



VISHAL
FABRICS LTD

Building on our

Foundation.

Enhancing

Value

for all.

VISHAL FABRICS LIMITED

37th Annual Report 2021-22

Inside the report

CORPORATE OVERVIEW

About Chiripal Group	02
About Vishal Fabrics Limited (VFL)	04
Our presence	06
Financial highlights	08
Message from the Managing Director	10
Message from the CEO	12
Building on our strength	14
Creating value for our stakeholders	15
Corporate information	16

STATUTORY REPORTS

Management Discussion and Analysis	17
Notice	20
Directors' Report	33
Report on Corporate Governance	50

FINANCIAL STATEMENTS

Independent Auditors' Report	63
Balance Sheet	72
Statement of Profit and Loss	73
Cash Flow Statement	74
Notes to Standalone Financial Statements	76





At Vishal Fabrics Limited (VFL), our consistent aim is to enhance and enrich our product portfolio through innovation and automation across our operational canvas. We leverage our inherent strengths to outperform the industry with highest ever revenue, EBITDA and PAT in a year marked by several headwinds.

Digital transformation acts as a key enabler of our strategy. We invest in increasing our sales through online platforms, upgrade our internal processes and platforms through superior technology and higher automation.

As we move forward to the next phase of growth, we will continue to focus on expanding our reach, striving for operational excellence, optimising our cost, improving return ratios and maintaining a healthy balance sheet position.

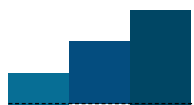
We are also eyeing opportunities to build strategic and long-term tie-ups with global retail brands for direct sales. The foundation that we have created over the years will serve as the springboard for us to enhance value for all stakeholders.

About Chiripal Group

One of the largest manufacturers and exporters of various types of Textile and BOPP Film products in India, Chiripal Group has been addressing the diverse needs of customers for five decades.

Started its journey with few power looms, today, it is a multifaceted textile conglomerate producing fiber to apparel under one roof. Our extensive expertise, capabilities and experience has empowered us to establish successful business across multiple industries including petrochemicals, chemicals and infrastructure to

spinning, weaving, knitting, fabric processing, BOPP film manufacturing and educational initiatives. Alongside, we have also been committed in maintaining a sustainable balance and we continue to contribute towards assisting India in meeting its energy demands while minimizing the negative effect on the environment.



20,000+
Employees

50
Years of experience

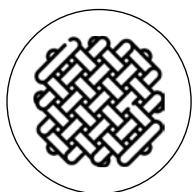


50+
Countries of presence

11
Group of companies



Our Group Companies



Textile

- Nandan Denim Limited
- Nandan Terry Limited
- Vraj Integrated Textile Park



Fabric

- Vishal Fabrics
- Chiripal Industries (Fabric Division)



Yarn & Petrochemicals

- Chiripal Industries (Petrochemical Unit)
- CIL Nova Petrochemicals



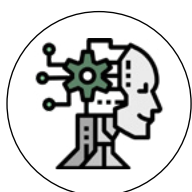
Packaging Solutions

- Chiripal Poly Films Limited



Education

- Shanti Educational Initiatives Ltd.
- Shanti Business School



Robotics/AI

- HRF/WSRO



Finance

- Vita Loan

About Vishal Fabrics Limited (VFL)

One of India's leading manufacturers of denim, Vishal Fabrics Limited (VFL) has been at the centre of the denim revolution bringing fashion and comfort under one roof.

Incorporated in 1985 and located in the textile hub of India – Gujarat, we have established a strong brand name and recall for dyeing, printing and processing of denim, and other wide range of fabrics.

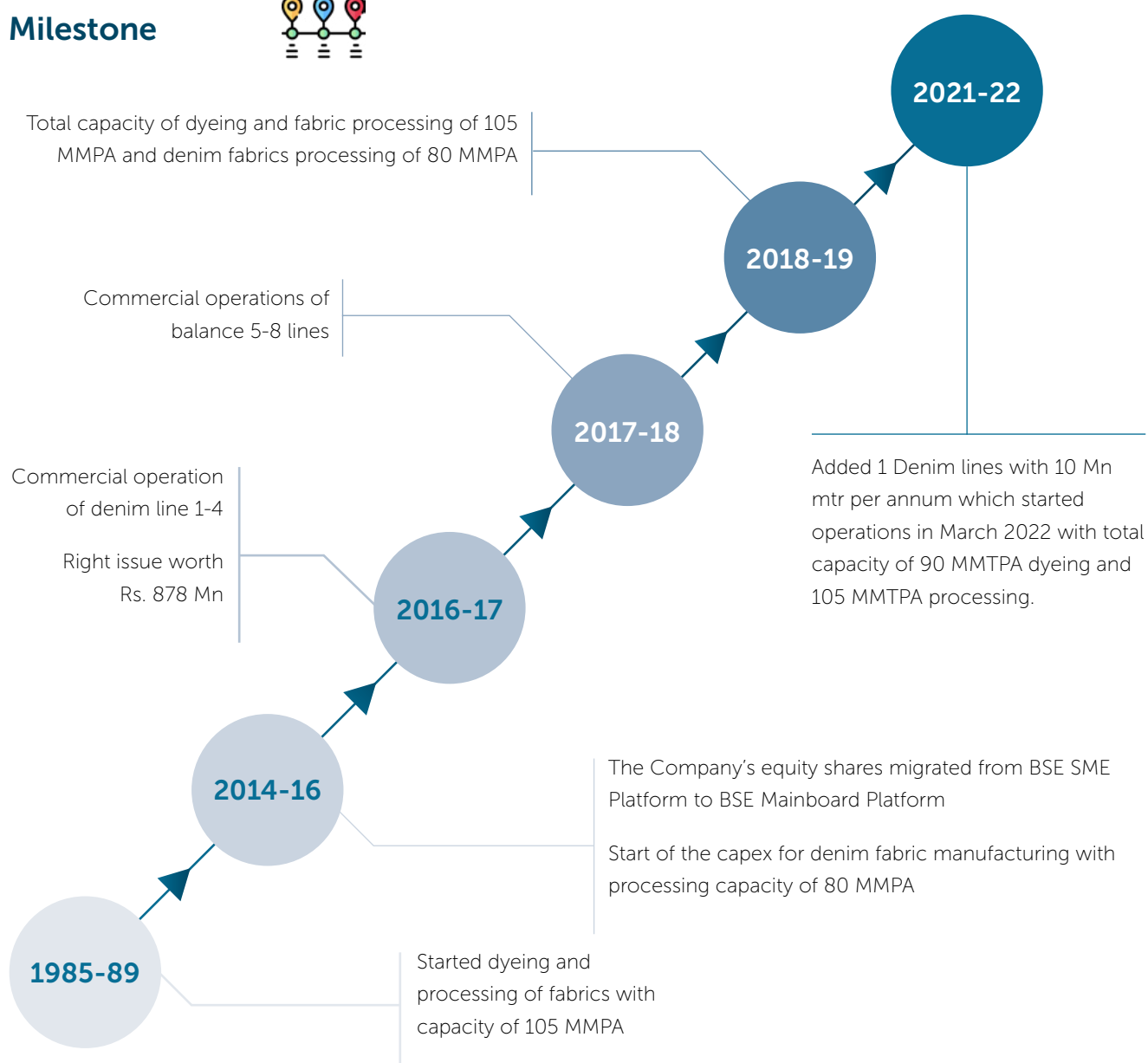
Through our integrated and state-of-the-art manufacturing facilities, we have been producing industry-leading quality denim fabric that exceeds the expectations for our customers worldwide.

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.

Milestone



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

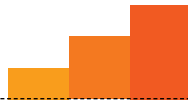


- We credit our success to the foundation of our unflinching core values. We never compromise on production quality and are in a constant hunt for innovations that can help us in scaling up our quality levels.
- We pledge to follow the fairest business practices to ensure a healthy, just and all-inclusive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

Our presence



200+
Employees



Strong

Order Book value from
overseas market as on 31-03-22



ICONIC Brands catered



Financial highlights

Revenue from Operations

(Rs. in crores)



11.66%
YOY Growth

EBITDA

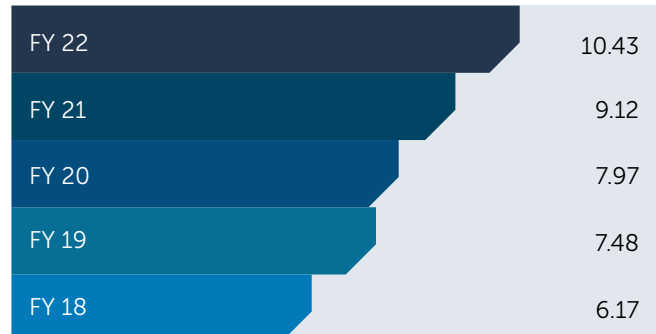
(Rs. in crores)



24.03%
YOY Growth

EBITDA Margin

(%)



11.08%
YOY Growth

PAT

(Rs. in crores)



34.59%
YOY Growth

PAT Margin

(%)



20.59%
YOY Growth

EPS

(Rs. in crores)



-0.40%
YOY Growth

Debt Equity Ratio

(in times)



5.63%
YOY Growth

ROCE

(Rs. in crores)



16.50%
YOY Growth

ROE

(Rs. in crores)



22.94%
YOY Growth

Message from the Managing Director

Mr. Brijmohan D. Chiripal
Managing Director

Dear Shareholders,

The fiscal year 2020-21 was the year in which a microscopic virus brought the world to a halt – fiscal year 2021-22 continued to bear its repercussions and knock-on effects, clubbed with other macroeconomic challenges such as geopolitical uncertainty. At Vishal Fabrics, we continued to demonstrate strength and exceptional dedication to serve our customers and keep their supply chains running.

Navigating challenges

Post a setback in the year 2020-21, the textile industry has shown signs of recovery in the year under review. India is the leading exporter of natural spun yarn (mainly cotton based). In several categories, it features among the top 5 global exporters – natural fibre, MMF spun yarn, filament yarn, woven fabric and home textiles.

During the year under review, India recorded its highest-ever textiles and apparel exports – an increase of 41% over FY 2020-21 and 26% over FY 2019-20 as per Ministry of Textiles.



This was achieved despite of challenges such as increasing inflation, higher tax rates imposed during the year, rising price of cotton and shortage of skilled labour to name a few. The Indian government has been taken a series of positive steps to support the textile industry. Ministry of Textiles, Government of India has declared two flagship schemes - Pradhan Mantri Mega Integrated Textile Region and Apparel (PM-MITRA) Parks and Production-linked incentive (PLI) scheme. The PM-MITRA parks are being established with the endeavour to support establishment of 7 world-class mega textile parks, while, the PLI scheme is aimed at encouraging large scale projects in manmade and technical textile segments.

Stellar performance

As a result of the continuation of exceptional market conditions, the financial performance of VFL set new records, and our results have enabled us to invest in our long-term transformation, expansion and decarbonisation while at the same time providing our shareholders with strong returns. This was achieved on the back of some strategic changes introduced by us. During the year under review, we started exploring export opportunities and currently we are exporting to more than XX countries predominantly situated in South Asia. So far, we have been receiving encouraging response of our products in overseas market and we remain confident on bagging strong export orders from leading brands.

Our renewed strategies also set out how we respond to the expectations and priorities of our stakeholders, the world we work in, which includes the socio-economic operating contexts in India, the prevailing trends in our industry and our material risks and

“
At Vishal Fabrics,
we continued
to demonstrate
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”

opportunities. We continue to make big strides towards maintaining our strong reputation of producing a wide range of products for all – men, women and kids – including denim fabric ranging from standard to super premium segment with a strong emphasis on premium segment.

Sustainability at core

Alongside of focusing on strengthening our operations, we are firmly committed to our sustainability charter and our efforts with becoming more environment friendly. We have been focusing on increasing dependency on renewable energy through installing solar panels of electricity generation. Additionally, we have also been undertaking an array of initiatives such as using go green washing machines, water spray technology for washing, eco-friendly dyes and creating a massive green cover in and around our facilities.

Further, our ESG strategy also comprises core commitments on the social and governance dimensions.

On social front, we will ensure that our people thrive at work by providing a safe and inspiring workplace, creating an engaging environment for all colleagues, facilitating diversity of thought, ensuring that VFL is a safe place to work and improving the quality of life of people in our operating areas. Additionally, we are also committed to ensuring that our business practices are responsible and transparent across our entire operations and supply chain, with high standards of compliance and ensuring our employees act ethically and in accordance with our values.

Acknowledgement

Before I conclude, I am pleased to inform you that we have elevated Mr. Vinay as the CEO of Vishal Fabrics. We believe, his long-standing association with us and proven ability to generate outcomes in our market, he will be the perfect leader to take on this responsibility and VFL into the next leg of growth.

Lastly, I would like to express my gratitude to all our employees, customers, suppliers, shareholders and other stakeholders for your continued support and trust. With the growth in denim market, both internationally and nationally, leading mills are optimistically believing that denim will continue to tap growth in the years to come. And, we, at VFL, shall continue to identify new opportunities to grow our business sustainably and minimising our impact on the environment.

Regards,

Mr. Brijmohan D. Chiripal
Managing Director

Message from the CEO

Mr. Vinay Thadani
Chief Executive Officer

Dear Shareholders,

It is my great privilege to write this letter to you all in the capacity of CEO of VFL. I joined VFL in 2017 and since then I have seen how the Company has grown despite the challenging operating environment. I feel privileged and thankful to Mr. Brijmohan Chiripal and the Board of Vishal Fabrics to enforce trust in my capabilities and give the opportunity to scale VFL to newer heights of success. I have envisioned great plans for the Company's next level of growth, but before that I would like to talk you through some of the key operational and financial highlights for the year under consideration.

Operational Highlights

During the year under review, we witnessed robust demand of our products in domestical market. The initial response from export markets especially South Asian markets have been quite encouraging. We are also



now expanding our footprints in Europe and Latin America alongside of strengthening our presence in South Asian markets. In the short run, we plan to expand our footprints in Gulf region as well.

We have been able to improve our capacity utilisation in the Dholi unit from 65% in FY21 to 85% in FY22. This stands as a testimony to the fact that we are better utilising our capacity through exploring new geographies and customer bases for our product. However, the capacity utilisation of Narol unit fell from 85% in FY21 to 70% in FY22 owing to plant being shut in the second wave of covid as it is located in municipal area. Nonetheless, in line with growing demand for our products and our aggressive expansion plans, during the year under review, we installed a new denim line with a total capacity of 10 million metres per year, which started production at the end of March 2022. The state-of-the-art manufacturing facility is equipped with latest technology with 90 MMTPA dyeing capacity and 105 MMTPA processing capacity.

Financial Highlights

Our strong operational performance has resulted in robust financial growth. During the year under review, we achieved highest ever revenue, EBITDA and PAT. Our revenue from operations registered a growth of 60% YoY from Rs. 968 crore in FY21 to Rs. 1,547 Crore in FY22. In terms of profitability, our EBITDA grew by 83% YoY to Rs. 161 crore in FY22 as compared to Rs. 88 crore in FY21. While, our PAT grew from Rs. 18 crore in previous year to Rs. 69 crore in year under review, registering a growth of 281% YoY. Owing to various cost-control measures implemented throughout the year, we improved our EBITDA margin by 131 bps to 10.4% and PAT margin by 259 bps to 4.5%.

“We have been able to improve our capacity utilisation in the Dholi unit from 65% in FY21 to 85% in FY22.”

Alongside of maintaining sustained growth in revenue and profitability, we also focused on strengthening our balance sheet. We are pleased to inform you that despite challenging economic environment over the last two years, the debt-to-equity ratio remains favourable at 1.13x, reflecting underlying balance sheet resilience. Additionally, our asset-light business model strategy enables us to maintain strong liquidity position. Going forward, we plan to further reduce our debt thereby further strengthening our balance sheet.

Strategic priorities and way forward

As we move forward to the next phase of growth, we will continue to focus on increasing our top line and bottom line alongside of expanding our reach, striving for operational excellence, optimising our cost, improving return ratios and maintaining healthy balance sheet position. We are also eyeing on opportunities to build strategic and long-term tie-ups with global retail brands for direct sales. We are also working towards increasing the share of value-added products from 50% to

60% over next couple of years.

A key enabler of our strategy is the digital transformation. We are not only investing and focusing towards increasing our sales through online platforms, but also, upgrading our internal processes and platforms by embracing superior technology and higher automation. This has enabled us to reduce our operating expenses which leads to cost optimisation and improve operational efficiency.

We also remained focused on protecting our people, supporting our customers and contributing to society. This was only possible through the incredible commitment and efforts of our employees. I would like to take a moment and thank all my colleagues deeply for their truly extraordinary efforts to keep our business moving under such challenging conditions.

I believe, we are as strong as ever, our strategy is working and is being executed well and even more importantly, we have laid the groundwork for long-term, sustainable growth.

Regards,

Mr. Vinay Thadani
Chief Executive Officer

Building on our strength

We began the year under review with a strong foundation and continued momentum across our business. Our ability to deliver and meet the expectations of our customers has been possible owing to our core capabilities that we built over the years.

Manufacturing Capabilities

We have 2 state-of-the-art manufacturing facilities equipped with latest technologies that enables us to produce superior quality products at cost effective price. Our Dholi unit situated in Dholi Integrated Spinning Park, Dholka, Ahmedabad (Gujarat) has a yarn dyeing and denim processing unit installed with capacity of 80 MMPTA. While, our Narol Unit in

Ahmedabad (Gujarat) is utilised job work purpose such as printing, dyeing, and processing wide range of fabrics. During the year under review, we have also installed a new denim line with a total capacity of 10 million metres per year, in line with growing demand of our products and our expansion strategies.

105 MMPTA

Processing Capacity

90 MMPTA

Dyeing Capacity



Product quality and innovation

At VFL, we have always been at the fore front of changing trends and product innovation. Our products are made of wider width loom and larger fabric width which ensures reduction in clothing waste. We have also built an in-house creative design studio and product development cell comprising of designers and technocrat from premier institution. We also ensure to maintain industry-leading quality and eco- friendly products. Our products

are less water retention so that they can be quickly dried and reduce the carbon footprint. To ensure superior quality, we undertake QC across our value chain right from procurement of raw materials to product dispatch from our facilities. Quality checks are done on cotton, yarn and fabric as well as we ensure no product is dispatched from our facility without quality check mark.

To ensure superior quality, we undertake QC across our value chain right from procurement of raw materials to product dispatch from our facilities.

Asset light business model

To maintain strong liquidity and healthy balance sheet, we have established an asset-light business model. Some of the processes such as spinning yarn and fabric weaving is outsourced while critical processes such as product development, yarn dyeing and fabric finishing processing are done in-house. This enables us to ensure development and production of new and trending products at cost effective price and at minimum lead time.

Strong team

Over the years, we have built a strong and committed workforce that enables us to deliver optimum results. Our strong and visionary management team steers us in the right directions ensuring effective implementation of strategies and value creation for all stakeholders.

20,000+

Employees

Creating value for our stakeholders

At VFL, we strive to understand and address the needs of our stakeholders to create mutual value. We work closely with our stakeholders to increase collaboration and engagement with them – ensuring that we provide stakeholders with the relevant information required to accurately assess our performance and prospects.

Employees

We value and understand the importance of our people who contribute to the business. We strive to create a work place wherein our employees are motivated to deliver

their best. We prioritise diversity and ensure that we provide our people with development and growth opportunities.

Investors and Shareholders

We continue to maintain the trust and confidence of our investors and shareholders through transparent engagement. We constantly strive towards improving our shareholders return and maintaining an ethical and sustained business operations.

23%
Return on Equity (ROE)



Clientele

Through our state-of-the-art operations, we continue to produce superior quality and unique products for our customers worldwide. Our long-standing and mutually beneficial

relationship with our customers enables and them to maintain sustainable and robust business growth.

Zero
Liquid discharge facility

Community

We continue to invest towards uplifting the communities in which we operate. Our CSR activities are focused around prompting education by providing study materials, computers, student books and periodicals, teaching aids, library setups, scholarships and coaching classes. We undertake these activities in collaboration with various registered trusts, including Chiripal Charitable Trust, Happiness Reserves Foundation and Milestone Educom Trust, who have an impressive track record of making educational development a reality. During the year under review, to create opportunities for youngsters to explore science and innovation through robotics, we organised one of the largest robotics festivals – 'Robotex India'.

Environment

With increasing awareness about climate change and its implications, we continue to invest towards reducing our environmental footprints. We have built a Zero liquid discharge plant where the entire water supply is reused through counterflow. We also ensure to minimise wastage by utilising leftover material such as cotton fiber to produce denim bags, tablecloths, mats and covers. To preserve, enhance and encourage green spaces, we have created a massive green cover at the plant and also at the industrial park. We are also increasing consumption of renewable energy by installing in-house solar plants. We are a proud member of the 'Better Cotton Initiative' and have received 'Global Organic Textile Standard' certificate for our initiatives towards this end.

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)

Mrs. Dhara Shah
Independent Director
(DIN:06983857)

Mr. Susanta Kumar Panda
Independent Director
(DIN: 07917003)
(appointed w.e.f. 01.06.2021)

BOARD COMMITTEES

Audit Committee

Mr. Susanta Kumar Panda
Chairman
(appointed w.e.f. 01.06.2021)

Mr. Brijmohan D. Chiripal
Member

Mr. Shubhankar Jha
Member

Mrs. Dhara Shah
Member

CHIEF EXECUTIVE OFFICER

Mr. Vinay Thadani
(w.e.f. 19th May 2022)

CHIEF FINANCIAL OFFICER (CFO) & CHIEF OPERATING OFFICER (COO)

Mr. Vinay Thadani
(Up to 19th May 2022)

Nomination & Remuneration Committee

Mrs. Dhara Shah
Chairman

Mr. Shubhankar Jha
Member

Mr. Susanta Kumar Panda
Member (appointed w.e.f. 01.06.2021)

Stakeholders' Relationship Committee

Mr. Susanta Kumar Panda
Chairman (appointed w.e.f.
01.06.2021)

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
HDFC Bank

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Bhargav Vyas
(up to 20.08.2021)

Mr. Nikhil Vadera
(appointed w.e.f. 26.10.2021)

REGISTERED OFFICE AND PLANT

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

Corporate Office

Shanti Corporate House, Chiripal
Bungalow Near Hira Rupa Hall,
Bopal-Ambli Road Ahmedabad
GJ 380058 IN

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 and analysis

Global economy

According to the IMF, the global economic out grew by 6.1% in CY2021. This can be attributed to the opening of global markets and the subsequent recovery in economic activities. Additionally, the fading of supply-chain disruptions contributes substantially to the economic upswing, and offer major tailwind to the global demand.

However, owing to the rising inflation at the back of rising geo-political conflict, the global economy is expecting a moderation in the coming years. Even though supply-demand imbalances are gradually recovering, it is taking some time for the supplies to reach the global market. This delay is further bolstering the inflation and raising the commodity prices.

Moreover, slower vaccination rollouts, in combination with unaccommodating monetary policy and slow development make it difficult for EMDEs to recovery rapidly. However, advanced economies have already restored to the pre-pandemic levels, owing to wider availability of vaccines and fiscal assistance. Altogether, global economy is looking at a divergent growth, since rising food and energy costs also pose certain downside risks.

Indian economy

Indian economy is likely to grow by 6.5% in FY2022. This can be owed to the constant government support, along with rigorous vaccination. Even though, FY2023 is expecting an economic slowdown, the rising government spending and strong focus on asset creation can get the country back on track.

In the Union Budget (FY2022-23), the GOI has addressed the developmental policies, such as PM GatiShakti, PLI schemes, etc. and is looking to prevent climate change by effectively contributing in energy transition. The widely acclaimed Atmanirbhar Bharat is likely to create employment opportunities for almost 60 lakh people, and can account for an extra output of Rs 30 lakh billion.

To keep up with the changing times, the country is shifting to digital currencies. In addition to that, almost 75 digital banking units in 75 districts are likely to be established by scheduled commercial banks. India is acting on numerous reforms and is on the verge of becoming the fastest growing major economy.

The GOI is looking to bolster the country's production capabilities, to decline its reliance on imports and further cater to the growing demand. Recently, the textile industry has been approved under the PLI scheme, which will enable the industry

to focus more on exports. This is what the government is looking at, with a scheme outlay of Rs 10,683 crore.

Outlook

Indian economy has demonstrated strong resilience, in the face of crisis. Owing to the strong focus on asset creation, the country is likely to drive private sector investments. This will further augment sustainable growth for all the sectors of the economy. The discretionary income is on the rise, albeit gradually. Consequently, consumption is slowly picking up pace. As a result, several private sectors are offering investments, since India fosters a huge lucrative market, with a growing demand among the demography. Even though, the elevated inflation is likely to persist for longer than expected, the country is well equipped to move ahead with minor constraints. Barring the unpredictable external shocks, in terms of geo-political conflicts and its subsequent impact on economy, Indian economy looking at a promising future.

Industry overview

India is one of the world's leading textile and apparel producers and is the 6th largest exporter in the world. The country's domestic clothing and textile sector accounts for 5% of the country's GDP, 7% of industrial production in value terms, and 12% of the country's overall export revenues.

India is one of the world's leading producers of cotton and jute and the 2nd largest producer of silk, accounting for 95% of all hand-woven cloth. Approximately, the Indian technical textiles market is worth \$16 billion, accounting for 6% of the global market.

The industry creates substantial employment opportunities, thus employing 45 million people directly and another 100 million in related businesses. India has surpassed China as the world's 2nd largest producer of personal protective equipment (PPE), with more than 600 Indian businesses being qualified to manufacture PPE. By FY2025, the market worth is likely to be more than \$92.5 billion

Almost 7 major textile parks have been proposed to bolster the Indian textile and apparel sector, which is likely to account for a valuation of \$190 billion by FY2026. The export of cotton yarn/fabrics / made ups, handloom products, etc. generated a total amount of \$1297.82 billion in August 2021. Collectively, the RMG of exports accounted for \$1235.11 billion in August 2021, marking a rise of 13.99% against the same time in the previous year. Further, a total of 1,77,825 weavers and artisans have registered in the Government e-Marketplace, which leaves a lot of room for the industry to expand.

Opportunities

- Gaining investment**

Owing to the generous revenue generation, and the surged demand for textiles and apparels, investments in the sector are likely to gain traction. It requires almost \$200 billion to enhance its production capacity, worth \$650 billion by FY2025. A solid supply network, affordable logistical, and manufacturing costs is further expected to facilitate to market growth. Also, the ROI remains cardinal to attract substantial investment with in the sector. Both startups and FDI remains crucial to the sector.

- Robust innovation and R&D**

India is striving to offer a substantial edge in the global market. Thus, the industry is laying strong emphasis on innovation and a robust R&D to achieve excellence in terms of quality and product sustainability. However, it is essential to create a new business plan, prior to implementing advanced strategies, and business process innovation.

- New approach towards and handloom and handicrafts**

Anchoring on India's rich cultural legacy, the handloom and handicraft sector offers significant opportunities and further employs almost 15 million people. However, owing to the shift in consumer preferences, the industry is suffering a reduction in output. Nonetheless, the rising per capita income will enable the Textile Ministry to pay a larger wage. This will assist the market to grow, considered it is advertised and sold in the domestic and international markets.

- Revising of existing schemes and policies**

The Ministry of Textiles has provided significant programmes, such as Technology Upgrading Fund Scheme (TUFS), Scheme for Integrated Textile Parks (SITP), Mega Cluster, and Integrated Skill Development Scheme to drive the sector towards growth. Even though these have proved to be beneficial, it requires revision and restructuring to keep up with the developing industry and the global market's pace.

Challenges

- Labour**

The Indian textile industry is heavily reliant on manual labour, unlike foreign countries. Hence, it is highly dependent on labour, which again is difficult to acquire to meet the desired quality standards.

- Uncertainty over physical retail**

Sectors entailing human interaction has been significantly influenced by the pandemic. Thus, it has impeded the proper functioning of retail stores. This in turn has led to confusion among consumers, since they are now hesitant about investing large amounts in clothing, especially among the uncertainties revolving the collection available.

Company overview

Owing to its experience of 30 years, Vishal Fabrics is a reputed player, known for dyeing, printing and processing denim, and other fabrics. With a strong focus on 'delivering more than expected', the Company has created a strong value chain in the market. Keeping innovation at the centre, the Company has pioneered the production of wider width fabrics and has made a strong presence in the industry.

Manufacturing capabilities

Vishal Fabrics has always retained its competitive edge with the help of sustainable production policy and advanced manufacturing facilities. With a dyeing capacity of 80MMPA and a processing capacity of 105MMPA and a robust design team, which designs 40+ products per month, VFL has achieved remarkable operational excellence.

Further, the Company believes in delivering quality, across domestic and international markets. VFL is certified with following Certification of ISO 9001:2015, ISO 14001:2015, OEKO-TEX, BCI, GOTS, which ensures the Company's compliance to global standards.

Financial Performance (Rs. in crores)

Particulars	FY 2022	FY 2021	YoY Change (in %)
Revenue from operations	1546.76	967.54	11.66
EBITDA	161.38	88.26	24.03
PAT	69.04	18.10	34.59
Net worth	334.61	264.66	26.43%

Key Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor. The key financial ratios are given below:

Ratios	FY 2021-22	FY 2020-21	Reason for variance of 25% or more
Debtors Turnover (no. of days)*	4.11	2.90	Due to increase in sales
Inventory Turnover (no. of days)	19.88	15.44	Due to increase in sales
Interest Coverage Ratio (in times)	4.27	2.57	Increase in EBITDA
Current Ratio (in times)	1.57	1.50	NA
Debt Equity Ratio (in times)	1.13	1.46	NA
Operating Profit Margin (in %)	10.43	9.12	NA
Net Profit Margin (in %)	4.46	1.87	Owing to better realisation
Return on Net Worth (in %)	20.63	6.84	Increase in Net Income

Human resource

VFL fosters a nurturing human resource policy, which ensures long-term association and complies to corporate responsibilities. The Company believes in keeping its people at the fore, by ensuring a transparent and inclusive work culture. VFL further encourages its workforce of about 2,101 people, with their ideas and is known for laying strong focus on employee development.

Along with employee development, the Company also believes in building a strong network of people, who delivery on the basis of VFL's strategy. The Company organises training programmes to enhance the to enhance the skills and knowledge of its employees, and further offer induction programme for new recruits.

To ensure steady employee engagement, VFL provides an interactive platform for the workers to exchange their knowledge, skills, and experience. Additionally, the Management regularly communicates with the staff.

Outlook

Given the increasing opportunity in the industry, the Comapny is well-positioned to capaitalise on the same. The Comapny plans to focus on increasing its top line and bottom line alongside of expanding its reach, striving for operational excellence, optimising its cost, improving return ratios and maintaining healthy balance sheet position. It is also working on building strategic and long-term tie-ups with global retail brands for direct sales.

Disclaimer

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Notice of Annual General Meeting

VISHAL FABRICS LIMITED

CIN- L17110GJ1985PLC008206

Reg. Office - Ranipur Narol Road Ahmedabad GJ 382405 IN

Mail - cs.vfl@chiripalgroup.com

NOTICE is hereby given that the 37th Annual General Meeting of the members of Vishal Fabrics Limited (the Company) will be held on 30th September 2022 at 2:00 PM IST through Two-Way Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") facility, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and the Auditors thereon.

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors' thereon, as circulated to the members be and are hereby considered and adopted

2. To appoint a Director in place of Mr. Amit Kadmawala (DIN: 07016454), who retires by rotation and being eligible offers himself for re-appointment.

"RESOLVED THAT in accordance with the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, Mr. Amit Kadmawala (DIN: 07016454), who retires by rotation at this meeting and being eligible, offers himself for reappointment, be and is hereby appointed as a Director of the Company."

SPECIAL BUSINESS:

3. **Ratification of Remuneration of Cost Auditor of the Company:**

To consider and if thought fit, pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. A.G. Tulsian and Co., Practicing Cost Accountants (FRN: 100629), who are appointed as the Cost Auditor of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023 with remuneration not exceeding of Rs. 50,000/- plus GST and reimbursement of out of pocket expenses as approved by the Board of Directors be and is hereby ratified and approved; and

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

4. **Appointment of Mr. Promod Kumar Sharma (DIN: 06387498) as a Director of the Company.**

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution

"RESOLVED THAT Mr. Promod Kumar Sharma (DIN: 06387498), who was appointed as an Additional Director (Executive, Non-Independent) of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 ("Act") and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

5. **Increase In Borrowing Power (Special Resolution)**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of members be and is hereby accorded to the Board (hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to borrow from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of paid-up share capital of the Company and its free reserves, provided that the total amount so borrowed shall not at any time exceed the limit of Rs. 2000.00 crores (Rupees Two Thousands Crores only)"

"RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment,

security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

6. Increase In Creation Of Charges On The Movable And Immovable Properties Of The Company, Both Present And Future, In Respect Of Borrowings (Special Resolution)

To consider and, if thought fit, to pass the following Resolution as an Special Resolution:

"RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of members of the Company, be and is hereby accorded to the Board of Directors (hereinafter referred as "Board" which term shall include a Committee thereof authorized for the purpose) to mortgage and/or create a charge on (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees)/ pledge/hypothecate, all the immovable and movable properties, tangible or intangible assets of the Company, both present and future, pertaining to any one or more of the Company's Units and any other undertaking of the Company whosoever situated and the whole or substantially the whole of any one or more of the said undertakings of the Company, with the right to take over the management and concern of the undertaking(s) whose properties are agreed to be mortgaged/charged/pledged/hypothecated in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial Assistance lent, granted and advances or agreed to be lent, granted

and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding Rs. 2000.00 Crores (Rupees Two Thousands Crores only) in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said term loans, debentures or other financial instruments or assistance."

"RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

By order of the Board of Directors
Vishal Fabrics Limited

Date: 8th August 2022
Place: Ahmedabad

Nikhil Vadera
Company Secretary &
Compliance Officer

NOTES:

1. In view of the COVID-19 pandemic across the country, social distancing is a norm to be followed and pursuant to General Circular dated May 5, 2022 issued by the Ministry of Corporate Affairs ("MCA") read with its earlier circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and December 14, 2021 (collectively referred to as "MCA Circulars"), permitted the companies to hold their Annual General Meeting ("AGM") through video conferencing ("VC") or other audio visual means ("OAVM") for the calendar year 2022 without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Companies Act, 2013 (the "Act"), SEBI Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office, which shall be deemed venue of the AGM.
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. 19th August 2022 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 and SEBI Circulars, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the Annual Report 2022 and the Notice of the Thirty Seventh (37th) AGM are being sent by electronic mode only to Shareholders whose email ID are registered with the Company/ Depository Participant(s) for communication purpose.
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. 23rd September, 2022 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 23rd September, 2022.

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 the Link intime within two days of the resolutions passed 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/OVAM.

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - <ol style="list-style-type: none"> User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company. 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. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. <ul style="list-style-type: none"> 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). Click on 'Login' under 'SHARE HOLDER' tab. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. After successful login, you will be able to see the notification for e-voting. Select 'View' icon. E-voting page will appear. 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). 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.

Institutional shareholders:

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.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, 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.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- 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".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders 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.

22. The voting through electronic means is scheduled as below:

The Company has fixed Friday, September 23, 2022, Monday as Cut-off date for determining the Shareholders eligible for voting, through electronic means as well as during the AGM.

Commencement of remote E-Voting	27 th September 2022, Tuesday at 9:00 A.M
End of remote E-Voting	29 th September 2022, Thursday at 5:00 P.M

Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date, i.e., 23rd September 2022.

EXPLANATORY STATEMENT

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

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

Item No. 3

The Board of Directors on the recommendation of Audit Committee at their meeting held on May 19, 2022 have approved re-appointment and remuneration of Cost Auditors to conduct audit of cost records of the Company for financial year ending 31st March, 2023 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousands Only) 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, 2023.

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

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

Item No.4

The Board of Directors Meeting Held on 8th August, 2022 had appointed Mr. Promodkumar Sharma as an Additional Director (Non-Executive, Non-Independent) of the Company. According to the provisions of Section 161 of the Act, he holds office as Director only up to the date of the ensuing AGM. As required under Section 160 of the Act, a notice has been received from a Member signifying its intention to propose the appointment of Mr. Promodkumar Sharma as a Director.

Mr. Promodkumar Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Act, nor has been debarred from holding the office of a director by virtue of any order from Securities and Exchange Board of India (SEBI) or any such authority and has consented to act as Director of the Company.

A brief profile of Mr. Promodkumar Sharma is given below:

Mr. Promodkumar Sharma is a B.A Graduate from MDU Rohtak, and M.B.A from Punjab Technical University Jalandhar. He has worked in various Textile industries and experience in the field more than 10 years in the field.

The Board recommends the Ordinary Resolution as set out in Item No. 4 of this Notice for the approval of the Members.

Other than Mr. Promodkumar Sharma, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the proposed Ordinary Resolution as set out in Item No. 3 of this Notice.

Relevant details relating to appointment of Mr. Promodkumar Sharma as required by the Companies Act, 2013 and the applicable provisions of SEBI Listing Regulations and Secretarial Standard- 2 on General Meetings issued by the ICSI, are provided in the Annexure - 1 to this Notice. All documents referred to in the accompanying Notice and in the Explanatory Statement shall be open for inspection by the Members at the Company's Registered Office and at Corporate Office at Shanti Corporate House, Near Hira Rupa Hall, Bopal-Ambli Road, Bopal, Ahmedabad - 380058 on all working days (except Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.

Item No.5 & 6

In terms of the provisions of Section 180(1)(a) and 180(1) (c) of the Companies Act, 2013, the Board of Directors of the Company cannot, except with the consent of the Company by a special resolution, borrow moneys, apart from temporary loans, in excess of aggregate of the paid up capital and its free reserves (section 180(1)(c)) nor the Board can create security or create mortgages, charges and hypothecations over the assets of the Company which would be required to secure aforesaid borrowings(section 180(1)(a)). The powers mentioned under section 180(1)(a) and 180(1)(c) of the Companies Act, 2013 require consent of members of the Company by way of passing Special resolution. It is proposed to increase the limit of such borrowing power to a limit not exceeding Rs. 2000 Crores (Rupees Two Thousands Crores Only). The Board, therefore, recommends the resolution for the approval of the members.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested in the proposed resolution.

By order of the Board of Directors
Vishal Fabrics Limited

Date: 8th August 2022
Place: Ahmedabad

Nikhil Vadera
Company Secretary &
Compliance Officer

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. Amit Kadmawala	Mr. Promodkumar Sharma
DIN	07016454	06387498
Nationality	Indian	Indian
Date of Birth	06/07/1977	10/10/1981
AGE	44 years	41 years
Date of first appointment on Board	13/11/2014	10/10/1981
Brief Resume and Nature of Expertise in Functional Area	Mr. Kadmawala undertakes the responsibility of looking after the plant, and ensures that smooth functioning is facilitated and maximum output is achieved. With a hawk eye precision to details, he also makes sure that no abnormal costs occur.	Mr. Promodkumar Sharma undertakes the responsibility of Dholi plant mainly production support related operations, cost controller and raw material procurement and storage.
Qualification	Mr. Kadmawala is Undergraduate	Mr. Promodkumar Sharma is a B.A Graduate from M.D.U Rohtak, and Masters in Business Administration from Punjab Technical University, Jalandhar.
Disclosure of Relationships between Directors inter-se	No Relationship with Director	No Relationship with Director
List of Directorship of other Board	NIL	NIL
List of Membership / Chairmanship of Committees of other Board	NIL	NIL
Shareholding in Vishal Fabrics Ltd.	NIL	NIL
Terms and Conditions of appointment or re-appointment along with details of remuneration sought to be paid and remuneration last drawn	As per the Nomination, Remuneration & Board Diversity Policy of the Company as displayed on the Company's website i.e. www.vishalfabricsltd.com	
Number of Meetings of the Board attended during the F.Y. (2020-21)	5	Not Applicable
Justification for choosing the appointees for appointment as Independent Directors	Not Applicable	Not Applicable

By order of the Board of Directors
Vishal Fabrics Limited

Date: 8th August 2022
Place: Ahmedabad

Nikhil Vadera
Company Secretary &
Compliance Officer

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).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

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 specific email id created 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.
5. 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.

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.

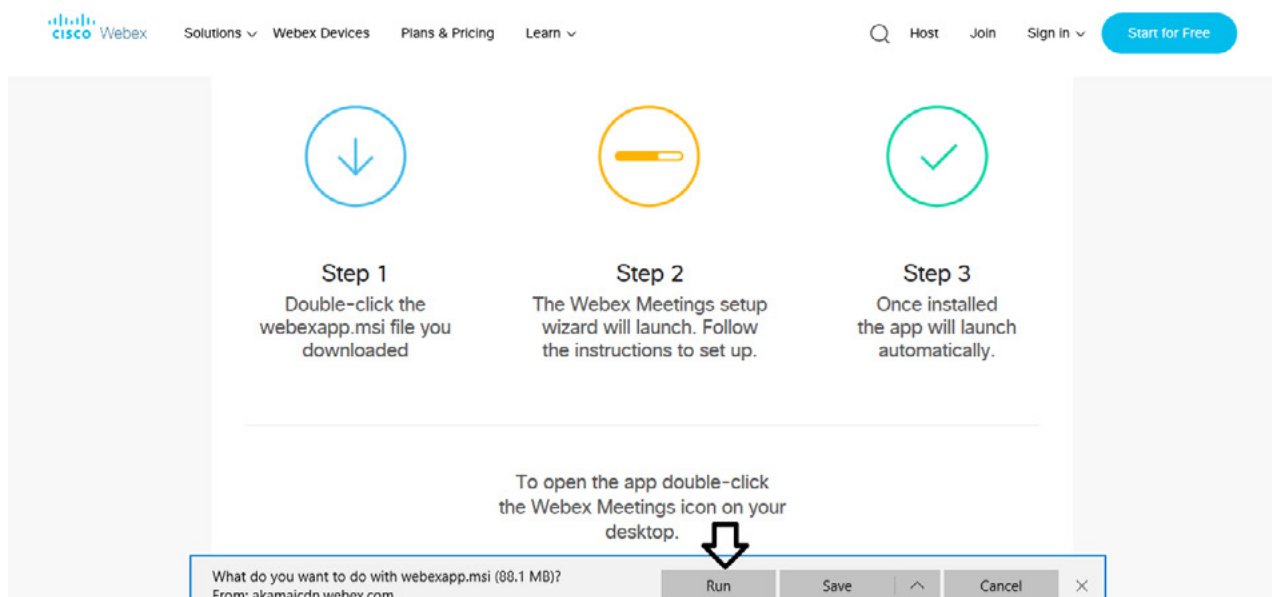
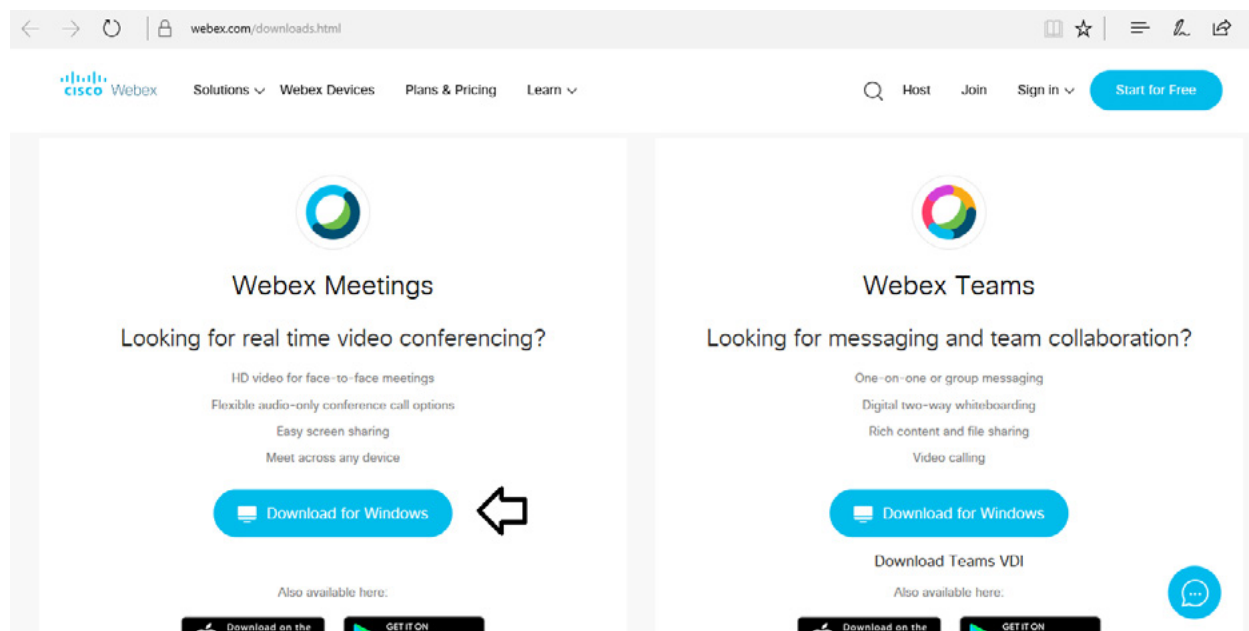
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

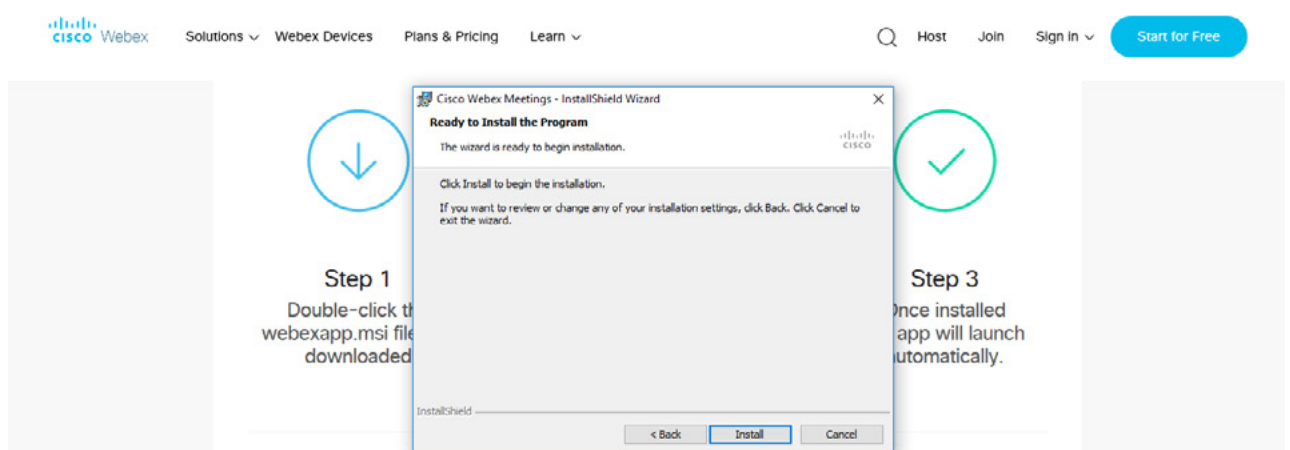
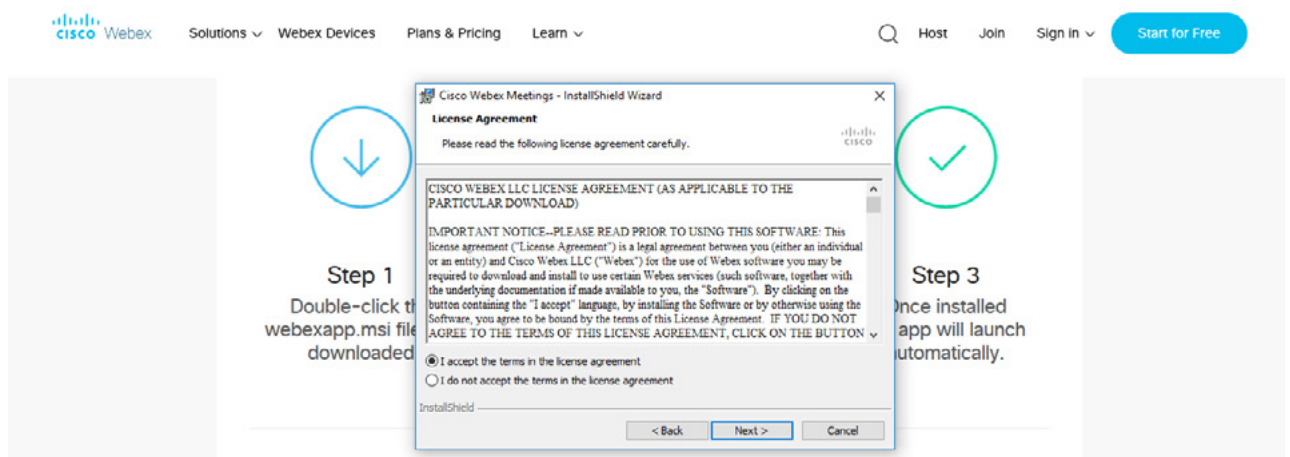
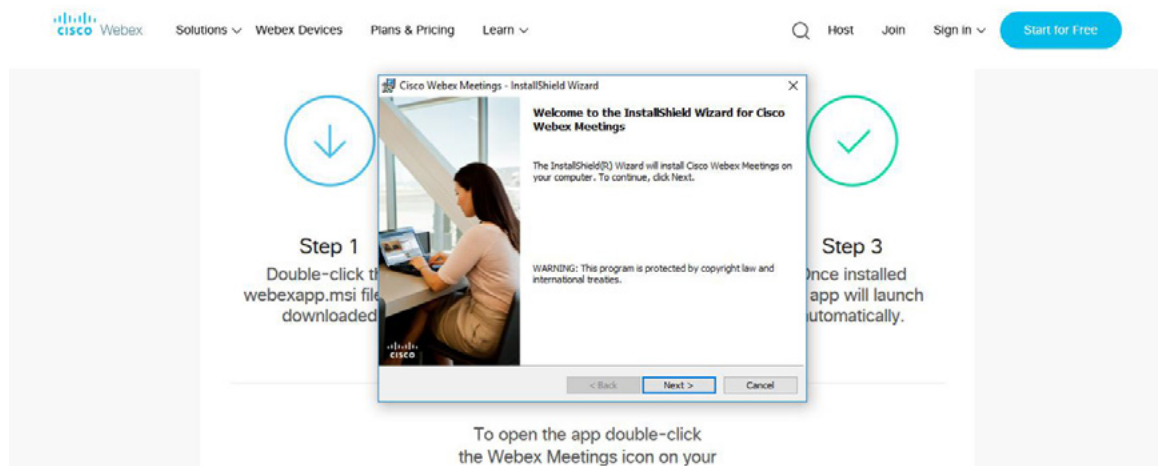
Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>





or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	<p>If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.</p> <p>Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now</p>



Event Information:

Event status:
Date and time:

Duration:
Description:

By joining this event, you are accepting the Cisco Webex [Terms of Service](#) and [Privacy Statement](#).

English : Mumbai Time

Join Event Now

You cannot join the event now because it has not started.

First name:
 Last name:
 Email address:
 Event password:

← Mention your First name, Last name and email address

Join Now

Join by browser **NEW!**

If you are the host, [start your event](#).

Directors' Report

To,
The Members,
Vishal Fabrics Limited

Your Directors are pleased to present the 37th Annual Report along with Audited Financial Statements for the Financial Year ended 31st March, 2022.

1. FINANCIAL RESULTS

Highlights of Financial Results for the year are as under:

Particulars	2021-22	2020-21
Net Revenue from Operation	1546.76	967.54
Other Income	3.08	1.78
Total Revenue	1549.84	969.32
Less: Expenses excluding Depreciation	1423.20	913.65
Profit before Depreciation & Tax	126.64	55.67
Less: Depreciation	33.44	25.92
Profit Before Tax	93.20	29.75
Less: Provision for Taxation (Including Defereed Tax)	24.16	11.65
Profit After Tax	69.04	18.10
Earning Per Share(in Rs.)	3.49	2.75

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

During the year under review, your Company has achieved a turnover of Rs.1546.76 Crore (Previous Year: Rs. 967.54 Crore) a growth of 60%. The profit before depreciation and tax was Rs. 126.64 Crore as against Rs. 55.67 Crore in the Previous Year. The profit after tax for the year increase Rs. 69.04 as against a Profit Rs. 18.10 Crore reported in the Previous Year a growth of 281%.

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.

There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report. There were no material events that had an impact on the affairs of your Company. There is no change in the nature of your Company's business during the year under review.

3. IMPACT OF THE COVID-19 PANDEMIC

The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial results, which may differ from impact considered as at the date of approval of these financial results. The Company continues its business activities, in line with the

guidelines issued by the Government authorities, takes steps to strengthen its liquidity position and further explore cost restructuring exercise.

Your Company is conscious of the significant disruption and impact COVID-19 can have on its employees, clients, partners, investors and the communities in which it operates. We are working hard to contain and mitigate its impact. The Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations. As the situation is unprecedented, the Company is closely monitoring the situation as it evolves in the future.

The primary objectives of your Company's response to the pandemic are to ensure the safety and wellbeing of its employees and partners, to deliver on its commitments to clients in the true spirit of partnership and to secure the financial and operational resilience of the Company

4. DIVIDEND

In terms of Article No. 83A of Articles of Association of the Company inserted vide passing special resolution in the Annual General Meeting held on December 09, 2020 the Members have rights to waive off their rights to receive the Final Dividend/Interim Dividend, subject to their consent in writing for unconditional waiver of their rights to receive their dividend. The Board of Directors at their Meeting held on July 26, 2021 has approved the Rules & Form for exercising their rights for waiver of dividend in writing to the Company, if any.

As per aforementioned Rules the promoter and promoter group of your company had waived off their right to receive the aforementioned interim dividend declared on July 26, 2021 for the financial year 2021-22 and the said interim dividend was paid as under:

Sr. No.	Particulars	No. of Shares	Amount (₹)	Remarks
1	Interim Dividend @ 10% i.e., Rs. 0.50 per Equity Share	65870001	3,29,35,000	Total Shares Outstanding
2	Less: Required documents and Form for waiver of right to receive the interim dividend received from the Promoters and Promoter Group of the Company	(44893077)	(2,24,46,539)	Waiver of Dividend Form received in writing from the Promoter & Promoter Group of the Company
3	Net Interim Dividend Amount paid on August 17, 2021 on equity shares outstanding other than equity shares held by promoters/promoter#	20976924	1,04,88,462	

In pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) 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 web link as: www.vishalfabricsltd.com and also forms part of this Annual Report as **Annexure VI**

5. TRANSFER TO RESERVES

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

6. SHARE CAPITAL

Authorised share Capital

During the year under review, the existing Authorized Share Capital of the Company was increased from ₹ 45,00,00,000/- (Rupees Forty-Five Crore only) divided into 9,00,00,000 (Nine Crore) Equity Shares of face value of ₹ 5/- to ₹ 100,00,00,000/- (Rupees One Hundred Crore only) divided into 20,00,00,000 (Twenty Crore) Equity Shares of face value of ₹ 5/- each.

Issue of Bonus Equity Shares

During the year under review, pursuant to the approval of the shareholders through Postal Ballot passed on February 28, 2022, the Company had allotted 131,740,002 bonus shares of ₹ 5/- each fully paid-up on March 14, 2022 in the ratio of 2:1 i.e. 2(two) Bonus Equity Shares of face value of ₹5/- each for every 1 (one) existing Equity Shares of face value of ₹ 5/- each fully paid up, to the shareholders whose names appear in the Register of Members of the Company as on Record Date i.e. March 11, 2022.

Post Bonus Issue, paid up Share Capital of the Company is ₹ 988,050,015/- comprising of 197,610,003 Equity Shares of face value of ₹ 5/- each.

7. PERFORMANCE OF SUBSIDIARY COMPANY

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

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

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 Annual Return is available on company website at: www.vishalfabricsltd.com

10. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there are no material related party transactions thus a disclosure in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is not required. The details of the transactions with Related Parties are provided in the Company's financial statements in accordance with the Accounting Standards.

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.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees. 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: www.vishalfabricsltd.com

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. The Board consists of 6 (six) members, of which 3(three) are Independent Directors. The Board also comprises of one women Independent Director.

The Company has received declarations from all the Independent Directors that they meet the criteria of independence as prescribed in the Companies Act, 2013 and SEBI Listing Regulations, 2015.

None of the Directors of the Company is disqualified for being appointed as Director, as specified under section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014. Following changes occurred in the Board of Directors and KMPs:

- Mr. Susanta Kumar Panda (DIN: 07917003) appointed as Additional Director designated as Independent Director of the Company w.e.f. June 1, 2021 and Regularize as Independent Director w.e.f. December 20, 2021
- Mr. Bhargav Vyas resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f. August 20, 2021.
- Mr. Nikhil Vadera has been appointed as Company Secretary & Compliance Officer of the Company w.e.f. October 26, 2021.
- Mr. Brijmohan Chiripal (DIN: 00290426) ceased to be the Chief Executive Officer of the Company w.e.f. May 19, 2022.
- Mr. Vinay Thadani cease to be the Chief Financial Officer of the Company w.e.f. May 19, 2022.
- Mr. Vinay Thadani appointed as Chief Executive Officer of the Company w.e.f. May 19, 2022.

DIRECTORS RETIRING BY ROTATION

Mr. Amit Kadmawala (DIN: 07016454), Whole-time Director of the Company, 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 reappointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM.

The following are the Key Managerial Personnel of the Company:

- a) Mr. Brijmohan Chiripal: Managing Director
- b) Mr. Ravindra Bajaj: Whole-time Director
- c) Mr. Amit Kadmawala: Whole-time Director
- c) Mr. Vinay Thadani: Chief Executive Officer (appointed w.e.f May 19, 2022)
- d) Mr. Bhargav Vyas: Company Secretary (up to August 20, 2021)
- e) Mr. Nikhil Vadera: Company Secretary (appointed w.e.f October 26, 2021)

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 January 27, 2022 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.

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

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, 2022 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: www.vishalfabricsltd.com

18. FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The code has been uploaded on the website of the Company and can be seen at the link: www.vishalfabricsltd.com

19. 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: www.vishalfabricsltd.com

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.

20. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

21. AUDITORS AND AUDITORS' REPORT

A. STATUTORY AUDITORS

M/s. Nahta Jain & Associates, Chartered Accountants (FRN: 101801W) was appointed as Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on September 20, 2018 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

The Report given by the Auditors on the financial statements of the Company for the Financial Year 2021-22 is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

B. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jatin Kapadia, Practicing Company Secretary (Membership No. 26725) to conduct the Secretarial Audit of the Company for the financial year 2021-22.

The Board has re-appointed M/s. Jatin Kapadia, Practicing Company Secretary (Membership No. 26725) to conduct the Secretarial Audit of the Company for the financial year 2022-23.

The Secretarial Audit Report for the financial year ended 31st March 2022, pursuant to Section 204 of the Companies Act, 2013 and rules made thereunder is annexed herewith as **Annexure - II**. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

The Annual Secretarial Compliance Report of the Company pursuant to Regulation 24A of Listing Regulations read with SEBI Circular No. CIR/CFD/ CMD1/27/2019 dated February 08, 2019, is uploaded on the website of the Company i.e. www.vishalfabricsltd.com.

C. COST AUDITORS

In accordance with the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company has appointed M/s. A.G. Tulsian and Co., Cost Accountants (FRN: 100629) as the Cost Auditor of the Company for the financial year 2021-22.

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 2022-23. 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 37th AGM of the Company.

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

The Cost Audit Report, in Form No. CRA-4 (XBRL mode), for the year ended March 31, 2021 was filed with the Central Government within the prescribed time.

D. INTERNAL AUDITORS

In accordance with the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company has appointed two Internal Auditors for the F.Y. 2021-22:

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

22. 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 2021-22. The said Code of Conduct has been posted on the website of the Company at link: www.vishalfabricsltd.com

A declaration to this effect is annexed and forms part of this report.

23. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms an integral part of this Report.

24. CORPORATE GOVERNANCE

As per Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

25. PREVENTION OF INSIDER TRADING

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 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 link: www.vishalfabricsltd.com

26. 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 uploaded on the Company's website at link: www.vishalfabricsltd.com

27. NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel and Senior Management.

The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment and removal of Directors Key Managerial Personnel / Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board 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: www.vishalfabricsltd.com

28. 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 adopted a policy against Sexual Harassment in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The policy has also been uploaded on the Company's website at link: www.vishalfabricsltd.com

An appropriate complaint mechanism in the form of "Internal 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. The Company has not received any complaints of sexual harassment in the Financial Year 2021-22.

29. PUBLIC DEPOSITS

The Company has not accepted any Deposits from the public during the Financial Year 2021-22.

30. 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.

The Company has laid down a Risk Management Policy which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. The policy has also been uploaded on the Company's website at link: www.vishalfabricsltd.com

31. 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.

32. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) that in the preparation of the accounts for the Financial Year ended March 31, 2022, 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 March 31, 2022 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; and
- (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.

33. PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company has not made any application nor any proceeding are pending under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2021-22. The requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

34. 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, is annexed as "Annexure- IV" and forms part of this report.

35. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in "Annexure V" to this report.

36. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended March 31, 2022 as stipulated under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable for FY 2021-22 as your Company is not falling in the list of top 1000 Companies as per the Market Capitalization as on March 31, 2022.

37. 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.

38. COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

39. REPORTING OF FRAUDS

There was no instance of fraud during the Financial Year 2021-22, which were required by the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

40. 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.

41. INSURANCE

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

42. LISTING OF SHARES

The Company's shares are listed at BSE Limited and the listing fee for the year 2022-2023 has been duly paid.

43. CAUTIONARY STATEMENT

Statements in this Directors' Report describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, Tax regimes, economic developments within India and the countries in which the Company conducts business and other ancillary factors.

44. Income Tax Search Operations

The Income Tax Department conducted the Search Activity under section 132 of the Income Tax Act on the Company in July 2022. Subsequently, the company has provided all support and cooperation and given the necessary documents and data to the department, as requested by department. The Company is examining and reviewing the details of the matter and will take appropriate actions, including addressing regulatory actions, if and when they occur.

45. APPRECIATION AND ACKNOWLEDGEMENT

Your Directors wish to place on record sincere gratitude and appreciation, for the contribution made by the employees at all levels for their hard work, support, dedication towards the Company.

Your Directors thank the Government of India and the State Governments for their co-operation and appreciate the relaxations provided by various Regulatory bodies to facilitate ease in compliance with provisions of law.

Your Directors also wish to thank its customers, business associates, suppliers, investors and bankers for their continued support and faith reposed in the Company.

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 Limited
Ranipur, Narol Road,
Ahmedabad (Gujarat) – 382 405

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) – 382 405* (hereinafter referred to as 'the Company'), produced before me/us 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 2022** have 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 in Company
01	Brijmohan Chiripal Devkinandan	0000290426	01/06/2017
02	Dhara Rupeshkumar Shah	0006983857	05/03/2015
03	Amit Kadmawala Khemchand	0007016454	13/11/2014
04	Shubhankar Jha	0007208823	28/05/2015
05	Susanta Kumar Panda	0007917003	01/06/2021
06	Ravindrakumar Bajranglal Bajaj	0008243855	25/05/2019

Table 1 Details of Board of Directors

Ensuring the eligibility 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.

Jatinbhai Harishbhai Kapadia

K. Jatin & Co

Company Secretary

COP: 12043

FCS: 11418

Peer Review Cert. No: 1753/2022

UDIN: F011418D000526779

Date: 24th June 2022

Place: Ahmedabad

Annexure-II

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31 March 2022

(Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 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'). The secretarial audit was conducted, in a manner that provided us with a reasonable basis for evaluating the corporate conduct/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 the secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial period ended on 31 March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliancemechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns, filed and other records maintained by the Company for the financial year ended on 31 March, 2022 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, except specified underneath;
- 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 a 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.

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

JATINBHAI HARISHBHAI KAPADIA

Date: 11th May 2022
Place: Ahmedabad
UDIN: F011418D000304337

PROPRIETOR
COP: 12043
ACS: 26725

'Annexure -A'

To,
The Members,
Vishal Fabrics Limited

Our report of even date is to be read along with this letter. 1. The 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 a test basis to ensure those 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 regulations and happening of events etc.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, and 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.

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

Date: 11th May 2022
Place: Ahmedabad
UDIN: F011418D000304337

JATINBHAI HARISHBHAI KAPADIA
PROPRIETOR
COP: 12043
ACS: 26725

Annexure-III

Corporate Social Responsibility (CSR)

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2021-22.

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.

1. 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.

2. Vishal Fabrics Limited aims to achieve its CSR objectives through:

The Company aims at making a positive impact on society through educational development directly through its registered trust namely, 'Happiness Reserves Foundation' 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.

3. The Composition of the CSR Committee:

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR policy. The composition of CSR Committee as on the date of Directors' Report is as follows:

S. no	Name of Members	Designation	Number of meeting of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1.	Mr. Brijmohan D. Chiripal	Chairperson	1	1
2.	Mr. Susanta Kumar Panda	Member	1	1
3.	Mr. Shubhankar Shah	Member	1	1
4.	Mrs. Dhara Shah	Member	1	1

4. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.vishalfabricsltd.com
5. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
6. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

(Rs. In Lakh)

S. no	Financial Year	Amount Available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
1.	2020-21	43.00	5.00
	TOTAL	43.00	5.00

7. Average net profit of the company as per section 135(5):

(Rs. In Crore)

Particulars	2018-19	2019-20	2020-21
Net Profit	21.55	45.56	32.30

Average net profit of the Company for last three financial year is at Rs. 33.13 Crore

8. (a) Two percent of average net profit of the company as per section 135(5): Rs. 0.66 Crores
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (c) Amount required to be set off for the financial year, if any: 0.05 Crores
- (d) Total CSR obligation for the financial year (8a+8b-8c): Rs. 0.62 Crores
9. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of transfer
0.62 Crores	N.A.	N.A.	N.A.	N.A.	N.A.

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

S. no	Name of the Project/	Item from the list of activities in Schedule VII to the Companies Act, 2013	Local Area (Yes/No)	Location of the project		Amount Spent for the Project (In Rs.)	Mode of implementation – Direct (yes/no)	Mode of Implementation - Through implementing agency	
				State	District			Name	CSR Registration No,
1.	School Upgradation, Digital Educations and promoting various educational initiatives & awareness programmes (more specifically described in point no. 2 of this annexure)	Item No. (ii) Promoting Education, employment enhancing vocation skills especially among children and women	Yes	Gujarat	Ahmedabad	0.50 Crore	No	Chiripal Charitable Trust	CSR00016151
						0.12 Crore	No	Happiness Reserve Foundation	CSR00015212
TOTAL						0.62 Crore			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (9b+9c+9d+9e): Rs. 0.62 Crore

(g) Excess amount for set off, if any:

S. no	Particulars	Amount (In Rs.)
i	Two percent of average net profit of the company as per section 135(5)	0.62 Crore
ii	Total amount spent for the Financial Year	1.05 Crore
iii	Excess amount spent for the financial year [(ii)-(i)]	0.43 Crore
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.43 Crore

10. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): None

11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

12. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per Section 135(5): Not Applicable

Date: June 11, 2021
Place : Ahmedabad

Brijmohan D. Chiripal
Managing Director and Chairman of CSR Committee
DIN: 00290426

Annexure-IV

Details of Conservation of energy, technology absorption, foreign exchange earnings and outgo

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

A. CONSERVATION OF ENERGY:

i. the steps taken or impact on conservation of energy

- The company has installed invertors / AC drives to save the power.
- Other necessary energy conservation measures are taken on day to day basis.
- The Company has installed Rainwater Harvesting Technology to 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: Nil

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 approximately Rs. 50/- Lacs on Research & Development Activities which results in product development.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE FINANCIAL YEAR 01/04/2021 TO 31/03/2022:

EXPORT DETAILS

PARTICULARS	AMOUNT	CURRENCY
TOTAL EXPORT MADE	112364.28	USD
RECEIVABLE AGAINST EXPORT INVOICE	0	USD
ADVANCE	9932.16	USD

IMPORT DETAILS

PARTICULARS	AMOUNT	CURRENCY
TOTAL IMPORT MADE	1333689	USD
TOTAL IMPORT MADE	14433	EUR

Annexure-V

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

- i. Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2021-22:

Sr. No.	Name of Director & DIN	Category	Ratio
1.	Mr. Brijmohan Chiripal	Managing Director	54.16:1
2.	Mr. Amit Kadmawala	Whole time Director	2.70:1
3.	Mr. Ravindra Bajaj	Whole time Director	12.64:1

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, in the FY 2021-22:

Sr. No.	Name of Director & DIN	Category	%
1	Mr. Brijmohan Chiripal	Managing Director & CEO	50%
2	Mr. Amit Kadmawala	Whole time Director	7.45%
3	Mr. Ravindra Bajaj	Whole time Director	NA
6	Mr. Vinay Thadani	Chief Financial Officer	NA
7	Mr. Bhargav Vyas*	Company Secretary	NA
8	Mr. Nikhil Vadera**	Company Secretary	NA

*Mr. Bhargav Vyas has resigned as Company Secretary w.e.f. 1.9.2021.

**Mr. Nikhil Vadera has been appointed as Company Secretary w.e.f. 22.09.2021

The median remuneration of the employees of the Company as on 31st March, 2022 was Rs.3,32,361 per year.

- iii. During FY 2022, the percentage increased in the median remuneration of employees of the Company as compared to previous year was 5.27%.
- iv. No. of permanent employees on the rolls of the Company: - 2231
- v. Average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year: 12%
- vi. Affirmation that the remuneration is as per the remuneration policy of the company: Yes

Annexure-VI

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 therefor 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 March 31, 2022, in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

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

2. BOARD OF DIRECTORS:

a. Composition of Board:

The Board of Directors of your Company ('hereinafter referred to as 'the Board' or the 'Board of Directors') as on 31st March, 2022 comprised of six Directors as detailed below:

S. no	Name of Director & DIN	Category of Directors
1.	Mr. Brijmohan D. Chiripal DIN: 00290426	Managing Director, Executive; Non-Independent
2.	Mr. Amit Kadmawala DIN: 07016454	Whole Time Director, Executive; Non- Independent
3.	Mr. Ravindra Bajaj DIN:08243855	Whole Time Director, Executive; Non- Independent
4.	Mr. Shubhankar Jha DIN: 07208823	Non-Executive Independent
5.	Mrs. Dhara Shah DIN: 06983857	Non-Executive Independent
6.	Mr. Susanta Kumar Panda DIN:07917003	Non-Executive Independent

*The Board of Directors have, on the recommendation of the Nomination & Remuneration Committee, through circular resolution, appointed Mr. Susanta Kumar Panda w.e.f June 01, 2021 as Director (Independent) of the Company. They have further recommended the appointment of Mr. Susanta Kumar Panda as an Independent Director of the Company for a term of five years.

b. Meeting and Attendance:

During the year, the Board of Directors met 4 times on 11th June 2021, 26th July 2021, 26th October 2021, and 27th January 2022. The gap between two Board Meetings was within the maximum time gap prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

S. no	Name of Directors	Number of Board Meetings attended	Whether present at the previous AGM
1.	Mr. Brijmohan D. Chiripal	4	Yes
2.	Mr. Amit Kadmawala	4	Yes
3.	Mr. Ravindra Bajaj	3	Yes
4.	Mr. Shubhankar Jha	3	Yes
5.	Mrs. Dhara Shah	4	Yes
6.	Mr. Susanta Kumar Panda	4	Yes

c. Details of Directorship or Committee positions of Board of Directors in other Companies:

S. no	Name of Directors	Directorship in Listed Company	Committee Membership*	Committee Chairmanship*
1.	Mr. Brijmohan D. Chiripal	-	-	-
2.	Mrs. Dhara Shah	1 ACE Software Exports Limited 2 Mayur Floorings Limited	1	1
3.	Mr. Susanta Kumar Panda	1 Shanti Educational Initiatives Limited 2 Zee Media Corporation Limited	4	1

Note:

#Memberships and Chairmanships of Audit Committee and Stakeholders Relationship Committee in Listed Company have been considered.

d. Disclosure of relationships between the Directors inter-se:

There is no relationship between the Directors inter-se.

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

Apart from sitting fees for attending Board & Committee meetings, no other fees or commission is paid to the Non-Executive Independent Directors during the financial year. As on March 31, 2022 holding of Non-Executive Directors in Equity Shares and convertible instruments are Nil in the Company.

f. Familiarization Program for Directors:

On appointment of an individual as Director the company explained the role, function, duties and responsibilities and in addition the above 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. Key Board Qualifications, Expertise and Attributes:

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. Susanta Kumar Panda	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				✓	✓	✓

Skills and its description	Mr. Brijmohan Chiripal	Mr. Amit Kadmawala	Mr. Ravindra Bajaj	Mrs. Dhara Shah	Mr. Susanta Kumar Panda	Mr. Shubhankar Jha
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 has confirmed that in the opinion of the board, the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.
- i. No Independent director resigned during the year ended March 31, 2022.

3. AUDIT COMMITTEE:

The Board has constituted a qualified and independent audit committee in accordance with the provision as prescribed in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management.

a. Brief Description of 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. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee shall mandatorily review the following information:

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

- b. **As on 31st March 2022, the Audit Committee of the Company comprised of three Independent Directors viz. Mrs. Dhara Shah, Mr. Shubhankar Jha, Mr. Susanta Kumar Panda and one Executive Director – Mr. Brijmohan Chiripal. Through Circular Resolution passed by Board of Directors on June 01, 2021 Mr. Susanta Kumar Panda was appointed as a Chairman of the Committee w.e.f June 01, 2021.**

During the Financial Year 2021-22, 4 Audit Committee Meetings were held on 11th June 2021, 26th July 2021, 26th October 2021, and 27th January 2022. The attendance of Members at meetings was as under:

S. no	Name of members	Position	No. of meeting held during the year	No. of meetings attended
1.	Mr. Susanta Kumar Panda	Chairman	4	4
2.	Mr. Shubhankar Jha	Member	4	3
3.	Mrs. Dhara Shah	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 2021-22.

4. 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.

a. Brief description of 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.

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

- i. To formulate criteria for determining qualifications, positive attributes and independence of a director and oversee the succession management process for the Board and senior management employees;

- ii. To recommend the Board a policy relating to the remuneration of the Directors, KMPs and other employees of the Company;
- iii. To formulate criteria for evaluation of Independent Directors and the Board;
- iv. To devise a policy on Board Diversity;
- v. To carry out evaluation of every Director's performance;
- vi. To identify persons who are qualified to become Director and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- vii. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- viii. To recommend to the board, all remuneration, in whatever form, payable to senior management.

- b. **As on 31st March 2022, the Nomination and Remuneration Committee of the Company comprised of three Independent Directors viz. Mrs. Dhara Shah, Mr. Susanta Kumar Panda and Mr. Shubhankar Jha. Through Circular Resolution passed by Board of Directors on June 01, 2021 Mr. Susanta Kumar Panda was appointed as a new member of the Committee w.e.f June 01, 2021.**

During the Financial Year 2021-22, 2 (Two) Nomination and Remuneration Committee Meeting were held on 11th June 2021 and 26th October 2021. The Attendance of Members at meeting was as under:

S. no	Name of members	Position	No. of meeting held during the year	No. of meetings attended
1.	Mrs. Dhara Shah	Chairperson	2	2
2.	Mr. Shubhankar Jha	Member	2	2
3.	Mr. Susanta Kumar Panda	Member	2	2

c. Performance Evaluation Criteria for Independent Directors:

The Board of Directors has formulated performance evaluation criteria of Independent Directors of the Company. The Performance Evaluation of Independent Directors is carried out on the basis of 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.

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 26th October, 2021 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.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

d. Remuneration of Directors:

i. Remuneration to Non-Executive Directors:

There are no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the

Company, except otherwise stated in the Report. All the Non-executive Directors receive sitting fees for attending Board Meetings, Audit Committee Meetings and Nomination and Remuneration Committee Meetings. The sitting fees paid to Non-Executive Directors are within the limits prescribed under the Companies Act, 2013 read with the relevant Rules.

Details of the sitting fees paid during the financial year 2021-22 are as under:

S. no	Name of the Directors	Sitting Fees paid (Amount in Rs.)
		Board/Committee Meeting
1.	Mrs. Dhara Shah	79,000
2.	Mr. Shubhankar Jha	1,25,000
3.	Mr. Susanta Kumar Panda	50,000

ii. Remuneration to Executive Directors:

Details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2022 are as under:

S. no	Name of the Directors	Designation	Salary & Allowances (Amt. in Rs.)	Contribution to PF (Amt. in Rs.)	Total (Amt. in Rs.)
1.	Mr. Brijmohan D. Chiripal	Managing Director	15,600,000	2,400,000	18,000,000
2.	Mr. Ravindra Bajaj	Whole Time Director	4,200,000	NIL	4,200,000
3.	Mr. Amit Kadmawala	Whole Time Director	898,568	NIL	898,568

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 Company act, 2013 and the SEBI (LODR) Regulations, 2015.

- a. As on 31st March 2022, the Stakeholders Relationship Committee of the Company comprised of three Independent Directors viz. Mrs. Dhara Shah, Mr. Shubhankar Jha, Mr. Susanta Kumar Panda and one Executive Director – Mr. Amit Kadmawala Through Circular Resolution passed by Board of Directors on June 01, 2021 Mr. Susanta Kumar Panda was appointed as a Chairman of the Committee w.e.f June 01, 2021.

During the Financial Year 2021-22, Stakeholders Relationship Committee Meeting were held on The Attendance of Members at meeting was as under:

S. no	Name of members	Position	No. of meeting held during the year	No. of meetings attended
1.	Mr. Susanta Kumar Panda	Chairperson	4	4
2.	Mr. Shubhankar Jha	Member	4	3
3.	Mrs. Dhara Shah	Member	4	4
4.	Mr. Amit Kadmawala	Member	4	4

b. Name and Designation of Compliance Officer:

Bhargav Vyas – Company Secretary & Compliance Officer. #

Nikhil Vadera – Company Secretary & Compliance Officer. \$

Resigned w.e.f August 20, 2021.

\$ Appointed w.e.f. October 26, 2021.

c. Details of Complaints/ Queries received and redressed during 1st April 2021 to 31st March 2022 are as follows:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
Nil	02	02	Nil

6. RISK MANAGEMENT COMMITTEE:

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. INFORMATION ON GENERAL BODY MEETINGS:

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

FINANCIAL YEAR	DATE & TIME	VENUE
2020-21	December 20, 2021	Meeting through Video Conferencing/ Other Audio-Visual Means facility.
2019-20	December 09, 2020 03:00 P.M	Meeting through Video Conferencing/ Other Audio-Visual Means facility.
2018-19	September 30, 2019 03:00 P.M	Shanti Corporate House, Beside Hira Rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad – 380058

ii. Special Resolutions passed in the last 3 Annual General Meetings:

2020-21

- Ratification of Remuneration of Cost Auditor of the Company:
- Appointment of Mr. Susanta Kumar Panda (DIN: 07917003) as an Independent Director on the Board of Directors of the Company to hold office for a term of 5 (Five) consecutive years from June 01, 2021 to May 31, 2026.

2019-20

- To alter Article of Association of the Company.
- To convert the facilities together with the outstanding loans or any other financial assistance.

2018-19:

- Re-appointment of Mrs. Dhara Rupeshkumar Shah as Non- Executive Independent Director of the Company.
- Re-appointment of Mr. Shubhankar Jha as Non- Executive Independent Director of the Company.

iii. Postal Ballot and procedure:

During the year under review, the Company obtained the approval from shareholders through postal ballot, the details of the same are mentioned herein below. Details of resolutions passed through postal ballot during Financial Year 2021-22 and details of the voting pattern:

The following resolutions were passed through Postal Ballot (including electronic voting) as on Feb 28, 2022:

- To Approve Increase In Authorised Share Capital of the Company and Make Consequent Alteration in Clause V of the Memorandum of Association.

Votes in favour of resolution	38,246,818
Votes against the resolution	0
Percentage of votes in favour of resolution	100%

- To Consider and Approve the issuance of Bonus Shares

Votes in favour of resolution	38,246,818
Votes against the resolution	0
Percentage of votes in favour of resolution	100%

The Board of Directors of the Company had appointed M/s. Chirag Shah and Associates, a Practicing Company Secretaries firm, Ahmedabad as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

8. MEANS OF COMMUNICATION:

The primary source of information to the shareholders, customers, analysts and other stakeholders of your Company and to public at large is through the website of your Company www.vishalfabricslts.com. The Annual Report, quarterly results, shareholding pattern, material events, corporate actions, copies of press releases, schedule of analysts/investor meets amongst others, are regularly sent to Stock Exchanges and uploaded on the Company's website. Quarterly/annual financial results are regularly submitted to the Stock Exchanges in accordance with the Listing Regulations and uploaded on the Company's website.

The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the stock exchange. The Chief Executive Officer, Chief Financial Officer and the Company Secretary of the Company are empowered to decide on the materiality of the information for the purpose of making disclosure to the Stock Exchanges.

Your Company also regularly makes presentation to the analyst in their meetings held from time to time, transcripts of which are uploaded on your Company's website. The schedule of analyst meets/Institutional Investors meets are also informed to the public through the Stock Exchanges.

9. GENERAL SHAREHOLDER INFORMATION:

i. Annual General Meeting:

Date	30 th September 2022
Time	2:00 PM IST
Venue	Meeting through Video Conferencing/ Other Audio-Visual Means facility.

ii. **Financial Year:** The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

iii. **Dividend Payment Date:** The Board has not recommended final dividend for the financial year under review.

iv. Registered Office:

Ranipur Narol Road, Ahmedabad-382405
E-mail: cs.vfl@chiripalgroup.com
Website: <https://vishalfabricsltd.com/>
Telephone No.: 091-7925353981

v. Listing on Stock exchanges:

S. no	Name of Stock Exchange	Code/Symbol	Address
1.	BSE Limited	538598	Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001
2.	National Stock Exchange of India Limited (Permitted to Trade)	VISHAL	National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051

vi. **Listing Fees:** The Company has paid Annual Listing Fees to the Stock Exchange.

vii. **Custodian Fees to Depositories:** The Company has paid fees for the financial year 2021-22 of Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).

viii. **ISIN of Company' Equity Shares:** INE755Q01025

ix. **Corporate Identification Number (CIN):** L17110GJ1985PLC008206

x. **Stock Market Price Data:** Monthly high and low prices of the Company's Equity Shares on BSE Sensex for the F.Y. 2021-2022 are noted herein below:

All Prices in ₹

FINANCIAL YEAR	DATE & TIME	VENUE	VENUE	VENUE
Apr 21	62.35	46.60	49.60	655817
May 21	51.95	41.35	44.10	604516
Jun 21	72.10	42.70	67.45	1138883
Jul 21	124.40	60.35	122.10	2759456
Aug 21	132.70	104.40	119.45	1134949
Sep 21	129.40	111.50	113.60	609795
Oct 21	116.90	96.55	102.50	314484
Nov 21	106.00	81.15	88.65	172123
Dec 21	99.80	82.60	89.45	167810
Jan 22	147.50	89.95	131.25	1004483
Feb 22	134.90	99.30	104.35	817055
Mar 22	128.95	27.75	35.30	1699741

xi. Registrar and Share Transfer Agent: For Demat Securities:

Link Intime India Private Limited

5th Floor, 506-508 Amarnath Business Centre -1, St Xavier's Corner, Chimanlal Girdharlal Rd, Sardar Patel Nagar, Ellis Bridge, Ahmedabad, Gujarat 380009.

Phone: 079 2646 5179

Website: www.linkintime.co.in

E-mail: ahmedabad@linkintime.co.in

xii. **Share Transfer System:** Entire holding of the Company is in dematerialized form and matters pertaining to Share Transfer are being handled by Link Intime Private Limited.

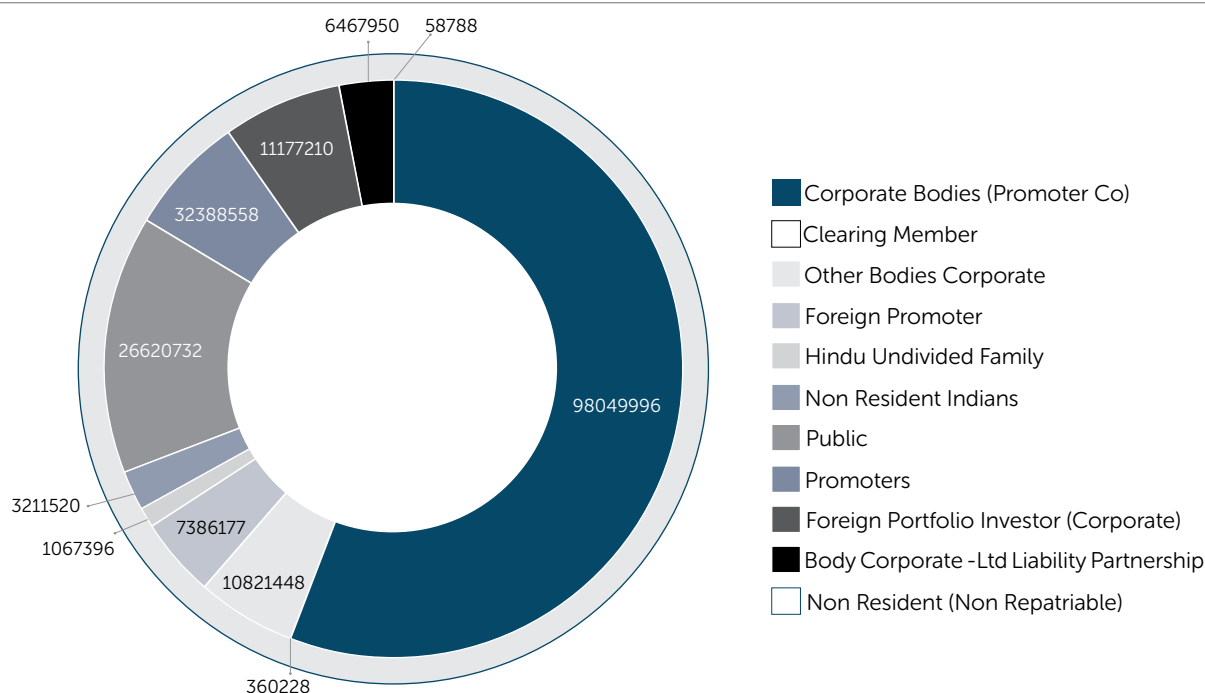
xiii. **Distribution of shareholding:**

- Distribution of Shareholding as on March 31, 2022:

S. no	Shares Range	No. of Shareholders	Total Shares	% of issued capital
1.	1- 500	19877	76.4177	1.3258
2.	501-1000	2538	9.7574	0.9366
3.	1001-2000	1550	5.9590	1.1241
4.	2001-3000	745	2.8642	0.9781
5.	3001-4000	237	0.9112	0.4173
6.	4001-5000	238	0.9150	0.5449
7.	5001-10000	410	1.5763	1.4664
8.	100001 and above	416	1.5993	93.2068

- Category wise Shareholding as on March 31, 2022:

Category of Shareholders	No. of shares	% Of issued capital
Corporate Bodies (Promoter Co)	98049996	49.6179
Clearing Members	360228	0.1823
Other Bodies Corporate	10821448	5.4762
Foreign Promoters	7386177	3.7378
Hindu Undivided Family	1067396	0.5402
Non Resident Indians	3211520	1.6252
Public	26620732	13.4713
Promoters	32388558	16.3901
Foreign Portfolio Investors (Corporate)	11177210	5.6562
Body Corporate - Ltd Liability Partnership	6467950	3.2731
Non Resident (Non Repatriable)	58788	0.0297
TOTAL	197610003	100



xiv. **Dematerialization of Shares and Liquidity:** Entire equity share capital is held in the demat form with NSDL and CDSL.

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

xvi. Plant Locations:

- Narol, Ahmedabad
- Dholi, Ahmedabad

xvii. Address for Correspondence:

- For any query relating to shares:

Link Intime India Private Limited

5th Floor, 506-508 Amarnath Business Centre -1, St Xavier's Corner, Chimanlal Girdharlal Rd, Sardar Patel Nagar, Ellis Bridge, Ahmedabad, Gujarat 380009.

Phone: 079 2646 5179

Website: www.linkintime.co.in

E-mail: ahmedabad@linkintime.co.in

- For General Correspondence:

Registered Office

Company Secretary

Vishal Fabrics Limited, Ranipur Narol Road, Ahmedabad- 382405.

Tel: 9099952542, Fax: 091-7925353981

Website: www.vishalfabricsltd.com

E-mail: cs.vfl@chiripalgroup.com

xviii. Credit Rating:

The Credit Rating of your Company 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.

xix. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities: The Company is not dealing in commodities and hence disclosure relating to Commodity price risks and commodity hedging activities is not required.

10. Other 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. Details of Non- Compliance:

No Strictures or penalties have been imposed on the Company by Securities and Exchange Boards of India or by any statutory authority on any matters related to capital markets during the last three years except the following:

The Bombay Stock Exchange had imposed penalty for non-compliance of Regulation 295 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 whereby the Company had delayed by 15 days for implementation of bonus shares declared in Annual General Meeting held on 9th December 2020.

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. 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 except the non-compliance disclose above in point no. 10 (ii).

v. Web Link for policy on Material Subsidiary:

The Company has formed the policy for determining material subsidiary as required by Regulation 16 of the SEBI (LODR) Regulations, 2015 and the same is disclosed on the Company's website i.e. <https://vishalfabricsltd.com/wp-content/uploads/2021/02/Policy-for-Material-Subsidiary.pdf>

vi. Funds Raised Through Preferential Allotment or Qualified Institutions Placement:

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) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vii. Certificate from Company Secretary in Practice:

The Company has taken certificate from Mr. Jatin Kapadia, Practicing Company Secretary, Membership No. 11417 and Certificate of Practice 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.

viii. 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 2021-2022.

ix. Details of total fees paid to Statutory Auditors:

The 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 is Rs. 7,50,000/- p.a.

x. Disclosure 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**

11. Non-Compliance of requirement of Corporate Governance Report:

There is no Non-compliance of any requirement of corporate governance report as required under the SEBI (LODR) Regulations, 2015 read with Schedule V of the act.

12. Discretionary Requirements:

• **Shareholders' Rights:**

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.

• **Details of shares lying in suspense account:** Not Applicable

13. Disclosure of Compliance with Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of 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.

14. Code of Conduct:

The Company has laid down a Code of Conduct for the Members of the Board and the Senior Management in accordance with the Regulation 17(5) of the SEBI (LODR) Regulations, 2015. All the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct as on 31st March, 2022 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/2021/02/Code-of-Conduct-for-BOARD-AND-SENIOR-MANAGEMENT.pdf>

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

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, 2022.

Place: Ahmedabad
Date: May 19, 2022

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 2022, 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, 2022.

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 and Associates**
Chartered Accountants
FRN: 106801W

Gaurav Nahta
(Partner)

Place: Ahmedabad
Date : 28th June 2022

M.No.116735
UDIN: 22116735ALUUPF7688

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

"PURSUANT TO REGULATION 17(8) SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015"

To,
The Board of Directors,
Vishal Fabrics limited

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

- a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2022 and based on our knowledge and belief, we state that:
 - i. These statements do not contain any materially untrue statement or omit 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 violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and 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, the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i. Significant changes, if any, in the internal control over financial reporting during the year;
 - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Date: May 19, 2022
Place: Ahmedabad

Vinay Thadani
Chief Financial Officer

Brijmohan Chiripal
Chief Executive Officer

Independent Auditor's Report

on the Quarterly and Year to Date Annual Financial Results of the Company pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended)

To
The Members of
VISHAL FABRICS LIMITED

Report on audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Vishal fabrics Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the Standalone Financial Statements").

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 ("the Act") 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) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, 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 Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the financial Statement" 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report and Corporate Governance Report, but does not include Standalone Financial Statements and our auditor's report thereon.

- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Statement 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 Standards on Auditing, specified under Section 143(10) of the Act, 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 Statement.

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, 2020 ("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, 2015, as amended;
 - e) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall,

- whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The dividend declared and paid during the year by the company is in compliance with the provision of section 123 of the Companies Act, 2013.

For and on Behalf of

Nahta Jain & Associates
Chartered Accountants
Firm Regn. No. 106801W

(CA. Gaurav Nahta)
Partner
M.No.116735

Place : Ahmedabad
 Date : 19Th May, 2022
 UDIN: 22116735AJFLFD9607

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.

For and on Behalf of

Nahta Jain & Associates
Chartered Accountants
Firm Regn. No. 106801W

Place : Ahmedabad
Date : 19Th May, 2022
UDIN: 22116735AJFLFD9607

(CA. Gaurav Nahta)
Partner
M.No.116735

Annexure "B"

to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2022, we report that;

(i) In respect of Fixed Assets:

- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As per the information and explanations given to us, assets have been physically verified by the management during the year as per regular program 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) Based on our examination of the documents provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(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.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees,

in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

- (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), (b), (c), (d), (e), (f) of the Companies (Auditor's Report) Order, 2020 are not applicable.

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

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

- vi) The central government has prescribed maintenance of cost records under section 148(1)(d) of the companies act 2013 in respect of certain manufacturing activities of the company. Company has obtained cost audit report for the financial year 2020-21 during the year. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out detailed examination of the same.

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

- (a) 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 2022 for a period of more than six months from the date they became payable.

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

Sr. No.	Name of The Statute	Nature of Dues	Amount	Forum Where Dispute is Pending	Remark
1	Income Tax Act, 1961	Income Tax	2,16,510	CPC	AY 2018
3	Income Tax Act, 1961	Income Tax	16,04,680	CPC	AY 2020

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

- (ix) (a) 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.

- (b) According to the information and explanations given to us, the company is not declared willful defaulter by any bank or financial institution or other lender;

- (c) According to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

- (d) According to the information and explanations given to us, funds raised on short term basis has not been utilized for long term purposes.

- (e) According to the information and explanations given to us, we report that the Company has no Subsidiaries therefore clause 3(ix)(e) of the Order is not applicable.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments Accordingly, clause 3(x)(a) of the Order is not applicable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable. However, Company has issued 2 bonus shares against 1 share to the existing shareholders of the company during the year under consideration.

- (xi) (a) Based on examination of the books and records of the Company and according to the information and

explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed reported during the course of the Audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (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) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.

- (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) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company.

We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For and on Behalf of

Nahta Jain & Associates
Chartered Accountants
Firm Regn. No. 106801W

Place : Ahmedabad
Date : 19Th May, 2022
UDIN: 22116735AJFLFD9607

(CA. Gaurav Nahta)
Partner
M.No.116735

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')

Opinion

We have audited the internal financial controls over financial reporting of **M/S. VISHAL FABRICS LIMITED** ("the Company"), as of 31 March, 2022, in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

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 was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Statements

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 2022,

based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on Behalf of

Nahta Jain & Associates
Chartered Accountants
Firm Regn. No. 106801W

Place : Ahmedabad
Date : 19Th May, 2022
UDIN: 22116735AJFLFD9607

(CA. Gaurav Nahta)
Partner
M.No.116735

Balance Sheet

As At 31st March 2022

(Rs. in Crore)

Particulars	Notes	As At 31-03-2022	As At 31-03-2021
ASSETS			
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	269.74	244.44
(b) Capital Work-In-Progress	2A	3.29	32.55
(c) Investment Property	2B	0.21	-
(d) Financial Assets			
(i) Investments	3	23.88	22.17
(ii) Others Financial Assets	4	2.34	2.36
(f) Other Non-Current Assets	5	1.80	5.94
TOTAL NON-CURRENT ASSETS		301.26	307.45
2 CURRENT ASSETS			
(a) Investments	6	26.00	-
(b) Inventories	7	96.52	59.11
(c) Financial Assets			
(i) Trade Receivables	8	393.32	361.23
(ii) Cash And Cash Equivalents	9	0.25	13.48
(iii) Bank Balances Other Than (ii) Above	10	21.56	7.49
(d) Other Current Assets	11	38.59	49.78
(e) Current Tax Assets (Net)	12	0.01	0.01
TOTAL CURRENT ASSETS		576.25	491.10
TOTAL ASSETS		877.50	798.55
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	98.81	32.94
(b) Other Equity	14	235.81	231.72
TOTAL EQUITY		334.61	264.66
LIABILITIES			
1 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	15	163.08	192.44
(ii) Other Financial Liabilities	16	4.72	3.75
(b) Provisions	17	2.38	3.85
(c) Deferred Tax Liabilities (Net)	18	5.96	6.63
TOTAL NON-CURRENT LIABILITIES		176.13	206.67
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	19	214.63	194.54
(ii) Trade Payables	20	137.95	123.36
- Due to Micro and Small Enterprises		0.70	0.76
- Due to Creditors other than Micro and Small Enterprises		137.25	122.60
(iii) Other Financial Liabilities	21	-	0.21
(b) Other Current Liabilities	22	7.94	3.34
(c) Provisions	23	4.19	1.58
(d) Current Tax Liabilities (Net)	24	2.03	4.20
TOTAL CURRENT LIABILITIES		366.75	327.22
TOTAL EQUITY AND LIABILITIES		877.50	798.55

Significant Accounting Policies

1

The accompanying Notes 2 to 55 are integral part of the Financial Statements.

As per our report of even date

For **Nahta Jain and Associates**

Chartered Accountants

Firm Registration No: 106801W

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

CIN : L17110GJ1985PLC008206

Brijmohan Chiripal

Managing Director

DIN : 00290426

Vinay Thadani

Chief Financial

Officer

Nikhil Vadera

Company

Secretary

Gaurav Nahta

Partner

Membership No.: 116735

Amit Kadmawala

Whole-Time Director

DIN : 07016454

Place: Ahmedabad

Date: 'May 19,2022

Place: Ahmedabad

Date: 'May 19,2022

Statement of Profit and Loss

for the year ended on 31st March 2022

(Rs. in Crore)

Particulars	Note No.	2021-22	2020-21
I Revenue From Operations	25	1546.76	967.54
II Other Income	26	3.08	1.78
III Total Income (I+II)		1549.84	969.32
IV EXPENSES			
(a) Cost of Materials Consumed	27	1283.77	739.36
(b) Purchases of Stock-In-Trade	27A	6.75	15.67
(c) Changes in Inventories of Finished Goods	28	(14.75)	10.31
(d) Stock-In-Trade and Work-In-Progress	28A	(6.29)	9.50
(e) Employee Benefits Expense	29	77.36	63.78
(f) Finance Costs	30	37.82	34.37
(g) Depreciation and Amortization Expense	31	33.44	25.92
(h) Other Expenses	32	38.54	40.64
Total Expenses (IV)		1456.64	939.57
V Profit/(Loss) Before Tax (III-IV)		93.20	29.75
VI Tax Expense:	33		
(a) Current Tax		25.15	7.56
(b) Deferred Tax (Credit)/charge (including MAT credit entitlement)		0.35	(0.34)
(C) Tax Expense Related to Earlier Year		(1.34)	4.42
Total Tax Expenses		24.16	11.65
VII Profit (Loss) For The Year (V-VI)		69.04	18.10
VIII Other Comprehensive Income	34		
(a) Items That Will Not be Reclassified To Profit or Loss		2.64	0.95
(b) Income Tax Relating to Items That Will Not be Reclassified to Profit or Loss		(0.68)	(0.24)
(c) Items That Will be Reclassified to Profit or Loss		-	-
(d) Income Tax Relating to Items That Will be Reclassified to Profit or Loss		-	-
Total Other Comprehensive Income		1.96	0.71
IX Total Comprehensive Income for The Period (VII+VIII)(Comprising Profit		71.00	18.82
(Loss) and Other Comprehensive Income for The period)			
X Earnings Per Equity Share :	47		
(a) Basic (in Rs.)		3.49	2.75
(b) Diluted (in Rs.)		3.49	2.75

Significant Accounting Policies

1

The accompanying Notes 2 to 55 are integral part of the Financial Statements.

As per our report of even date

For **Nahta Jain and Associates**

Chartered Accountants

Firm Registration No: 106801W

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

CIN : L17110GJ1985PLC008206

Brijmohan Chiripal

Managing Director

DIN : 00290426

Vinay Thadani

Chief Financial

Officer

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Company

Secretary

Gaurav Nahta

Partner

Membership No.: 116735

Amit Kadmawala

Whole-Time Director

DIN : 07016454

Place: Ahmedabad

Date: 'May 19,2022

Place: Ahmedabad

Date: 'May 19,2022

Cash Flow Statement

for the year ended 31 March 2022

(Rs. in Crore)

Particulars	Year ended 31/03/2022	Year ended 31/03/2021
Cash flow from operating activities		
Net profit before tax	93.20	29.75
Adjustments:		
Depreciation and amortisation	33.44	25.92
Finance expense	30.56	29.11
Interest income	(0.97)	(0.28)
Change in Fair Value of Equity Instruments	(1.71)	(0.06)
Operating cash flow before working capital changes	154.52	84.44
Working capital adjustments:		
Decrease/ (Increase) in trade receivables	(32.10)	(55.63)
Decrease/ (Increase) in other current assets	11.19	0.91
Decrease/ (Increase) in inventories	(37.42)	7.14
Increase/ (Decrease) in trade payables	14.60	(15.38)
Increase/ (Decrease) in provisions	1.15	(0.39)
Increase/ (Decrease) in current liabilities	1.56	3.94
Increase/ (Decrease) in other financial liabilities	0.97	0.29
Cash generated from operations	114.47	25.32
Less: Income tax	(22.20)	(10.94)
Net cash generated from operating activities (a)	92.28	14.39
Cash flow from investing activities		
Purchase of Property Plant & Equipment	(29.69)	(9.72)
Proceeds from sales of Property Plant & Equipment	-	0.12
Investment in Mutual Fund	(26.00)	-
Capital advances and other non-current assets	4.16	(1.98)
Interest income	0.97	0.28
Net cash used in investing activities (b)	(50.56)	(11.30)
Cash flow from financing activities		
Repayment of Long term borrowings	(29.37)	(32.56)
Proceeds from Unsecured loans repayable on demand	0.00	(0.10)
Short term borrowings (net)	20.10	54.61
Finance expense	(30.56)	(29.11)
Dividend	(1.05)	(1.05)
Net cash generated from / (used in) financing activities (c)	(40.88)	(8.22)
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	0.84	(5.13)
Cash and cash equivalents at the beginning of the year	20.97	26.10
Cash and cash equivalents at the end of the year	21.81	20.97
Components of cash and cash equivalents		
Cash on hand	0.14	0.18
Balances with banks		
Current accounts	0.11	13.30
Deposit accounts	21.56	7.49
	21.81	20.97

Notes:

- the Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statement notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules 2015 (as amended).

Significant Accounting Policies

1

The accompanying Notes 2 to 55 are integral part of the Financial Statements.

As per our report of even date

For **Nahta Jain and Associates**

Chartered Accountants

Firm Registration No: 106801W

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

CIN : L17110GJ1985PLC008206

Brijmohan Chiripal

Managing Director

DIN : 00290426

Vinay Thadani

Chief Financial

Officer

Nikhil Vadara

Company

Secretary

Gaurav Nahta

Partner

Membership No.: 116735

Amit Kadmawala

Whole-Time Director

DIN : 07016454

Place: Ahmedabad

Date: 'May 19,2022

Place: Ahmedabad

Date: 'May 19,2022

for the year ended 31st March, 2022

Equity shares of Rs. 5 each

	Change in Equity Share Capital due to prior period errors	Restated balance at the beginning of the period 1st April, 2020	Changes in equity share capital during 2020-2021*	As at 31st March, 2021	Change in Equity Share Capital due to prior period errors	Restated balance at the beginning of the period 1st April, 2021	Changes in equity share capital during 2021-2022*	As at 31st March, 2022
As at 1st April, 2020	-	21.96	10.98	32.94	-	32.94	65.87	98.81
21.96								

Revenue (Rs. In Crore)

Particulars		Share Application Money pending allotment	Equity component of compound financial instruments	Reserves & Surplus		Items of other comprehensive income		Money received against Share Warrants	Total
				Security Premium	Retained Earnings	Equity instruments through other comprehensive income	Remeasurement of defined benefit plants		
Balance at April 1, 2020		-	-	92.07	131.04	1.42	0.41	-	224.94
Retained earning during the year		-	-	-	18.10	-	-	-	18.10
Issue of Bonus shares*		-	-	(10.98)	-	-	-	-	(10.98)
Other comprehensive income during the year		-	-	-	-	(0.01)	0.72	-	0.71
Total comprehensive income for the year		-	-	(10.98)	18.10	(0.01)	0.72	-	18.81
Interim Dividend		-	-	-	(1.05)	-	-	-	(1.05)
Balance at March 31, 2021		-	-	81.09	148.09	1.41	1.13	-	231.72
Balance at April 1, 2021		-	-	81.09	148.09	1.41	1.13	-	231.72
Retained earning during the year		-	-	-	69.04	-	-	-	69.04
Issue of Bonus shares*		-	-	(65.87)	-	-	-	-	(65.87)
Other comprehensive income for the year		-	-	-	-	0.59	1.37	-	1.96
Total comprehensive income for the year		-	-	(65.87)	69.04	0.59	1.37	-	5.13
Interim Dividend		-	-	-	(1.05)	-	-	-	(1.05)
Balance at March 31, 2022		-	-	15.22	216.09	2.00	2.50	-	235.81

Significant Accounting Policies

1

As per our report of even date

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

Chartered Accountants
CIN : L17110GJ1985PLC008206

Firm Registration No: 106801W

Brijmohan Chiripal
Vinay Thadani
Nikhil Vadera

Managing Director	Chief Financial	Company
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DIN : 00290426

Officer

Secretary

Gaurav Nahta
Amit Kadmawala

Partner

Membership No.: 116735
DIN : 07016454

Place: Ahmedabad

Date: 'May 19,2022

Notes to standalone financial statements

for the year ended 31st March, 2022

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 Limited company. The same was converted to public limited company w.e.f. 1st March, 2015. The company has its registered office and plant at Narol, Ahmedabad - 380009, and another plant situated at Dholi Integrated Spinning Park, Taluka: Dholka, Village: Dholi, Ahmedabad - 382240, Gujarat, India. The company is engaged in manufacturing and selling of various Textile products like Dyed yarn, Denim Fabrics and job work of 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 41)
 2. Financial instruments measured at fair value through other comprehensive income (Note 41)
 3. Defined benefit plans – plan assets measured at fair value (Note 38)

III. Significant accounting policies

A. Revenue recognition

Revenue from contract with customers is recognized upon transfer of control of promised goods/ products to customers at an amount that reflects the consideration to which the Company expects to be entitled for those goods/ products. To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenues when a performance obligation is satisfied.

1. Sale of goods

Revenue from the sale of goods is recognized 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. Interest income

For all financial instruments measured either at amortized 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 amortized cost of a financial liability. Interest income is included in other income in the statement of profit and loss.

3. 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 capitalized 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.

Notes to standalone financial statements

for the year ended 31st March, 2022

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

C. Government Grants

Government grants are only recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

- When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- Where the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, at a below market rate of interest, the effect of this favorable interest is treated as a government grant. The loan or assistance is initially recognized and measured at fair value, and the government grant is measured as the difference between the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.

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 recognized 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:

- deductible temporary differences;
- the carry forward of unused tax losses; and
- 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 recognized 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 recognized outside profit or loss is (either in other comprehensive income or in equity). Deferred tax items are recognized 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.

F. Leases

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).

Notes to standalone financial statements

for the year ended 31st March, 2022

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 recognized, 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 Land 99 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 recognized 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 recognized as expense on a straight-line basis over the lease term.

G. 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, gratia are recognized during the period in which the employee renders related service.

Payments to defined contribution retirement benefit plans are recognized 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 recognized 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 recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the company recognizes related restructuring costs

Notes to standalone financial statements

for the year ended 31st March, 2022

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

The company recognizes 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 recognized as an expense in the statement of profit and loss for the period in which the employee has rendered services. The expenses are recognized 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.

H. 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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized 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 recognized 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 recognized 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	9 to 40 years
Furniture and fixtures	10 years
Office equipment	10 years
Vehicles	8 to 10 years

Depreciation on property, plant and equipment has been provided in the accounts based on useful life of the assets prescribed in Schedule II to the Companies Act, 2013. Certain assets are depreciated over the useful life decided by the management based on estimate by the domain experts. The said useful life are less than prescribed by the schedule II of 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.

Notes to standalone financial statements

for the year ended 31st March, 2022

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).

I. 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 capitalized 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 measured 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 derecognized.

J. Intangibles

Intangible assets are recognized 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 amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

K. Inventories

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

1. Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
2. Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based

on the normal operating capacity, but excluding borrowing costs. Cost is determined on lower of cost or net realizable value.

3. Stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. An item of spare parts that does not meet the definition of 'property, plant and equipment' has to be recognized 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 realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

L. Investment in subsidiaries, joint ventures and associates

Investments in subsidiaries, joint ventures and associates are recognized 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.

M. Financial Instruments

1. Financial assets

i. Initial recognition and measurement

All financial assets are recognized 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 amortized cost.

ii. Subsequent measurement

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

- a. Debt instruments at amortized cost

Notes to standalone financial statements

for the year ended 31st March, 2022

- 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 amortized cost

A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

iv. Debt instrument at FVTOCI

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

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

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

v. Financial instrument at FVTPL

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

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

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

vi. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 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 derecognized (i.e. removed from the company's balance sheet) when:

Notes to standalone financial statements

for the year ended 31st March, 2022

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

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

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

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

- a. Trade receivables or contract revenue receivables; and

Under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes 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 analyzed.

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 recognizing 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 amortized cost, contractual revenue receivables and lease receivables

ECL is presented as an allowance, i.e., as an integral part of the measurement of those

Notes to standalone financial statements

for the year ended 31st March, 2022

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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

ii. Subsequent measurement

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

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

iii. Financial liabilities at FVTPL

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

Gains or losses on liabilities held for trading are recognized 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/ losses are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized 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 amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization 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 recognized 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 recognized less cumulative amortization.

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

Notes to standalone financial statements

for the year ended 31st March, 2022

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 recognized 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 recognized in profit or loss as finance costs.

vii. Derecognition

A financial liability is derecognized 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

N. Impairment of non-financial assets

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

Recoverable amount is determined:

- In case of individual asset, at higher of the fair value less cost to sell and value in use; and
- In case of cash-generating unit (accompany 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 recognized 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 recognized in OCI up to the amount of any previous revaluation surplus.

O. 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.

P. 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

Notes to standalone financial statements

for the year ended 31st March, 2022

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".

The Company is primarily engaged in the business of manufacturing, distribution and marketing of textile product. These, in the context of Ind AS 108 on Operating Segments Reporting are considered to constitute single business segment.

Q. Provisions, Contingent liabilities, Contingent assets and Commitments

General

Provisions are recognized 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 recognized 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 recognized as a finance cost.

Contingent liability is disclosed in the case of:

1. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;

2. A present obligation arising from the past events, when no reliable estimate is possible;
3. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

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

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

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

R. Dividend

Provision is made for the amount of any dividend declared, being appropriately authorized 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.

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized, and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The interim dividends declared during the year are approved by the Board of Directors.

S. 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.

Notes to standalone financial statements

for the year ended 31st March, 2022

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. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable was based on shares having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

T. 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 recognized 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 33 - Current tax

Note 38 - Measurement of defined benefit obligations

Note 41 - Fair valuation of unlisted securities

U. 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.

V. Current and non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- i. It is expected to be settled in normal operating cycle;
- ii. It is held primarily for the purpose of trading;
- iii. It is due to be settled within twelve months after the reporting period, or
- iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- v. Some current liabilities, such as trade payables and some accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle. An entity classifies such operating items as current liabilities even if they are due to be settled more than 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.

Operating Cycle

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.

W. 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.

Notes to standalone financial statements

for the year ended 31st March, 2022

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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

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

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

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

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

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

Notes to standalone financial statements

for the year ended 31st March, 2022

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 amortized cost).

Y. 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.

Z. 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.

AA. New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

[Entities that could be expected to be significantly impacted by the adoption of these amendments should consider whether there is any information that they should provide about the impact in their financial statements.]

BB. Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 2 : PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 01/04/2021	Additions during the year	Disposal during the year	As at 01/04/2021	Charge for the year	Disposal during the year	As at 31/03/2022	As at 31/03/2021
	(Rs. In Crore)							
Freehold land	3.91	1.35	-	-	-	-	5.26	3.91
Leasehold land	10.98	-	-	0.49	0.11	-	0.60	10.48
Building	71.48	12.28	-	29.19	5.09	-	34.28	42.29
Plant & Equipments	307.19	43.27	-	123.97	26.75	-	150.73	183.21
Furniture & Fittings	7.88	0.76	-	5.47	0.62	-	6.09	2.41
Office Equipments	3.57	0.24	-	2.99	0.26	-	3.25	0.58
Vehicles	6.11	0.85	(Rs. 42777)	4.57	0.60	(Rs. 26239)	5.16	1.54
Total	411.12	58.74	-	166.68	33.43	-	200.11	244.44

PARTICULARS	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 01/04/2020	Additions during the year	Disposal during the year	As at 01/04/2020	Charge for the year	Disposal during the year	As at 31/03/2021	As at 31/03/2020
	(Rs. In Crore)							
Freehold land	1.21	2.70	-	-	-	-	0.00	1.21
Leasehold land	10.98	-	-	0.38	0.11	-	0.49	10.59
Building	70.90	0.57	-	24.76	4.43	-	29.19	46.15
Plant & Equipments	304.50	3.04	0.35	104.43	19.78	0.23	123.97	200.07
Furniture & Fittings	7.39	0.50	-	4.73	0.74	-	5.47	2.65
Office Equipments	3.40	0.18	-	2.70	0.29	-	2.99	0.70
Vehicles	5.81	0.29	-	3.99	0.57	-	4.57	1.82
Total	404.18	7.28	0.35	140.99	25.92	0.23	166.68	263.19

Notes :

- 1 Addition to block of Plant and equipments and other includes interest capitalised during the year Rs0.85 crore(p.y Rs0.15 crore)
- 2 Refer Note no.35 for information on property, plant and equipment Pledged as security by the Company.
- 3 Refer note no. 36 for disclosure of contractual commitment for the acquisition of property, plant and equipment.
- 4 All assets are in the name of company.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 2A : CAPITAL WORK-IN-PROGRESS

(Rs. in Crore)

Particulars	As at 01/04/2021	Additions during the year	Transfer during the year	As at 31/03/2022
Capital Work-in-Progress	32.55	11.93	41.19	3.29

(Rs. in Crore)

Particulars	As at 01/04/2020	Additions during the year	Transfer during the year	As at 31/03/2021
Capital Work-in-Progress	30.11	2.44	-	32.55

Capital Work-in-Progress Ageing Schedule

2021-22

(Rs. in Crore)

CWIP	Amount in CWIP for a period				
	Less Than 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
Project in progress - Growth Projects	3.29	-	-	-	3.29
Project temporarily suspended	-	-	-	-	-

2020-21

(Rs. in Crore)

CWIP	Amount in CWIP for a period				
	Less Than 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
Project in progress - Power Plant	2.44	6.87	23.24	-	32.55
Project temporarily suspended	-	-	-	-	-

Note :

- Refer Note no.35 for information on capital work-in progress Pledged as security by the Company.

Note - 2B : INVESTMENT PROPERTY

(Rs. In Crore)

PARTICULARS	GROSS BLOCK (At carrying amount)				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 01/04/2021	Additions during the year	Disposal during the year	As at 31/03/2022	As at 01/04/2021	Charge for the year	Disposal during the year	As at 31/03/2022	As at 31/03/2022	As at 31/03/2021
Building	-	0.21	-	0.21	-	(Rs. 32015)	-	(Rs. 32015)	0.21	-
Total	-	0.21	-	0.21	-	(Rs. 32015)	-	(Rs. 32015)	0.21	-

Note :

- Fair value of investment property as on 31st March, 2022 is Rs. 0.21 Cr

Note - 3 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

(Rs. in Crore)

Numbers		Particulars	As at	As at
31-03-2022	31-03-2021		31/03/2022	31/03/2021
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. 2580)
10000	10000	Equity Shares of CIL Nova Petrochemicals Ltd of Rs 10 Each	0.04	0.02
		Total : A	0.04	0.02

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 3 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS (Contd..)

(Rs. in Crore)

Numbers		Particulars	As at	As at
31-03-2022	31-03-2021		31/03/2022	31/03/2021
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 Pvt Ltd of Rs.10 Each	6.50	5.84
136000	136000	Equity Shares of Quality Exim Pvt Ltd of Rs.125 Each	1.60	1.56
35000	35000	Equity Shares of Prakash Calender Pvt Ltd of Rs.10 Each	0.14	0.14
150	150	Equity Shares of Deepak Impex Pvt Ltd of Rs.100 Each	(Rs. 8436)	(Rs. 8382)
20250	20250	Equity Shares of Chiripal Industries Ltd of Rs.10 Each	0.43	0.41
250000	250000	Equity Shares of Nandan Industries Pvt Ltd of Rs.70 Each	1.83	1.79
44	44	Equity Shares of Ellisbridge Co-op Bank Ltd of Rs.25 Each	(Rs. 1100)	(Rs. 1100)
4	4	Equity Shares of Nutan Nagrik Sahakari Bank Ltd of Rs.25 Each	(Rs. 100)	(Rs. 100)
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 Profit & Loss account				
332000	332000	Preference Shares of Quality Exim Pvt Ltd of Rs. 125 Each	3.91	3.80
500000	500000	Preference Shares of Dholi Spintex Pvt Ltd of Rs. 125Each	7.39	6.64
275000	275000	Preference Shares of Nandan Industries Pvt Ltd of Rs. 70 Each	2.02	1.96
		Total : B	23.84	22.15
		Total : A+B	23.88	22.17
Aggregate amount of quoted investments			0.04	0.02
Aggregate market value of quoted investments			0.04	0.02
Aggregate amount of unquoted investments			23.84	22.15
Aggregate amount of impairment in value of investments			-	-

Note :

- Investments at fair value through other comprehensive income reflect investment in quoted and un quoted equity instruments. Refer note no. 41 for detailed disclosure on fair values

Note - 4: NON-CURRENT FINANCIAL ASSETS - OTHERS

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Bank deposit with original maturity more than 12 months	0.11	0.10
Security Deposits	2.23	2.26
Total	2.34	2.36

Notes :

- Earmarked balances with Banks
- Refer Note No.43 to for credit risk, liquidity risk and market risk for non current financial assets - others
- Refer Note no.35 for information on Bank Deposits Pledged as security by the Company.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 5: OTHER NON-CURRENT ASSETS

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Capital advances	1.80	5.94
Total	1.80	5.94

Note:

- 1 Refer note no 35 for Capital Advances Pledged as security by the Company

Note - 6: CURRENT INVESTMENTS

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Fair Value through Profit & Loss Account		
Unquoted		
Investment in Mutual Fund		
L&T Ultra Short Term Fund Direct Plan - Growth - Units 164890.466	6.00	-
L&T Liquid Fund Direct Plan - Growth - Units 68624.171	20.00	-
Total	26.00	-
Aggregate amount of Unquoted Investment	26.00	-
Aggregate Market Value of Unquoted Investment	26.00	-

Note:

- 1 Refer note no 41 for information about fair value measurement and note no. 42 For credit risk and market risk of investments.
- 2 Refer Note no.35 for information on Current Investment Pledged as security by the Company.

Note - 7: INVENTORIES

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Raw materials & Packaging materials	44.85	30.95
	44.85	30.95
Work-in-progress	15.76	9.47
Finished goods	28.30	13.55
	44.06	23.02
Stores and spares	7.61	5.13
	7.61	5.13
Total	96.52	59.11

Notes :

- 1 Refer significant accounting policy No. 1 for inventory
- 2 Refer note no.35 for Inventory Pledged as security by the Company.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 8: CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Trade Receivable Secured, considered good	-	-
Trade Receivable Unsecured, considered good	385.19	347.68
Trade Receivable Unsecured, considered good from related parties (Refer note no. 40)	8.12	13.54
Trade Receivable Unsecured, credit impaired	-	-
	393.32	361.23
Less: Allowance for credit impairment	-	-
Total	393.32	361.23

Notes:

- 1 Refer note no.43 for credit risk, liquidity risk and market risk for current financial assets.
- 2 Refer note no.35 for Trade Receivables Pledged as security by the Company.

Trade receivables ageing schedule for current year and previous year

2021-22

(Rs. in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables considered good	256.96	122.37	2.85	0.94	5.66	4.54	393.32
Undisputed Trade receivables considered doubtful	-	-	-	-	-	-	-
Disputed Trade receivables considered good	-	-	-	-	-	-	-
Disputed Trade receivables considered doubtful	-	-	-	-	-	-	-
Total	256.96	122.37	2.85	0.94	5.66	4.54	393.32

2020-21

(Rs. in Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables considered good	217.46	121.85	3.32	12.21	3.37	3.01	361.23
Undisputed Trade receivables considered doubtful	-	-	-	-	-	-	-
Disputed Trade receivables considered good	-	-	-	-	-	-	-
Disputed Trade receivables considered doubtful	-	-	-	-	-	-	-
Total	217.46	121.85	3.32	12.21	3.37	3.01	361.23

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

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Cash and cash equivalents		
Balance with banks		
In current accounts	0.11	13.30
Cash on hand	0.14	0.18
Total	0.25	13.48

Note:

- 1 Refer note no.43 for credit risk, liquidity risk and market risk for current financial assets.
- 2 Refer note no.35 for Current Financial Assets - Cash and Cash Equivalents Pledged as security by the Company.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 10: CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Other bank balances		
Deposit accounts	21.56	7.49
(with original maturity more than 3 months but less than 12 months)		
Total	21.56	7.49

Notes:

- 1 Earmarked balances with Banks 21.56 7.49
- 2 Refer note no.43 for credit risk, liquidity risk and market risk for current financial assets.
- 3 Refer note no.35 for Bank Deposits Pledged as security by the Company.

Note - 11: OTHER CURRENT ASSETS

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Advances to suppliers	11.10	14.45
Balance with statutory authorities	18.03	17.85
Prepaid expenses	1.01	1.22
Others	8.45	16.26
Total	38.59	49.78

Note:

- 1 Refer note no.35 for Other Current Assets Pledged as security by the Company.

Note - 12: CURRENT TAX ASSETS (NET)

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Advance Tax (Net)	0.01	0.01
Total	0.01	0.01

Note - 13: Equity Share Capital

(Rs. in Crore)

Particulars	As at 31/03/2022		As at 31/03/2021	
	Number of shares	Rs. in Crore	Number of shares	Rs. in Crore
AUTHORISED				
Equity Shares of Rs. 5 each	200000000	100.00	90000000	45.00
	200000000	100.00	90000000	45.00
ISSUED AND SUBSCRIBED				
Equity Shares of Rs. 5 each	197610003	98.81	65870001	32.94
FULLY PAID UP				
Equity Shares of Rs. 5 each	197610003	98.81	65870001	32.94
	197610003	98.81	65870001	32.94

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 13: Equity Share Capital (Contd..)

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

(Rs. in Crore)

Particulars	2021-22		2020-21	
	Number of shares	Amt in Crores	Number of shares	Amt in Crores
Opening Balance	65870001	32.94	43913334	21.96
Bonus Share issued during the year	131740002	65.87	21956667	10.98
Closing Balance	197610003	98.81	65870001	32.94

- The Company has only one class of equity shares having a par value of Rs.5 per share
- The company does not have any holding company
- Each shareholder of equity shares is entitled to one vote per share.
- During the year company has issued 131740002 bonus shares in the ratio of 2:1. (Previous year company has issued 21956667 bonus shares in the ratio of 1:2)
- Following is the summary of per share dividends recognised as distributions to equity shareholders:

(Rs. in Crore)

Particulars	2021-22	2020-21
Interim dividend (Board recommended the adoption of the interim dividend as the final dividend)	Re 0.50 Per share	Re 0.50 Per share

- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- The details of Shareholders holding more than 5 % of Shares**

(Rs. in Crore)

Particulars	As at 31/03/2022		As at 31/03/2021	
	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.	57294000	28.99%	19098000	28.99%
2. Chiripal Exim LLP	12260847	6.20%	4207450	6.20%
3. Veena Investments Pvt Ltd	9374985	4.74%	6016495	9.13%

9 Equity Shares held by the promoters at the end of the year

(Rs. in Crore)

Sr. No.	Name of promoter	As at 31st March, 2022			As at 31st March, 2021		
		No of shares	% of total shares	% change during the year	No of shares	% of total shares	% change during the year
1	Chiripal Industries Ltd.	57294000	28.99	200.00	19098000	28.99	50.00
2	Chiripal Exim LLP	12622350	6.39	200.00	4207450	6.39	45.70
3	Tripoli Management Pvt. Ltd.	8082225	4.09	200.00	2694075	4.09	50.00
4	Brijmohan D Chiripal	7483500	3.79	200.00	2494500	3.79	50.00
5	Vedprakash Chiripal	7386177	3.74	200.00	2462059	3.74	50.00
6	Devkinandan Corporation LLP	7074000	3.58	200.00	2358000	3.58	50.00
7	Nandan Corporation LLP	5711235	2.89	98.52	2876845	4.37	50.00
8	Savitridevi V Chiripal	4067226	2.06	1097.15	339742	0.52	50.00
9	Pritidevi B Chiripal	3413997	1.73	200.00	1137999	1.73	50.00
10	Shanti Exports Pvt. Ltd.	3233880	1.64	200.00	1077960	1.64	50.00
11	Manjudevi Jaiprakash Chiripal	2358000	1.19	200.00	786000	1.19	50.00

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 13: Equity Share Capital (Contd..)

(Rs. in Crore)

Sr. No.	Name of promoter	As at 31st March, 2022			As at 31st March, 2021		
		No of shares	% of total shares	% change during the year	No of shares	% of total shares	% change during the year
12	Vishal V Chiripal	2091996	1.06	200.00	697332	1.06	50.00
13	Vineeta Chiripal	2019300	1.02	100.00	-	-	-
14	Urmiladevi Jyotiprasad Chiripal	1812000	0.92	64.13	1104000	1.68	50.00
15	Quality Exim Pvt. Ltd.	1534806	0.78	100.00	-	-	-
16	Deepak J Chiripal	1512000	0.77	200.00	504000	0.77	50.00
17	Jaiprakash D Chiripal	1332000	0.67	200.00	444000	0.67	50.00
18	Jyotiprasad D Chiripal	1332000	0.67	200.00	444000	0.67	50.00
19	Nitika Deepak Chiripal	1332000	0.67	200.00	444000	0.67	50.00
20	Nandan Industries Pvt. Ltd.	1297500	0.66	100.00	-	-	-
21	Chiripal Textile Mills Pvt. Ltd.	1200000	0.61	100.00	-	-	-
22	Shiwani V. Chiripal	648000	0.33	200.00	216000	0.33	50.00
23	Nishi J Agarwal	648000	0.33	200.00	216000	0.33	50.00
24	Saloo J. Agarwal	432000	0.22	200.00	144000	0.22	50.00
25	Ronak B Agarwal	316689	0.16	(47.70)	605563	0.92	50.00
26	Priyanka Brijmohan Chiripal	257850	0.13	200.00	85950	0.13	50.00
27	Aayushi Chiripal	1332000	0.67	100.00	444000	0.67	-
Total promoter shares outstanding		137824731	69.75	-	44881475	68.14	-

Note - 14: OTHER EQUITY

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Security Premium		
Opening balance	81.09	92.07
Less : Utilised for the purpose of Issue of Bonus Shares (Refer note no. 13)	65.87	10.98
Closing balance	15.22	81.09
Retained Earnings		
Opening balance	148.09	131.04
Add : Retained earnings during the year	69.04	18.10
Less: Interim Dividend Paid (Refer note no. 13)	1.05	1.05
Closing Balance	216.09	148.09
Other Comprehensive Income		
Opening balance	2.54	1.83
Add: Due to increase in Fair Value of Equity Instruments	1.96	0.71
Closing balance	4.50	2.54
Total Other Equity	235.81	231.72

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 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.

3 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

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 15: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Secured		
Term Loans from Banks (Refer note no. 1 to 5 below)	70.33	99.69
Unsecured		
Inter corporate deposits (Refer note no. 6 below)	92.75	92.75
Total	163.08	192.44

Notes:

(Rs. in Crore)

Sr. No.	Particulars	As at 31/03/2022		As at 31/03/2021	
		Non Current	Current	Non Current	Current
1	Term Loan from consortium of banks lead by Bank of Baroda is secured against 1) first pari pasu charge on project assets present and future(including assignment of lease hold right of land) with estimated project cost (excluding working capital margin) of Rs. 264.61 crores on reciprocal basis. 2) Non agriculture land at survey no 289,297 and 291 situated at Dholi integrated Spinning park, village Dholi, Taluka Dholka,Ahmedabad leased for period of 99 years and first paripasu charge by equitable mortgage of factory land and building at Narol, Ahmedabad. 3) Second paripasu charge on entire current assets of the company.4) Mortgage/ Hypothecated 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. As on date 1,34,64,444 equity shares of the company. 5) Secured by personal guarantees of promoters and by corporate guarantees of M/s Prakash calendar Pvt Ltd and M/s Bhushan petrofills pvt ltd.	69.68	29.43	99.47	30.09
2	Term loan from consortium of banks lead by Bank of Baroda is repayable in 30 quarterly instalments.				
3	Term loan from State bank of India is repayable in 84 monthly instalment of Rs. 0.12 crore each.				
4	Effective rate of interest is 9.45% p.a to 11.90 % p.a				
5	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 7.40% to 8.50% p.a	0.64	0.34	0.22	0.09
6	Unsecured Inter corporate deposit is repayable after one year. The said loan is interest free.	92.75	-	92.75	-

Notes:

- 1 Refer note no.43 for credit risk, liquidity risk and market risk for current financial liability
- 2 The company has complied few covenants for loan
- 3 Out of total moratorium benefit company has paid all unpaid interest of moratorium period by end of previous financial year.
- 4 As at March 31, 2022, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified since the inception of the company.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 16: NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Creditors for capital expenditure	4.72	3.75
Total	4.72	3.75

Note - 17: NON-CURRENT PROVISIONS

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Provisions		
Provision for employee benefits (Refer note no.38)	2.38	3.85
Total	2.38	3.85

Note - 18: DEFERRED TAX ASSETS/LIABILITIES (Net)

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Deferred Tax Liability		
Property, plant and equipment and investment property	4.92	5.62
Fair value of investments in equity instruments	0.67	0.03
Fair value of investments in Preference instruments	-	0.02
Others	0.21	0.60
Amortisation of borrowing cost	0.36	0.36
Total Deferred Tax Liabilities	6.17	6.63
Deferred Tax Assets		
Fair value of investments in Preference instruments	0.21	-
Total Deferred Tax Assets	0.21	-
Total	5.96	6.63

Note - 19: CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Secured		
Cash credit facility (Refer note no. 1 & 2 below)	114.05	107.23
ECLGS Facility (Emergency Credit Line Guarantee Scheme) (Refer note no. 3 below)	70.81	57.12
Current Maturity of Term Loans (Refer note no. 15)	29.77	30.18
Total	214.63	194.54

Notes :

- The Cash Credit facility and packaging credit facility from banks Rs. 114.05 crore (PY 107.23 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 calendar Pvt Ltd and M/s Bhushan petrofills pvt. ltd. and Mortgage/Hypothecated 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. As on date 1,34,64,444 equity shares of the company.
- Effective interest rate of cash credit facility is in range of 9.45% to 10.05% p.a (PY 10.10% to 11.25%)
- Company has taken loan under ECLGS 2.0 facility of 52.69 Cr. Company has taken further loan under ECLGS 2.0 extension facility introduced by Government of India amounting to Rs. 36.45 Cr out of which Rs. 20.51 Cr was disbursed up to March 22 and balance yet to be disbursed. Effective rate of Interest is 7.95% p.a. to 9.25% p.a.
- Details submitted to lenders on quarterly basis are in conformity with books of accounts.
- Refer note no.43 for credit risk, liquidity risk and market risk for current financial liability

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 20: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Trade Payables		
- For Micro and Small Enterprises (Refer note no. 39)	0.70	0.76
- Other than Micro and Small Enterprises	137.25	122.60
Total	137.95	123.36

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.

Disclosure relating to aging of Trade payable for current and previous year

2021-22

(Rs. in Crore)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	0.54	0.16	-	-	-	0.70
Others	18.73	116.54	0.74	1.09	0.16	137.25
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	19.27	116.70	0.74	1.09	0.16	137.95

2020-21

(Rs. in Crore)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	0.29	0.47	-	-	-	0.76
Others	27.13	94.87	0.46	0.11	0.02	122.60
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	27.42	95.34	0.46	0.11	0.02	123.36

Note - 21: CURRENT FINANCIAL LIABILITIES - OTHERS

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Unsecured		
Trade deposits	-	0.21
Total	-	0.21

Note:

- Refer note no.43 for credit risk, liquidity risk and market risk for current financial liabilities.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 22: OTHER CURRENT LIABILITIES

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Advance received from customers	0.55	0.93
Statutory liabilities	0.54	0.52
Other	6.84	1.89
Total	7.94	3.34

Note - 23: CURRENT PROVISIONS

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Provision for employee Benefits(Refer note no 38)	4.19	1.58
Total	4.19	1.58

Note - 24: CURRENT TAX LIABILITIES (NET)

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Income Tax Provision (net)	2.03	4.20
Total	2.03	4.20

Note - 25 : REVENUE FROM OPERATIONS

(Rs. in Crore)

Particulars	2021-22	2020-21
A- Revenue from operations		
Sale of Products (Excluding all Taxes)		
- Finished Goods	1281.69	751.57
- Traded Goods	6.40	15.75
	1288.09	767.32
B- Sale of Services	253.07	197.02
C- Other operating revenues	5.60	3.20
Total	1546.76	967.54

Note - 26 : OTHER INCOME

(Rs. in Crore)

Particulars	2021-22	2020-21
a- Interest income	0.97	0.28
b- Others	1.20	1.43
c- Gain on fair value of investment in preference shares	0.92	0.08
Total	3.08	1.78

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, 2022 Textiles	For the year ended March 31, 2021 Textiles
Type of goods or service		
Sale of manufactured goods		

Notes to standalone financial statements

for the year ended 31st March, 2022

Segment	(Rs. in Crore)	
	For the year ended March 31, 2022 Textiles	For the year ended March 31, 2021 Textiles
Textile Products	1287.29	754.77
Sale of traded products		
Textile Products	6.40	15.75
Sale of Services		
Job Work Charges	253.07	197.02
Total revenue from contracts with customers	1546.76	967.54
India	1545.95	950.07
Outside India	0.82	17.46
Total revenue from contracts with customers	1546.76	967.54
Timing of revenue recognition		
Goods transferred at a point in time	-	-
Total revenue from contracts with customers	1546.76	967.54

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

Segment	(Rs. in Crore)	
	For the year ended March 31, 2022 Textiles	For the year ended March 31, 2021 Textiles
Revenue		
External customer	1546.76	967.54
Inter-segment	-	-
Inter-segment adjustment and elimination	-	-
Total revenue from contracts with customers	1546.76	967.54

B) Contract balances

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

Particulars	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Trade receivables*	393.32	361.23
Contract liabilities	-	-
Advances from customers (refer note no.22)	0.55	0.93

*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

Particulars	(Rs. in Crore)	
	As at March 31, 2022	As at March 31, 2021
Revenue as per contracted price	1561.83	976.82
Adjustments		
Discount	15.06	9.28
Revenue from contract with customers	1546.76	967.54

Notes to standalone financial statements

for the year ended 31st March, 2022

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, 2022	As at March 31, 2021
Advances from customers	0.55	0.93
Total	0.55	0.93

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

Note - 27 : COST OF MATERIALS CONSUMED

(Rs. in Crore)

Particulars	2021-22	2020-21
Raw material and Packing material at the beginning of the year	30.95	18.70
Add: Purchases (net)	1305.29	751.62
Less : Raw material and Packing material at the end of the year	52.47	30.95
Cost of Raw material Consumed (Including Packaging Materials)	1283.77	739.36

Note - 27A: PURCHASE OF STOCK IN TRADE

(Rs. in Crore)

Particulars	2021-22	2020-21
Stock in trade:		
Chemical	6.75	-
Cotton	-	15.67
Total	6.75	15.67

Note - 28: CHANGES IN INVENTORIES OF FINISHED GOODS

(Rs. in Crore)

Particulars	2021-22	2020-21
Inventories at the beginning of the year:		
Finished goods	13.55	23.86
Total	13.55	23.86
Inventories at the end of the year:		
Finished goods	28.30	13.55
Total	28.30	13.55
Changes in inventories of finished goods	(14.75)	10.31

Note - 28A: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND WORK-IN-PROGRESS

(Rs. in Crore)

Particulars	2021-22	2020-21
Inventories at the beginning of the year:		
Work-in-progress	9.47	18.97
Total	9.47	18.97
Inventories at the end of the year:		
Work-in-progress	15.76	9.47
Total	15.76	9.47
Changes in inventories of stock-in-trade and work-in-progress	(6.29)	9.50

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 29: EMPLOYEE BENEFITS EXPENSE

(Rs. in Crore)

Particulars	2021-22	2020-21
Salaries and wages	72.03	61.08
Contributions to provident and other funds (Refer note no.38)	1.11	0.82
Gratuity (Refer note no.38)	2.15	1.53
Leave Encashment (Refer note no.38)	1.77	0.04
Staff welfare expense	0.29	0.32
Total	77.36	63.78

Note - 30: FINANCE COSTS

(Rs. in Crore)

Particulars	2021-22	2020-21
Interest and finance charges on financial liabilities not at fair value through profit or loss	31.41	29.25
Others	7.27	5.27
Less: Interest Capitalised	0.85	0.15
Total	37.82	34.37

Note - 31: DEPRECIATION AND AMORTISATION EXPENSES

(Rs. in Crore)

Particulars	2021-22	2020-21
Depreciation on property, plant and equipment (Refer note no.2)	33.44	25.92
Depreciation on Investment Property (Refer note no.2B)	(Rs. 32015)	-
Total	33.44	25.92

Note - 32: OTHER EXPENSES

(Rs. in Crore)

Particulars	2021-22	2020-21
Power and Fuel Expenses	13.15	13.10
Repairs and Maintenance		
To Building	1.29	0.87
To Machinery	2.01	1.94
To Others	4.34	2.37
	7.64	5.17
Insurance Expenses	1.82	1.27
Rates and taxes	0.76	0.59
Payments to auditors	0.17	0.18
Freight and transportation expenses	2.97	3.42
Donation	0.13	4.01
C S R Expenses (Refer note no. 47)	0.67	1.05
Dalali and commission	0.45	0.35
Other expenses	10.78	11.50
Total	38.54	40.64

Details of Payment to Auditors

(Rs. in Crore)

Particulars	2021-22	2020-21
a) Auditor Remuneration		
I) Statutory Audit Fees	0.08	0.08
II) Tax Audit fees	0.05	0.05
III) For Other Services	0.04	0.05
b) Cost Audit Fees	0.01	0.01
Total	0.17	0.18

Notes to standalone financial statements

for the year ended 31st March, 2022

Note - 33 : TAX EXPENSES

(Rs. in Crore)

Particulars	2021-22	2020-21
Current tax	25.15	7.56
Tax Expense related to Prior Year/paid/written back	0.35	(0.34)
Deferred tax (including MAT credit entitlement)	(1.34)	4.42
Total	24.16	11.65

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

(Rs. in Crore)

Particulars	2021-22	2020-21
Enacted income tax rate in India applicable to the Company	25.62%	25.62%
Profit before tax	93.20	29.75
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	23.88	7.62
Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income		
Other deductible expenses	1.27	(0.06)
Deferred tax Expense (net)	(1.34)	4.42
Tax Expense related to Prior Year/paid/written back	0.35	(0.34)
Total tax expenses	24.16	11.65
MAT credit written off	-	3.94
Tax Expense related to Prior Year/paid/written back	(0.35)	(0.34)
Current year tax expense	24.51	8.04
Effective tax rate	26.30%	27.03%

Note:

- 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 - 34: STATEMENT OF OTHER COMPREHENSIVE INCOME

(Rs. in Crore)

Particulars	2021-22	2020-21
(i) Items that will not be reclassified to profit or loss		
1. Equity Instruments through Other Comprehensive Income	0.80	(0.02)
2. Remeasurement of defined benefit plans		
Actuarial gains and losses	1.84	0.97
	2.64	0.95
(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	(0.20)	-
Deferred Tax impact on actuarial gains and losses	(0.47)	(0.24)
	(0.68)	(0.24)
Total	1.96	0.71

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 35

Assets Pledged, Mortgage/Hypothecated as security

The carrying amount of assets Pledged, Mortgage/Hypothecated as security for current and non-current borrowings are:

		(Rs. in Crore)	
Assets description	31/03/2022	31/03/2021	
First and / or Second charge			
I. Current Financial Assets			
Trade receivables	393.32	361.23	
Current Financial Assets - Cash And Cash Equivalents	0.25	13.48	
Current Financial Assets - Other Bank Balances	21.56	7.49	
II. Current Assets			
Inventories	96.52	59.11	
Other Current Assets	38.59	49.78	
Investments	26.00	-	
Total current assets Pledged as security	576.24	491.09	
First and / or Second charge			
III Property, Plant and Equipment			
A. Plant and equipments	199.73	183.21	
B. Freehold land	5.26	3.91	
C. Buildings	10.37	42.29	
D. Lease Hold Improvements	49.48	10.48	
E. Furniture & Fittings	2.55	2.41	
F. Office Equipments	0.56	0.58	
G. Vehicles	1.79	1.54	
IV. Capital work in progress	3.29	32.55	
V. Non Current Financial Assets			
Investment	23.88	22.17	
Other Financial Assets	2.34	2.36	
VI. Other Non Current Assets	1.80	5.94	
Total non-current assets Pledged as security	301.05	307.45	
Total Assets Pledged as Security	877.28	798.55	

Note 36

Contingent assets / liabilities not provided for in accounts :

Contingent liabilities :

		(Rs. in Crore)	
Sr. No.	Particulars	As at 31/03/2022	As at 31/03/2021
A	Claims against the company not acknowledged as debt		
1	Estimated amount of contracts, remaining to be executed, on capital account (net off payment)	1.79	4.77
2	For letters of credit (net off Margin)	0.27	2.50
3	For bank guarantee (net off Margin)	3.15	4.58
4	Corporate Guarantee Given	2.97	2.97
B	Others	0.39	0.95

Notes:

- 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 favour 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, 2022 all customer collectively has outstanding of Rs. 25.85 Cr against EDFs facility.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 37

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)

Name of promoter	As at 31/03/2022			As at 31/03/2021		
	India	Outside India	Total	India	Outside India	Total
Revenue from operations*						
External	1545.95	0.82	1546.76	950.07	17.46	967.54
Internal Segment	-	-	-	-	-	-
Total Revenue	1545.95	0.82	1546.76	950.07	17.46	967.54
Other Information**						
Carrying cost of segment non current assets@	301.26	-	301.26	307.45	-	307.45
carrying cost of segment assets	877.50	-	877.50	798.55	-	798.55
Addition to property plant and equipment including intangible assets	58.95	-	58.95	7.28	-	7.28

Note:

* Based on location of customer

**Based on location of assets

@ Excluding financial assets, and deferred tax assets

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

Note 38

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	2021-22	2020-21
Employer's Contribution to Provident Fund	1.11	0.82

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.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 38 (Contd..)

(Rs. in Crore)

Description	31/03/2022		31/03/2021	
	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	5.68	0.14	5.12	0.10
b. Current Service Cost	1.11	1.09	1.23	0.06
c. Interest Cost	0.29	0.01	0.29	0.01
d. Actuarial Gain/(Loss)	(1.85)	(0.06)	(0.96)	(0.02)
e. Benefits Paid	(0.04)	(0.16)	-	-
f. Past Service Cost	-	-	-	-
g. Obligation as at the end of the year	5.19	1.02	5.68	0.14
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	0.40	-	-	-
b. Expected return on Plan Assets	0.02	-	-	-
c. Actuarial Gain/(Loss)	0.00	-	-	-
d. Employer's Contributions	0.33	-	-	-
e. Benefits Paid	(0.04)	-	-	-
f. Fair Value of Plan Assets as at the end of the year	0.71	-	-	-
C. Reconciliation of fair value of assets and obligation				
a. Fair Value of Plan Assets as at the end of the year	0.71	-	0.40	-
b. Present Value of Obligation as at the end of the year	5.19	1.02	5.68	0.14
c. Amount recognised in the Balance Sheet	4.48	1.02	5.28	0.14
D. Investment Details of Plan Assets				
Bank balance	-	-	-	-
Invested with Life Insurance Corporation of India	-	-	-	-
E. Actuarial Assumptions				
a. Discount Rate (per annum)	5.15% to 7.25%	5.15% to 7.25%	5.50% to 7.00%	7.00%
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)	5.00% to 6.00%	5.00% to 6.00%	5.00% to 6.00%	6.00%
F. Expenses recognised during the year				
Expenses recognised during the year				
(i). Current Service Cost	1.11	1.09	1.23	0.06
(ii). Interest Cost	0.29	0.01	0.29	0.01
(iii). Expected return on Plan Assets	(0.03)	-	-	-
(vi). Actuarial Gain/(Loss)	(1.85)	(0.06)	(1.52)	(0.06)
(v). Past Service Cost	-	-	-	-
(vi). Expense recognised during the year	(0.48)	1.04	0.43	0.06

Notes:

- 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.
- 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 standalone financial statements

for the year ended 31st March, 2022

Note 38 (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	31/03/2022			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	5.08	1.01	5.32	1.03
Salary growth rate (0.5% movement)	5.32	1.03	5.09	1.01

(Rs. in Crore)

Particulars	31/03/2021			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	5.53	0.12	5.84	0.15
Salary growth rate (0.5% movement)	5.84	0.15	5.52	0.12

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 -39

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 31/03/2022	As at 31/03/2021
Principal amount remaining unpaid to any supplier as at the year end	0.70	0.76
Interest due thereon	-	-
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.	-	-
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.	-	-
Amount of interest accrued and remaining unpaid at the end of accounting year	-	-

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 40

Related party disclosures as per Ind AS 24

The names of related parties with relationship to whom transactions have taken place during the year:

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	Dholi Spintex Pvt. Ltd.
3	Hunky Dory Travel Pvt. Ltd.
4	Nandan Industries Pvt. Ltd.
5	Nandan Terry Ltd.
6	Nova Textile Pvt. Ltd.
7	Deepak Impex Pvt. Ltd.
8	Quality Exim Pvt. Ltd.
9	Shanti Education Initiatives Ltd.
10	Bhavana Textiles Pvt. Ltd.

C. Entities over which Shareholders has Significant Influence

Sr.no.	Name of the entity
1	Chiripal Chartable Trust
2	Chiripal Industries Ltd.
3	Dholi Integrated Spinning Park Ltd.
4	Nandan Denim Ltd.
5	Narol Textile Infrastructure & Inviro Management
6	Prakash Calender Pvt. Ltd.

D. Key Management Personnel:

Sr.no.	Particulars	Designation
1	Brijmohan D Chiripal	Managing Director
2	Amit Kadmawala	Whole Time Director
3	Shubhnkar Jha	Non Executive Director
4	Dhara Shah	Non Executive Director
5	Chitranjan Singh	Non Executive Director (Ceased As On 24Th February 2021)
6	Deepak Vyas	Company Secretary (Up To 10Th October 2020)
7	Ravindrakumar Bajaj	Whole Time Director
8	Vinay Thadani	Chief Financial Officer (Till 19Th May, 2022)
9	Bhargav Vyas	Company Secretary (Up To 20Th August, 2021)
10	Nikhil Vadera	Company Secretary (From 26Th October, 2021)

E. Relatives of Key Management Personnel

List of Relatives of Key Management Personnel with whom transactions done during the said financial year:

Akshita Chiripal

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 40 (Contd..)

F. Key Management Personnel compensation:

(Rs. in Crore)

Particulars	2021-22	2020-21
Short-term employee benefits	0.41	0.20
Long-term post employment benefits	0.40	0.20
Total compensation	0.82	0.40

II. The following transactions were carried out with the related parties referred in above in the ordinary course of business (excluding reimbursement):

B. Entities over which Shareholders exercise control

(Rs. in Crore)

Particulars	2021-22	2020-21
1 Sale of goods/services	43.24	26.20
Nandan Industries Pvt. Ltd.	15.54	5.82
Nandan Terry Ltd.	2.84	12.34
Nova Textile Pvt. Ltd.	0.97	0.08
Bhavana Textiles Pvt. Ltd.	0.64	1.03
Chiripal Textile Mills Pvt. Ltd.	5.51	0.92
Dholi Spintex Pvt. Ltd.	3.29	0.90
Quality Exim Pvt. Ltd.	14.46	5.10
2 Purchase of materials/services	133.98	51.28
Dholi Spintex Pvt. Ltd.	0.00	0.19
Hunky Dory Travel Pvt. Ltd.	0.45	0.03
Shanti Education Initiatives Ltd.	0.04	-
Nandan Terry Ltd.	3.96	3.84
Nova Textile Pvt. Ltd.	125.12	36.52
Deepak Impex Pvt. Ltd.	4.11	8.40
Bhavana Textiles Pvt. Ltd.	0.30	0.09
Chiripal Textile Mills Pvt. Ltd.	-	2.22
3 Net closing balance - debit	2.57	9.25
4 Net closing balance - credit	-	-

C. Entities over which Shareholders has Significant Influence

(Rs. in Crore)

Particulars	2021-22	2020-21
1 Purchase of materials	9.41	29.17
Chiripal Industries Ltd.	7.13	6.99
Dholi Integrated Spinning Park Ltd.	0.48	0.68
Nandan Denim Ltd.	0.16	20.10
Narol Textile Infrastructure & Inviro Management	1.65	1.40
2 Sale of goods/services	-	2.65
Nandan Denim Ltd.	(Rs. 2895)	0.06
Chiripal Industries Ltd.	-	2.59
3 Guarantee Commission	0.01	0.01
Prakash Calender Pvt. Ltd.	0.01	0.01
4 Donation	0.50	1.20
Chiripal Charitable Trust	0.50	1.20
5 Net closing balance - debit	1.80	-
6 Net closing balance - credit	-	2.68

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 40 (Contd..)

D. Key Management Personnel

(Rs. in Crore)

Particulars	2021-22	2020-21
1 Remuneration		
Salary and Allowances	2.43	1.58
Brijmohan D Chiripal	1.41	0.80
Amit Kadmawala	0.09	0.08
Shubhankar Jha	0.01	0.01
Dhara Shah	0.01	0.01
Chitranjan Singh	-	0.01
Susanta Kumar Panda	0.01	-
Deepak Vyas	-	0.03
Ravindrakumar Bajaj	0.42	0.30
Vinay Thadani	0.41	0.31
Bhargav Vyas	0.04	0.02
Nikhil Vadera	0.03	-

E. Relatives of Key Management Personnel

(Rs. in Crore)

Particulars	2021-22	2020-21
1 Remuneration		
Akshita Chiripal	0.87	0.11

III. Terms and conditions

- A. 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 and bank.
- B. Disclosure is made in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year.

Note 41

Financial instruments – Fair values and risk management

I. Accounting classification and fair values

(Rs. in Crore)

31/03/2022	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	-	0.04	-	0.04	0.04	-	-	0.04
Unquoted equity instruments	-	10.52	-	10.52	-	-	10.52	10.52
Unquoted preference instruments	13.32	-	-	13.32	-	-	13.32	13.32
Unquoted investment in mutual funds	26.00	-	-	26.00	26.00	-	-	26.00

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 41 (Contd..)

(Rs. in Crore)

31/03/2022	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 amortised cost								
Other non current financial assets	-	-	2.34	2.34	-	-	-	4.68
Other non current assets	-	-	1.80	1.80	-	-	-	3.60
Trade receivables	-	-	96.52	96.52	-	-	-	193.04
Cash and cash equivalents	-	-	0.25	0.25	-	-	-	0.50
Other bank balances	-	-	21.56	21.56	-	-	-	43.12
Other financial current assets	-	-	38.59	38.59	-	-	-	77.18
Total Financial Assets	39.32	10.56	161.06	210.94	26.04	-	23.84	372.00
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	163.08	163.08	-	-	-	163.08
Current borrowings	-	-	214.63	214.63	-	-	-	214.63
Trade payables	-	-	137.95	137.95	-	-	-	137.95
Other financial liabilities	-	-	-	-	-	-	-	-
Total Financial Liabilities	-	-	515.66	515.66	-	-	-	515.66

(Rs. in Crore)

31/03/2021	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								0.00
Investments								0.00
Listed equity instruments	-	0.02	-	0.02	0.02	-	-	0.06
Unquoted equity instruments	-	9.75	-	9.75	-	-	9.75	29.25
Unquoted preference instruments	12.40	-	-	12.40	-	-	12.40	
Financial assets measured at amortised cost								
Other non current financial assets	-	-	0.10	0.10	-	-	-	0.21
Other non current assets	-	-	8.20	8.20	-	-	-	16.39
Trade receivables	-	-	361.23	361.23	-	-	-	722.45
Cash and cash equivalents	-	-	13.48	13.48	-	-	-	26.97
Other bank balances	-	-	7.49	7.49	-	-	-	14.98
Other financial current assets	-	-	49.79	49.79	-	-	-	99.58
Total Financial Assets	12.40	9.77	440.29	462.46	0.02	-	22.15	909.88
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	236.03	236.03	-	-	-	-
Current borrowings	-	-	107.23	107.23	-	-	-	-
Trade payables	-	-	123.36	123.36	-	-	-	-
Other financial liabilities	-	-	43.94	43.94	-	-	-	-
Total Financial Liabilities	-	-	510.55	510.55	-	-	-	-

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.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 41 (Contd..)

II. Fair value of financial assets and liabilities measure at amortised cost

(Rs. in Crore)

Particulars	31/03/2022		31/03/2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Other non current financial assets	23.88	23.88	22.17	22.17
Total financial assets	23.88	23.88	22.17	22.17
Financial liabilities				
Non current borrowings	163.08	163.08	192.44	192.44
Total financial liabilities	163.08	163.08	192.44	192.44

Notes:

The following methods and assumptions were used to estimate the fair values:

- 1) The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balance, other current financial liability, loans and other current assets are considered to be the same as their fair values, due to their short-term nature.
- 2) The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate.
- 3) The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate.

III. Measurement of fair values

A. Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
FVTOCI in unquoted equity shares	Market comparison technique: The valuation model is based on two approaches : 1. Asset approach - seek to determine the business value based on the value of it's assets. The aim is to determine the business value based on the fair market value of its assets less its liabilities. The asset approach is based on the economic principle of substitution which adopts the approach of cost to create another business similar to one under consideration that will produce the same economic benefits for its owners.	Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares	The estimated fair value would increase (decrease) if: There is a change in pricing multiple owing to change in earnings of the entity.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 41 (Contd..)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
	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%		

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	31/03/2022		31/03/2021	
	Other Comprehensive Income		Other Comprehensive Income	
	Increase	Decrease	Increase	Decrease
Unquoted equity instruments measured through OCI				
5% movement	0.53	0.53	0.49	0.49

(Rs. in Crore)

Significant observable inputs	31/03/2022		31/03/2021	
	Profit & Loss Account		Profit & Loss Account	
	Increase	Decrease	Increase	Decrease
Unquoted Mutual Fund instruments measured through Profit and Loss account				
1% movement	0.26	0.26	-	-
Unquoted preference instruments measured through profit and Loss account				
5% movement	0.67	0.67	0.62	0.62

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 42

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 behaviour 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 standalone financial statements

for the year ended 31st March, 2022

Note 42 (Contd..)

A.1. Impairment

At March 31, 2022, the ageing of trade and other receivables that were not impaired was as follows.

(Rs. in Crore)

Particulars	Carrying amount					
	31/03/2022			31/03/2021		
	Gross	Provision	Net	Gross	Provision	Net
Not Due	256.96	-	256.96	217.46	-	217.46
Less than 6 months	122.37	-	122.37	121.85	-	121.85
6months to 1 year	2.85	-	2.85	3.32	-	3.32
1-2 years	0.94	-	0.94	12.21	-	12.21
2-3 years	5.66	-	5.66	3.37	-	3.37
More than 3 years	4.54	-	4.54	-	-	-
	393.32	-	393.32	358.21	-	358.21
% of expected credit losses (More than 365 days)			-			-

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 31.03.2022 and 31.3.2021

Note 43

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 31/03/2022	As at 31/03/2021
Floating rate		
Fund Base	45.95	52.77
Expiring within one year (bank overdraft and other facilities)		
Non Fund Base	8.59	6.64
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.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 43 (Contd..)

31/03/2022	Carrying amount	Less than 12 months	1-2 years	3-5 years	More than 5 years	Total
Financial liabilities						
Non current borrowings	163.08	34.84	31.25	104.83	-	170.92
Current borrowing	114.05	114.05	-	-	-	114.05
ECLGS Facility	70.81	32.79	20.22	58.61	8.00	119.62
Trade payable	137.95	137.95	-	-	-	137.95
Other current financial liabilities	-	-	-	-	-	-
includes interest						

31/03/2021	Carrying amount	Less than 12 months	1-2 years	3-5 years	More than 5 years	Total
Financial liabilities						
Non current borrowings	192.44	37.69	34.84	43.71	92.75	208.99
Current borrowing	107.23	107.23	-	-	-	107.23
ECLGS Facility	57.12	37.94	59.53	120.85	93.08	311.40
Trade payable	123.36	123.36	-	-	-	123.36
Other current financial liabilities	0.21	0.21	-	-	-	0.21
includes interest						

Note 44

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. in Crore)

Particulars	Currency	31/03/2022	31/03/2021
a) Against export	USD	-	0.04
	INR	-	2.81
b) Net statement of financial exposure	USD	-	0.04
	INR	-	2.81

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 44 (Contd..)

2. Sensitivity

Profit or loss is sensitive to higher / lower changes in fluctuation currency rate:

(Rs. in Crore)

As on 31.03.2022	Impact on profit before tax	
Particulars	Increase	Decrease
Currency rates (5% increase/ decrease)	-	-
USD		

(Rs. in Crore)

As on 31.03.2021	Impact on profit before tax	
Particulars	Increase	Decrease
Currency rates (5% increase/ decrease)	0.14	0.14
USD		

B. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The company adopts a policy to ensure that maximum interest rate exposure is at a fixed rate. This is achieved by entering into fixed-rate instruments.

1. Exposure to interest rate risk

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	31/03/2022	31/03/2021
Fixed-rate instruments		
Financial assets	23.90	9.85
Financial liabilities	-	-
Total	23.90	9.85
Variable-rate instruments		
Financial liabilities	377.71	387.19
Total	377.71	387.19

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

As on 31.03.2022	Bank loans
Weighted average interest rate	10.25%
Balance (Rs. in crore)	377.71
% of total loans	100.00%

(Rs. in Crore)

As on 31.03.2021	Bank loans
Weighted average interest rate	11.25%
Balance (Rs. in crore)	387.19
% of total loans	100.00%

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 44 (Contd..)

2. Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates:

(Rs. in Crore)		
As on 31.03.2022	Impact on profit before tax	
Particulars	Increase	Decrease
Interest rates (0.50% increase/ decrease)	1.89	1.89

(Rs. in Crore)		
As on 31.03.2021	Impact on profit before tax	
Particulars	Increase	Decrease
Interest rates (0.50% increase/ decrease)	1.94	1.94

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 45

Disclosure relating to various ratios

Sr. No.	Ratio Name	Particulars	Ratio 2021-22	Ratio 2020-21	% of Variance	Reason for Variance
1	Current Ratio	Current Assets	1.57	1.50	4.69	NA
	(In times)	Current Liability				
2	Debt Service Coverage Ratio	EBIDTA	3.86	2.23	73.57	Increase in EBIDTA and repayment in Debt
	(In times)	(Interest+Repayment)				
3	Inventory Turnover Ratio	Sales	19.88	15.44	28.76	Increase in Sales
	(In times)	Average Inventory				
4	Trade Payable Turnover Ratio	Net Purchase	9.98	5.74	74.02	Increase in Purchases due to volume increase in sales
	(In times)	Average Trade Payable				
5	Net Profit Ratio	Net Profit	4.46	1.87	138.57	Due to better realisation
	(In %)	Net Sales				
6	Debt-Equity Ratio	Total Debt	1.13	1.46	-22.80	NA
	(In times)	Total Shareholder Equity				
7	Return on Equity ratio	Net Income	23.04	7.08	225.57	Due to increase in shareholders equity due to increase in profit
	(In %)	Average Shareholder's Equity				
8	Trade Receivable Turnover Ratio	Net Sales	4.11	2.90	41.46	Due to Increase in sales
	(In times)	Average Trade Receivable				
9	Net Capital Turnover Ratio	Net Sales	7.38	5.90	25.05	Due to Increase in sales
	(In times)	Working Capital				
10	Return on Capital Employed Ratio	EBIT	18.24	9.74	87.26	Increase in absolute profit
	(In %)	Capital Employed				
11	Return on Investment	Refer Note Below	7.72	0.26	2890.68	Due to Fair Value Change
	(In %)					

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 45 (Contd..)

Note:

1 Return on Investment

$$(MV(T1) - MV(T0) - \text{SUM } [C(T)])$$

$$(MV(T0) + \text{SUM } [W(T) * C(T)])$$

Where,

T1 = End of time period

T2 = Beginning of time period

T = Specific date falling between T1 and T0

MV(T1) = Market value at T1

MV(T0) = Market value at T0

C(t) = Cash inflow, Cash outflow on specific date

W(T) = Weight of net cash flow (i.e. either net inflow or outflow) on day 'T', Calculated as $[T1 - T]/T1$

Note 46

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations

(Rs. in Crore)

Particulars	As at 31/03/2022	As at 31/03/2021
Total Liabilities	542.88	533.90
Less : Cash and bank balances	21.81	20.97
Adjusted net debt	521.07	512.92
Total equity	334.61	264.66
Adjusted net debt to adjusted equity ratio	1.56	1.94

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 2022 and 31 March 2021.

Note 47

Earnings per share

[Number of shares]

Particulars	31/03/2022	31/03/2021
Issued equity shares	197610003	65870001
Weighted average shares outstanding - Basic and Diluted - A		

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 47 (Contd..)

Net profit available to equity holders of the Parent Company used in the basic and diluted earnings per share was determined as follows:

Particulars	(Rs. in Crore)	
	31/03/2022	31/03/2021
Profit and loss after tax - A	69.04	18.10
Profit and loss after tax for EPS - B		
Basic Earnings per share [B/A] [Rs.]	3.49	2.75
Diluted Earnings per share [B/A] [Rs.]	3.49	2.75

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 48

Expenditure on corporate social responsibility activities

The details of corporate social responsibility as prescribed under section 135 of the Companies Act, 2013 is as follows:

Particulars	(Rs. in Crore)	
	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Amount required to be spent by the company during the year	0.67	0.62
II. Amount spent by the company during the year on:		
a) Construction/acquisition of any assets	-	-
b) For purpose other than (a) above	0.67	1.05
III. Shortfall at the end of the year	-	-
IV. Total of previous year shortfall	-	-
V. Reason of Shortfall	NA	NA

VII. Nature of CSR activities

- a) To Train and promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports
- b) 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 up lifetime of the poor and backward classes, Child education, direction/counselling 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
- c) 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.
- d) 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-defence and enhancing soft skills
- e) Socializing the importance of education for children and community leaders
- f) Granting scholarship for higher education, etc.

VII. The company used last year balance amount of Rs. 0.05 Cr as current year CSR expenses.

VIII. The company does not carry any provision for corporate Social Responsibility expenses for current year and previous year.

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 49

Following are the restatement in nature of reclassification made in the current year's financial statements pertaining to previous year.

Consequent to changes in schedule III of the companies act, 2013, the company has changed the classification/presentation of following line items, in the current year.

Particulars	(Rs. in Crore)	
	As at 31st March, 2021 (Published)	As at 31st March, 2021 (Restated)
Loans (Non- Current)	236.03	192.44
Other Financial Liability (Non-Current)	43.94	0.21
Short Term Borrowing (Current)	194.54	107.23
Other Financial Assets (Non - Current)	0.10	2.36
Other Non-Current Assets	8.20	5.94
Other Current Assets	49.79	49.78
Current Tax Assets - Net	-	0.01

Note 50

No transaction to report against the following disclosure required as notified by MCA pursuant to amended Schedule III:

- Crypto Currency or Virtual Currency
- Benami property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
- Related to borrowed funds:
 - Wilful defaulter
- The company has no transaction with company struck-off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- As the company has no holding or subsidiary company ,requirement with respect to number of layers prescribed under clause 87 of sub section 2 of the Companies Act, 2013 read with companies (restriction on number of layers) rules, 2017 is not applicable

Note 51

The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether records in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

Note 52

Figures have been presented in 'crore' of rupees with two decimals. Figures less than Rs. 50,000 have been shown at actual in brackets

Notes to standalone financial statements

for the year ended 31st March, 2022

Note 53

The financial statements are approved by the audit committee as at its meeting and by the Board of Directors on 19Th May, 2022

Note 54

Company has not given any loan or guarantees during the year and in previous year hence disclosure under section 186(4) of the companies Act 2013 is not given

Note 55

As a result of restrictions the volumes of the last financial year is impacted. Revenue from operation in absolut term have decreased due to COVID-19 related market volatility during the previous year. Therefore, financial results for the year ended 31st March, 2022 are not comparable to previous corresponding period results.

Significant Accounting Policies

1

The accompanying Notes 2 to 55 are integral part of the Financial Statements.

As per our report of even date
For **Nahta Jain and Associates**
Chartered Accountants
Firm Registration No: 106801W

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

Brijmohan Chiripal
Managing Director
DIN : 00290426

Vinay Thadani
Chief Financial
Officer

Nikhil Vadera
Company
Secretary

Gaurav Nahta
Partner
Membership No.: 116735

Amit Kadmawala
Whole-Time Director
DIN : 07016454

Place: Ahmedabad
Date: 'May 19,2022

Place: Ahmedabad
Date: 'May 19,2022

Notes



VISHAL FABRICS LIMITED

CIN: L17110GJ1985PLCOO8206

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