 00290426

Amit Kadmawala

Whole-Time Director

DIN : 07016454

Vinay Thadani

Chief Financial Officer

Deepak Vyas

Company Secretary

Statement Of **PROFIT AND LOSS**

for the year ended on 31st March 2020

(Rs. in Crore)

Particulars	Notes	2019-20	2018-19
I Revenue From Operations	23	1296.84	998.49
II Other Income	24	2.31	1.04
III Total Income (I+II)		1299.14	999.53
IV EXPENSES			
(a) Cost of Materials Consumed	25	1077.23	803.15
(b) Purchases of Stock-In-Trade	25A	9.36	3.53
(c) Changes in Inventories of Finished Goods	26	4.71	(0.31)
(d) Stock-In-Trade and Work-In-Progress	26A	(14.24)	1.25
(e) Employee Benefits Expense	27	75.99	74.22
(f) Finance Costs	28	32.04	25.98
(g) Depreciation and Amortization Expense	29	30.33	29.31
(h) Other Expenses	30	40.37	41.89
Total Expenses (IV)		1255.79	979.02
V Profit/(Loss) Before Exceptional Items and Tax (I- IV)		43.36	20.51
VI Exceptional Items		0.00	0.06
VII Profit/(Loss) Before Tax (V-VI)		43.36	20.45
VIII Tax Expense:	31		
(a) Current Tax (MAT for the Year)		7.59	4.50
(b) Deferred Tax (Credit)/charge (including MAT credit entitlement)		5.74	(1.91)
(C) Tax Expense Related to Earlier Year		(0.07)	-
Total Tax Expenses		13.26	2.59
IX Profit (Loss) For The Period From Continuing Operations (VII-VIII)		30.10	17.86
X Other Comprehensive Income	32		
(a) Items That Will Not be Reclassified To Profit or Loss		0.16	0.29
(b) Income Tax Relating to Items That Will Not be Reclassified to Profit or Loss		(0.04)	(0.08)
(c) Items That Will be Reclassified to Profit or Loss		0.00	0.00
(d) Income Tax Relating to Items That Will be Reclassified to Profit or Loss		0.00	0.00
Total Other Comprehensive Income		0.12	0.21
XI Total Comprehensive Income for The Period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for The period)		30.22	18.07
XII Earnings Per Equity Share (For Continuing Operation):	42		
(a) Basic (in Rs.)		6.85	4.07
(b) Diluted (in Rs.)		6.85	4.07

Significant Accounting Policies as annexed in Note-1 of standalone financial statement

The accompanying Notes 2 to 49 are integral part of the Financial Statements

As per our report of even date

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

For **Nahta Jain and Associates**

Chartered Accountants
Firm Registration No: 106801W

Gaurav Nahta

Partner
Membership No.: 116735

Brijmohan Chiripal

Managing Director
DIN : 00290426

Amit Kadmwala

Whole-Time Director
DIN : 07016454

Vinay Thadani

Chief Financial Officer

Deepak Vyas

Company Secretary

Place: Ahmedabad

Date: July 10,2020

CASH FLOW STATEMENT

for the year ended 31st March 2020

(Rs. in Crore)

Particulars	Year ended 31/03/2020	Year ended 31/03/2019
Cash flow from operating activities		
Net profit before tax	43.36	20.45
Adjustments:		
Depreciation and amortisation	30.33	29.31
Finance expense	27.58	25.98
Finance income	(0.52)	(0.28)
Operating cash flow before working capital changes	100.74	75.45
Working capital adjustments:		
Decrease/ (Increase) in trade receivables	(59.27)	17.10
Decrease/ (Increase) in other current assets	35.36	6.49
Decrease/ (Increase) in inventories	(5.63)	15.83
Increase/ (Decrease) in trade payables	(17.26)	(68.81)
Increase/ (Decrease) in provisions	0.82	1.92
Increase/ (Decrease) in current liabilities	4.16	(0.53)
Increase/ (Decrease) in other financial liabilities	(4.96)	4.00
Cash generated from operations	53.96	51.45
Less: Income tax paid	(7.35)	(7.90)
Net cash generated from operating activities (a)	46.61	43.55
Cash flow from investing activities		
Purchase of tangible and intangible assets	(14.97)	(48.72)
Proceeds from sales of disposal of tangible assets	0.16	0.12
Investment in equity instruments	(0.12)	(19.42)
Net cash flow from other financial assets	0.87	4.26
Capital advances and other non-current assets	(0.24)	18.75
Interest income	0.52	0.28
Net cash used in investing activities (b)	(13.77)	(44.73)
Cash flow from financing activities		
Proceeds from issue of share capital		
Share application money		
Proceeds from Long term borrowings	(25.01)	(14.55)
Proceeds from Unsecured loans repayable on demand	(0.46)	25.06
Repayment of Unsecured loans	0.00	0.00
Short term borrowings (net)	38.99	15.77
Finance costs paid	(27.58)	(23.49)
Net cash generated from / (used in) financing activities (c)	(14.06)	2.79
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	18.78	1.61
Cash and cash equivalents at the beginning of the year	7.32	5.72
Cash and cash equivalents at the end of the year	26.10	7.33
Components of cash and cash equivalents		
Cash on hand	0.21	0.17
Balances with banks		
Current accounts	18.79	2.01
Deposit accounts	7.10	5.14
	26.10	7.32

Significant Accounting Policies as annexed in Note-1 of standalone financial statement

The accompanying Notes 2 to 49 are integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors of **Vishal Fabrics Limited**

CIN : L17110GJ1985PLC008206

For **Nahta Jain and Associates**

Chartered Accountants
Firm Registration No: 106801W

Gaurav Nahta

Partner
Membership No.: 116735

Brijmohan Chiripal

Managing Director
DIN : 00290426

Amit Kadmawala

Whole-Time Director
DIN : 07016454

Vinay Thadani

Chief Financial Officer

Deepak Vyas

Company Secretary

Place: Ahmedabad

Date: July 10, 2020

Notes to the Standalone **FINANCIAL STATEMENTS**

for the year ended 31st March, 2020

Note 1

I. Company Information

Vishal Fabrics Ltd. (the company) is a company domiciled in India and incorporated under the provisions of Companies Act, 1956 of India as a Private Ltd. company. The company has its registered office at Narol, Ahmedabad - 380009, Gujarat, India. The company is engaged in manufacturing and selling of various Textile products.

II. Basis of preparation

- A. The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.
- B. The financial statements have been prepared on the historical cost basis except for the following assets and liabilities which have been measured at fair value:
 1. Financial instruments measured at fair value through profit or loss (Note 39)
 2. Financial instruments measured at fair value through other comprehensive income (Note 39)
 3. Defined benefit plans – plan assets measured at fair value (Note 36)

III. Significant accounting policies

A. Revenue recognition

1. Sale of goods

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

The Company has adopted Ind AS 115 Revenue from contracts with customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the contracts with customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

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

The company operates a non-cash incentive scheme programme where dealers / agents are entitled to non-cash incentives on achievement of sales targets. Revenue related to the non-cash schemes is deferred and recognised when the targets are achieved. The amount of revenue is based on the realisation of the sales targets to the period of scheme defined.

3. Interest income

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

4. Dividends

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

B. Borrowing costs

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

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

C. Government Grants

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

Notes to the Standalone **FINANCIAL STATEMENTS**

for the year ended 31st March, 2020

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

D. Export Benefits

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

E. Taxes

1. Current income tax

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

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

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

2. Deferred tax

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

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

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

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

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

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

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

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

F. Discontinued operations

A discontinued operation is a component of the entity that has been disposed off or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations and;
- is part of a single co-ordinated plan to dispose of such a line of business or area of operations.

The results of discontinued operations are presented separately in the Standalone Statement of Profit and Loss.

G. Leases

The Company has adopted Ind AS 116 effective from April 1, 2019 using modified retrospective approach. For the purpose of preparation of Standalone Financial Information, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 116 for year ended March 31, 2020. Accordingly, the Company has not restated comparative information;

Notes to the Standalone **FINANCIAL STATEMENTS**

for the year ended 31st March, 2020

instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. As a lessee, the Company previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly the entire risk and rewards incidental to the ownership of the underlying asset of the Company. Under Ind AS 116, the Company recognizes the right-of-use assets and lease liabilities as stated in the Note 3 and Note 25, Note 30.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

1) Right-of-use assets

- The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of- use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold buildings 8 to 10 years
- Leasehold Land 75 to 80 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

2) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

3) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

H. Employee Benefits

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

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

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

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

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

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

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

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

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

1. Long-term employee benefits

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

2. Defined contribution plans

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

I. Non-current assets held for sale

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

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

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

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

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

J. Property, plant and equipment

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

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of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

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

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

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

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

K. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measure reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

L. Intangibles

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

M. Inventories

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

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

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

N. Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

O. Financial Instruments

1. Financial assets

i. Initial recognition and measurement

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

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

ii. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a. Debt instruments at amortised cost
- b. Debt instruments at fair value through other comprehensive income (FVTOCI)
- c. Financial assets at fair value through profit or loss (FVTPL)
- d. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

iii. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

iv. Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

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Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

v. Financial instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

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

vi. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

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

vii. Derecognition

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

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

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

viii. Impairment of financial assets

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

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

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for the year ended 31st March, 2020

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

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

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

- a. Trade receivables or contract revenue receivables; and

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

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

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

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

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

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

ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.

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

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

2. Financial liabilities

- i. **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

- ii. **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- a. Financial liabilities at fair value through profit or loss
- b. Loans and borrowings
- c. Financial guarantee contracts

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iii. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

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

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

iv. Loans and borrowings

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

v. Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

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

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

vi. Preference shares

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

vii. Derecognition

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

3. Off-setting of financial instruments

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

P. Impairment of non-financial assets

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

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cash inflows that are largely independent of those from other assets or company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is determined:

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

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

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

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

Q. Cash and cash equivalents

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

R. Segment accounting

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

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

S. Provisions, Contingent liabilities, Contingent assets and Commitments

General

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

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

Contingent liability is disclosed in the case of:

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

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3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

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

The company provides for the expenses to reclaim the quarries used for mining. The total estimate of reclamation expenses is apportioned over the estimate of mineral reserves and a provision is made based on the minerals extracted during the year. Mines reclamation expenses are incurred on an ongoing basis and until the closure of the mine. The actual expenses may vary based on the nature of reclamation and the estimate of reclamation expenditure.

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

T. Dividend

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

U. Earnings per share

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

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

V. Use of estimates and judgements

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions

are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

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

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

Note 31 - Current tax

Note 36 - Measurement of defined benefit obligations

Note 39 – Fair valuation of unlisted securities

Note 40 - Expected credit loss for receivables

W. Statement of cash flows

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

X. Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period, or

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- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

Y. Foreign currency translation

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

Transactions and balances

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

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

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

Z. Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided upon annually by the

Notes to the Standalone **FINANCIAL STATEMENTS**

for the year ended 31st March, 2020

Valuation Committee after discussion with and approval by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The management decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

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

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

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

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

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- i. Disclosures for valuation methods, significant estimates and assumptions.
- ii. Quantitative disclosures of fair value measurement hierarchy.
- iii. Investment in unquoted equity shares (discontinued operations).

- iv. Financial instruments (including those carried at amortised cost).

AA. Exceptional items

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

BB. Rounding off

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

CC. Standards issued but not yet effective and have not been adopted early by the Company

i. Amendment to existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

1. IND AS 103- Business Combination
2. IND AS 107 Financial Instruments Disclosures
3. IND AS 109 Financial Instruments
4. IND AS 116 Leases
5. IND AS 1 Presentation of financial statements
6. IND AS 8 Accounting policies, changes in accounting estimates and errors
7. IND AS 10 Events after reporting period
8. IND AS 34 Interim financial reporting
9. IND AS 37 Provisions , contingent liabilities and contingent assets

Notes to the Standalone FINANCIAL STATEMENTS

Note - 2 : PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01/04/2019	Additions during the year	Disposal during the year	As at 31/03/2020	As at 01/04/2019	Charge for the year	Disposal during the year	As at 31/03/2020	As at 31/03/2019
Freehold land	1.21	0.00	0.00	1.21	0.00	0.00	0.00	1.21	1.21
Leasehold land	10.98	0.00	0.00	10.98	0.27	0.11	0.00	10.59	10.70
Building	70.60	0.31	0.00	70.91	19.93	4.83	0.00	46.15	50.67
Plant & Equipments	307.86	7.51	10.88	304.49	91.82	23.36	10.72	200.03	216.04
Furniture & Fittings	7.17	0.21	0.00	7.38	3.86	0.84	0.00	4.70	3.32
Office Equipments	3.33	0.07	0.00	3.40	2.31	0.39	0.00	2.70	1.02
Vehicles	5.82	0.00	0.01	5.81	3.19	0.81	0.00	3.99	2.63
Total	406.97	8.10	10.89	404.18	121.38	30.33	10.72	140.99	285.59

PARTICULARS	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01/04/2018	Additions during the year	Disposal during the year	As at 31/03/2019	As at 01/04/2018	Charge for the year	Disposal during the year	As at 31/03/2019	As at 31/03/2018
Freehold land	1.21	0.00	0.00	1.21	0.00	0.00	0.00	1.21	1.21
Leasehold land	10.98	0.00	0.00	10.98	0.22	0.05	0.00	10.70	10.75
Building	79.41	2.24	11.04	70.60	13.72	6.21	0.00	50.67	65.69
Plant & Equipments	258.20	50.73	1.06	307.86	72.16	20.61	0.95	216.04	186.04
Furniture & Fittings	6.05	1.12	0.00	7.17	3.17	0.69	0.00	3.86	2.89
Office Equipments	3.02	0.31	0.00	3.33	1.68	0.63	0.00	2.31	1.33
Vehicles	4.82	1.00	0.00	5.82	2.07	1.12	0.00	3.19	2.75
Total	363.68	55.39	12.11	406.97	93.02	29.31	0.95	121.38	270.67

Notes :

- 1 Addition to block of Plant and equipments and other includes interest capitalised during the year Rs.0:15 crore(py Rs.0.40 crore)
- 2 Refer Note no.33 for information on property, plant and equipment pledge as security by the Company.
- 3 Refer note no. 34 for disclosure of contractual commitment for the acquisition of property, plant and equipment.

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 2A : CAPITAL WORK-IN-PROGRESS

(Rs. in Crore)

Particulars	As at 01/04/2019	Additions during the year	Transfer during the year	As at 31/03/2020
Capital Work-in-Progress	23.24	6.87	0.00	30.11

(Rs. in Crore)

Particulars	As at 01/04/2018	Additions during the year	Transfer during the year	As at 31/03/2019
Capital Work-in-Progress	18.86	23.24	18.86	23.24

Note:

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

Note - 3 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(Rs. in Crore)

Numbers		Particulars	As at	As at
31/03/2020	31/03/2019		31/03/2020	31/03/2019
Investment in quoted Equity instruments				
Investment in equity shares (Fully paid up) accounted through other comprehensive income				
20000	20000	Equity Shares of GSL Nova Petrochemicals Ltd of Rs 5 Each	(Rs. 2580)	(Rs. 10000)
10000	10000	Equity Shares of CIL Nova Petrochemicals Ltd of Rs 10 Each	0.01	0.02
		Total : A	0.01	0.02
Investment in Un-quoted Equity instruments				
Investment in equity shares (Fully paid up) accounted through other comprehensive income				
440000	440000	Equity Shares of Dholi Spintex P.Ltd of Rs.10 Each	5.98	5.93
136000	136000	Equity Shares of Quality Exim P.Ltd of Rs.125 Each	1.54	1.48
35000	35000	Equity Shares of Prakash Calender P.Ltd of Rs.10 Each	0.14	0.14
1500	1500	Equity Shares of Deepak Impex P.Ltd of Rs.100 Each	(Rs. 7723)	0.00
20250	20250	Equity Shares of Chiripal Industries Ltd of Rs.10 Each	0.33	0.33
250000	250000	Equity Shares of Nandan Industries P.Ltd of Rs.70 Each	1.77	1.75
44	44	Equity Shares of Ellisbridge Co-op Bank Ltd of Rs.25 Each	(Rs. 1100)	0.00
4	4	Equity Shares of Nutan Nagrik Sahakari Bank Ltd of Rs.25 Each	(Rs. 100)	0.00
145000	145000	Equity Shares of Merit Credit Corp Ltd of Rs.1.16 Each	0.02	0.02
Investment in Un-quoted Preference shares				
Investment in preference shares (Fully paid up) accounted through other comprehensive income				
332000	332000	Preference Shares of Quality Industries Pvt Ltd	4.15	4.15
500000	500000	Preference Shares of Dholi Spintex Pvt Ltd	6.25	6.25
275000	275000	Preference Shares of Nandan Industries Pvt Ltd	1.93	1.93
		Total : B	22.10	21.97
		Total : A+B	22.11	21.99
		Aggregate amount of quoted investments	0.01	0.02
		Aggregate market value of quoted investments	0.01	0.02
		Aggregate amount of unquoted investments	22.10	21.97
		Aggregate amount of impairment in value of investments	0.00	0.00

Notes :

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

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 4: NON-CURRENT FINANCIAL ASSETS - OTHERS

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Bank deposit with original maturity more than 12 months	0.00	0.87
Other financial assets	0.00	0.00
Total	0.00	0.87

Notes :

- | | | |
|-------------------------------|------|------|
| Earmarked balances with Banks | 0.00 | 0.87 |
|-------------------------------|------|------|
- 1 Refer Note No.41 to for credit risk, liquidity risk and market risk for non current financial assets - others
 - 2 Refer Note no.33 for information on Bank Deposits pledged as security by the Company.

Note - 5: DEFERRED TAX ASSETS/LIABILITIES (Net)

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Deferred Tax Liabilities		
Property, plant and equipment and investment property	4.76	4.76
Fair value of investments in equity instruments	0.01	0.00
Others	1.07	0.17
Amortisation of borrowing cost	0.11	0.07
Total Deferred Tax Liabilities	5.94	4.99
Deferred Tax Assets		
MAT credit entitlement	3.90	8.74
Tax losses	0.08	0.00
Fair value of investments in equity instruments	0.00	0.08
Others	0.00	0.00
Total Deferred Tax Assets	3.98	8.82
Net Deferred Tax Assets	(1.96)	3.83

Note - 6: OTHER NON-CURRENT ASSETS

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Capital advances	4.09	3.39
Sundry deposits and advances	2.24	2.69
Total	6.32	6.09

Note:

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

Note - 7: INVENTORIES

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Raw materials & Packaging materials	18.70	23.43
	18.70	23.43
Work-in-progress	18.97	4.73

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 7: INVENTORIES (Contd..)

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Finished goods	23.86	28.57
	42.83	33.31
Stores and spares	4.72	3.88
	4.72	3.88
	66.25	60.62

Notes :

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

Note - 8: CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Secured, considered good		
Unsecured, considered good	292.51	246.32
Unsecured, considered good from related parties (Refer note no. 38)	13.09	0.00
Unsecured, considered doubtful		
	305.60	246.32
Less: Provision for doubtful		
Total	305.60	246.32

Notes:

- 1 Refer note no.41 for credit risk, liquidity risk and market risk for current financial assets.
- 2 Refer note no.33 for Trade Receivables pledged as security by the Company.

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

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Cash and cash equivalents		
Balance with banks		
In current accounts	18.79	2.01
Cash on hand	0.21	0.17
Total	19.00	2.18

Note:

- 1 Refer note no.41 for credit risk, liquidity risk and market risk for current financial assets.

Note - 10: CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Other bank balances		
Deposit accounts (with original maturity more than 3 months but less than 12 months)	7.10	5.14
Total	7.10	5.14

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 10: CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES (Contd..)

Notes:

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Earmarked balances with Banks	3.35	5.14

Note:

- 1 Refer note no.41 for credit risk, liquidity risk and market risk for current financial assets.
- 2 Refer note no.33 for Bank Deposits pledged as security by the Company.

Note - 11: OTHER CURRENT ASSETS

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Advances to suppliers- related parties (Refer note no.38)	2.41	0.00
Advances to suppliers	2.27	27.10
Balance with statutory authorities	41.17	58.15
Prepaid expenses	1.48	0.69
Loans and advances to related party (Refer note no 38)	2.37	0.00
Others	1.00	0.12
Total	50.70	86.06

Note:

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

Note - 12: Equity Share Capital

Particulars	As at 31/03/2020		As at 31/03/2019	
	Number of shares	Rs. in Crore	Number of shares	Rs. in Crore
AUTHORISED				
Equity Shares of Rs. 5 each	50000000	25.00	50000000	25.00
	50000000	25.00	50000000	25.00
ISSUED AND SUBSCRIBED				
Equity Shares of Rs. 5 each	43913334	21.96	43913334	21.96
FULLY PAID UP				
Equity Shares of Rs. 5 each	43913334	21.96	43913334	21.96
	43913334	21.96	43913334	21.96

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

Particulars	2019-20		2018-19	
	Number of shares	Amt in Crores	Number of shares	Amt in Crores
Opening Balance	43913334	4.39	43913334	4.39
Issued during the year	0	0.00	0	0.00
Total Shares	43913334	4.39	43913334	4.39
Increase in Equity shares due to revision in face value per share	0	0.00	0	0.00
Closing Balance	43913334	4.39	43913334	4.39

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 12: Equity Share Capital (Contd..)

2 Rights, preferences and restrictions attached to equity shares

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

3 The company does not have any holding company

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

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of shares held	% of Total paid up Equity Share Capital	No. of shares held	% of Total paid up Equity Share Capital
Equity shares				
1. Chiripal Industries Ltd.	12732000	28.99%	12732000	28.99%
2. Chiripal Exim LLP	2724633	6.20%	2799967	6.38%
3. Veena Investments Pvt Ltd	4010997	9.13%	461300	1.05%

Note - 13: OTHER EQUITY

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Security Premium		
Opening balance	92.07	92.07
Add : Received during year	0.00	0.00
Less : Share issue expenses	0.00	0.00
Closing balance	92.07	92.07
Share application money pending allotment		
Opening balance	0.00	0.00
Less : issue of equity shares	0.00	0.00
	0.00	0.00
Retained Earnings		
Opening balance	100.94	83.08
Add : Retained earnings during the year	30.10	17.86
Closing Balance	131.04	100.94
Other Comprehensive Income		
Opening balance	1.71	1.50
Add/Less : Equity Instruments through other comprehensive income	0.12	0.21
Closing balance	1.83	1.71
Total Other Equity	224.94	194.72

Notes:

Description of nature and purpose of each reserve:

1 Security Premium

The amount received in excess of face value of the equity shares is recognised in equity security premium.

2 Share application money pending allotment

The amount received towards allotment of equity shares

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 13: OTHER EQUITY (Contd..)

3 Retained Earnings

Retained earnings are the profits/losses that the Company has earned till date less any transfer to other reserves, dividends or other distributions to shareholders.

4 Other Comprehensive income

a) The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in equity instruments through Other Comprehensive income.

b) The remeasurement gain/(loss) on net defined plan is recognised in Other Comprehensive Income net of Tax

Note - 14: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Secured		
Term Loans from Banks (Refer note no. 1 and 3 below)	130.76	154.15
Term Loans from Non banking finance company (Refer note no 2 below)	1.49	3.12
Unsecured		
Term Loans from Banks (Refer note no. 4 below)	0.10	0.56
Inter corporate deposits	92.75	92.75
Total	225.11	250.58

Notes:

(Rs. in Crore)

Particulars	As at 31/03/2020		As at 31/03/2019	
	Non Current	Current	Non Current	Current
1 Term Loan from consortium of banks lead by Bank of Baroda is secured against 1) first pari pasu charge on project assets present and future(including assignment of lease hold right of land) with estimated project cost (excluding working capital margin) of Rs. 264.61 crores on reciprocal basis. 2) Non agriculture land at survey no 289,297 and 291 situated at Dholi integrated Spining park, village Dholi, Taluka Dholka,Ahmedabad leased for period of 99 years and first paripasu charge by equitable mortgage of factory land and building at Narol,Ahmedabad. 3) Second paripasu charge on entire current assets of the company.4) Pledge of 10% promoters' holding in the name of Promoter guarantors as on 30 th September 2018. i.e 29,92,099 equity shares of the company. 5) Secured by personal guarantees of promoters and by corporate guarantees of M/s Prakash calender Pvt Ltd and M/s Bhusahn petrofills pvt ltd.	130.62	22.29	153.72	2719
2 Term loan from consortium of banks lead by Bank of Baroda is repayble in 30 quarterly installments.				
3 Term loan from State bank of India is repayable in 84 monthly installment of Rs. 0.12 crore each.				
4 Effective rate of interest is 10.40 p.a to 13.30 % p.a				

Notes to the Standalone **FINANCIAL STATEMENTS**

(Rs. in Crore)

Particulars	As at 31/03/2020		As at 31/03/2019	
	Non Current	Current	Non Current	Current
5 Term loan from Non banking finance company is secured against exclusive first charge over equipment procured, pledge of 3 lacs equity shares of the company held by Mr Vishal V Chiripal and personal gurantee of Mr Brijmohan chiripal.	1.49	1.43	3.12	1.37
6 Loan is repayable in 45 monthly installments of Rs. 0.16 crore each starting from 15th December 2018.				
7 Effective rate of interest is 12.80% p.a				
8 Vehicles Loans are secured by hypothecation of vehicles in favour of Bank and other terms as prescribe by the respective banks. Effective rate of interest is 8.10% to 10.45% p.a	0.14	0.29	0.43	0.95
9 Unsecured loan from bank is collateraly secured by property situated at A-621 Sushant Lok-1, Nr. Centre Point Pizza Hut, Gurgaon, Delhi owned by partnership firm own by relatives of Managing Director, further guarantee of Managing Director, relative of such Managing Director of the copmany	0.10	0.45	0.56	0.40
10 Unsecured Inter corporate deposit is repayable after one year. The said loan is interest free.	92.75	0.00	92.75	0.00

Notes:

- 1 Refer note no.41 for credit risk, liquidity risk and market risk for current financial liability
- 2 Refer note no.33 for non current financial liabilities pledged as security by the Company.
- 3 The company has complied few covenants for loan.
- 4 The company has opted for moratorium period till August 2020 as per relief measures due to Covid 19 announced by Reserve Bank of India on 27th March 2020. Current maturity of term loans are subject to revised repayment schedule as may be decided by respective banks.

Note - 15: NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Creditors for capital expenditure	3.67	3.18
Total	3.67	3.18

Note - 16: NON-CURRENT PROVISIONS

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Provisions		
Provision for employee benefits (Refer note no.36)	4.29	3.85
Total	4.29	3.85

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 17: CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Secured		
Cash credit facility (Refer note no. 1 & 2 below)	115.48	75.52
Packing credit facility	0.00	0.96
Unsecured		
Loans from others	0.00	0.00
Total	115.48	76.48

Notes :

- The Cash Credit facility and packaging credit facility from banks Rs. 115.48 crore (P.Y 76.48 crore) is secured against first paripasu charge on entire current assets of the company present and future. Second paripasu charge on entire fixed assets of the company. The working capital loan is secured by personal guarantees of promoters and by corporate guarantee of M/s Prakash calender Pvt Ltd and M/s Bhusahn petrofills pvt ltd. and pledge of 10% promoters' holding in the name of Promoter guarantors as on 30th September 2018. i.e 29,92,099 equity shares of the company
- Effective interest rate of cash credit facility is in range of 10.75% to 12.50% p.a (P.Y 10.40% to 12.75%)
- Refer note no.41 for credit risk, liquidity risk and market risk for current financial liability

Note - 18: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Trade Payables		
-For Micro and Small Enterprises		
-Other than Micro and Small Enterprises	138.74	156.00
Total	138.74	156.00

Note:

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

Note - 19: CURRENT FINANCIAL LIABILITIES - OTHERS

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Secured		
Current maturity of term loans from Banks (Refer note no.14)	23.03	29.91
Current maturity of term loans from Non Banking Finance Company (Refer note no.14)	1.43	0.00
Unsecured		
Trade deposits	(Rs. 24000)	(Rs. 11040)
Total	24.46	29.91

Note:

- Refer note no.41 for credit risk, liquidity risk and market risk for current financial liabilities.

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 20: OTHER CURRENT LIABILITIES

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Advance received from customers	1.25	0.36
Statutory liabilities	0.32	0.46
Other	2.53	2.09
Total	4.11	2.91

Note - 21: CURRENT PROVISIONS

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Provision for employee Benefits(Refer note no 36)	1.52	1.14
Total	1.52	1.14

Note - 22: CURRENT TAX LIABILITIES (NET)

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Income Tax Provision (net)	4.16	1.19
Total	4.16	1.19

Note - 23 : REVENUE FROM OPERATIONS

(Rs. in Crore)

Particulars	2019-20	2018-19
A- Revenue from operations		
Sale of Products (Excluding all Taxes)		
-Finished Goods	1088.85	780.69
-Traded Goods	9.66	3.55
	1098.51	784.24
B- Sale of Services	193.65	212.02
C- Other operating revenues	4.68	2.23
Total	1296.84	998.49

Note:

A) Disaggregated Revenue Information

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

(Rs. in Crore)

Segment	For the year ended March 31, 2020 Textiles	For the year ended March 31, 2019 Textiles
Type of goods or service		
Sale of manufactured goods		
Textile Products	1093.53	782.92
Sale of traded products		
Textile Products	9.66	3.55
Sale of Services		
Job Work Charges	193.65	212.02
Total revenue from contracts with customers	1296.84	998.49
India	1274.54	986.08
Outside India	22.30	12.42
Total revenue from contracts with customers	1296.84	998.49

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 23 : REVENUE FROM OPERATIONS (Contd..)

(Rs. in Crore)

Segment	For the year ended March 31, 2020 Textiles	For the year ended March 31, 2019 Textiles
Timing of revenue recognition		
Goods transferred at a point in time		
Total revenue from contracts with customers	1296.84	998.49

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

(Rs. in Crore)

Segment	For the year ended March 31, 2020 Textiles	For the year ended March 31, 2019 Textiles
Revenue		
External customer	1296.84	998.49
Inter-segment	0.00	0.00
Inter-segment adjustment and elimination	0.00	0.00
Total revenue from contracts with customers	1296.84	998.49

B) Contract balances

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

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables*	305.60	246.32
Contract liabilities	0.00	Rs. 37012
Advances from customers (refer note no.20)	1.25	0.36

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

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

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue as per contracted price	1314.83	1000.32
Adjustments		
Discount	17.99	1.83
Revenue from contract with customers	1296.84	998.49

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

(Rs. in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from customers	1.25	0.36
	1.25	0.36

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

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 24 : OTHER INCOME

(Rs. in Crore)

Particulars	2019-20	2018-19
a- Interest income	0.52	0.28
b- Others	1.78	0.75
	2.31	1.04

Note - 25 : COST OF MATERIALS CONSUMED

(Rs. in Crore)

Particulars	2019-20	2018-19
Raw material and Packing material at the beginning of the year	23.43	4.66
Add: Purchases (net)	1072.50	821.91
Less : Raw material and Packing material at the end of the year	18.70	23.43
Cost of Raw material Consumed (Including Packaging Materials)	1077.23	803.15

Note - 25A: PURCHASE OF STOCK IN TRADE

(Rs. in Crore)

Particulars	2019-20	2018-19
Stock in trade:		
Chemical	5.97	3.53
Cotton	3.38	0.00
Total	9.36	3.53

Note - 26: CHANGES IN INVENTORIES OF FINISHED GOODS

(Rs. in Crore)

Particulars	2019-20	2018-19
Inventories at the beginning of the year:		
Finished goods	28.57	28.26
Total	28.57	28.26
Inventories at the end of the year:		
Finished goods	23.86	28.57
Total	23.86	28.57
Changes in inventories of finished goods	4.71	(0.31)

Note - 26A: CHANGES IN INVENTORIES OF FINISHED GOODS

(Rs. in Crore)

Particulars	2019-20	2018-19
Inventories at the beginning of the year:		
Stock-in-trade	0.00	0.00
Work-in-progress	4.73	5.99
Total	4.73	5.99
Inventories at the end of the year:		
Stock-in-trade	0.00	0.00
Work-in-progress	18.97	4.73
Total	18.97	4.73
Changes in inventories of stock-in-trade and work-in-progress	(14.24)	1.25

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 27: EMPLOYEE BENEFITS EXPENSE

(Rs. in Crore)

Particulars	2019-20	2018-19
Salaries and wages	72.93	70.47
Contributions to provident and other funds (Refer note no.36)	0.95	0.88
Gratuity (Refer note no.36)	0.86	1.78
Leave Encashment (Refer note no.36)	0.60	0.63
Staff welfare expense	0.64	0.46
Total	75.99	74.22

Note - 28: FINANCE COSTS

(Rs. in Crore)

Particulars	2019-20	2018-19
A-Interest and finance charges on financial liabilities not at fair value through profit or loss	27.73	24.10
Others	4.46	2.29
Less: Interest Capitalised	0.15	0.40
Total	32.04	25.99

Note - 29: DEPRECIATION AND AMORTISATION EXPENSES

(Rs. in Crore)

Particulars	2019-20	2018-19
Depreciation of property, plant and equipment (Refer note no.2)	30.33	29.31
Total	30.33	29.31

Note - 30: OTHER EXPENSES

(Rs. in Crore)

Particulars	2019-20	2018-19
A- Power and Fuel Expenses	15.42	16.06
B- Repairs		
To Building	1.79	1.46
To Machinery	2.26	1.77
To Others	1.34	2.27
	5.39	5.50
C- Others		
Insurance	1.10	0.43
Rates and taxes	0.84	0.82
Payments to auditors	0.08	0.08
Freight and transportation expenses	3.28	1.87
Donation	0.06	0.56
C S R Expenses (Refer note no. 45)	1.37	0.45
Dalali and commission	0.32	2.90
Other expenses	12.51	13.23
	19.56	20.33
Total	40.37	41.89

Note - 31 : TAX EXPENSES

(Rs. in Crore)

Particulars	2019-20	2018-19
Current tax	7.59	4.50
Tax Expense related to Prior Year/paid/written back	(0.07)	0.00
Deferred tax (including MAT credit entitlement)	5.74	(1.91)
Total	13.26	2.59

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

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 31 : TAX EXPENSES (Contd..)

(Rs. in Crore)

Particulars	2019-20	2018-19
Enacted income tax rate in India applicable to the Company	29.12%	34.94%
Profit before tax	43.35	20.45
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	12.62	7.14
Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income		
Other deductible expenses	(0.26)	(2.64)
Deferred tax Expense (net)	0.90	(1.91)
Other Items	0.00	0.00
Total tax expenses	13.26	2.59
Effective tax rate	30.58%	12.67%

Note:

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

Note - 32: STATEMENT OF OTHER COMPREHENSIVE INCOME

(Rs. in Crore)

Particulars	2019-20	2018-19
(i) Items that will not be reclassified to profit or loss		
1. Equity Instruments through Other Comprehensive Income	0.11	(0.25)
2. Remeasurement of defined benefit plans		
Actuarial gains and losses	0.04	0.54
	0.16	0.29
(ii) Income tax relating to these items that will not be reclassified to profit or loss		
Deferred Tax impact on equity instruments through other comprehensive income	(0.03)	0.08
Deferred Tax impact on actuarial gains and losses	(0.01)	(0.17)
	(0.04)	(0.08)
Total	0.12	0.21

Note - 33: Assets Mortgage/Hypothecated as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

(Rs. in Crore)

Assets description	31 /03/ 2020	31 /03/ 2019
First and / or Second charge		
I. Current Financial Assets		
Trade receivables	305.60	246.32
Bank balances	26.10	7.32
Loans		
Other financial assets		
II. Current Assets		
Inventories	66.25	60.62
Other Current Assets	50.70	86.06
Total current assets Hypothecated/Mortgage as security	448.65	400.32
First and / or Second charge		
III Property, Plant and Equipment		
A. Plant and equipments	200.03	216.04
B. Freehold land	1.21	1.21
C. Buildings	46.15	50.67
D. Lease Hold Improvements	10.59	10.70
E. Furniture & Fittings	2.69	3.32
F. Office Equipments	0.70	1.02

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 33: Assets Mortgage/Hypothecated as security (Contd..)

The carrying amount of assets pledged as security for current and non-current borrowings are:

(Rs. in Crore)		
Assets description	31 /03/ 2020	31 /03/ 2019
G. Vehicles	1.82	2.63
IV. Capital work in progress	30.11	23.24
V. Non Current Financial Assets		
Investment	22.11	21.99
Other Financial Assets	0.00	0.87
VI. Other Non Current Assets	6.32	9.91
Total non-current assets Hypothecated/Mortgage as security	321.74	341.60
Total Assets Hypothecated/Mortgage as Security	770.39	741.92

Note - 34: Contingent assets / liabilities not provided for in accounts :

Contingent liabilities :

(Rs. in Crore)		
Particulars	As at 31/03/2020	As at 31/03/2019
A Claims against the company not acknowledged as debt		
1 Estimated amount of contracts, remaining to be executed, on capital account (net off payment)	12.79	12.41
2 For letters of credit (net off Margin)	10.03	1.98
3 For bank guarantee (net off Margin)	3.11	2.30
4 Corporate Guarantee Given	2.97	2.97
B During the F.Y. 2010-11 fire has occurred in the factory premises of the company and the company has lodge the claim of Rs. 7.63 crore with insurance company for loss of damaged goods and assets own and parties goods received for job work, out of total Rs. 7.17 crore for goods received from various parties for job work. Against which company has received claim of Rs. 3.99 crore out of Rs. 1.33 crore accounted / adjusted against loss to the assets of the company and balance as explained and informed made payment and /or adjusted to parties account. The company has not provided for the same as the claim/matter is pending with insurance company till the date. The company has provided for loss of own goods costing Rs. 0.45 crore.	0.00	0.00
C Civil suit is filled agains the company for recovery of Rs. 0.04 crore in City Civil Court, Ahmedabadand according to the company the matter is still pending at the Balance sheet date hence not provided in the books of accounts.	0.05	0.05
D Company has filled petitin against order of Textile Cess Appellate Tribunal for demand amouting to Rs. 0.17 crore and accordingly to the company the matter is still pending at the balance sheet date hence not provided in the books of accounts.	0.18	0.18
E There are four cases filled agains the company for aggregating to Rs. 0.12 crore with Labour Court Ahmedabad and accordinl to the company the matter is still pending at the Balance Sheet date hence not provided in the books of accounts.	0.00	0.13
F Others	0.15	0.00

Note:

- The company has reviewed all its pending litigations and proceedings and has adequately provided where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have materially adverse effect on its financial position. The company does not expect any reimbursement in respect of the above contingent liabilities.
- The company has signed First Loss Default Guarantee in favor of State Bank of India against EDFs facility provided by bank to our customer. The liability of the company will arise only when customers make default in repayment of EDFs facility provided by bank. Outstanding as on 31st March, 2020 all customer collectively has outstanding of Rs. 49.92 Cr against EDFC facility.

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 35:

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

(Rs. in Crore)

	As at 31/03/2020			As at 31/03/2019		
	India	Outside India	Total	India	Outside India	Total
Revenue from operations*						
External	1274.54	22.30	1296.84	986.08	12.42	998.49
Internal Segment	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	1274.54	22.30	1296.84	986.08	12.42	998.49
Other Information**						
Carrying cost of segment non current assets@	319.78	0.00	319.78	341.60	0.00	341.60
carrying cost of segment assets	770.39	0.00	770.39	741.92	0.00	741.92
Addition to property plant and equipment including intangible assets	8.10	0.00	8.10	55.39	0.00	55.39

Note:

* Based on location of customer

**Based on location of assets

@ Excluding financial assets, and deferred tax assets

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

Note - 36: Employment Benefit Plans

The company operates post employment and other long term employee benefits defined plans as follows:

I. Defined Contribution plan

Contribution to Defined Contribution Plan, recognised as expenses for the year are as under:

(Rs. in Crore)

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	0.95	0.12

II. Defined Benefit Plan

The employee's gratuity fund scheme managed by a Trust is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.

(Rs. in Crore)

Particulars	31/03/2020		31/03/2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A. Reconciliation of opening and closing balances of Defined Benefit obligation				
a. Obligation as at the beginning of the year	4.31	0.00	3.24	0.06
b. Current Service Cost	1.33	0.05	1.33	0.06
c. Interest Cost	0.30	0.01	0.23	0.00
d. Actuarial Gain/(Loss)	(0.82)	(0.01)	(0.49)	(0.03)
e. Benefits Paid	0.00	(0.03)	0.00	(0.01)
f. Past Service Cost	0.00	0.00	0.00	0.00
g. Obligation as at the end of the year	5.13	0.01	4.31	0.09

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 36: Employment Benefit Plans (Contd..)

(Rs. in Crore)

Particulars	31/03/2020		31/03/2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
B. Reconciliation of opening and closing balances of fair value of plan assets				
a. Fair Value of Plan Assets as at the beginning of the year	0.00	0.00	0.00	0.00
b. Expected return on Plan Assets	0.00	0.00	0.00	0.00
c. Actuarial Gain/(Loss)	0.00	0.00	0.00	0.00
d. Employer's Contributions	0.00	0.00	0.00	0.00
e. Benefits Paid	0.00	0.00	0.00	0.00
f. Fair Value of Plan Assets as at the end of the year	0.00	0.00	0.00	0.00
C. Reconciliation of fair value of assets and obligation				
a. Fair Value of Plan Assets as at the end of the year	0.00	0.00	0.00	0.00
b. Present Value of Obligation as at the end of the year	5.13	0.01	4.31	0.09
c. Amount recognised in the Balance Sheet	5.13	0.01	4.31	0.09
D. Investment Details of Plan Assets				
Bank balance	0.00	0.00	0.00	0.00
Invested with Life Insurance Corporation of India	0.00	0.00	0.00	0.00
E. Actuarial Assumptions				
a. Discount Rate (per annum)	6.25% to 6.75%	6.75%	7.55%	7.50%
b. Estimated Rate of return on Plan Assets (per annum)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c. Rate of escalation in salary (per annum)	5% to 6%	5% to 6%	6.00%	6.00
F. Expenses recognised during the year				
Expenses recognised during the year				
(i). Current Service Cost	1.33	0.05	1.33	0.06
(ii). Interest Cost	0.30	0.01	0.23	0.00
(iii). Expected return on Plan Assets	0.00	0.00	(0.49)	(0.03)
(iv). Actuarial Gain/(Loss)	(0.82)	(0.01)	0.00	(0.01)
(v). Past Service Cost	0.00	0.00	0.00	0.00
(vi). Expense recognised during the year	0.82	0.04	1.07	0.03

Notes:

- (i) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- (ii) The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for management of plan assets.

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 36: Employment Benefit Plans (Contd..)

G. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Rs. in Crore)

Particulars	31/03/2020			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	5.00	0.09	5.26	0.11
Salary growth rate (0.5% movement)	5.26	0.11	5.00	0.09

(Rs. in Crore)

Particulars	31/03/2019			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	3.87	0.00	4.28	0.00
Salary growth rate (0.5% movement)	4.28	0.00	3.86	0.00

Note:

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Note - 37: Due to Micro, Small and Medium Enterprises

Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02/10/2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Principal amount remaining unpaid to any supplier as at the year end	0.00	0.00
Interest due thereon	0.00	0.00
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during year.	0.00	0.00
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED.	0.00	0.00
Amount of interest accrued and remaining unpaid at the end of accounting year	0.00	0.00

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

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 38: Related party disclosures as per Ind AS 24

The names of related parties with relationship and transactions with them:

I. Relationship:

A. Shareholders / Promoters having control over the company

Sr.no.	Name
1	BRIJMOHAN D CHIRIPAL
2	JYOTIPRASAD D CHIRIPAL
3	VEDPRAKASH D CHIRIPAL
4	JAYPRAKASH D CHIRIPAL

B. Entities over which Shareholders exercise control

Sr.no.	Name of the entity
1	CHIRIPAL TEXTILE MILLS PVT LTD
2	DEVKINANDAN CORPORATION LLP
3	DHOLI SPINTEX PRIVATE LIMITED
4	HUNKY DORY TRAVEL PRIVATE LIMITED
5	NANDAN INDUSTRIES PVT LTD
6	NANDAN TERRY PVT LTD
7	NOVA TEXTILE PRIVATE LTD
8	QUALITY EXIM PVT LTD
9	DEEPAK IMPEX PVT LTD
10	DINDAYAL PROCESSORS
11	AKSHITA GARG CHIRIPAL JEWELLERS

C. Entities over which Shareholders has Significant Influence

Sr.no.	Name of the entity
1	CHIRIPAL CHARTABLE TRUST
2	CHIRIPAL EXIM LLP
3	CHIRIPAL INDUSTRIES LTD
4	CIL NOVA PETROCHEMICALS LTD
5	DHOLI INTEREGITED SPINING PARK LTD
6	MILESTONE EDUCOM TRUST
7	NANDAN DENIM LTD
8	NAROL TEXTILE INFRASTRUCTURE & INVIRO MANAGEMENT
9	PINNACAL RISK ADVISORY LLP
10	PRAKASH CALENDER PVT LTD
11	TRIPOLI MANAGEMENT PVT LTD
12	VRAJ INTEGRATED TEXTILE PARK LTD

D. Key Management Personnel:

Name of the entity	Designation
BRIJMOHAN D CHIRIPAL	MANAGING DIRECTOR
AMIT KADMAWALA	WHOLE TIME DIRECTOR
PONNUSAMY SHANMUGARAJA	WHOLE TIME DIRECTOR (UPTO 20TH MAY 2019)
SHUBHANKAR JHA	NON EXECUTIVE DIRECTOR
DHARA SHAH	NON EXECUTIVE DIRECTOR
CHITRANJAN SINGH	NON EXECUTIVE DIRECTOR

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 38: Related party disclosures as per Ind AS 24 (Contd..)

D. Key Management Personnel: (Contd..)

Name of the entity	Designation
TANUJ AGARWAL	CHIEF EXECUTIVE OFFICER (UPTO 18TH DECEMBER 2019)
MAHESH KAWAT	CHIEF FINANCIAL OFFICER (UPTO 5TH APRIL 2019)
DEEPAK VYAS	COMPANY SECRETARY (FROM 29TH MAY 2018)
RAVINDRAKUMAR BAJAJ	WHOLE TIME DIRECTOR (FROM 25TH MAY 2019)
VINAY THADANI	CHIEF FINANCIAL OFFICER(FROM 25TH MAY 2019)

E. Relatives of Key Management Personnel

List of Relatives of Key Management Personnel with whom transactions done during the said financial year:

GEETIKA AGARWAL

SASIKALA- RETIRED AS ON 20/03/2019

F. Key Management Personnel compensation:

(Rs. in Crore)

Particulars	2019-20	2018-19
Short-term employee benefits	0.17	0.04
Long-term post employment benefits	0.17	0.12
Total compensation	0.34	0.15

II. The following transactions were carried out with the related parties referred in above in the ordinary course of business (excluding reimbursement):

(Rs. in Crore)

B. Entities over which Shareholders exercise control	2019-20	2018-19
1 Sale of goods/services	40.25	23.47
NANDAN INDUSTRIES PVT LTD	0.40	23.43
NANDAN TERRY PVT LTD	38.11	0.03
NOVA TEXTILE PVT LTD	1.75	0.00
2 Purchase of materials/services	30.91	120.61
DHOLI SPINTEX PRIVATE LIMITED	0.00	29.27
HUNKY DORY TRAVEL PRIVATE LIMITED	0.00	0.11
NANDAN INDUSTRIES PVT LTD	0.52	39.55
NANDAN TERRY PVT LTD	18.04	14.74
NOVA TEXTILE PRIVATE LTD	0.29	0.06
QUALITY EXIM PVT LTD	0.00	36.89
DEEPAK IMPEX PVT LTD	10.92	0.00
DINDAYAL PROCESSORS	1.03	0.00
AKSHITA GARG CHIRIPAL JEWELLERS	0.11	0.00
3 Sale of non current investment	0.00	1.05
DEVKINANDAN CORPORATION LLP	0.00	1.05
4 Purchase of non current investment	0.00	12.33
DHOLI SPINTEX PRIVATE LIMITED	0.00	6.25
NANDAN INDUSTRIES PVT LTD	0.00	1.93
QUALITY EXIM PVT LTD	0.00	4.15
5 Net closing balance - debit	8.60	2.10
6 Net closing balance - credit	0.00	0.00

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 38: Related party disclosures as per Ind AS 24 (Contd..)

(Rs. in Crore)

C. Entities over which Shareholders has Significant Influence	2019-20	2018-19
1 Purchase of materials	27.27	28.04
CHIRIPAL INDUSTRIES PVT LTD	0.54	9.58
DHOLI INTEREGITED SPINING PARK	0.47	4.29
NANDAN DENIM LTD	24.48	12.28
PINNACAL RISK ADVISORY	0.09	0.27
VRAJ INTEGRATED TEXTILE PARK LTD	0.00	0.03
NAROL TEXTILE INFRASTRUCTURE & INVIVO MANAGEMENT	1.69	1.59
2 Sale of goods/services	1.00	0.36
NANDAN DENIM LTD	1.00	0.36
3 Guarantee Commission	0.01	0.01
PRAKASH CALENDER PRIVATE LIMITED	0.01	0.01
4 Doantion	0.90	0.00
MILESTONE EDUCOM TRUST	0.50	0.00
CHIRIPAL CHARITABLE TRUST	0.40	0.00
6 Loan/ICD taken	0.00	6.40
TRIPOLI MANAGEMENT PVT LTD	0.00	0.00
7 Loan/ICD repaid	0.00	4.12
TRIPOLI MANAGEMENT PVT LTD	0.00	4.12
8 Sale of Non current investment	0.00	4.92
CHIRIPAL EXIM LLP	0.00	4.92
9 Net closing balance - debit	6.91	0.00
10 Net closing balance - credit	0.00	2.91

(Rs. in Crore)

D. Key Management Personnel	2019-20	2018-19
1 Remuneration		
Salary and Allowances	1.48	1.41
BRIJMOHAN D CHIRIPAL	0.70	0.59
AMIT KADMAWALA	0.08	0.08
PONNUSAMY SHANMUGARAJA	0.00	0.19
SHUBHANKAR JHA	0.01	0.00
DHARA SHAH	(Rs. 49500)	0.00
CHITRANJAN SINGH	(Rs. 27000)	0.00
TANUJ AGARWAL	0.17	0.37
MAHESH KAWAT	0.00	0.11
DEEPAK VYAS	0.08	0.06
RAVINDRAKUMAR BAJAJ	0.18	0.00
VINAY THADANI	0.26	0.00

(Rs. in Crore)

E. Relatives of Key Management Personnel	2019-20	2018-19
1 Remuneration		
MRS. GEETIKA AGARWAL	0.13	0.17
MRS. SASIKALA	0.00	0.03

III. During the year promoter directors have pledged 10% of equity shares held by them in the company as on 30th September 2018 i.e 29,92,099 equity shares, in favour of consortium of Banks lead by Bank of Baroda for various loans availed by the company.

IV. Terms and conditions

- Goods were sold during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions at market rates. All outstanding balances are unsecured and are repayable in cash.
- Disclosure is made in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 39: Financial instruments – Fair values and risk management

I. Accounting classification and fair values

(Rs. in Crore)

31/03/2020	Carrying amount				Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Financial assets measured at each reporting date								
Investments								
Listed equity instruments		0.01		0.01	0.01			0.01
Unquoted equity instruments		22.10		22.10			22.10	22.10
Financial assets measured at amortised cost								
Other non current financial assets				0.00				0.00
Other non current assets				0.00				0.00
Trade receivables			305.60	305.60				0.00
Cash and cash equivalents			19.00	19.00				0.00
Other bank balances			7.10	7.10				0.00
Other financial current assets			50.70	50.70				0.00
Total Financial Assets	0.00	22.11	382.40	404.51	0.01	0.00	22.10	22.11
Financial liabilities measured at amortised cost								
Non current borrowings			225.11	225.11				0.00
Current borrowings			115.48	115.48				0.00
Trade payables			138.74	138.74				0.00
Other financial liabilities			24.46	24.46				0.00
Total Financial Liabilities	0.00	0.00	503.79	503.79	0.00	0.00	0.00	0.00

(Rs. in Crore)

31/03/2019	Carrying amount				Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Financial assets measured at each reporting date								
Investments								
Listed equity instruments		0.02		0.02	0.02			0.02
Unquoted equity instruments		21.97		21.97			21.97	21.97
Financial assets measured at amortised cost								
Other non current financial assets			0.87	0.87				0.00
Other non current assets			6.09	6.09				0.00
Trade receivables			246.32	246.32				0.00
Cash and cash equivalents			2.18	2.18				0.00
Other bank balances			5.14	5.14				0.00
Other financial current assets			86.06	86.06				0.00
Total Financial Assets	0.00	21.99	346.66	368.65	0.02	0.00	21.97	21.99

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 39: Financial instruments – Fair values and risk management (Contd..)

(Rs. in Crore)

31/03/2019	Carrying amount				Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Financial liabilities measured at amortised cost								
Non current borrowings			250.58	250.58				0.00
Other non current financial liabilities			76.48	76.48				0.00
Current borrowings			156.00	156.00				0.00
Trade payables			33.09	33.09				0.00
Other financial liabilities								0.00
Total Financial Liabilities	0.00	0.00	516.15	516.15	0.00	0.00	0.00	0.00

Notes:

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements described below:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 : Inputs other than the quoted prices included withing Level 1 that are observable for the asset or liability, either directly or indirectly.

II. Fair value of financial assets and liabilities measure at amortised cost

(Rs. in Crore)

Particulars	31/03/2020		31/03/2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Other non current financial assets	22.11	22.11	21.99	21.99
Total financial assets	22.11	22.11	21.99	21.99
Financial liabilities				
Non current borrowings	225.11	225.11	250.58	250.58
Total financial liabilities	225.11	225.11	250.58	250.58

Notes:

The following methods and assumptions were used to estimate the fair values:

- 1) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balance, other current financial liability, loans and other current assets are considered to be the same as their fair values, due to their short-term nature.
- 2) The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate.
- 3) The fair values of non-current borrowings **are based on discounted cash flows using a current borrowing rate.**

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 39: Financial instruments – Fair values and risk management (Contd..)

III. Measurement of fair values

A. Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
FVTOCI in unquoted equity shares	<p>Market comparison technique: The valuation model is based on two approaches :</p> <p>1. Asset approach - seek to determine the business value based on the value of it's assets. The aim is to determine the business value based on the fair market value of its assets less its liabilities. The asset approach is based on the economic principle of substitution which adopts the approach of cost to create another business similar to one under consideration that will produce the same economic benefits for its owners.</p>	Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares	The estimated fair value would increase (decrease) if: There is a change in pricing multiple owing to change in earnings of the entity.
	<p>2. Market approach - relies on signs from the real market place to determine what a business is worth. The market approach based valuation methods establish the business value in comparison to similar businesses. The methods rely on the pricing multiples which determine a relationship between the business economic performance, such as its revenues or profits, and its potential selling price. The valuation has been made considering the following weightage to the above approaches: Asset approach : 70% Market approach : 30%</p>		

B. Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

2. Sensitivity analysis

For the fair values of unquoted investments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

(Rs. in Crore)

Significant observable inputs	31/03/2020		31/03/2019	
	Other Comprehensive Income		Other Comprehensive Income	
	Increase	Decrease	Increase	Decrease
Unquoted equity/preference instruments measured through OCI				
5% movement	1.11	1.11	1.10	1.10

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 40: Financial risk management

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

- Credit risk ;
- Liquidity risk ; and
- Market risk

1. Risk management framework

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

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

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

2. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

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

A. Trade receivables

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

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

Other financial assets

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

Cash and cash equivalents

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

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 40: Financial risk management (Contd..)

A.1. Impairment

At March 31, 2020, the ageing of trade and other receivables that were not impaired was as follows.

(Rs. in Crore)

Particulars	Carrying amount					
	31/03/2020			31/03/2019		
	Gross	Provision	Net	Gross	Provision	Net
Upto 30 days	116.24		116.24	97.74		97.74
Upto 180 days	173.23		173.23	125.47		125.47
More than 181 days	16.13		16.13	23.12		23.12
	305.60	0.00	305.60	246.32	0.00	246.32
% of expected credit losses (More than 365 days)			0.00			0.00

The above receivables which are past due but not impaired are assessed on individual case to case basis and relate to a number of independent third party customers from whom there is no recent history of default. These financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered recoverable based on the nature of the activity of the customer portfolio to which they belong and the type of customers. There are no other classes of financial assets that are past due but not impaired except for Trade receivables as at 31.03.2020 and 31.3.2019

Note - 41: Financial instruments – Fair values and risk management

Liquidity risk

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

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

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

B. The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Floating rate		
Fund Base	44.52	5.79
Expiring within one year (bank overdraft and other facilities)		
Non Fund Base	12.86	6.90
Expiring within one year		

C. Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(Rs. in Crore)

31/03/2020	Carrying amount	Less than 12 months	1-2 years	3-5 years	More than 5 years	Total
Financial liabilities						
Non current borrowings	225.11	16.64	44.02	105.17	108.81	274.64
Current borrowing	115.48	132.48				132.48
Trade payable	138.74	138.74				138.74
Other current financial liabilities includes interest	24.46	24.46				24.46

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 41: Financial instruments – Fair values and risk management (Contd..)

(Rs. in Crore)

31/03/2019	Carrying amount	Less than 12 months	1-2 years	3-5 years	More than 5 years	Total
Financial liabilities						
Non current borrowings	250.58	55.93	53.79	133.07	50.93	293.72
Current borrowing	76.48	8.80				8.80
Trade payable	156.00	156.00				156.00
Other current financial liabilities includes interest	29.91	29.91				29.91

Note - 42: Financial instruments – Fair values and risk management

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

A, Currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of payables and receivables in foreign currency. The company has formulated policy to meet the currency risk.

company does not use derivative financial instruments for trading or speculative purposes.

1. Foreign Currency Exposure

(Rs./ FC in Crore)

Particulars	Currency	31/03/2020	31/03/2019
a) Against export	USD	0.02	0.11
	INR	1.63	7.47
b) Net statement of financial exposure	USD	0.02	0.11
	INR	1.63	7.47

2. Sensitivity

Profit or loss is sensitive to higher / lower changes in fluctuation currency rate:

(Rs. in Crore)

As on 31/03/2020 Particulars	Carrying amount	
	Increase	Decrease
Currency rates (5% increase/ decrease)		
USD	0.01	0.01

B. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The company adopts a policy to ensure that maximum interest rate exposure is at a fixed rate. This is achieved by entering into fixed-rate instruments.

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 42: Financial instruments – Fair values and risk management (Contd..)

1. Exposure to interest rate risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Rs. in Crore)

Particulars	31/03/2020	31/03/2019
Fixed-rate instruments		
Financial assets	7.10	6.01
Financial liabilities	0.00	4.49
Total	7.10	10.50
Variable-rate instruments		
Financial liabilities	365.05	352.48
Total	365.05	352.48

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

As on 31/03/2020	Bank loans
Weighted average interest rate	11.50%
Balance (Rs. in crore)	365.05
% of total loans	100.00%

(Rs. in Crore)

As on 31/03/2019	Bank loans
Weighted average interest rate	11.75%
Balance (Rs. in crore)	352.48
% of total loans	97.11%

2. Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates:

As on 31/03/2020	Impact on profit before tax	
	Decrease	Increase
Particulars		
Interest rates (0.50% increase/ decrease)	1.83	1.83

As on 31/03/2019	Impact on profit before tax	
	Decrease	Increase
Particulars		
Interest rates (0.50% increase/ decrease)	1.76	1.76

3. Fair value sensitivity analysis for fixed-rate instruments

The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Note - 43: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 43: Capital management (Contd..)

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations

(Rs. in Crore)

Particulars	As at 31/03/2020	As at 31/03/2019
Total Liabilities	523.50	525.24
Less : Cash and bank balances	26.10	7.32
Adjusted net debt	497.40	517.92
Total equity	246.89	216.68
Adjusted net debt to adjusted equity ratio	2.01	2.39

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2020 and 31 March 2019.

Note - 44: Earnings per share

[Number of shares]

Particulars	31/03/2020	31/03/2019
Issued equity shares	43913334	43913334
Weighted average shares outstanding - Basic and Diluted - A		

Net profit available to equity holders of the Parent Company used in the basic and diluted earnings per share was determine as follows:

(Rs. in Crore)

Particulars	31/03/2020	31/03/2019
Profit and loss after tax	30.10	17.86
Profit and loss after tax for EPS - B		
Basic Earnings per share [B/A] [Rs.]	6.85	4.07
Diluted Earnings per share [B/A] [Rs.]	6.85	4.07

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

Note - 45: Expenditure on corporate social responsibility activities

- Gross amount required to be spent by the company during the year is Rs. 1.37 (P.Y 0.37 crore).
- Amount spent during the year

(Rs. in Crore)

Particulars	In cash	Yet to be paid in cash	Total
Construction of an asset	0.00	0.00	0.00
On purpose other than (A) above	1.37	0.00	1.37
	(P.Y 0.37)	(P.Y 0)	(P.Y 0.37)
Total	1.37	0.00	1.37

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 46:

Figures have been presented in 'crore' of rupees with two decimals. Figures less than Rs. 50,000 have been shown at actual in brackets

Note - 47:

The financial statements are approved by the audit committee as at its meeting and by the Board of Directors on 10th July, 2020

Note - 48:

Company has not given any loan or guratees during the year and in previous year hence disclosure under section 186(4) of the companies Act 2013 is not given

Note - 49:

Post lockdown government has only allowed bare essential industries to function in line with the emphasis on social distancing. Therefore, textile players are compelled to keep their doors shut. Once the dust settles on the immediate crisis, the textile industry is expected to face a recessionary market. One of the reasons for this is the prospect of longlasting changing consumer behavior due to social distancing and the preference for sanitized products.

The industry may take a much longer time to recover after the lockdown. It may take a minimum of four to six months to see businesses back to normal, as estimates of direct losses are difficult to make now and it is also tough to foresee the issues that will crop up later. Financially strong companies are expected to recover faster.

Volumes may come down, but will not disappear. Once life is back to normal, people are expected to shop as a feel-good element after months of lockdown and depression.

According to a recent survey by the International Textile Manufacturers Federation (ITMF), on an average 8 per cent orders have dropped worldwide and the expected turnover this calendar year will be down by nearly 10 per cent over 2019 figures.

As food and clothing will continue to remain key purchases, there is always hope for this industry.

The company is closely monitoring the evolution of the corona virus situation and its impact on the business. The following update is in the interest of all stakeholders.

Business Operations:

As per government directives, and current circumstances, company in pursuance of the approval received from the concerned authorities in the State of Gujarat subject to fulfilment of certain conditions, the Company's manufacturing facility at Dholi, Ahmedabad, Gujarat has partially resume its operations with a limited workforce.

Company is monitoring potential knock-on effects on production and deliveries and will try to mitigate the same.

Notes to the Standalone **FINANCIAL STATEMENTS**

Note - 49: (Contd..)

Employees:

1. All permanent employees have been asked to work from home.
2. Our HR department is playing very proactive role by constantly communicating with all our permanent and on-contract employees and monitoring their health.

Working Capital Update:

1. Our sales and marketing team has been in constant touch with our customers across the country and wellpositioned to tap the opportunities that may come across post the lockdown.
2. Trade receivables may be delayed; however, company is in a comfortable scenario to withstand the impact of the same.
3. We have a strong orderbook and will continue to serve our customers diligently.
4. Company is well equipped to fulfil all the export commitments.
5. Being a large firm. MSME vendors will be paid on a timely basis because we understand that we need to take care of people and help society at large.

Significant Accounting Policies as annexed in Note-1 of standalone financial statement

The accompanying Notes 2 to 49 are integral part of the Financial Statements

As per our report of even date

For and on behalf of the Board of Directors of **Vishal Fabrics Limited**

CIN : L17110GJ1985PLC008206

For **Nahta Jain and Associates**

Chartered Accountants

Firm Registration No: 106801W

Gaurav Nahta

Partner

Membership No.: 116735

Place: Ahmedabad

Date: July 10,2020

Brijmohan Chiripal

Managing Director

DIN : 00290426

Amit Kadmawala

Whole-Time Director

DIN : 07016454

Vinay Thadani

Chief Financial Officer

Deepak Vyas

Company Secretary



Vishal Fabrics Limited

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