

Notice of Annual General Meeting

VISHAL FABRICS LIMITED

CIN- L17110GJ1985PLC008206

Reg. Office - Shanti Corporate House, Near Hira Rupa Hall, Bopal - Ambli Road, Bopal, Ahmedabad - 380058

Mail - cs.vfl@vishalfabrics.co.in

NOTICE

NOTICE is hereby given that the 39th Annual General Meeting of the members of Vishal Fabrics Limited (the Company) will be held on 27th August, 2024 at 2:00 PM IST through Two-Way Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") facility, to transact the following businesses:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2024, 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, 2024 and the reports of the Board of Directors and Auditors' thereon, as circulated to the members be and are hereby considered and adopted."

- To appoint a director in place of Mr. Brijmohan Chiripal (DIN: 00290426), 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. Brijmohan Chiripal (DIN: 00290426), 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:

- 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, 2025 with remuneration not exceeding of ₹ 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."

- Appointment of Mr. Arvind Badelal Pandey (DIN: 10637419) as a Director of the Company:**

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

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Arvind Badelal Pandey (DIN: 10637419) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 29th May, 2024 in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and Articles of Association of the Company and who is eligible for appointment be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- Appointment of Mr. Arvind Badelal Pandey (DIN: 10637419) as a Whole-time Director of the Company and approve of his remuneration:**

To consider and, if thought fit, to pass the following Resolution(s) as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)] (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association, Mr. Arvind Badelal Pandey (DIN: 10637419) be and is hereby appointed as a Whole-time Director of the Company for a period of 5 years with effect from 29th May, 2024 to 28th May, 2029.

RESOLVED FURTHER THAT pursuant to the provisions of section 196 and 197 and all other applicable sections of the Companies Act, 2013 read with schedule V of the said Act, and on recommendation of Nomination and Remuneration committee and as agreed, by the Board of Directors (hereinafter referred to as the Board, which term shall unless repugnant to the context by the Board in this behalf), approval of the Company be and is hereby accorded to fix and pay following remuneration and perquisites to Mr. Arvind Badelal Pandey (DIN: 10637419) as Whole time Director and whose period of office shall be liable to retire by rotation.

Remuneration: Pursuant to Section 197 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder read with relevant Regulation of SEBI (LODR) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof), Mr. Arvind Badelal Pandey (DIN: 10637419) be paid a remuneration, perquisites & other benefits amounting not exceeding to ₹ 20.00 Lacs per annum provided that any such remuneration, perquisites & other benefits payable to Mr. Arvind Badelal Pandey shall not exceed the overall ceiling limit of the total managerial remuneration or such other limits as may be prescribed under the Companies Act, 2013 from time to time and shall be subject to the terms & conditions as may be mutually agreed upon between the Board of Directors and the appointing Director.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary, alter or modify the different components of the above stated remuneration as may be agreed to between the Board of Directors and Mr. Arvind Badelal Pandey (DIN: 10637419).

RESOLVED FURTHER THAT notwithstanding anything mentioned above, where in any financial year during the currency of tenure of Whole Time Director, the company has no profit or its profit are inadequate, the remuneration will have to be limited to amounts specified in section II and Section III of Part II of schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution.”

6. Increase in Authorised Share Capital of the Company and consequent alteration in Clause V of the Memorandum of Association:

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

“RESOLVED THAT pursuant to the provisions of Section 13, 61 and 64 and other applicable provisions, if any of the Companies Act, 2013 (the ‘Act’) and rules framed

thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of Concerned Registrar of Companies, and such other approvals as may be required in this regard, the approval of the Members of the Company be and is hereby accorded for increase in Authorised Share Capital of the Company from the present ₹ 100,00,00,000 (Rupees Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores Only) Equity Shares of ₹ 5 (Rupees Five Only) each to ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crores Only) divided into 30,00,00,000 (Thirty Crores Only) Equity Shares of ₹ 5 each and that existing Clause V of the Memorandum of Association of the Company be replaced with following new Clause V:

“V. The Authorised Share Capital of the Company is ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crores Only) divided into 30,00,00,000 (Thirty Crores Only) Equity Shares of ₹ 5 each.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Directors of the Company or any person(s) authorised by the Board to exercise the powers conferred on the Board by this resolution be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company.”

7. Issuance of upto 5,00,00,000 (five crores only) compulsorily convertible equity warrants (‘warrants’) on a preferential basis to the persons belonging to “Non-Promoter, Public Category”:

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

“RESOLVED THAT pursuant to the provisions of Sections 23(1)(b), 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended (the “Act”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), for the time being in force, and in accordance with the Foreign Exchange Management Act, 1999, as amended or restated (“FEMA”), and rules, circulars, notifications, regulations and guidelines issued under FEMA, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the “SEBI ICDR Regulations”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”), as amended from time to time, and subject to any other rules, regulations, guidelines, notifications, circulars and clarifications issued thereunder from time to time by the Ministry of Corporate Affairs, the Reserve Bank of India,

the Securities and Exchange Board of India ("SEBI") and/ or any other statutory or regulatory authorities, including the BSE Limited (the "Stock Exchange") on which the equity shares of the Company having face value of ₹ 5/- (Rupees Five Only) each ("Equity Shares") are listed (hereinafter collectively referred to as "Applicable Regulatory Authorities") from time to time to the extent applicable, and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, and subject to such approval(s), consent(s) and permission(s) as may be necessary or required, from Applicable Regulatory Authorities (including the Stock Exchanges) and subject to such conditions and modifications as may be imposed or prescribed while granting such approvals, consents and permissions, which the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to mean and include one or more committee(s)

constituted by the Board to exercise its powers including the powers conferred by this resolution), the consent of the members of the Company be and is hereby accorded to the Board to offer, issue and allot from time to time in one or more tranches, up to 5,00,00,000 (Five Crores Only) Compulsorily Convertible Equity warrants ("Warrants"), each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of ₹ 5/- each ("Warrants Issue Price"), determined in accordance with the provisions of Chapter V of SEBI ICDR Regulations an issue price of ₹ 30.60/- (Rupees Thirty decimal Sixty Paise Only) each payable in cash aggregating up to ₹ 153,00,00,000 (Rupees One Hundred Fifty-Three Crores Only), on such further terms and conditions as detailed herein below, to the below mentioned persons ("Proposed Allottees") on a preferential basis through private placement.

Sr. No	Name of the Proposed Allottee- (Non- Promoters, Public category)	Maximum No. of Warrants proposed to be allotted	Consideration
1	Silver Stallion Limited	1,50,00,000	45,90,00,000
2	Vikasa India EIF I Fund	1,00,00,000	30,60,00,000
3	North Star Opportunities Fund VCC-Bull Value Incorporated VCC Sub-Fund	75,00,000	22,95,00,000
4	Eminence Global Fund PCC- Eubilia Capital Partners Fund I	75,00,000	22,95,00,000
5	Nexpact Limited	50,00,000	15,30,00,000
6	AG Dynamic Funds Limited	50,00,000	15,30,00,000

RESOLVED FURTHER THAT preferential allotment to Proposed Allottees shall be made at an issue price of ₹ 30.60/- per Warrant, being a price more than the price determined in accordance with the provisions of Chapter V of ICDR Regulations.

RESOLVED FURTHER THAT in terms of the provisions of Chapter V of the SEBI ICDR Regulations, the "Relevant Date" for the purpose of determination of the minimum issue / exercise price of Warrants / Equity Shares to be allotted on conversion of Warrants shall be Friday, July 26, 2024, being the date 30 (thirty) days prior to the date of this Annual General Meeting.

RESOLVED FURTHER THAT Warrants shall be convertible into equivalent number of fully paid-up equity shares of face value of ₹ 5/- (Rupees Five Only) each ("Equity Shares") at the option of Proposed Allottees, in one or more tranches, within 18 (eighteen) months from the date of allotment of such Warrants, on such further terms and conditions as may be finalized by the Board.

RESOLVED FURTHER THAT the Equity Shares proposed to be so allotted upon conversion of Warrants shall rank pari-passu in all respects including as to dividend, with the existing fully paid-up Equity Shares of face value of ₹ 5/- (Rupees Five Only) each of the Company, subject to the relevant provisions contained in the Memorandum of Association and Articles of Association of the Company.

RESOLVED FURTHER THAT the Preferential Issue of Warrants and allotment of equity shares on the exercise of the Warrants, shall be subject to the following terms and conditions, apart from others as detailed in the explanatory statement to this Notice and as prescribed under applicable laws:

- The Warrant holder shall, subject to the SEBI ICDR Regulations and other applicable rules and regulations, be entitled to apply for and be allotted 1 (one) equity share against each Warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment of Warrants ("Warrant Exercise Period").
- The minimum amount of ₹ 7.65/-, which is equivalent to 25% (twenty five percent) of the Warrants Issue Price shall be paid on or before the date of allotment of each Warrant which will be kept by the Company to be adjusted and appropriated against the Warrant Issue Price of the Equity Shares. The Warrant holder will be required to make further payments of ₹ 22.95, which is equivalent to 75% (seventy five percent) of the Warrants Issue Price ("Warrant exercise amount"), at the time of exercise of the right attached to the Warrant(s), to convert the Warrant(s) and subscribe to equity share(s) of the Company.
- The pre-preferential shareholding, if any, of Proposed Allottees along with Warrants, being allotted and Equity Shares proposed to be allotted to Proposed

Allottees pursuant to the conversion of Warrants, shall be under lock-in for such period as may be prescribed under Chapter V of ICDR Regulations.

- d) Warrants being allotted to Proposed allottees shall not be sold, transferred, hypothecated or encumbered in any manner during the lock-in period provided under Chapter V of ICDR Regulations except to the extent and in the manner permitted there under.
- e) The Warrants shall be allotted in dematerialized form within a period of 15 (fifteen) days from the date of passing of the special resolution by the shareholders of the Company for their issuance, provided that where the allotment of Warrants is subject to receipt of any approval or permission from any regulatory authority, the allotment shall be completed within a period of 15 (fifteen) days from the date of receipt of last of such approval, or permission as may be prescribed or allowed by the SEBI, the Stock Exchange(s) and/or Regulatory Authorities etc;
- f) The equity shares to be allotted on exercise of the Warrants shall be in dematerialized form and shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall rank pari-passu with the existing equity shares of the Company in all respects including the payment of dividend and voting rights.
- g) The consideration for allotment of Warrants and/or Equity Shares arising out of exercise of such Warrants shall be paid to the Company from the bank account of the Proposed Allottee(s).
- h) The equity shares allotted upon conversion of the Warrants shall be listed on the Stock Exchange(s) where the existing equity shares of the Company are listed, subject to the receipt of necessary permissions or approvals as the case may be.
- i) The Warrants shall not carry any voting rights until they are converted into equity shares and the Warrants by itself, until exercised and converted into equity shares, shall not give the Warrant holders any rights with respect to that of an equity shareholder of the Company. However, warrants holders shall be entitled to any corporate action such as issuance of bonus shares, right issue, split or consolidation of shares etc. announced by the Company between the date of warrants allotment and their conversion into Equity Shares."
- j) The right attached to the Warrants may be exercised by the Warrant holder, in one or more tranches, at any time on or before the expiry of 18 (eighteen) months from the date of allotment of the Warrants by issuing a written notice ("Conversion Notice") to the Company specifying the number of Warrants proposed to be converted and the date designated as the specified conversion date ("Conversion Date"). The Company shall accordingly, without any further

approval from the Members, allot the corresponding number of equity shares in dematerialized form on the Conversion Date mentioned in the Conversion Notice, subject to receipt of the relevant Warrant Exercise Amount by the Warrant holder to the designated bank account of the Company.

- k) The tenure of the Warrants shall not exceed 18 (eighteen) months from the date of allotment of the Warrants. If the entitlement against the Warrants to apply for the equity shares of the Company is not exercised by the Warrant holder within the aforesaid period of 18 (eighteen) months, the entitlement of the Warrant holder to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid by the Warrant holder on such Warrants shall stand forfeited by the Company.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board, and the Key Managerial Personnel, be and is hereby jointly and severally authorised on behalf of the Company to do all such other acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, without being required to seek any further consent or approval of the members of the Company, including but not limited to the following:

- i. to issue and allot the Warrants and such number of equity shares may be required to be issued and allotted upon exercise/ conversion/ of the Warrants, without requiring any further approval of the Members.
- ii. To negotiate, finalize and execute all necessary agreements/ documents/ form filings/ applications to give effect the above resolutions, including to make applications to Applicable Regulatory Authorities, like applications to the Stock Exchanges for obtaining in-principle approval for the Warrants to be allotted pursuant to the Preferential Issue, and for obtaining listing approval and trading approval for the equity shares to be allotted upon conversion of the Warrants.
- iii. To vary, modify or alter any of the relevant terms and conditions, attached to the Warrants to be allotted to the Proposed Allottees, and to effect any modifications, changes, variations, alterations, additions and/or deletions to the Preferential Issue, as may be required by any regulatory or other authorities involved in or concerned with the issue and allotment of the Warrants.
- iv. To resolve and settle any matter, question, difficulty or doubt that may arise in regard to the issuance and allotment of Warrants and the equity shares to be allotted pursuant to the conversion of the Warrants, without requiring any further approval of the Members, and to authorize all such persons as may be deemed necessary, in connection therewith and incidental thereto as the Board in its absolute discretion shall deem fit;

- v. To issue clarifications on the offer, issue and allotment of the equity shares to be allotted pursuant to the conversion of the Warrants and listing of the equity shares to be allotted pursuant to the conversion of the Warrants on the Stock Exchanges, without limitation, as per the terms and conditions of the SEBI ICDR Regulations, 2018 the SEBI Listing Regulations, and other applicable guidelines, rules and regulations.
- vi. To execute the necessary documents and enter into contracts, arrangements, agreements, documents (including appointment of agencies, intermediaries, monitoring agency and advisors for the Preferential Issue of the Warrants and the equity shares to be allotted pursuant to the conversion of Warrants on a preferential and private placement basis).
- vii. To undertake all such actions and compliances as may be necessary, desirable or expedient for the purpose of giving effect to this resolution in accordance with applicable law including the SEBI ICDR Regulations and the SEBI Listing Regulations and to take all other steps which may be incidental, consequential, relevant or ancillary in this connection and to effect any modification to the foregoing, and the decision of the Board shall be final and conclusive.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of its powers conferred upon it by this resolution, as it may deem fit in its absolute discretion, to any director(s), committee(s), executive(s), officer(s), company secretary or authorized signatory(ies) to give effect to this resolution, including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and to appoint any professional advisors, bankers, consultants, advocates and advisors to give effect to this resolution and further to take all other steps which may be incidental, consequential, relevant or ancillary in this regard.

“RESOLVED FURTHER THAT all actions taken by the Board or committee(s) duly constituted for this purpose in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects.”

8. To raise capital by way of Qualified Institutions Placement to eligible investors through an issuance of equity shares and/or other eligible securities:

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

“RESOLVED THAT pursuant to the provisions of Sections 23, 42, 62(1)(c), 71, 179 and other applicable provisions, if any, of the Companies Act, 2013, as amended, (“Companies Act”), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules and regulations framed thereunder (including any amendments,

statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) (“ICDR Regulations”) and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, and in accordance with the provisions of the Memorandum and Articles of Association of the Company (including part II thereof), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”), to the extent applicable, the listing agreement(s) entered into by the Company with the stock exchanges on which the equity shares having face value of ₹ 5 each of the Company (“Equity Shares”) are listed, the provisions of the Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and/or re-enactment thereof (“FEMA”), as amended, the current Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (“GOI”), and all other applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable, as amended from time to time, issued by GOI, Ministry of Corporate Affairs (“MCA”), the Reserve Bank of India (“RBI”), BSE Limited and National Stock Exchange of India Limited (collectively “Stock Exchanges”), the Securities and Exchange Board of India (“SEBI”), the Registrar of Companies, Gujarat at Ahmedabad (“ROC”) and/ or any other regulatory/statutory authorities, in India or abroad from time to time, to the extent applicable and subject to such approvals, permits, consents and sanctions, if any, of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof which the Board may have duly constituted or may hereinafter constitute to exercise its powers including the powers conferred by Resolution), the consent, authority and approval of the members be and is hereby accorded to create, offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, for such part of issue and for such categories of persons as may be permitted by applicable law) with or without green shoe option, such number of Equity Shares and/or other securities convertible into Equity Shares (including warrants, or otherwise) (hereinafter referred to as “Securities”), or any combination thereof, in accordance with applicable law, in one or more tranches, in the course of domestic and / or international offering(s) in one or more foreign markets, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the lead managers / book running lead manager(s) and/or other advisor(s) or otherwise, for an aggregate amount not exceeding ₹ 100 Crores (Rupees

Hundred Crore only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) at such price or prices as may be permissible under applicable law by way of a qualified institutions placement of equity shares ("QIP") in accordance with the provisions of Chapter VI of the ICDR Regulations and other applicable laws, or through any other permissible mode and/or combination thereof as may be considered appropriate under applicable law, to such investors that may be permitted to invest in such issuance of Securities, including eligible qualified institutional buyers ("QIBs") (as defined in the ICDR Regulations), foreign/resident investors (whether institutions, incorporated bodies, mutual funds or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign portfolio investors, qualified foreign investors and/or multilateral financial institutions, mutual funds, insurance companies, banks, pension funds and/or any other categories of investors as may be permissible under applicable laws, whether or not such investors are members of the Company, to all or any of them, jointly or severally through an offer/placement document and/or other letter or circular ("Offering Circular") as may be deemed appropriate, in the sole discretion by the Board in such manner and on terms and conditions, including the terms of the issuance, security, and at such price, whether at prevailing market price(s) or at a premium or discount to market price as may be permitted under applicable law and/or as may be permitted by the relevant regulatory / statutory authority, with authority to retain oversubscription up to such percentage as may be permitted under applicable regulations, in such manner and on such terms as may be deemed appropriate by the Board at its absolute discretion (the "Issue") at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the lead managers/book running lead manager(s) and/or underwriter(s) and/or other advisor(s) to be appointed by the Company for such issue and without requiring any further approval or consent from the shareholders.

RESOLVED FURTHER THAT pursuant to the above-mentioned resolutions:

- a) the Securities proposed to be issued, offered and allotted shall be fully paid up and dematerialized and shall be subject to the provisions of the Memorandum and Articles of Association of the Company, the Companies Act and other applicable laws;
- b) the Equity Shares that may be issued by the Company shall rank *pari passu* with the existing Equity Shares of the Company in all respects including entitlement to dividend and voting rights, if any, from the date of allotment thereof, be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- c) the number and/or price of the Equity Shares to be issued on conversion of Securities convertible into Equity Shares shall be appropriately adjusted for

corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division, reclassification of equity shares into other securities, issue of equity shares by way of capitalization of profits or reserves or any such capital or corporate re-organisation or restructuring; and

- d) a minimum of 10% of the Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs, in accordance with the ICDR Regulations.

RESOLVED FURTHER THAT the allotment of Securities (or any combination of Securities as may be decided by the Board) shall only be to QIBs as defined in the ICDR Regulations and shall be completed within a period of 365 days from the date of passing of this special resolution by the shareholders of the Company or such other time as may be allowed under the ICDR Regulations from time to time. The Company shall not undertake any subsequent QIP until the expiry of two weeks or such other time as may be prescribed in the ICDR Regulations, from the date of prior QIP made pursuant to one or more special resolution.

RESOLVED FURTHER THAT subject to applicable law, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board or any other committee duly authorized by the Board decides to open the QIP of Equity Shares as eligible securities, in accordance with applicable laws, rules, regulations and guidelines in relation to the proposed issue of Equity Shares, and in case Securities are eligible convertible securities, then either the date of the meeting in which the Board or any other committee duly authorized by the Board decides to open the proposed issue or the date on which holders of Securities become eligible to apply for Equity Shares, as may be determined by the Board or duly authorized Committee or such date as may be permitted under ICDR Regulations, as amended.

RESOLVED FURTHER THAT the Securities shall not be eligible to be sold by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or such other time except as may be allowed under the ICDR Regulations from time to time and no single allottee shall be allotted more than fifty per cent of the issue size and the minimum number of allottees shall be as per the ICDR Regulations. Furthermore, the tenure of convertible or exchangeable Securities issued shall not exceed sixty months from the date of allotment;

RESOLVED FURTHER THAT any issue of Securities shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the ICDR Regulations ("QIP Floor Price"). Furthermore, the Board may, at its absolute discretion and in consultation with the lead managers / book running lead managers, also offer a discount of not more than 5% (five per cent) or such other percentage as may be permitted under applicable law to the QIP Floor Price.

RESOLVED FURTHER THAT the Board shall have the authority to decide, at such price or prices in such manner and where necessary, in consultation with the lead managers and/or underwriters and/or other advisors or otherwise on such terms and conditions as the Board may, in its absolute discretion, decide in terms of ICDR Regulations, and all other applicable laws, regulations and guidelines, whether or not such investor(s) are existing members of the Company, at a price not less than the price as determined in accordance with relevant provisions of the ICDR Regulations or other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of Securities or Equity Shares on conversion of Securities, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities or Equity Shares as the case may be, on one or more Stock Exchanges in India.

RESOLVED FURTHER THAT the issue to the holders of Securities, which are convertible into or exchangeable with the Equity Shares at a later date, will be, inter alia, subject to the following terms and conditions:

- a) In the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted will stand augmented in the same proportion in which the Equity Share capital increases as a consequence of such bonus issue and the premium, if any, will stand reduced pro tanto;
- b) In the event the Company is making a rights offer by the issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer, and such additional Equity Shares will be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;
- c) In the event of a merger, amalgamation, takeover or any other reorganization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid will be suitably adjusted; and
- d) In the event of consolidation of outstanding Equity Shares or reclassification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of the concerned stock exchange requires such adjustments, necessary adjustments will be made.

RESOLVED FURTHER THAT the Board shall have the authority and power to accept any modification in the proposal as may be required or imposed by SEBI/Stock Exchanges where the shares of the Company are listed or such other appropriate authorities at the time of according/ granting their approvals to issue, allotment and listing thereof and as agreed to by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per applicable law and prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of dividend, interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price or period of conversion of Securities into Equity Shares during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed in accordance with applicable law.

RESOLVED FURTHER THAT for the purpose of giving effect to the Issue, the Board be and is hereby authorized, on behalf of the Company, to take all actions and do all such acts, deeds, actions and sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the Issue, including the finalization and approval of the draft as well as final offer document(s), and any addenda or corrigenda thereto, as applicable, with any applicable regulatory authorities or agencies, as may be required, determining the form and manner of the Issue, identification and class of the investors to whom the Securities are to be offered, utilization of the issue proceeds and if the issue size exceeds ₹ 100 Crores, the Board must make arrangements for the use of proceeds of the issue to be monitored by a credit rating agency registered with SEBI, in accordance with ICDR Regulations, authorising any Director(s) or Officer(s) of the Company to sign offer documents, execute any necessary documents, agreements, forms, deeds, appointment of intermediaries, open and close the period of subscription of the Issue, determine the issue price, premium amount on issue/ conversion of the Securities, if any, rate of interest and all other terms and conditions of the Securities, signing of declarations, file any necessary forms with regulatory authorities and allot the Securities and to amend, vary or modify any of the above as the Board may consider necessary, desirable or expedient, and to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the Issue and resolve and settle or give instructions or directions for settling all questions or difficulties that may arise in regard to such Issue without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution. Furthermore, all actions taken by the Board

or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of these resolutions be and are hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint/ engage book running lead manager(s), underwriters, intermediaries, depositories, custodians, registrars, bankers, lawyers, advisors, credit rating agencies, debenture trustees, guarantors, stabilizing agents, and all such persons/agencies as are or may be required to be appointed, involved or concerned in such Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies and to seek the listing of such Eligible Securities issued on the Stock Exchanges where the Equity Shares of the Company are listed.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board, in consultation with the lead managers/book running lead managers, underwriters, advisors and/or other persons as appointed by the Company, be and is hereby authorized to determine the form and terms of the Issue, including the class of investors to whom the Eligible Securities are to be allotted, number of Eligible Securities to be allotted in each tranche, issue price (including premium, if any), face value, premium

amount on issue, number of Eligible Securities, the price, premium or discount on issue, book closure and related or incidental matters, listing on one or more stock exchanges in India and/or abroad, as the Board in its absolute discretion deems fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred by this resolution herein to any committee of directors or any director(s) or officer(s) of the Company, in such manner as they may deem fit in their absolute discretion with the power to take such steps and to do all such acts, deeds, matters and things as they may consider necessary, desirable or expedient and deem fit and proper for the purposes of the Issue and settle any questions or difficulties that may arise in this regard to the Issue.”

By order of the Board of Directors

Vishal Fabrics Limited

Pooja Dhruve

Company Secretary &
Compliance Officer
(Mem No: A48396)

Date: July 27, 2024

Place: Ahmedabad

NOTES:

1. Relevant Explanatory Statement pursuant to provisions of Section 102 of the Companies Act, 2013, Regulations 17 and 36(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force (hereinafter referred to as "the Listing Regulations") and as required under Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI), in respect of Special Business item i.e. item no. 3 to 8 as set out above is annexed hereto.
2. In view of the global outbreak Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA"), vide its General Circular No. 14/ 2020 dated 8th April, 2020, General Circular No. 17/ 2020 dated 13th April, 2020, General Circular No. 20/ 2020 dated 5th May, 2020, General Circular No. 11/2022, dated 28th December, 2022, and subsequent circular issued in this regard, the latest being General Circular No. 09/ 2023 dated 25th September, 2023 (collectively referred to as "MCA Circulars") has permitted the holding of the AGM through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") without the physical presence of the shareholders at a common venue upto 30th September 2024. In compliance with the provisions of the Companies Act, 2013, the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with circulars issued by MCA and SEBI, the 39th AGM of the Company is being held through VC/OAVM. The deemed venue for the 39th AGM shall be the Registered Office of the Company.

Accordingly, in compliance with the aforementioned MCA Circulars and SEBI Circulars, the 39th Annual General Meeting ("AGM") of the Company will be held on 27th August, 2024 at 2:00 PM (IST) through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) facility to transact the businesses as set out in the Notice of AGM and therefore no physical presence of members is required.
3. 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 projects.csa@gmail.com with a copy marked to cs.vfl@vishalfabrics.co.in
4. 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.
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Members of the Company as on the record date i.e. 2nd August, 2024 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/>
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 are requested to intimate changes, if any, pertaining to their name, postal address, Email address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs.
12. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

13. The information regarding the Director(s) who is / are proposed to be re-appointed, as required to be provided under Listing Regulations and Secretarial Standard on General Meetings issued, is annexed hereto.
14. In compliance to the aforementioned circulars, the Annual Report for the Financial Year 2023-2024 of the Company will be sent through electronic mode only (i.e. Email) to those Shareholders of the Company whose Email Id are registered with the Company or the RTA.
15. The Annual Report along with the Notice of AGM will be available on Company's website on www.vishalfabricsltd.com
16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
17. Pursuant to the provisions of Section 91 of the Companies Act, 2013, read with Rule 10 of Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 42 of Listing Regulations, the Register of members and share transfer books of the Company will remain closed from Tuesday, August 20, 2024 to Tuesday, August 27, 2024 (both days inclusive).
18. 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. 20th August, 2024 only, shall be entitled to avail the facility of remote e-voting/e-voting and participate in the AGM.
19. The remote e-voting period commences on August 23, 2024, Friday at 9.00 a.m. and ends on August 26, 2024, Monday at 5.00 p.m. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 20, 2024, Tuesday may cast their votes electronically. Voting rights of a member 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., August 20, 2024.
20. Mr. Chirag Shah, Practicing Company Secretary (Membership Number FCS: 5545 COP: 3498) 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 working 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 20th August, 2024.

21. The results declared along with the Scrutinizer's Report shall be uploaded on the website of the Company i.e. www.vishalfabricsltd.com and on the website of Link Intime at <https://instavote.linkintime.co.in/> and the same shall also be communicated to BSE where the equity shares of the Company are listed.
22. 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.
23. 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.
24. The detailed procedure for participation in the meeting through VC/OVAM

INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING:

HOW DO I VOTE ELECTRONICALLY USING NSDL E-VOTING SYSTEM?

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	<p>Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.</p> <p>If you are 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</p> <p>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 i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.</p>
Individual Shareholders holding securities in demat mode with CDSL	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.</p> <p>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.</p> <p>Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>After Successful 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 the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

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

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
 - Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

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.

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).
2. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.
4. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘**View Resolution**’ file link).
7. After selecting the desired option i.e. Favour / Against, click on ‘**Submit**’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘**Yes**’, else to change your vote, click on ‘No’ and accordingly modify your vote.

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.

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 Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- 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

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 : 022 - 4886 7000 and 022 - 2499 7000
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 toll free no. 1800 22 55 33.

The remote e-voting period commences on 23rd August, 2024, Friday at 9.00 a.m. and ends on 26th August, 2024, Monday at 5.00 p.m. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date i.e. 20th August, 2024 may cast their votes electronically.

Voting rights of a member 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. 20th August, 2024.

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.

Insta Vote Support Desk

Link Intime India Private Limited

CONTACT DETAILS

Company	Vishal Fabrics Limited Shanti Corporate House, Beside Hira Rupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad – 380058 Phone: 9099952542; Email: cs.vfl@vishalfabrics.co.in Web: https://vishalfabricsltd.com/
Registrar and Transfer Agent	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400083, Maharashtra. Tel: +91 79 2646 5179/86/87; Email: ahmedabad@linkintime.co.in ; Web: www.linkintime.co.in
E-Voting Agency	Link Intime India Private Limited https://instavote.linkintime.co.in enotices@linkintime.co.in contact on: - Tel: 022 -4918 6000
Scrutinizer	Chirag Shah & Associates Practising Company Secretary Email : Projects.csa@gmail.com Ph.: 079 40020304

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs.vfl@vishalfabrics.co.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs.vfl@vishalfabrics.co.in. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e- voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

EXPLANATORY STATEMENT

EXPLANATORY REGULATION STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH REGULATIONS 17 AND 36(5) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (INCLUDING ANY STATUTORY MODIFICATION(S) OR REENACTMENT THEREOF, FOR THE TIME BEING IN FORCE)

Item No. 3

The Board of Directors on the recommendation of Audit Committee at their meeting held on May 29, 2024 have approved appointment and remuneration of Cost Auditors to conduct audit of cost records of the Company for financial year ending 31st March, 2025 at a remuneration of ₹ 50,000/- (Rupees Fifty Thousand 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, 2025.

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 & 5

Based on the recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of Directors at its meeting held on May 29, 2024, appointed Mr. Arvind Badelal Pandey (DIN: 10637419) as an Additional Director of the Company with effect from May 29, 2024, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and the Articles of Association of the Company.

Mr. Arvind Badelal Pandey holds diploma in textile business and having varied experience of 35 years of the textile industries. He has expertise in spinning cotton, synthetics, cotton-yarn, manufacturing of cloth, operations of plant, experience in fabric, yarn business and knitted apparels. He is associated with the Company since 2021 as Vice president of plant of the Company. His experience in the area of textiles is an advantage to the Business of the Company. Considering his background, experience and contributions to the Company, the Board has appointed him as an Additional Director (Executive) of the Company to hold office with effect from May 29, 2024 and shall hold office up to the date of the ensuing Annual General Meeting of the Company as recommended by the Nomination and Remuneration Committee and such terms and conditions and remuneration as may be mutually agreed upon between the Board of Directors and the appointing Director.

The Company has received from Mr. Arvind Badelal Pandey (DIN: 10637419) (i) consent in writing to act as Director in Form

DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014; (ii) intimation in Form DIR-8 pursuant to Rule 14 of the Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified in accordance with sub-section (2) of Section 164 of the Act.

Mr. Arvind Badelal Pandey (DIN: 10637419) 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.

The Board of Directors, at the same meeting, as per the recommendations of the NRC and given the knowledge, background, experience and past performance of Mr. Arvind Badelal Pandey (DIN: 10637419), decided that it would be in the best interest of the Company to appoint him on the Board as a Whole-time Director as he fulfills the requisite criteria laid down by the Board in the Company's Nomination Policy for appointment as a Director of the Company and as required in the context of the Company's business and sector it operates in. In view of the same, the Board of Directors appointed Mr. Arvind Badelal Pandey (DIN: 10637419) as a Whole-time Director of the Company for a period of 5 (Five) years, commencing from May 29, 2024 to May 28, 2029, subject to the approval of the Members of the Company.

Disclosure under regulations 26 & 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement.

The remuneration payable to Mr. Arvind Badelal Pandey as a Whole time Director subject to the revision by the Nomination and Remuneration Committee from time to time, are as follows:

Remuneration: Not exceeding to ₹ 20.00 Lacs per annum and other perquisites and such terms and conditions and remuneration as set out in resolution no. 04 and 05 of the accompanying notice.

Your directors recommend the resolution no. 04 and 05 to be passed as Ordinary Resolutions. The above proposals are in the interest of the Company and the Board of the Company thus recommends these resolutions for approval of the Members of the Company as Ordinary Resolutions.

None of the Directors and Key managerial personnel or their relatives other than Mr. Arvind Badelal Pandey, himself and his, relatives are interested in the resolution of Item No. 04 and 05.

Item No. 6

In order to broad base capital structure of the Company and to enable the Company to raise funds, it is proposed to increase the authorised share capital of the Company from ₹ 100,00,00,000 (Rupees Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores Only) Equity Shares of ₹ 5 (Rupees Five Only) to ₹ 150,00,00,000 (Rupees One Hundred and Fifty Crores Only) divided into 30,00,00,000 (Thirty Crores Only) Equity Shares of ₹ 5 each, by way of creation of an additional ₹ 50,00,00,000/- (Rupees Fifty Crores Only) divided into 10,00,00,000/- (Ten Crore Shares Only) Equity Shares of ₹ 5 (Rupees Five only) each, ranking pari passu in all respect with existing equity shares of the company, aggregating to ₹ 1,50,00,00,000/- (Rupees One Hundred and Fifty Crores Only).

As a consequence of increase of authorized share capital of the Company, the existing authorised share capital clause (Clause V) in the Memorandum of Association of the Company is required to be altered accordingly.

The proposed increase of authorized share capital requires the approval of members of the Company in general meeting under Sections 13, 61, 64 and other applicable provisions of the Companies Act, 2013, as well as any other applicable statutory and regulatory approvals.

The new set of Memorandum of Association is available for inspection at the Registered Office of the Company on any working day during business hours.

Therefore, the Board recommends the resolution hereof for approval of the shareholders as Ordinary Resolution.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

Item No. 7

The Board of Directors of the Company ("Board") at their meeting held on July 27, 2024, approved raising of funds aggregating upto ₹ 153,00,00,000/- (Rupees One Hundred Fifty-Three Crores Only) by way of issuance of upto 5,00,00,000 (Five Crores only) Compulsorily Convertible Equity warrants ("Warrants"), each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of ₹ 5 each at an issue price of ₹ 30.60 each payable in cash ("Warrants Issue Price"), being a price more than the price determined in accordance with the provisions of Chapter V of ICDR Regulations 2018, which

may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 (eighteen) months.

The Proposed allottees have also confirmed their eligibility in terms of Regulation 159 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations"), to subscribe to the Warrants to be issued pursuant to the Preferential Issue.

In accordance with Sections 23(1)(b), 42 and 62(1)(c) and other applicable provisions, if any, of the Act and the rules made thereunder and in accordance with the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), as amended from time to time, approval of the Members of the Company by way of special resolution is required to issue securities by way of preferential allotment on private placement basis.

The preferential issue to proposed allottees is subject to the receipt of necessary approvals including approval of Members, Stock Exchanges.

The details of the issue and other particulars as required in terms of Rule 14(1) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014, in terms of BSE Notice No. 20221213-47 dated December 13, 2022 with respect to the additional disclosures for objects of the issue and Regulation 163 of the SEBI (ICDR), Regulations are set forth below:

I. Objects of the Preferential Issue

The Company intends to utilize the Gross proceeds raised through the Preferential Issue ("Issue Proceeds") to finance (in whole or part) one or more, or any combination of the following:

- Working Capital requirement
 - Repayment of Unsecured loans / creditors / secured loans
 - General Corporate Purposes
 - Issue Related Expenses
- (collectively referred to below as the "Objects")

Utilization of Issue Proceeds

Given that the funds to be received against Warrant conversion will be in tranches and the quantum of funds required on different dates may vary, therefore, the broad range of intended use of the Issue Proceeds for the above Objects is set out hereinbelow:

Sr. No	Particulars	Total estimated amount to be utilized for each of the Objects*	Tentative timelines for utilization of Issue Proceeds from the date of receipt of funds
1.	Working capital Requirement	3,800 Lacs	Up to May 2026
2.	Repayment of Unsecured loans / creditors / secured loans	8,633 Lacs	Up to May 2026
3.	General Corporate Purposes	2,842 Lacs	Up to May 2026
4.	Issue Related Expenses	25 Lacs	Up to December 2024

*considering 100% conversion of Warrants into Equity Shares within the stipulated time

In terms of BSE Notice No. 20221213-47 dated December 13, 2022, the amount specified for the above-mentioned object of issue size may deviate +/- 10% depending upon the future circumstances given that the Objects are based on management estimates and other commercial and technical factors. Accordingly, the same is dependent on a variety of factors such as financial, market and sectoral conditions, business performance and strategy, competition and other external factors, which may not be within the control of the Company and may result in modifications to the proposed schedule for utilization of the Issue Proceeds at the discretion of the Board/ Committee constituted by the Board, subject to compliance with applicable laws. If the Issue Proceeds are not utilised (in full or in part) for the Objects during the period stated above due to any such factors, the remaining Issue Proceeds shall be utilised in subsequent periods in such manner as may be determined by the Board/ Committee constituted by the Board, in accordance with applicable laws. This may entail rescheduling and revising the planned expenditure and funding requirements and increasing or decreasing the expenditure for a particular purpose from the planned expenditure as may be determined by the Board/ Committee constituted by the Board, subject to compliance with applicable laws. Further, if the full issue proceeds as stated above not received due to technical factors, all heads under objects of the issue, shall get adjusted proportionately as may be determined by the Board/ Committee constituted by the Board, subject to compliance with applicable laws

Schedule of Implementation and Deployment of Funds

Given that the Preferential Issue is for convertible Warrants, the Issue Proceeds shall be received by the Company within 18 (eighteen) months from the date of allotment of the Warrants in terms of Chapter V of the SEBI ICDR Regulations, and as estimated by our management, the entire Issue Proceeds would be utilized for the all the aforementioned Objects, in phases, as per the Company's business requirements and availability of Issue Proceeds.

Interim Use of Issue Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Issue Proceeds. Pending complete utilization of the Issue Proceeds for the Objects described above, our Company intends to deposit the Gross Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or deploy funds for such businesses opportunities as may be allowed by the Board from time to time.

II. Monitoring of utilization of funds

Given that the issue size exceeds ₹ 100 Crores (Rupees One Hundred Crores only), in terms of Regulation 162A of Chapter V of the SEBI ICDR Regulations, the Company has appointed CARE Ratings Limited, a SEBI registered Credit Rating Agency as the monitoring agency to

monitor the use of the proceeds of the Preferential Issue ("Monitoring Agency").

The Monitoring Agency shall submit its report to the Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% (One Hundred Percent) of the Issue Proceeds have been utilized. The Board and the management of the Company shall provide their comments on the findings of the Monitoring Agency in the format as specified in Schedule XI of the SEBI ICDR Regulations. The Company shall, within 45 (forty-five) days from the end of each quarter, upload the report of the Monitoring Agency on its website and also submit the same to the Stock Exchanges.

III. Relevant Date

The "Relevant Date" as per Chapter V of the SEBI ICDR Regulations, for the determination of the minimum issue / exercise price of Warrants / Equity Shares to be allotted on conversion of Warrants is Friday, July 26, 2024, i.e. 30 (thirty) days prior to the date of this Annual General Meeting.

IV. Particulars of the offer including date of passing of Board resolution and kind of Securities offered, maximum number of Securities to be issued, manner of issue of shares, class or classes of persons to whom allotment is proposed to be made and the Issue Price

The Board, at its meeting held on July 27, 2024, has subject to the approval of the Members and such other approvals as may be required, approved the issuance and allotment of up to 5,00,00,000 warrants to the proposed allottees, each at an issue price of ₹ 30.60 per Warrant aggregating up to ₹ 153,00,00,000 (Rupees One Hundred Fifty-Three Crores Only), for a cash consideration, by way of a preferential issue on a private placement basis.

Warrants shall be convertible into equivalent number of fully paid-up equity shares of face value of ₹ 5 (Rupees Five Only) each ("Equity Shares") at the option of proposed allottees, in one or more tranches, within 18 (eighteen) months from the date of allotment of Warrants.

V. Basis on which the price has been arrived at, justification for the price (including premium, if any);

The Equity Shares of the Company are listed on BSE Limited. The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations and floor price has been determined in accordance with the SEBI ICDR Regulations.

In case of the frequently traded shares, as per Regulation 164(1) of the SEBI (ICDR) Regulations, 2018, a minimum issue price of the Convertible Warrants in preferential issue has to be calculated as under:

- a. the 90 trading days volume weighted average price of the related equity shares quoted on the recognized stock exchange preceding the relevant date; or

- b. the 10 trading days volume weighted average price of the related equity shares quoted on a recognized stock exchange preceding the relevant date; whichever is higher.

In terms of the provisions of Regulation 164 of the SEBI ICDR Regulations, the minimum price at which the warrants may be issued computes to ₹ 30.54 each.

Further, Method of determination of price as per the Articles of Association of the Company is not applicable as the Articles of Association of the Company are silent on the determination of a floor price/ minimum price of the shares/Convertible warrants issued on preferential basis.

Considering that the allotment shall be more than 5% of the post issue fully diluted share capital of the Company, to an allottee, the company in accordance with Regulation 166A of SEBI ICDR Regulations has obtained a valuation report dated July 27, 2024 from Mr. Manish Manwani, independent registered valuer (IBBI Registration No.: IBBI/RV/03/2021/14113), having office at Unit No. 125, Tower B-3, Spaze Itech Park, Sohna Road, Sector-49, Gurugram, Haryana-122018.

The price determined through Valuation report is ₹ 30.54/- per warrant. The said report shall be available for inspection by the members and the same may be accessed on the Company's website at the link: https://vishalfabricsltd.com/wp-content/uploads/2024/08/Valuation-Report-Preferential-Issue_VFL.pdf

After considering the above, it was decided to issue these warrants to be allotted on preferential basis to the proposed

allottees at a price of ₹ 30.60 (Rupees Thirty decimal Sixty Paise Only) each.

VI. Amount which the company intends to raise by way of such securities

Aggregating up to ₹ 153,00,00,000 (Rupees One Hundred Fifty-Three Crores Only)

VII. Name and address of valuer who performed valuation;

Mr. Manish Manwani, independent registered valuer (IBBI Registration No.: IBBI/RV/03/2021/14113), having office at Unit No. 125, Tower B-3, Spaze Itech Park, Sohna Road, Sector-49, Gurugram, Haryana-122018.

VIII. Material terms of raising such securities :

The same has been disclosed in the respective resolution.

IX. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

Not Applicable

X. Valuation for consideration other than cash:

Not Applicable

XI. The class or classes of persons to whom the allotment is proposed to be made

The Preferential Issue of Warrants is proposed to be made to the Proposed Allottees, who fall under "Non-Promoter, Public Category" of the Company.

Sr. No	Name(s) of the Proposed Allottees	Current Status	Post Issue Status
1	Silver Stallion Limited		
2	Vikasa India EIF I Fund		
3	North Star Opportunities Fund VCC- Bull Value Incorporated VCC Sub-Fund	Non-Promoter, Public Category	Non-Promoter, Public Category
4	Eminence Global Fund PCC- Eubilia Capital Partners Fund I		
5	Nexpact Limited		
6	AG Dynamic Funds Limited		

XII. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as the price

The Company has not made any preferential allotment during the current financial year FY 2023-24.

XIII. Intent of the promoters, directors or key managerial personnel of the Company to subscribe to the offer

None of the Promoters or promoter group or Directors or key managerial personnel of the Company intend to subscribe to the offer.

XIV. Shareholding pattern of the Company before and after the Preferential Issue:

The shareholding pattern of the Company before and after the proposed preferential issue will be as under:

Category	Pre-Issue Shareholding		Warrants to be allotted	Post Issue Shareholding (Presuming full conversion of Warrants)	
	No. of fully paid-up equity shares held	%*		No. of fully paid-up equity shares held	%#
A) Promoter Shareholding					
1) Indian					
a) Individuals & HUF	3,25,61,304	16.48	-	3,25,61,304	13.15
b) Others	9,64,00,496	48.78	-	9,64,00,496	38.93
Sub Total (A)(1)	12,89,61,800	65.26	-	12,89,61,800	52.08
2) Foreign					
a) Individuals (Non-Resident Individuals/ Foreign Individuals)	73,86,177	3.74	-	73,86,177	2.98
Total Promoter Shareholding	13,63,47,977	69.00	-	13,63,47,977	55.06
A=A1 +A2					
B) Public Shareholding					
B1) Institutions (Domestic)	-	-	-	-	-
B2) Institutions (Foreign)	72,81,672	3.68	5,00,00,000	5,72,81,672	23.13
B3) Central Govt./State Govt./POI	-	-	-	-	-
B4) Others					
a) Individuals	3,51,30,488	17.78	-	3,51,30,488	14.19
b) Bodies Corporate	99,26,952	5.02	-	99,26,952	4.01
c) Non-Resident Indians (NRIs)	9,56,643	0.48	-	9,56,643	0.39
d) Others (Clearing Members, HUF, LLP etc)	79,66,271	4.03	-	79,66,271	3.22
Total Public Shareholding	6,12,62,026	31.00	5,00,00,000	11,12,62,026	44.94
B=B1+B2+ B3+B4					
C) Non-Promoter - Non-Public	-	-	-	-	-
Total Shares (A+B+C)	19,76,10,003	100.00	-	24,76,10,003	100.00

Notes:

- The pre-issue shareholding pattern is as on latest shareholding pattern filed to the stock exchanges i.e. June 30, 2024.
- *These percentages have been calculated on the basis of fully paid up equity share capital i.e. 98,80,50,015/- (Rupees Ninety Eight Crores and Eighty Lakhs Fifty Thousand and Fifteen Only) divided into 19,76,10,003 (Nineteen Crores and Seventy Six Lacs Ten Thousand and Three Only) Equity Shares of ₹ 5 (Rupees Five Only) each.
- #These percentages have been calculated on the basis of fully diluted paid up equity share capital i.e. 123,80,50,015/- (Rupees One Hundred Twenty Three Crores and Eighty Lakhs Fifty Thousand and Fifteen Only) divided into 24,76,10,003 (Twenty Four Crores and Seventy Six Lacs Ten Thousand and Three Only) Equity Shares of ₹ 5 (Rupees Five Only) each assuming full conversion of warrants.
- Post shareholding structure may change depending upon any other corporate action in between.

XV. Time frame within which the allotment shall be completed

In accordance with Regulation 170 of the SEBI ICDR Regulations, the allotment of the Warrants shall be completed within a period of 15 (fifteen) days from the date of passing of the resolution by the shareholders, provided that where the allotment is pending on account of pendency of any approval(s) or permission(s) from any regulatory authority / body, the allotment shall be completed by the Company within a period of 15 (fifteen) days from the date of such approval(s) or permission(s) or within such further period/s as may be prescribed or allowed by the SEBI, the Stock Exchange(s) and/or Regulatory Authorities etc.

XVI. The identity of the natural persons who are the ultimate beneficial owners of the equity shares proposed to be allotted upon conversion of warrants and / or who ultimately control the proposed allottee(s) and the percentage of post preferential issue capital that may be held by them:

Name of Allottee	Pre issue shareholding		Warrants to be allotted	Shareholding post conversion of Warrants		Name of ultimate beneficial owners
	No. of Shares	%		No. of Shares	%#	
Silver Stallion Limited	-	-	1,50,00,000	1,50,00,000	6.06	Mr. Amul Mahendra Shah and Ms. Bharti Amul Shah
Vikasa India EIF I Fund	-	-	1,00,00,000	1,00,00,000	4.04	Mr. Dorsey RandallButtram JR, Mr. Mark Andrew Rankin, and Mr. Roshen Pujari
North Star Opportunities Fund VCC-Bull Value Incorporated VCC Sub-Fund	-	-	75,00,000	75,00,000	3.03	Mr. Ali Baquer Issam
Eminence Global Fund PCC- Eubilia Capital Partners Fund I	-	-	75,00,000	75,00,000	3.03	Mr. Grigor Jabishvili
Nexpact Limited	-	-	50,00,000	50,00,000	2.02	Mr. Saleem Aziz Habib Al Balushi
AG Dynamic Funds Limited	-	-	50,00,000	50,00,000	2.02	Mr. Paul Boskma

#These percentages have been calculated on the basis of fully diluted paid up equity share capital i.e. 123,80,50,015/- (Rupees One Hundred Twenty Three Crores and Eighty Lakhs Fifty Thousand and Fifteen Only) divided into 24,76,10,003 (Twenty Four Crores and Seventy Six Lacs Ten Thousand and Three Only) Equity Shares of ₹ 5/- (Rupees Five Only) each assuming full conversion of warrants.

XVII. Principal terms of assets charged as securities

Not applicable.

XVIII. Change in control, if any, in the Company consequent to the preferential issue:

As a result of the proposed preferential issue, there will be no change in the control or management of the Company pursuant to the proposed preferential issue. However, voting rights will change in tandem with the change in shareholding pattern of the Company.

XIX. Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects:

Nil

XX. Lock-in Period:

The Warrants allotted pursuant to this resolution and the resultant equity shares to be issued and allotted upon exercise of right attached to the Warrants as above shall be subject to a lock-in for such period as per the provisions of Chapter V of the SEBI ICDR Regulations.

XXI. Certificate from Practicing Company Secretary:

The Certificate from Mr. Pankaj Kumar Gupta, Proprietor of M/s. Kumar G & Co, (COP No.- 7579) Practicing Company Secretaries, certifying that the preferential issue of warrants is being made in accordance with requirements of Chapter V of SEBI ICDR Regulations has been obtained considering

the said preferential issue. The copy of said certificate may be accessed on the Company's website www.vishalfabricsltd.com

Undertakings:

- None of the Company, its Promoters or Directors are categorized as wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by Reserve Bank of India. Consequently, the undertaking required under Regulation 163(1)(i) of ICDR Regulations is not applicable.
- As the equity shares of the Company have been listed on a recognized Stock Exchange for a period of more than 90 trading days as on Relevant Date, the provisions of Regulation 164(3) of ICDR Regulations governing re-computation of the price of shares shall not be applicable. Consequently, the undertakings required under Regulation 163(1)(g) and 163(1)(h) of ICDR Regulations are not applicable.
- None of the Company's Directors or Promoters are fugitive economic offenders as defined under ICDR Regulations.
- The Company does not have any outstanding dues to the SEBI, stock exchanges or the depositories.

None of the directors and key managerial personnel of the Company including their relatives are, in any way, concerned or interested in the resolution no. 7.

In accordance with the provisions of Sections 23, 42 and 62 of the Act read with applicable rules thereto and relevant provisions of the SEBI ICDR Regulations, approval of the Members for issue and allotment of the said warrants to the Proposed Allottees is being sought by way of a special resolution as set out in the said item no. 7 of the Notice. Issue of the equity shares pursuant to the exercise of the rights attached to warrants would be within the authorised share capital of the Company.

The Board of Directors believes that the proposed Preferential Issue is in the best interest of the Company and its Members and, therefore, recommends the resolution at Item No. 7 of the accompanying Notice for approval by the Members of the Company as a Special Resolution.

Item No. 8

The Company has been pursuing opportunities for its business growth and continues to explore avenues for achieving organic and inorganic growth, which requires capital for achieving such growth and expansion. Accordingly, our Company intends to undertake a capital raise by issuance of equity shares or other eligible securities through qualified institutions placement and/ or any other permissible method or combination thereof in accordance with applicable laws and use the proceeds from such issue, towards, inter-alia, various capital expenditure, the pre-payment and / or repayment of debts, working capital requirements, general corporate purposes, to finance the acquisition(s) and other opportunities, strategic investment(s) and such other purpose(s) as may be permissible under applicable laws, and decided by the Board of Directors of the Company.

Accordingly, as approved by the board of directors of the Company ("Board") at their meeting held on July 27, 2024 and in order to fulfil the aforesaid objects of the Company, it is hereby proposed to have an enabling approval for raising funds by way of issuance of equity shares of face value Rs. 5 each ("Equity Shares"), and/or other securities convertible into Equity Shares (including warrants, or otherwise) or any security convertible into Equity Shares (all of which are hereinafter collectively referred to as "Securities") or any combination thereof, in accordance with applicable law, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in the course of domestic and/or international offering(s) in one or more foreign markets, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the lead managers/book running lead manager(s) and/or other advisor(s) or otherwise, for an aggregate amount not exceeding ₹ 100 Crore (Rupees Hundred Crore Only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) at such price or prices as may be permissible under applicable law by way of qualified institutional placement ("QIP") in accordance with the provisions of Chapter VI of the Securities and Exchange Board of

India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) ("ICDR Regulations"), Section 42 and other applicable provisions of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the provisions of the Memorandum and Articles of Association of the Company (including part II thereof) and other applicable laws. The issue of Securities may be at such price, whether at prevailing market price(s) or at a premium or discount to market price as may be permitted under applicable law and to such classes of investors as the Board (including any duly authorized committee thereof) may in its absolute discretion decide, having due regard to the prevailing market conditions and any other relevant factors and wherever necessary, in consultation with lead managers / book running lead manager(s) and other agencies that may be appointed by the Company, subject to the ICDR Regulations, Companies Act, 2013 and other applicable guidelines, notifications, rules and regulations.

The proposed issue of capital is subject to, inter alia, the applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, issued by the Securities and Exchange Board of India, the BSE ("Stock Exchange"), Reserve Bank of India, Ministry of Corporate Affairs, Government of India, Registrar of Companies Gujarat at Ahmedabad, to the extent applicable, and any other approvals, permits, consents and sanctions of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time, as may be required in this regard domestically or internationally.

In case the Issue is made through a qualified institutions placement:

- I. the allotment of Securities shall only be made to qualified institutional buyers ("QIBs") as defined under ICDR Regulations;
- II. the allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution in accordance with the ICDR Regulations and applicable laws;
- III. a minimum of 10% of the Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs;
- IV. the floor price will be calculated as per the formula prescribed under the ICDR Regulations;
- V. the "relevant date" for the purposes of pricing of the Securities to be issued and allotted in the proposed QIP shall be the date of the meeting in which the Board or a duly authorised committee decides to open the proposed QIP of equity shares as eligible securities; and in case eligible securities are eligible convertible securities, then either the date of the meeting in which the Board or a duly authorized committee of the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for the equity shares as provided under the ICDR Regulations;

- VI. the equity shares of the same class, which are proposed to be allotted through qualified institutions placement or pursuant to conversion or exchange of eligible securities offered through qualified institutions placement, have been listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution;
- VII. an issuer shall be eligible to make a qualified institutions placement if any of its promoters or directors is not a fugitive economic offender;
- VIII. no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the ICDR Regulations. It is clarified that qualified institutional buyers belonging to the same group or who are under same control shall be deemed to be a single allottee;
- IX. the Securities to be offered and allotted shall be in dematerialized form and shall be allotted on fully paid up basis;
- X. the Securities allotted shall not be eligible for sale by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time;
- XI. the schedule of the QIP will be as determined by the Board or its duly authorized committee; and
- XII. The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to the special resolution passed at this meeting.

Further, Section 62(1)(c) of the Companies Act, 2013 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further equity shares, such further equity shares shall be offered to the existing members of such company and to any persons other than the existing members of the company by way of a special resolution. Since the special resolution proposed in the business of the notice may result in the issuance of Equity Shares of the Company to the existing members of the Company and to persons other than existing members of the Company, approval of the members of the Company is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of ICDR Regulations.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Companies Act, 2013 only after receipt of prior approval of its members by way of a Special Resolution. Consent of the members would therefore be necessary pursuant to the aforementioned provisions of the Companies Act, 2013 read with applicable provisions of the ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for issuance of Securities. The Equity Shares allotted pursuant to the issue shall rank in all respects pari passu with the existing Equity Shares of the Company.

The Equity Shares to be allotted would be listed on the Stock Exchanges. The offer/issue/allotment would be subject to the availability of the regulatory approvals, if any. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap and relevant foreign exchange regulations, including Foreign Exchange Management Act, 1999, including any amendments, statutory modification(s) and/ or re-enactment(s) thereof ("FEMA"). As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Section 102(1) of the Companies Act, 2013, none of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company.

The Board has approved the Issue pursuant to its resolution dated July 27, 2024. The Board recommend the aforesaid resolution for the approval by the members as a special resolution.

By order of the Board of Directors
Vishal Fabrics Limited

Pooja Dhruve
Company Secretary &
Compliance Officer
(Mem No. – A48396)

Date: July 27, 2024
Place: Ahmedabad

Annexure

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

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard - 2 on General Meetings]

Name of Director	Mr. Arvind Badelal Pandey
DIN	10637419
Nationality	Indian
Date of Birth	01/01/1965
AGE	59 years
Date of first appointment on Board	29/05/2024
Brief Resume and Nature of Expertise in Functional Area	Mr. Arvind Badelal Pandey holds diploma in textile business and having varied experience of 35 years in the textile industries. He has expertise in spinning cotton, synthetics, cotton-yarn, manufacturing of cloth, operations of plant, experience in fabric, yarn business and knitted apparels. He is associated with the Company since 2021 as Vice president of plant of the Company. His experience in the area of textiles is an advantage to the Business of the Company.
Qualification	Mr. Arvind Badelal Pandey holds diploma in textile business.
Disclosure of Relationships between Directors inter-se	No Relationship with Director
List of Directorship of other Board	NIL
List of Membership / Chairmanship of Committees of other Board	NIL
Shareholding in Vishal Fabrics Ltd.	NIL
Terms and Conditions of appointment or re-appointment	As per item no. 04 and 05 of Notice and Explanatory Statement attached to the Notice of the AGM.
Details of remuneration last drawn in FY 2023-24	Not Applicable
Details of remuneration sought to be paid	Refer Item No. 05 of the Explanatory Statement
Number of Meetings of the Board attended during the F.Y. (2023-24)	N.A.
Listed entities from which the Director has resigned from Directorship in last 3 (three) years	N.A.
Justification for choosing the appointees for appointment as Independent Directors	Not Applicable
No. of shares held	NIL

By order of the Board of Directors
Vishal Fabrics Limited

Pooja Dhruve

Company Secretary &
 Compliance Officer
 (Mem No. – A48396)

Date: July 27, 2024
 Place: Ahmedabad

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 cs.vfl@vishalfabrics.co.in
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.

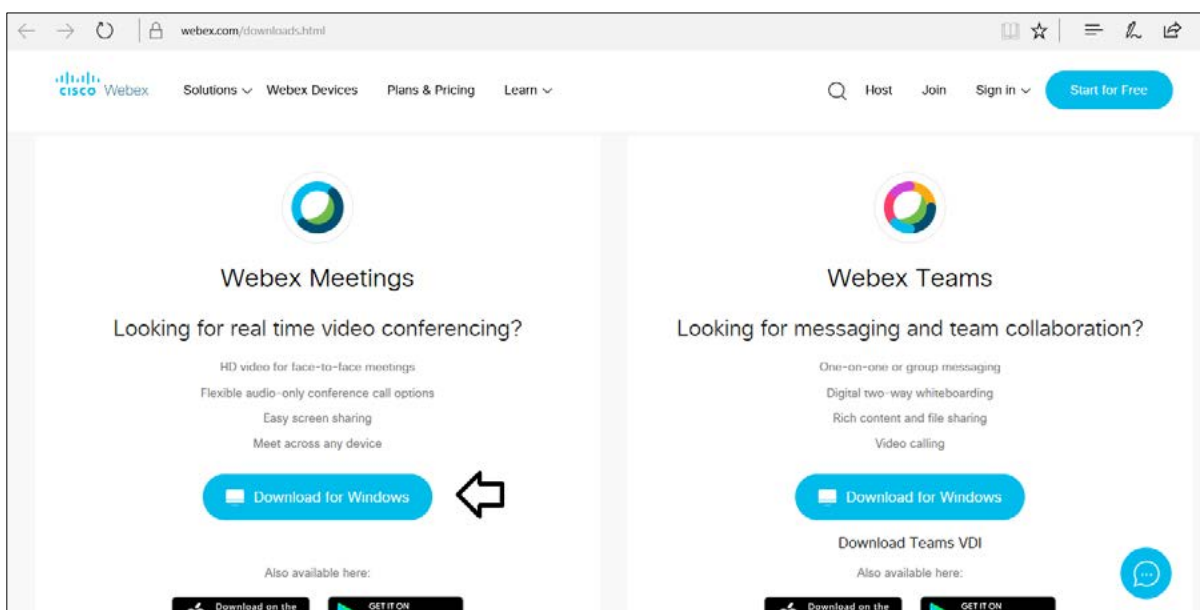
InstaMeet Support Desk
Link Intime India Private Limited

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/>



LINK Intime

InStaMEET

Step 1
Double-click the webexapp.msi file you downloaded

Step 2
The Webex Meetings setup wizard will launch. Follow the instructions to set up.

Step 3
Once installed the app will launch automatically.

To open the app double-click the Webex Meetings icon on your desktop.

What do you want to do with webexapp.msi (88.1 MB)?
From: akamaicdn.webex.com

Run Save Cancel

Step 1
Double-click the webexapp.msi file downloaded

Step 3
Once installed app will launch automatically.

To open the app double-click the Webex Meetings icon on your

Cisco Webex Meetings - InstallShield Wizard

Welcome to the InstallShield Wizard for Cisco Webex Meetings

The InstallShield(R) Wizard will install Cisco Webex Meetings on your computer. To continue, click Next.

WARNING: This program is protected by copyright law and international treaties.

< Back Next > Cancel

Step 1
Double-click the webexapp.msi file downloaded

Step 3
Once installed app will launch automatically.

Cisco Webex Meetings - InstallShield Wizard

License Agreement

Please read the following license agreement carefully.

CISCO WEBEX LLC LICENSE AGREEMENT (AS APPLICABLE TO THE PARTICULAR DOWNLOAD)

IMPORTANT NOTICE—PLEASE READ PRIOR TO USING THIS SOFTWARE: This license agreement ("License Agreement") is a legal agreement between you (either an individual or an entity) and Cisco Webex LLC ("Webex") for the use of Webex software you may be required to download and install to use certain Webex services (such software, together with the underlying documentation if made available to you, the "Software"). By clicking on the button containing the "I accept" language, by installing the Software or by otherwise using the Software, you agree to be bound by the terms of this License Agreement. IF YOU DO NOT AGREE TO THE TERMS OF THIS LICENSE AGREEMENT, CLICK ON THE BUTTON

I accept the terms in the license agreement
 I do not accept the terms in the license agreement

InstallShield _____

< Back Next > Cancel

Step 1
Double-click the webexapp.msi file downloaded

Step 3
Once installed app will launch automatically.

Cisco Webex Meetings - InstallShield Wizard

Ready to Install the Program

The wizard is ready to begin installation.

Click Install to begin the installation.

If you want to review or change any of your installation settings, click Back. Click Cancel to exit the wizard.

InstallShield _____

< Back Install Cancel



or

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

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)	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 . 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

