



Excellence In Every Thread

VISHAL FABRICS LIMITED

Annual Report 2023-24



02-28

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As one of the leading denim manufacturer, we consistently deliver impeccable quality denim that reflects our commitment to excellence in every thread. Our persistent focus on innovation and customer satisfaction drives us to continually enhance and diversify our product offerings while automating as much of our operating canvas as possible.

This strategic approach, coupled with our core strengths, enable us to maintain an encouraging performance year after year. Building on our rich legacy, we aspire to set new benchmarks for quality in the denim industry.

Our deep understanding of market dynamics, dedication to innovation and an unyielding commitment to customer-centric practices ensure that we uphold our promise of ensuring excellence in every thread.

Moving forward, we are determined to sustain our growth momentum while further strengthening our market position. The road ahead holds immense potential and we are well-prepared to seize emerging opportunities within the sector.

The solid foundation we have built over the years positions us to create and enhance value for all our stakeholders. At VFL, excellence truly runs through every thread.

Excellence In Every Thread

VFL at a glance

Established in 1985, we at Vishal Fabrics Limited (VFL) have solidified our reputation as one of the prominent manufacturers and processors of denim and various other fabrics in Asia. Our commitment to weaving excellence in every thread have made us a trusted name in the industry, setting new benchmarks for quality and craftsmanship.

What we do

We are passionate about denim and seek to make it accessible and stylish for everyone. We offer a wide range of denim fabrics, including 100% cotton, cotton blends and popular stretch options like cotton spandex and cotton modal.

Where we operate

Our state-of-the-art manufacturing facilities are strategically located to maximise efficiency and cater to diverse client needs. Our Dholi Unit is located in the Dholi Integrated Spinning Park in Ahmedabad, with a capacity of 90 million meters per annum (MMTPA). Our Narol Plant is situated in Narol, Ahmedabad and has a capacity of 105 million meters of processed fabric every year. Together, these facilities cater to the global demand for our offerings.

As part of the Chiripal Group, one of the leading denim manufacturer, we benefit from extensive domain expertise and strong organisational capabilities that

have driven our expansion into diverse industries. The Chiripal Group operates thriving businesses across varied sectors such as petrochemicals, chemicals, infrastructure development, spinning, weaving, knitting, fabric processing, BOPP film manufacturing and even educational initiatives. This diversified portfolio showcases the group's adaptability and deep knowledge in various fields.

We constantly push the boundaries of innovation to stay ahead of the curve and meet the ever-changing needs of our clients.



Mission

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



Vision

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



Values

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



50+

Years of legacy

11

Group Companies

50+

Countries of presence

20,000+

Employees

Group Companies



Textile



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



Fabric



- Vishal Fabrics Limited
- Chiripal industries Limited (Fabric Division)



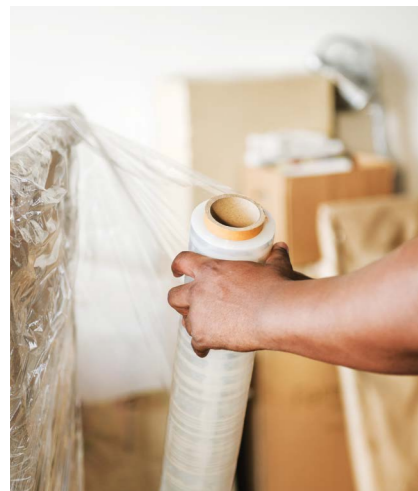
Yarn & Petrochemicals



- Chiripal Industries Limited (Petrochemical Unit)
- CIL Nova Petrochemicals Limited



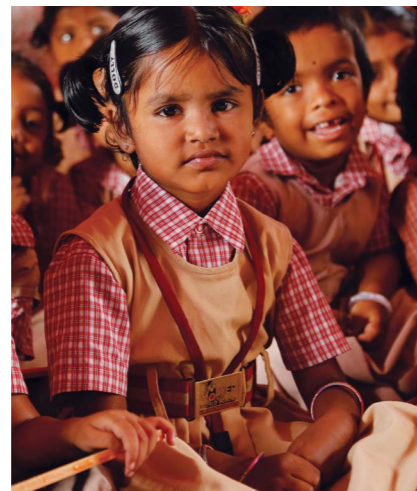
Packaging Solutions



- Chiripal Poly Films Limited



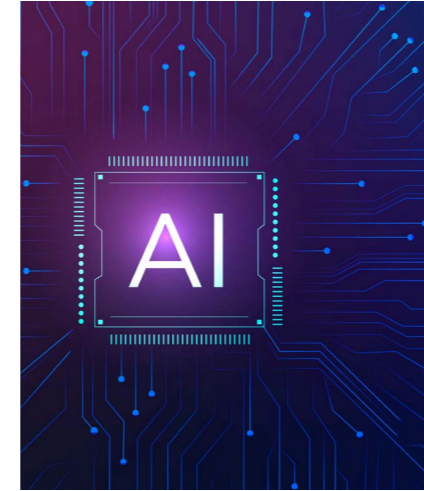
Education



- Shanti Educational Initiatives Ltd

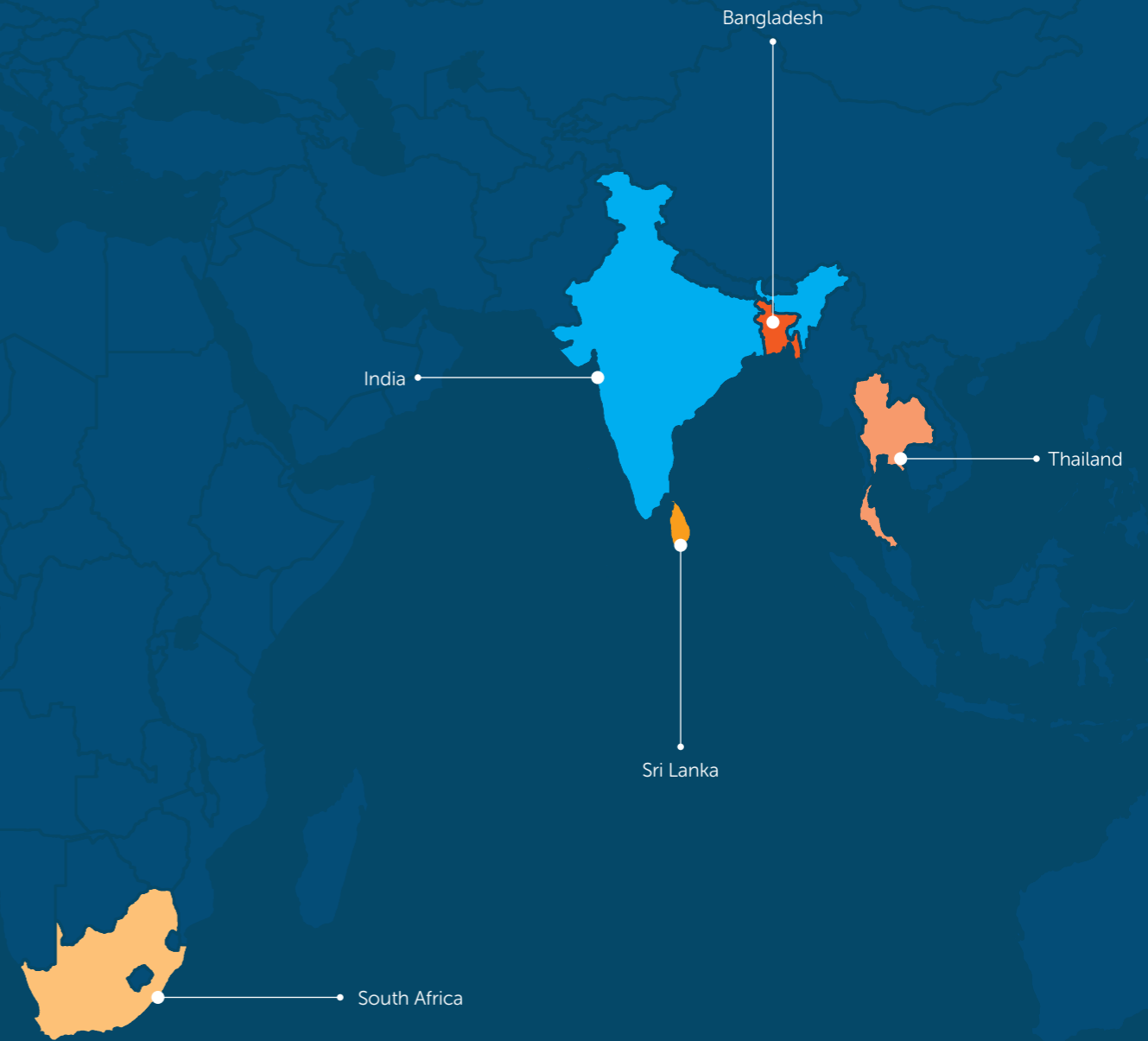


Robotics/AI



- HRF/WSRO

A robust global presence










Our journey over the years



Iconic brands that rely on us

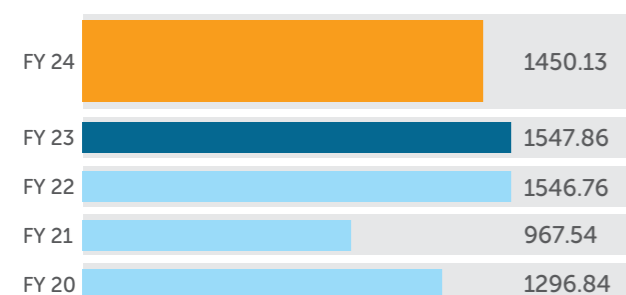


			
Calvin Klein		ZARA	Lee®
TOMMY HILFIGER		KILLER XK	
EMPORIO ARMANI			

Our financial scorecard

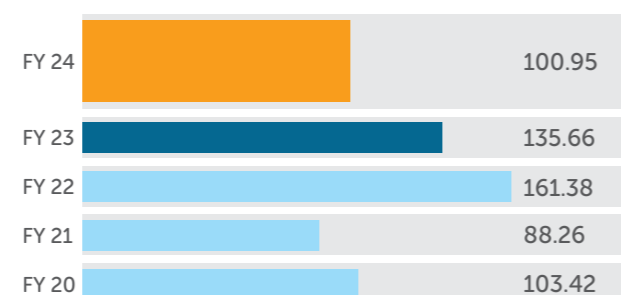
Revenue from operations

(₹ in crores)



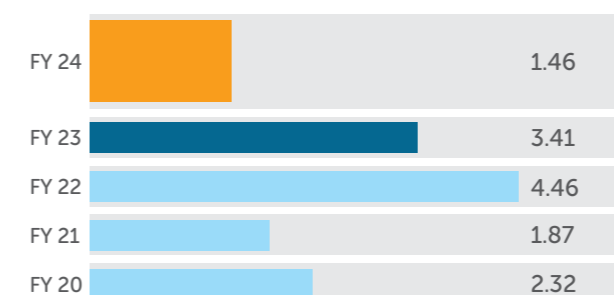
EBITDA

(₹ in crores)



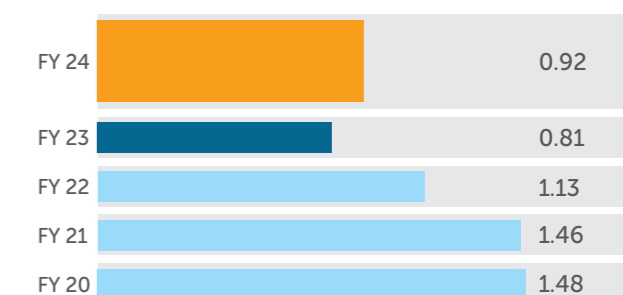
PAT Margin

(%)



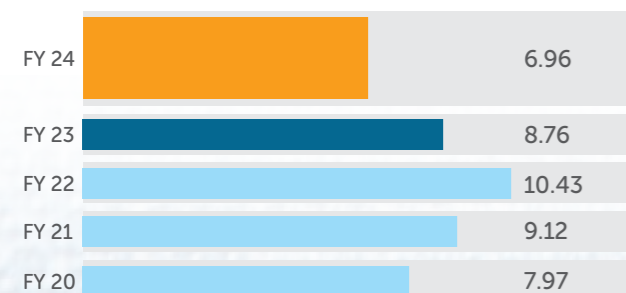
Debt equity ratio

(times)



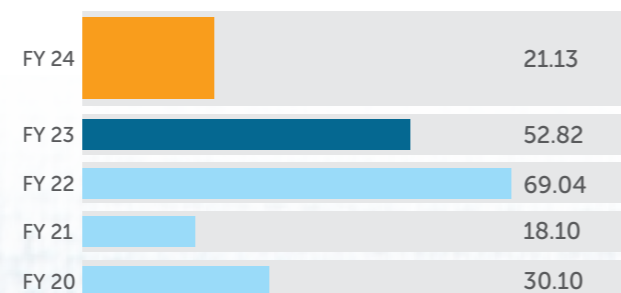
EBITDA Margin

(%)



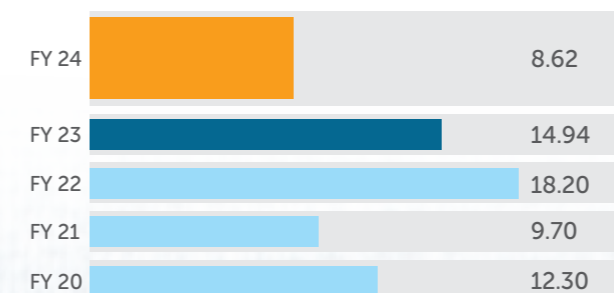
PAT

(₹ in crores)



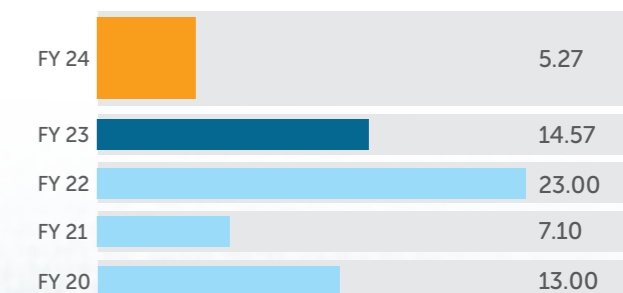
ROCE

(%)



ROE

(%)



Managing Director's Message

“
This year has been a mix of both challenges and promising prospects, which has enabled us to maintain a cautiously optimistic outlook.”



Dear Shareholders,

I am delighted to share with you the Annual Report for 2023-24. Reflecting on the past year, I feel immense joy and pride in our journey together. With over thirty five years of expertise, Vishal Fabrics Limited remains true to our core values of excellence, innovation, and sustainability.

This past year has been a rollercoaster for the global and Indian textile markets, filled with challenges and transformations. Supply chain disruptions, rising raw material costs, geopolitical tensions, and climate concerns have tested us all. Yet, the textile industry has shown incredible resilience, driven by a renewed focus on local manufacturing, sustainability, and technological advancements. Despite economic uncertainties, the Indian textile market has thrived, thanks to government support and increased exports, setting the stage for future growth.

Our company faced significant challenges this year, impacting both turnover and profitability. Market volatility, supply chain disruptions, and fluctuating demand posed hurdles. But these challenges have only strengthened our resolve to adapt and innovate. We are doubling down on sustainability initiatives, leveraging digital technologies, enhancing product innovation, optimising supply chain efficiency, and staying in tune with changing consumer preferences to remain competitive.

To stay ahead in the denim manufacturing sector, we are making strategic investments to enhance

our production capabilities, drive innovation, and expand our market reach. We are focusing on cutting-edge production technologies, bolstering our sustainability practices, and continually developing high-quality, products that cater to evolving consumer tastes. With our expertise and resources, we are committed to reinforcing our position as a leader in the denim industry.

This year we have demonstrated resilience and perseverance, thanks to our effective strategies and dedicated team. By embracing technology and sustainable practices, we are continually innovating to streamline our manufacturing process and enhance our offerings.

Analysing customer and competitive trends has allowed us to explore new areas for expansion and gain a deeper understanding of local market conditions. This insight has enabled us to expand our product line and conduct extensive market research, ensuring we stay ahead of ever-evolving consumer preferences. Our commitment to environmental stewardship is unwavering, as we implement robust sustainability initiatives and embrace digital transformation to enhance manufacturing efficiency. By revamping our strategies, we aim to strengthen our market presence, attract a broader customer base, and drive sustainable growth.

We are deeply committed to reducing our environmental footprint through waste reduction, recycling, and energy conservation measures. Our installation of an online monitoring system for SPM at our plant, as part of our GPCB ETS project, exemplifies our dedication to controlling pollution from boiler fuel gas. Our ESG strategy encompasses core commitments to

social and governance dimensions, ensuring transparency, accountability, and ethical decision-making across the organisation to enhance stakeholder trust. We firmly believe these strategic actions will pave the way for a more sustainable future.

Looking ahead, our unwavering commitment to quality, innovation, and strategic alliances will drive sustainable growth and profitability in an evolving market. Our key priorities for the upcoming year include expanding our market share through strategic investments, enhancing sustainability initiatives, and diversifying our product offerings to meet changing consumer needs. By improving operational efficiency and focusing on profitability, we aim to elevate our financial performance and solidify our position as an industry leader.

Before concluding, I want to express my heartfelt gratitude to our shareholders for being an integral part of our journey. Your unwavering support is invaluable, and I humbly seek your continued patronage as we move forward.

Warm Regards,

Mr. Brijmohan D. Chiripal
Managing Director

Chief Executive Officer's Message



“ We have undertaken strategic initiatives such as sourcing sustainable and innovative materials, expanding our design and research capabilities to enhance and diversify our portfolio. ”

Dear Shareholders,

It has always been a pleasure and privilege for me to share my thoughts with you at the end of another financial year (FY24). Notwithstanding a challenging macro environment, during the reporting year we continued to innovate, simplify and automate our operational fabric to enhance our operational efficiencies.

Additionally, our commitment to innovation enables us to stay ahead of market trends and offer unique and customisable options that cater to the evolving aspirations of our clients. This philosophy is depicted in our theme for this year's Report 'Excellence in every thread'. During the year under review, the Company faced significant challenges that have impacted both turnover and profitability. This decline can be attributed to ongoing market volatility, supply chain disruptions and fluctuating demand in key markets. We have largely been resilient and adaptive to these challenges and continued to invest in strategic areas to position ourselves as an industry leader.

We have invested our funds in companies and these companies have now become associate companies of VFL. We believe that these investments in our group companies can strategically benefit our business in various ways. Firstly, the collaborative operations can lead to increased efficiency, cost savings and optimized supply chains, resulting in enhanced operational efficiency. Secondly, the financial synergies, such as combined creditworthiness, improved borrowing capacity, joint investments and pooling of funds for large projects can strengthen our financial position.

Moreover, sharing risks and rewards with our associate companies can help mitigate financial and operational risks,

while the ability to share resources, such as technology, research and development and specialised expertise can further enhance our capabilities. Finally, associating with well-regarded companies can strengthen our brand value and reputation, providing increased credibility and customer trust.

We are confident that forming these associate company relationships is a strategic decision that will be aligned with the broader goals of our business and we look forward to the benefits it will bring in the years to come.

We have undertaken strategic initiatives such as sourcing sustainable and innovative materials, expanding our design and research capabilities to enhance and diversify our portfolio.

As we continue to explore opportunities for our Company's all-round growth, we are seizing the exciting opportunity to foray into new markets and geographic regions. This move will enable us to elevate industry standards with our innovative and high-quality products, bringing unmatched value and sustainability to the global audience.

We understand our responsibility towards conserving a sustainable environment and are committed to significantly reducing our ecological footprint. Towards this end, we have adopted significant sustainability measures, including the use of eco-friendly materials, renewable energy sources, water recycling systems and zero-waste initiatives. These efforts underscore our commitment to a greener and more sustainable future for the textile industry. We firmly uphold the belief that actively contributing to the betterment of society is integral to the success of any business. Giving back to the community in which we operate is a crucial aspect of our operation in the industry.

We are happy to report remarkable progress in our ongoing sustainability projects. We have achieved significant

waste reduction through our zero-waste initiatives, substantially increased renewable energy adoption to power our operations, and successfully implemented advanced water conservation practices, including water recycling systems. These achievements are driving us closer to our environmental goals and underscoring our commitment to a greener and more sustainable future for the textile industry.

Our Company is engaged with registered trusts, namely 'Chiripal Charitable Trust,' 'Happiness Reserves Foundation,' and 'Milestone Educom Trust.' These trusts contribute to social welfare through its CSR initiatives, focusing on education, healthcare, environmental conservation and skill development, thereby creating lasting positive impacts and fostering a stronger, more resilient society.

Despite our best efforts, we have experienced a reduction in profits for FY 24, but our strategic initiatives have positioned us well for recovery and growth in the coming years. Our priority is to stabilize and strengthen the business, ensuring long-term growth and value creation for our shareholders.

We will continue to focus on innovation, operational excellence and sustainable practices to drive future performance. We remain committed to navigating these difficulties with resilience and strategic foresight.

I extend my heartfelt gratitude to all stakeholders for their continued support and patience during these challenging times.

Warm Regards,

Vinay Thadani
Chief Executive Officer

Chief Financial Officer's Message



“
We have surpassed our projections and achieved a topline of ₹ 1,450.13 crore, up from our initial target of ₹ 1,420.00 crore.
”

Dear Shareholders,

The fiscal year 2023-24 was yet another year of new business headwinds and a tough macro-economic environment. However, our decisive actions enabled us to face these challenges head on and deliver strong results. I am delighted to present to you our performance covering the financial highlights during the year gone by.

Resilience and agility amid challenging times

Throughout the reporting year, we confronted several headwinds including supply chain disruptions and fluctuating demand in key markets. However, on the strength of our business model we were able to tide over these challenges and report a strong financial performance both in terms of turnover and profitability. While these results reflect the impact of the prevailing market conditions, we remain committed to maintaining a robust financial position, managing risks effectively and capitalising on emerging trends to drive our sustained growth.

A year of outperformance

Notwithstanding the challenges we faced, we have surpassed our projections and achieved a topline of ₹1,450.13 crore, up from our initial target of ₹1,420.00 crore. Our Profit After Tax (PAT) for the year stood at ₹21.13 crore, outperforming our projected figure of ₹18.50 crore. We have significantly improved our debt service coverage ratio improved to 3.54 due to a substantial amount of debt being repaid. This financial performance can be attributed to the dedicated efforts of our team, our judicious decision-making and the ability to successfully navigate the dynamic market conditions.

Steadfast commitment to responsible growth

As a responsible corporate citizen, we believe in leading by example when it comes to fostering environmental stewardship. During the year gone by, we installed a solar rooftop system with a capacity of 0.999 MW at our Dholi unit. This has enabled us to not only raise the adoption of renewable energy in our fuel mix but has also reduced our power costs and carbon footprint. Leveraging our thermal energy plant and automated machines, we are charting our way forward towards a more sustainable future.

For us at Vishal Fabrics, fulfilling our Corporate Social Responsibility (CSR) is more than a mere compliance concern. We continue to dedicate substantial resources for the benefit of our community members as well as to create meaningful difference on the society at large. The last year has been no different as evidenced by our CSR budget of ₹1.49 crore. Through our registered trusts, we provided our community members with equal access to quality education, promoted sports, tree plantations and supported various social and economic development projects. Our commitment to social responsibility underscores our belief in creating shared value for all.

Way forward

In the years ahead, our focus will remain on maintaining financial stability by avoiding additional debt, securing adequate working capital and driving revenue growth through optimal capacity utilisation and cost reduction measures. While we are cautiously optimistic about the future, we are determined to make the most of emerging opportunities.

In closing, I would like to thank our stakeholders for having faith in our vision and capabilities. I am very thankful to my MD and CEO for trusting me and giving me an opportunity. I look forward to another year of remarkable growth.

Warm regards,

Dharmesh Dattani
Chief Financial Officer

Strengths that set us apart

Backed by a combination of experience and a strong commitment to sustainability, at VFL, we have established ourselves as one of the foremost players in the textile industry. Here is a glimpse into what sets us apart-

Sustainable practices

At VFL, we believe in responsible manufacturing. We have invested in best-in-class technologies to ensure our processes are environment-friendly. This commitment makes us a preferred choice for eco-conscious customers.



Innovation-driven

We are passionate about pushing boundaries and incorporating the latest advancements into our offerings. Our integration of high-end technology has resulted in an advanced manufacturing facility that enables us to deliver superior products and services.



Teamwork and creativity

We empower our team members to think out-of-the-box and explore new ideas. This culture of collaboration leads to ongoing innovation, positioning VFL at the forefront of the denim industry.

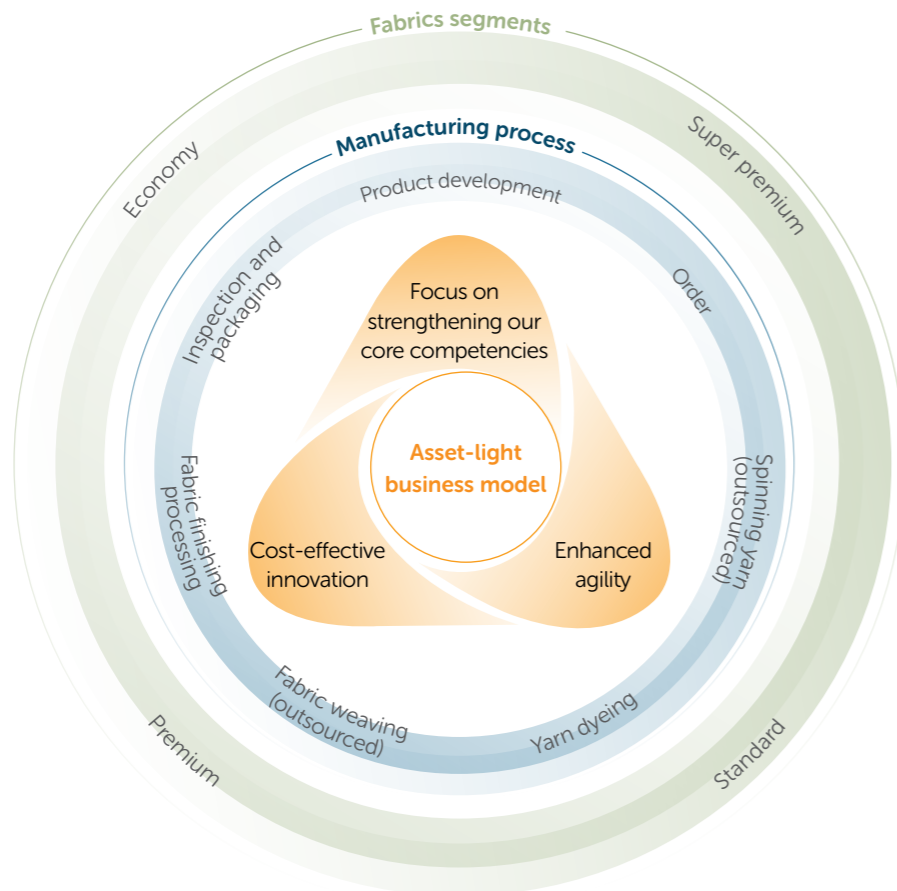
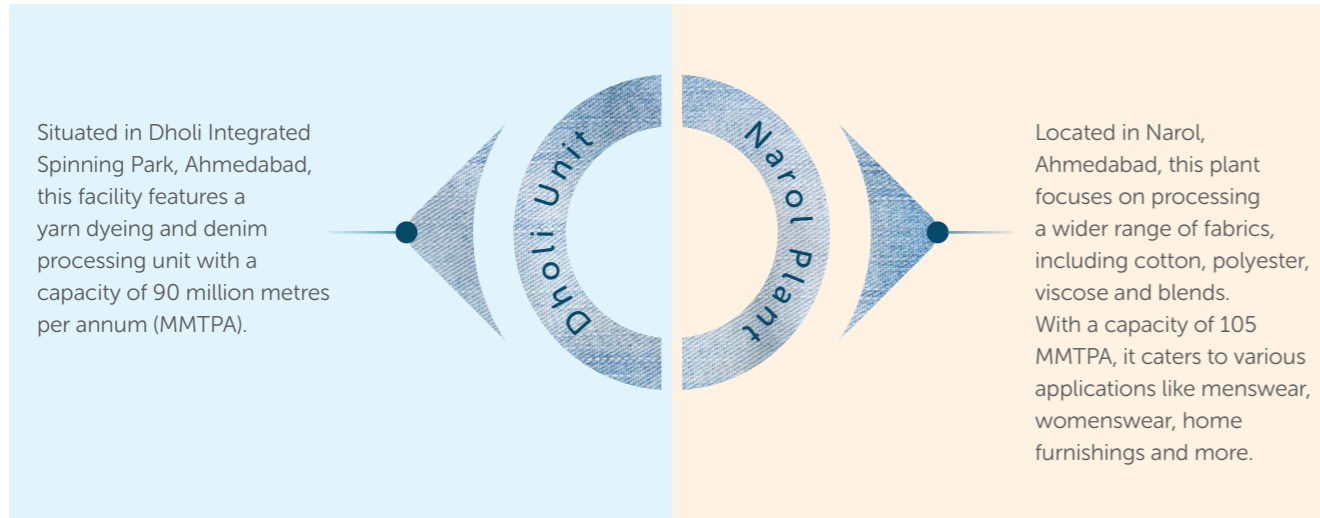


Integrity and impact

We are committed to uphold the highest ethical principles for making a positive impact on the world around us. This focus on integrity is evident in our relationships with employees, customers and the communities we serve.

Manufacturing excellence

At VFL) we operate two state-of-the-art manufacturing facilities strategically located to maximise efficiency and cater to diverse client needs-



Optimising efficiency with an asset-light model

We leverage an asset-light business model to sustain our robust financial position and deliver competitive products. This approach helps us-



Focus on strengthening our core competencies

We handle critical processes like product development, yarn dyeing and fabric finishing in-house, all while ensuring exceptional quality control



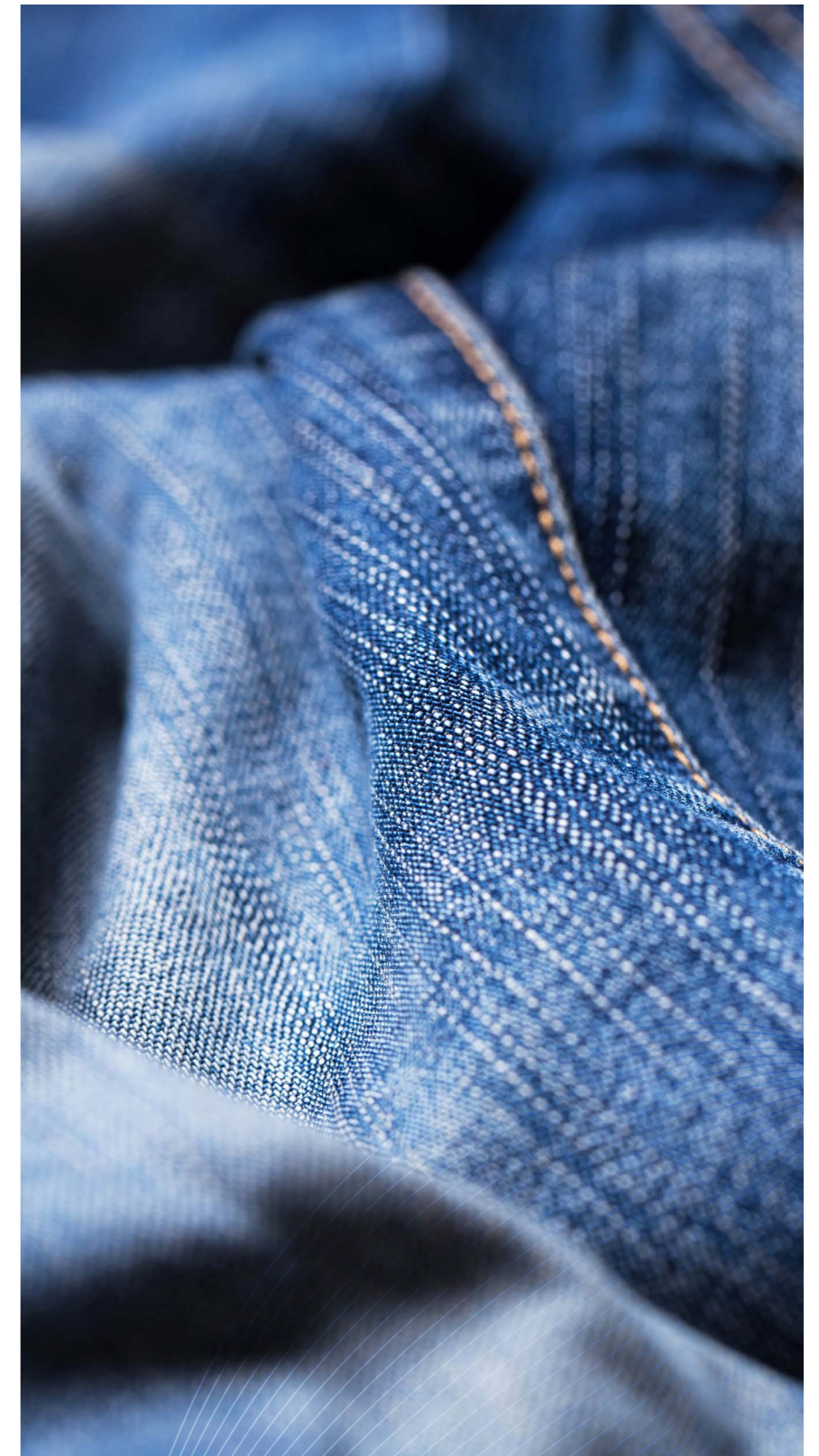
Enhanced agility

By outsourcing specific tasks such as spinning yarn and weaving fabric, we adapt quickly to market trends and customer demands



Cost-effective innovation

This model allows us to develop and produce new, trending products efficiently at competitive prices, maintaining a leading edge in the market.



Teams that fuel our progress

At VFL, we recognise that our success hinges on the talent and dedication of our people. We have built a strong team of experts across various disciplines, working together to deliver top-notch products and services.



Experienced leadership

Our Leadership team provides us with strategic direction and oversight of our operations



Skilled workforce

Our team members possess a deep understanding of the textile industry and are passionate about their craft. This expertise translates into high-quality products and efficient operations



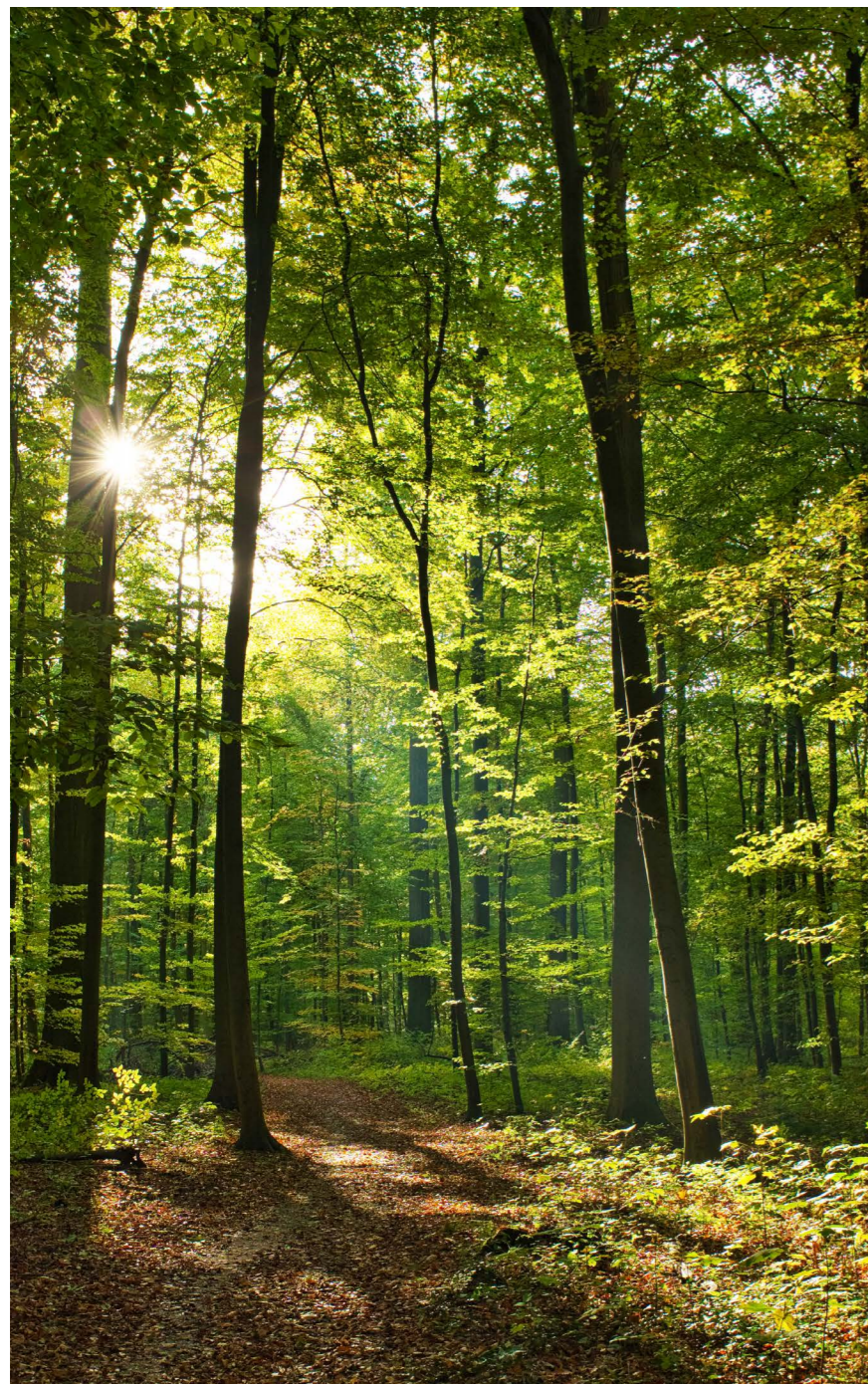
Collaborative culture

We maintain a collaborative work environment where open communication and teamwork are encouraged. This approach enables us to leverage the diverse skills and perspectives of our people, leading to continuous improvement and innovation.



Environmental stewardship

At Vishal Fabrics Limited (VFL), we believe that sustainable practices are integral to our business operations and our commitment to the environment. We are dedicated to minimising our ecological footprint while ensuring the highest quality products and services. Our sustainability efforts focus on several key areas



Energy management

We are constantly seeking ways to reduce our reliance on fossil fuels. Our solar power plant acts a captive power plant and generates clean energy onsite, substantially minimising our carbon footprint. Additionally, recent improvements implemented in August 2023 have enabled us to capture waste heat and utilise it for preheating water through a Plate Heat Exchanger (PHE). This innovative approach has resulted in a significant temperature increase (around 40-50°C) of the demineralised (DM) water, leading to a decline in deaerator steam consumption by approximately 4-5 MT each day. Consequently, fuel consumption has also decreased by about 1.5 MT per day.

In-house

Solar power plant

1.5 MT

Reduction in fuel consumption

4-5 MT

Reduction in steam consumption

Water management

We operate a zero-discharge facility, which ensures that we reuse water through a counterflow system. This innovative approach ensures optimum water utilisation. Further, in September 2023, we began utilising treated effluent water from our Effluent Treatment Plant (ETP) for our power plant's operations. This shift has resulted in a reduction of DM plant regeneration, leading to a decrease in chemical costs by approximately ₹70,000 every month. Additionally, power consumption has been reduced by about 200 kW/day.

Waste management

We believe in giving new life to materials. Leftover cotton fibres are repurposed into useful products like denim bags and tablecloths, minimising waste and promoting a circular economy.

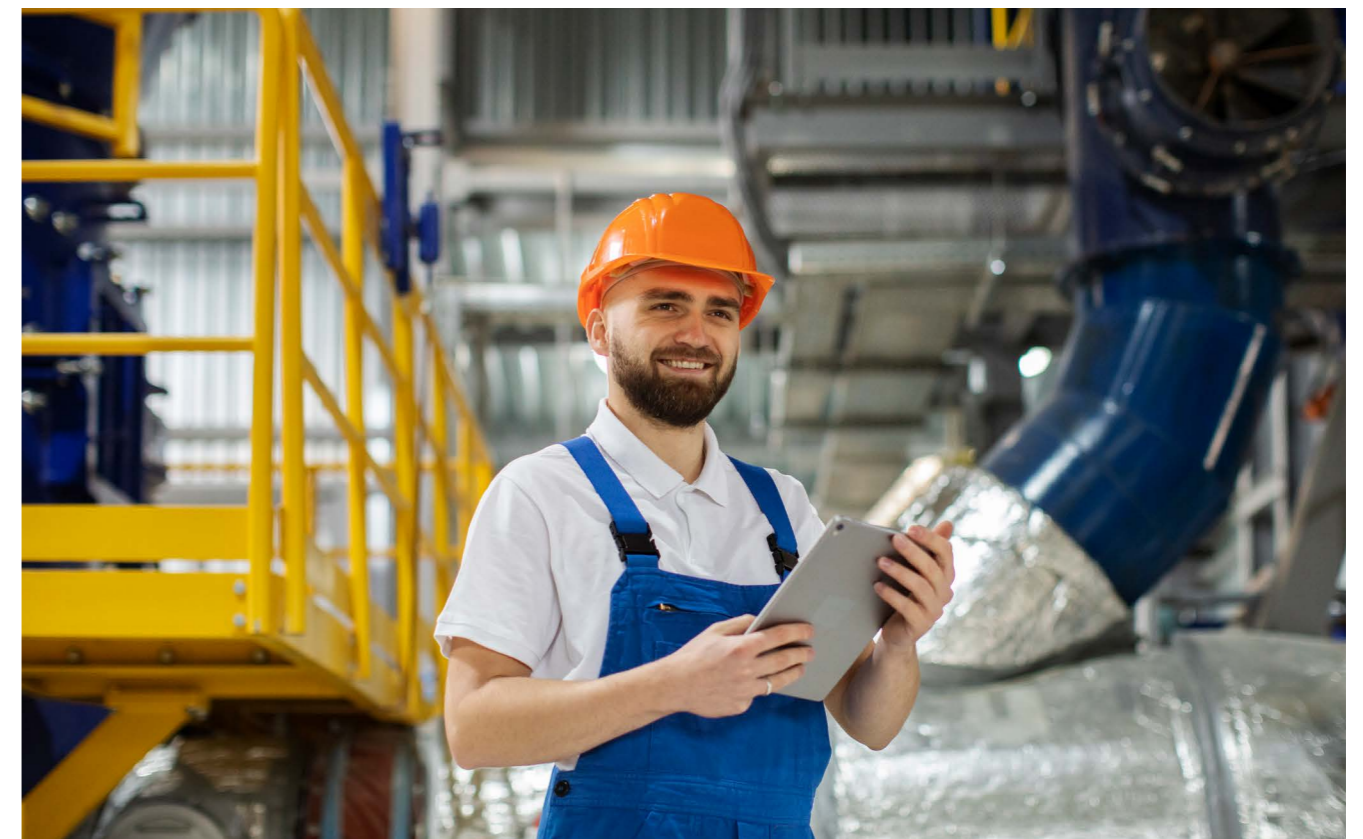
Air quality and biodiversity

We are dedicated to creating a greener environment. Extensive green spaces are maintained both within our facilities and throughout the industrial park, improving air quality and fostering a healthy ecosystem.

1,00,000+

Trees planted by Chiripal group

We are committed to continually improving our environmental practices. This year, we implemented an online monitoring system in August 2023 to track emissions, specifically Suspended Particulate Matter (SPM) and ensure compliance with the Gujarat Pollution Control Board (GPCB) regulations. Real-time data is continuously sent to GPCB for monitoring purposes. This initiative, along with our controlled pollution levels, has resulted in substantial cost savings.



Social

As a socially conscious corporate entity, our focus extends beyond business and profitability. Through several community development initiatives, we strive to create lasting change, elevating the quality of life of our community members as well as addressing their diverse concerns and needs.

Partnering for impact

In collaboration with esteemed organisations such as the Happiness Reserves Foundation (HRF), we make meaningful CSR interventions. By leveraging cutting-edge technology, HRF ignites a passion for innovation and fosters collaboration among students, equipping them to address future challenges with confidence.

Inspiring young minds

Through HRF's initiatives, we reach out to thousands of students across India. Some of these include-

School connect programmes

As part of our school connect programmes, we empower students by providing them with essential resources and workshops, ensuring they have the requisite tools to thrive in their academic journeys. Through these initiatives, students are equipped with valuable skills and knowledge that are crucial for their success both inside and outside the classroom.

World Robotics Olympiad (WSRO) Championships

We sponsor the WSRO Championships, a renowned series of regional and national competitions culminating in an international event. These competitions bring together the brightest young minds in robotics from around the world and provide a platform for students to showcase their creativity and problem-solving abilities.

Beside financial contributions, we encourage our employees to volunteer and engage in these programmes, thereby promoting a culture of giving back.



Governance

At VFL, we prioritise sound corporate governance by upholding the highest ethical standards and ensuring compliance with all applicable laws and regulations. Our steadfast commitment to accountability, trust and integrity permeates every facet of our operations, fostering a culture of transparency.

Board diversity

Our Board of Directors comprises diverse individuals with rich industry expertise. Their knowledge and foresight facilitates informed decision-making and ensures effective oversight of the company's strategy.

Separation of duties

To prevent conflicts of interest and promote accountability, the roles of Chairman and CEO are held by separate individuals. The Chairman provides strategic guidance, while the CEO focuses on day-to-day operations while implementing the Board's directives.

Policy on related party transactions

We have in place a comprehensive set of policies, including one on related-party transactions. This Policy outlines clear procedures for any dealings with affiliated entities, ensuring fairness and compliance with legal requirements.



Board of Directors



Mr. Brijmohan Chiripal
Chairman and Managing Director

Mr. Brijmohan Chiripal is a visionary, think tank, and a beacon of astute leadership in the Chiripal Group. He is a Chemical Engineer and dynamic entrepreneur with a vast managerial experience, he is among the main contributors to the development of Chiripal Group. He has approximately 25 years of experience in textile processing, export and domestic trading. He is associate with the Chiripal Group since long and He has very wide and rich experience in the Textile industry. He is a perfect executioner of the Company's mission and vision. His well-versed understanding of the Textile market and international markets enables the Company to undertake cost control and large size operations while ensuring high quality standards. He has brought strong execution rigor to his work and has considerably strengthened both innovation and new product development.



Mr. Ravindra Kumar Bajaj
Executive Director

Mr. Ravindra Kumar Bajaj is a Wholetime Director of our Company. He has been appointed w.e.f 25th May 2019. Mr. Ravindrakumar Bajaj is MBBS and has around 36 years of experience and has expertise in spinning cotton, synthetics, cottonyarn, manufacturing of cloth, operations of plant, experience in fabric, yarn business and knitted apparels.



Mr. Arvind Pandey
Executive Director

Mr. Arvind Pandey holds diploma in textile business and having varied experience of 35 years 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.



Mr. Shubhankar Jha
Independent Director

Mr. Shubhankar Jha is Independent Director of our Company. He has obtained a B. Sc. (Agriculture) from Bhagalpur University, Bihar in the year 1968 and a Post-Graduate M. A. in Gandhian Thoughts and Social Science from Gujarat Vidyapeeth in the year 2014. He has over 39 years' experience with UCO Bank in various positions from officer to General Manager. He has been part of various projects and programs of local, state and national level with entities like NABARD, SIDBI, GLPC, NAFIL, to name a few. He has also contributed to several books and information booklets for State of West Bengal, Rajasthan, Maharashtra (Mumbai) and Gujarat through NABARD and UNDP.



Mr. Susanta Kumar Panda
Independent Director

Mr. Susanta Kumar Panda is Independent Director of our Company. He is a graduate in Political Science (Hons) from Ravenshaw College affiliated to Utkal University, Odisha, Postgraduate in Political Science from University of Delhi and Law Graduate from Choudhary Charan Singh University, Meerut. He also cleared intermediate examination in science from Stewart Science College, Cuttack, Odisha affiliated to Utkal University, Odisha. He is an ex Indian Revenue Services Officer of 1982 Batch of Indian Customs, Excise and Service Tax, Government of India under Department of Revenue, Ministry of Finance. He was holding office in Ministry of Finance, Department of Revenue as Member of Central Board of Indirect Tax and Customs (CBIC).



Mrs. Dhara Shah
Independent Director

Mrs. Dhara Shah is Independent Director of our Company since September 28, 2015. She is Practicing Company Secretary by Profession. She has comprehensive experience in Corporate Law, Compliance with ROC, Secretarial Audit. Being an Independent Director of the company, her role currently is to ensure that the Board adheres to various Compliances as required under various regulations.

Corporate Information

BOARD OF DIRECTORS

Mr. Brijmohan D. Chiripal

Managing Director
(DIN: 00290426)

Mr. Ravindra Bajaj

Whole Time Director
(DIN: 08243855)

Mr. Arvind Pandey

Whole Time Director
(DIN: 10637419)
(Appointed w.e.f May 29, 2024.)

Mr. Shubhankar Jha

Independent Director
(DIN:07208823)

Mrs. Dhara Shah

Independent Director
(DIN:06983857)

Mr. Susanta Kumar Panda

Independent Director
(DIN: 07917003)

Mr. Parmod Kumar

Executive Director
(DIN: 06387498)
(Up to May 29, 2024.)

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Susanta Kumar Panda

Chairman

Mr. Brijmohan D. Chiripal

Member

Mr. Shubhankar Jha

Member

Mrs. Dhara Shah

Member

NOMINATION & REMUNERATION COMMITTEE

Mrs. Dhara Shah

Chairman

Mr. Shubhankar Jha

Member

Mr. Susanta Kumar Panda

Member

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Susanta Kumar Panda

Chairman

Mr. Shubhankar Jha

Member

Mrs. Dhara Shah

Member

Corporate Identity Number (CIN)

L17110GJ1985PLC008206

BANKERS

Bank of Baroda
Bank of Maharashtra
State Bank of India
CSB Bank Limited
South Indian Bank
Bandhan Bank

CHIEF EXECUTIVE OFFICER(CEO)

Mr. Vinay Thadani

CHIEF FINANCIAL OFFICER (CFO)

Mr. Dharmesh Dattani

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Pooja Dhruve

REGISTERED OFFICE/CORPORATE OFFICE

Shanti Corporate House,
Near Hira Rupa Hall, Bopal -
Ambli Road, Bopal,
Ahmedabad – 380058
Tel: 9099952542, 02717 -466959,
Fax: 091-7925353981

STATUTORY AUDITORS

M/s. S V J K and Associates

Chartered Accountants

INTERNAL AUDITORS

M/s. Ronak shah & Associates,

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

E-MAIL

cs.vfl@vishalfabrics.co.in

WEBSITE

www.vishalfabricsltd.com

Management Discussion and Analysis

Economic overview

Global economy¹

In CY 2023, the global economy endured various macroeconomic challenges. Notwithstanding persistent geopolitical turmoil, supply chain disruptions, increased inflation rate and tight monetary policies, the global economy demonstrated resilience and achieved a growth rate of 3.2%. The year under review witnessed the emerging market and developing economies (EMDEs) achieve a higher growth rate as compared to the advanced economies. While the EMDEs grew by 4.3%, the advanced economies grew by 1.6%.

The growth in the global economy was complemented by the decline in the global inflation level. Global inflation declined from its CY 2022 peak to 6.8% in CY 2023, owing to effective monetary policies undertaken by the central banks of the major economies. Additionally, the fall in the energy price aided the global inflation level to decline. With inflation declining faster-than-anticipated in most regions, the recovery of global economic activities was further bolstered in the reported year.

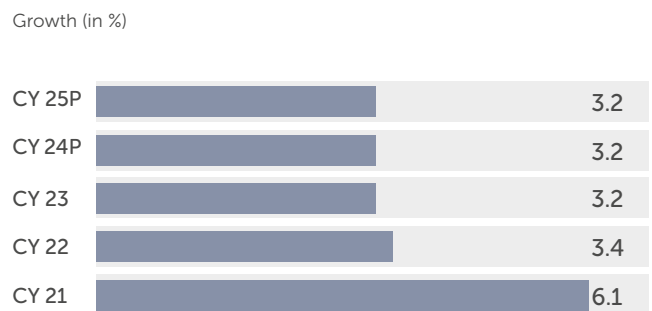
Outlook

The global economy is expected to sustain its growth at 3.2% for both CY 2024 and CY 2025. Additionally, global inflation level

is further projected to decline to 5.9% in CY 2024. As per the reports, global inflation is anticipated to decelerate faster in the advanced economies than in the EMDEs.

As global inflation reaches its target level, central banks of major economies are expected to ease their policy rates, accelerating the revival of economic activities and promoting global economic growth. However, with some of major countries conducting their general election in CY 2024, notable shifts in the economies are expected.

Growth in the Global GDP



P- projected

Source: World Economic Outlook April 2024, IMF

Indian economy

India is one of the fastest-growing economies in the world, achieving a growth rate of 8.2% in the year under review². Additionally, with inflation anchored at 5.4%³, it promoted private consumption among individuals. The strong economic growth was supported by effective policies and initiatives taken by the Reserve Bank of India (RBI) and the Indian Government.

With the aim to cultivate an attractive business environment, the Government of India (GoI) made significant investment in infrastructure and extended support to small businesses. Further, India attracted significant foreign direct investments (FDI) in FY 2024. The growth in the FDI was driven by India's presidency of G20, attracting global investors to the country.

Further, different sectors in the economy witnessed robust growth, especially the manufacturing sector. The reported year witnessed the manufacturing sector achieve a growth rate of 9.9%⁴, driven by strategic interventions made by GOI. One such initiative was Make in India, which attracted significant investments in the manufacturing sector and bolstered its growth.

Outlook

The Indian economy is expected to sustain its positive growth momentum in the forthcoming years, facilitated by the steady decline in the inflation level.

The Indian economy is poised to become the third largest economy in the world. It is expected that its GDP will surpass Japan and Germany to become an economy worth USD 5 trillion by 2027⁵. The Indian Government is proactively supporting this growth by strengthening every economic sector of the country by drafting relevant policies and programmes. With the aim to develop as a global manufacturing hub, the Government of India is emphasising upon strengthening the manufacturing sector of the country.

¹<https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

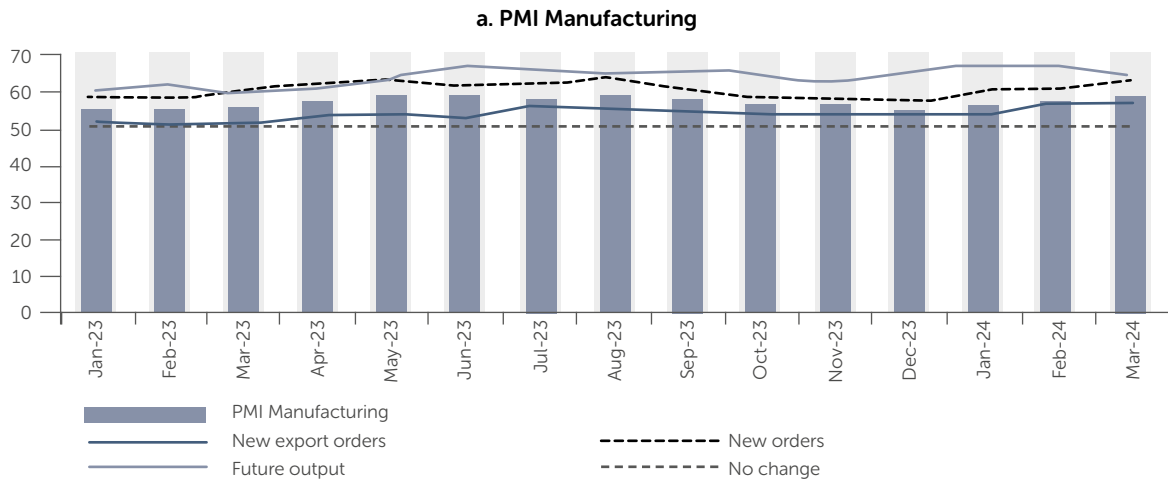
²<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=2022323>

³<https://www.cmie.com/kommon/bin/sr.php?kall=warticle&dt=20240208113526&msec=190>

⁴<https://theprint.in/economy/manufacturing-sector-witnessed-growth-of-9-9-per-cent-in-2023-24-says-fm-sitharaman-hailing-gdp-growth/2110886/>

⁵<https://www.livemint.com/market/stock-market-news/india-to-become-3rd-largest-economy-by-2027-market-cap-to-hit-10-trn-by-2030-jefferies-11708574245427.html>

In the Interim Budget FY 2024-25, the corporate tax for some new manufacturing companies was reduced as an incentive to encourage its growth. Additionally, the Indian economy can expect some major changes due to the General election in India. It is expected to bring changes in the governance and policy, redefining the growth trajectory in the coming years.



Source: Reserve Bank of India Bulletin April 2024, RBI

Industry overview

The Indian textile industry is one of the largest industries in the world, buoyed by an abundant supply of raw materials. India is one of the largest producers of cotton, jute and the second largest producer of silk globally. The industry is considered as India's largest employer, providing employment opportunities in various areas including farming of the raw materials, spinning, weaving, dyeing, printing and manufacturing. Additionally, the industry plays a pivotal role in bolstering the growth and development of the country, contributing to the country's GDP by 13% in the reported year.

India is one of the largest exporters of textiles and apparel in the global market. Indian textile products are exported to more than a hundred countries. Although the overall textile exports declined in FY 2024, cotton yarn, fabrics and handloom products experienced a year-on-year (YoY) increase in their exports in the year under review.

In FY 2024, the industry faced various challenges, including fluctuations in cotton prices, dumping of imported fabrics and dwindling demand. However, the Indian Government made significant interventions to support the growth of the domestic textile industry. Simultaneously, the Ministry of Textiles along with a consortium of 11 Textile Export Promotion Councils organised Bharat Tex 2024, a global textile mega event, in FY 2024. This event was organised to attract policymakers and global buyers to support the industry's growth, highlighting the strength, innovation and development of the Indian textile industry.

Opportunities

- The abundant availability of raw materials in the country supports the growth and development of the industry, facilitating expansion by improving productive efficiency and reducing the input cost.

⁶ <https://www.investindia.gov.in/sector/textiles-apparel>

⁷ <https://pib.gov.in/PressReleaseframePage.aspx?PRID=1961802#>

- In FY 2024, the Ministry of Textiles approved 18 research and development projects across key strategic areas, including sustainable textiles⁷. This is a significant growth opportunity for the industry, bolstering innovation and enhancing operational excellence.
- The Indian Government is working on signing the Free Trade Agreement (FTA) with various countries to promote exports of the textile industry. In FY 2024, the Indian Government signed a Trade and Economic Partnership Agreement (TEPA) with the European Free Trade Association, providing product development opportunities and leveraging advanced technologies to expedite the growth of the textile industry.
- With the advent of digitalisation, the Indian textile industry is well-positioned to embrace the lucrative growth opportunities. Digital transformation enables textile manufacturers to produce quality products at low cost and in less time, facilitates data-driven decision-making and effective inventory management to meet market demand.
- The China+1 business strategy offers significant growth opportunities for the Indian textile industry. With countries diversifying their supply chain, the Indian textile industry can capitalise on this opportunity, attracting international buyers and generating increased revenues from the global markets. This is anticipated to further fortify India's position in the global textile industry.

Challenges

- In FY 2024, the export of textile products experienced a challenging situation due to the Red Sea crisis. Additionally, increasing imports of fabrics from Bangladesh at lower production costs impacted the domestic players in the textile industry.

- The reported year witnessed a subdued Indian textile market demand, even during the festive season. Low consumption along with reduced exports, restricted its growth.

Outlook

As per the analysis, the industry is expected to record positive growth in the coming years. The Indian Government is actively drafting strategies to improve the contribution of textiles in the export. Additionally, by 2030, the Indian textile industry is anticipated to reach a total production size of USD 250 billion and export of USD 100 bn⁸. This growth is projected to be driven by leveraging technology, enhancing product innovation, fostering strategic partnerships and utilising data-driven decision-making processes. Moreover, factors including increasing Government support, recovery in textile export, rising disposable income and a growing middle-economic population are expected to further support the growth of the industry in coming years.

Company overview

Established in 1985, Vishal Fabrics Limited (VFL) envisions promoting denim as a household narrative rather than merely a style statement. Vishal Fabrics is a prominent player, known for dyeing, printing and processing denim, and other fabrics. As prominent players, we have propelled the growth of denim through a combination of advanced technology, sustainable practices, and tailored offerings that cater to diverse consumer needs. Company's prowess in fabric development and robust distribution networks has not only solidified their standing domestically but also earned on a global scale. These factors have helped the Company to stay ahead of the curve.

Strategically located in Gujarat, the Company benefits from a strong infrastructure facility that ensures smooth business operations. Additionally, the Company has established an extensive international presence in different countries including South Africa, Thailand, Sri Lanka and Bangladesh.

Operational performance

Financial Performance

Revenue from operations

(₹ in crores)

FY 24	1450.13
FY 23	1547.86
FY 22	1546.76

PAT

(₹ in crores)

FY 24	21.13
FY 23	52.82
FY 22	69.04

VFL has gained recognition for its capability and proficiency in dyeing, printing and processing denim and various other fabrics. The Company's manufacturing prowess has enabled the Company to consistently produce high-quality denim fabrics, outperforming its peers. VFL's diversified product portfolio facilitates meeting the ever-changing customer expectations and acquiring a global clientele. Additionally, VFL has undertaken relentless initiatives to streamline its operations and achieve consistent growth and success.

In FY 2024, the Company consistently reflected a strong operational performance and invested strategically to support the long-term growth of the Company.

Manufacturing capabilities

VFL has two manufacturing units at Dholi and Narol in Ahmedabad, Gujarat. These state-of-the-art plants are equipped with advanced technologies, optimising productive efficiency and enabling the Company to develop products that surpass customer expectations. This further supports the Company to enhance its competitiveness and establish itself as a prominent player in the market.

Company's manufacturing capabilities in the denim sector are truly impressive, a dyeing capacity of 80 million meters per annum (MMPA) and a processing capacity of 105 MMPA. These robust capabilities have enabled the company to achieve remarkable operational efficiency and productivity. Additionally, the adoption of sustainable production practices has further enhanced operational excellence and bolstered the Company's growth. Moreover, VFL's manufacturing units have earned various certifications, including ISO 9001:2015, ISO 14001:2015, OEKO-TEX, BCI and GOTS, ensuring the Company's manufacturing activities meet international standards.

EBITDA

(₹ in crores)

FY 24	100.95
FY 23	135.66
FY 22	161.38

Net worth

(₹ in crores)

FY 24	412.02
FY 23	390.30
FY 22	334.61

⁸ <https://pib.gov.in/PressReleasePage.aspx?PRID=2009087>

Key ratio

Ratios	FY 2024	FY 2023	Reasons for the variance of 25% or more.
Debtors Turnover (no. of days)	3.00	3.64	NA
Inventory Turnover (no. of days)	16.74	17.61	NA
Interest Coverage Ratio (in times)	2.62	3.63	Due to decrease in EBIDTA
Current Ratio (in times)	1.83	1.79	NA
Debt Equity Ratio (in times)	0.92	0.81	NA
Operating Profit Margin (in %)	6.96	8.76	NA
Net Profit Margin (in %)	1.46	3.41	Due to reduction in net income
Return on Net Worth (in %)	6.75	18.12	Due to decrease in net income

Risk and concerns

Risk	Risk description	Mitigation strategy
Economic risk	Economic risks arising due to fluctuations in the inflation rate and changes in trade terms can impact the Company's operations, its profitability and its sustainability.	By systematically analyzing on cost structure, conduct regular financial health assessments, diversify markets and supply chains, secure long-term contracts, VFL can better navigate economic uncertainties.
Competition risk	Due to a competitive environment, the Company is vulnerable to other market players impacting profitability, market share and return on capital employed by the Company.	VFL leads the industry with innovation. The robust research and development team ensures the Company stays ahead of the curve in terms of the services and products provided to its consumers. Furthermore, the Company forms strategic partnerships and fosters healthy relationships with clients to strengthen its brand image and mitigate the risks arising from growing competition.
Change in consumer preference	The Company operates in a very dynamic industry. Therefore, it is essential for the Company to remain abreast with the latest trends and develop products that can cater to changing customer preferences. Any failure to do so can impact competitiveness of the Company.	VFL maintains continuous market research and trend analysis, develop a responsive R&D strategy for quick product innovation, and enhance direct consumer engagement through digital platforms and personalized marketing.
Exchange rate risk	Due to its operations, the Company is exposed to various risks associated with fluctuations in the exchange rate currency.	VFL regularly monitors the currency movement and adopts an effective currency trading approach to mitigate any risk associated with exchange rates.
Technology risk	The Company needs to incorporate advanced technology to streamline manufacturing processes and meet customer demand efficiently. Failure to remain technologically-advanced can weaken the Company's position in the market.	By conducting thorough technology risk analysis and implementing robust mitigation strategies, VFL can safeguard their operations, enhance efficiency, and maintain competitiveness in a rapidly evolving technological landscape.
Procurement risk	To ensure operational efficiency, the Company needs to procure raw materials without any obstruction and at a standard price. Any fluctuations in the raw material price or obstruction to avail the raw materials can impact VFL's efficiency and its profitability.	The Company has implemented various initiatives to ensure smooth procurement of raw materials, optimising cost and managing its supply chain efficiently. These initiatives enable to effectively mitigate any risk arising from acquiring raw materials.
Environment risk	The Company's operations have a significant impact on the environment, leading to soil toxification and depletion of water bodies. It is essential for VFL to ensure environmental sustainability along with its operational efficiency. Failure to adhere to the sustainability goals have the potential to tarnish the Company's image.	The Company's undertaken initiatives for sustainable practices, reduce carbon footprints, utilize renewable energy sources, engage in regular environmental impact assessments, and comply with environmental regulations and standards.

Human resource

The Company believes that its workforce is one of the primary assets of the organisation. The Company had a total workforce of 1074 in the workplace. The Company, understanding the necessity of a skilled and competent workforce, provides training and development programmes to ensure the employees can enhance their skills and strengthen their leadership abilities to drive the organisation to new heights of success.

Additionally, the Company conducted an employee engagement program to augment productivity and promote an engaging working environment. These initiatives not only enhance employee satisfaction but also play a crucial role in improving employee retention. Moreover, the Company prioritises maintaining proper communication channels to facilitate open communication. This further, aided the Company to establish a transparent and collaborative work culture.

Outlook

VFL is poised for substantial growth in the forthcoming years, facilitated by a favourable business environment and strengthened Indian manufacturing sector. The Company is well-positioned to capitalise on the different growth opportunities. VFL aims to improve operational efficiency and diversify its product portfolio in the coming years. - Additionally, the Company is considering making strategic investments in its group companies to reinforce its market leadership by boosting productivity.

Internal control and adequacy

Vishal Fabrics maintains appropriate internal control systems that are constantly upgraded and updated to match changing business conditions and meet statutory and accounting requirements. The company also has a powerful Management Information System, which is a critical component of its control mechanism. The Audit Committee of the Board of Directors evaluates the efficiency and effectiveness of these internal control systems regularly, making recommendations for improvements and reinforcements. Throughout the year, the internal control system was thoroughly tested, revealing no major flaws in its design or operation.

Disclaimer

The MDA section contains forward-looking statements highlighting the Company's potential future prospects. These statements are subject to inherent risks and uncertainties, which may cause actual outcomes to differ significantly. Furthermore, macroenvironmental shifts and the unpredictable character of global events, such as the pandemic, pose unexpected obstacles to the Company and its operational environment. The information in the report is based on assumptions derived from both internal and external sources, which may vary over time, resulting in revisions to the estimations provided. It is crucial to note that these forward-looking statements reflect the Company's current objectives, beliefs, or assumptions and are accurate as of the date they were made. The Company is under no responsibility to update or alter these statements in light of new information or future events unless required by relevant regulations.

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:

1. 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."

2. 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:

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

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. A.G. Tulsian and Co., Practicing Cost Accountants (FRN: 100629), who are appointed as the Cost Auditor of the Company by the Board of Directors to conduct the audit of the cost records of the Company for the

financial year ending March 31, 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."

4. **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."

5. **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	Nexpect 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
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsd.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.nsd.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.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>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<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>
<p>Individual Shareholders (holding securities in demat mode) & login through their depository participants</p>	<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:

- o Click on ‘**Login**’ under ‘**SHARE HOLDER**’ tab and further Click ‘**forgot password?**’
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on ‘**Submit**’.
 - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
 - Shareholders/ members can set the password of his/ her choice by providing the information about the

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, 1 st 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 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.

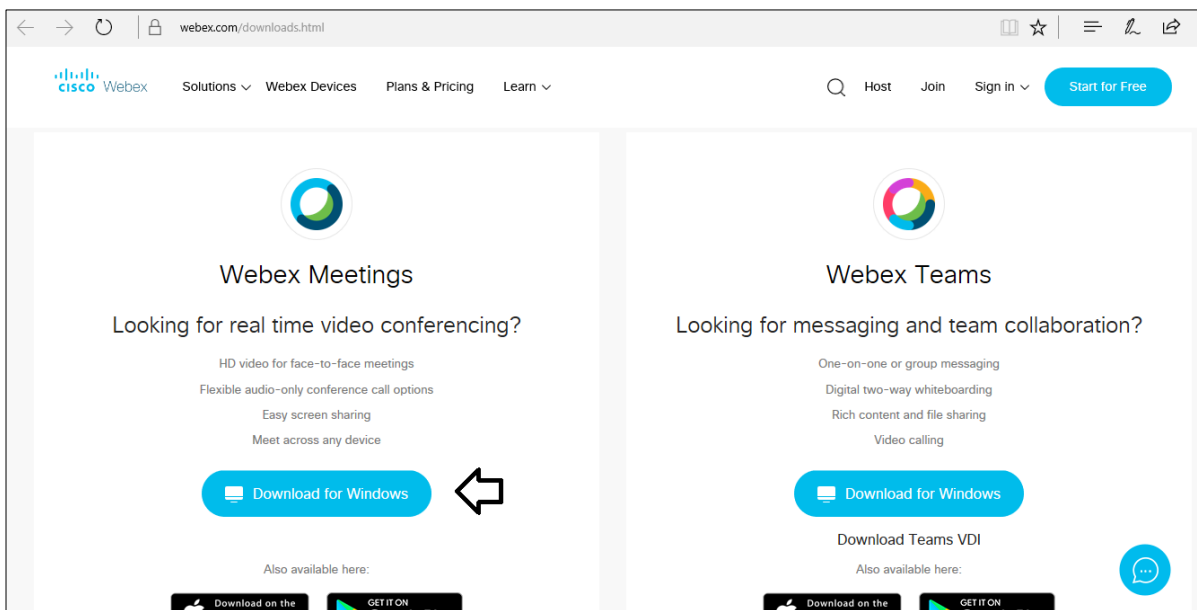
InstaMeet Support Desk
Link Intime India Private Limited

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]

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]

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

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]

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

The screenshot displays the Cisco Webex interface for joining an event. On the left, under 'Event Information', there are fields for Event status, Date and time, Duration, and Description. On the right, there is a 'Join Event Now' section with a message: 'You cannot join the event now because it has not started.' Below this message are four input fields: 'First name', 'Last name', 'Email address', and 'Event password'. A red arrow points to these fields with the text 'Mention your First name, Last name and email address'. Below the input fields is a 'Join Now' button, also indicated by a red arrow. At the bottom, there is a link 'Join by browser NEW' and a note 'If you are the host, start your event.'

Directors' Report

To,
The Members,
Vishal Fabrics Limited

Your directors are pleased to present the 39th Annual Report along with Audited Financial Statements for the Financial Year ended 31st March, 2024.

1. FINANCIAL RESULTS

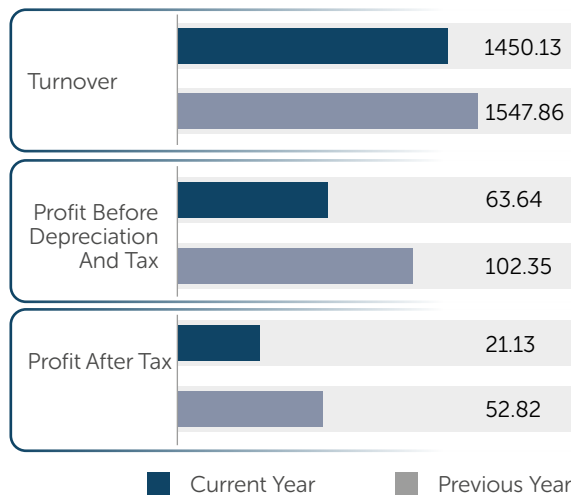
The Audited Financial Statements of your Company as on 31st March, 2024 are prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of the Companies Act, 2013 ("Act").

The summarized comparison of Audited Financial Results of the Company for the Financial Year 2023-2024 and the Financial Year 2022-2023 is given below:

Particulars	₹ in Crores	
	2023-24	2022-23
Net Revenue from Operations	1450.13	1547.86
Other Income	1.17	4.03
Total Revenue	1451.30	1551.89
Less: Expenses excluding Depreciation	1387.66	1449.55
Profit before Depreciation & Tax	63.64	102.35
Less: Depreciation	32.70	33.41
Profit Before Tax	30.94	68.94
Less: Provision for Taxation (Including Deferred Tax)	9.80	16.12
Profit After Tax	21.13	52.82
Earnings Per Share (in ₹)	1.07	2.67

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

During the year under review,



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

3. MATERIAL CHANGES OR COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATES AND THE DATE OF THE REPORT

During the Financial Year under review, there were no other material changes occurred or material commitments which affected the financial position of the Company except if any separately stated in this Board of Directors' Report and except as stated below:

During the financial year under review, the Company had made investment in equity shares of M/s. Quality Exim Private Limited, M/s. Nandan Industries Private Limited and

M/s. Chiripal Textile Mills Pvt Ltd in the manner as mentioned below and as a result of below mentioned companies become the Associate of the Company, which may consider as material changes.

Sr. No	Name of Companies	No of equity shares acquired	value per share (₹)	Total amount of investment	Date of transaction	% of holding Post investment	Resultant effect on Vishal Fabrics Limited
1	M/s. Quality Exim Private Limited	408000	10	40,80,000	March 29, 2024	28.03%	Associate* Company of M/s. Vishal Fabrics Limited
2	M/s. Nandan Industries Private Limited	750000	10	75,00,000			
3	M/s. Chiripal Textile Mills Private Limited	1170500	135	15,80,17,500	March 30, 2024	37.72%	Limited

(*Note: For convenience purpose and as per written opinion received by the Management and as per guidance given in IFRS 3 and FAS 141(R) the accounts of the associate companies will be consolidated as per equity method, as prescribed in Ind AS 28, with effect from 01.04.2024.)

There were no other material changes or commitments which affected the financial position of the Company which have occurred between the end of the Financial Year and the date of this Report.

4. DIVIDEND

The Board of Director has not recommended any dividend during the year.

In pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy which was approved and adopted in the Board Meeting and the same is available on company's web link at: www.vishalfabricsltd.com

5. TRANSFER TO RESERVES

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

6. SHARE CAPITAL

The paid-up equity shares capital of the Company as on 31st March, 2024 was ₹ 988,050,015/- comprising of 197,610,003 Equity Shares of face value of ₹ 5/- each. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants. As on 31st March, 2024, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

7. INFORMATION OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company has no subsidiaries and joint ventures. During the financial year under review, the Company had made investment in equity shares of M/s. Quality Exim Private Limited, M/s. Nandan Industries Private Limited and M/s. Chiripal Textile Mills Pvt Ltd in the manner as mentioned below and as a result of below mentioned companies become the Associate of the Company*.

Sr. No	Name of Companies	No of equity shares acquired	value per share (₹)	Total amount of investment	Date of transaction	% of holding Post investment	Resultant effect on Vishal Fabrics Limited
1	M/s. Quality Exim Private Limited	408000	10	40,80,000	March 29, 2024	28.03%	Associate* Company of M/s. Vishal Fabrics Limited
2	M/s. Nandan Industries Private Limited	750000	10	75,00,000			
3	M/s. Chiripal Textile Mills Private Limited	1170500	135	15,80,17,500	March 30, 2024	37.72%	Limited

*Note: For convenience purpose and as per written opinion received by the Management and as per guidance given in IFRS 3 and FAS 141(R) the accounts of the associate companies will be consolidated as per equity method, as prescribed in Ind AS 28, with effect from 01.04.2024. Hence pursuant to provisions of Section 129(3) of the Companies Act, 2013 (the "Act") read with Rule 5 of Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's associates in Form AOC-1 is not required to attached to the financial statements of the Company in financial year 2023-24.

8. CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the nature of your Company's business during the year under review.

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

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

10. EXTRACT OF ANNUAL RETURN

{In pursuance to Section 92 and 134 (3) (a) of the Companies Act, 2013 ("the Act") read with relevant Rules thereunder}

The Annual Return of the Company for the Financial Year 2023-2024 in the prescribed format in Form MGT-7 is available on the website of the Company at: www.vishalfabricsltd.com

11. RELATED PARTY TRANSACTIONS

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

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

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company except remuneration and sitting fees. The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company and can be seen at the link: www.vishalfabricsltd.com

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Composition of the Board is in accordance with the statutory provision. The Board consists of 6 (Six) members, of which 3 (Three) are Independent Directors. The Board also comprises of one women Independent Director.

The Company has received declarations from all the Independent Directors that they meet the criteria of

independence as prescribed in the Companies Act, 2013 and SEBI Listing Regulations, 2015.

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

- Reappointment of Mr. Ravindra Bajaj (DIN: 08243855) as Whole Time Director of the Company for a period of five years with effect from May 25, 2024 to May 24, 2029."

DIRECTORS RETIRING BY ROTATION

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

The following are the Key Managerial Personnel of the Company as on 31st March, 2024:

- Mr. Brijmohan Chiripal: Managing Director
- Mr. Ravindra Bajaj: Whole-time Director
- Mr. Vinay Thadani: Chief Executive Officer
- Mr. Dharmesh Dattani: Chief Financial Officer
- Ms. Pooja Dhruve: Company Secretary

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

13 NUMBER OF BOARD AND COMMITTEE MEETINGS

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

14. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on February 6, 2024 inter alia, to discuss:

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

All Independent Directors were present at the meeting.

15. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declarations from each independent director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

16. CRITERIA FOR APPOINTMENT OF INDEPENDENT DIRECTORS

An Independent Director shall be a person of integrity and possess appropriate balance of skills, experience and knowledge as details provided in the Corporate Governance Report. The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31st March, 2024 except for payment of sitting fees.

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

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

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

The Nomination and Remuneration Policy as approved by the Board of Directors has been uploaded on the

website of the Company and can be seen at the link: www.vishalfabricsltd.com

18. FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

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

19. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company has a Policy on Corporate Social Responsibility and the same has been posted on the website of the Company at link: www.vishalfabricsltd.com

The brief outline of the CSR Policy of the Company and the activities undertaken by the Company on CSR during the year under review and relevant details are set out in **Annexure III** which forms part of this Board Report.

Further, the composition, number and date of meetings held, attendance of the members of the CSR Committee meetings are given separately in the Corporate Governance report which forms part of this Annual Report.

20. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Nomination and Remuneration Committee has laid down the criteria for evaluation of the performance of individual directors and the Board as a whole. Based on the criteria the exercise of evaluation was carried out through a structured process covering various aspects of the Board functioning such as composition of the Board and committees, experience & expertise, performance of specific duties & obligations, attendance, contribution at meetings, etc. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Director. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Director being evaluated). The Directors expressed their satisfaction with the evaluation process.

21. AUDITORS AND AUDITORS' REPORT

A. STATUTORY AUDITORS

The Independent Auditor's Report given by the M/s. S V J K and Associates*, (FRN- 135182W), Statutory Auditors of the Company for the Financial Year 2023-2024 has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Further, M/s. Nahta Jain & Associates., (FRN.:106801W), Chartered Accountants, the Statutory Auditors of the Company has completed their two terms of five consecutive years as Statutory Auditors of the Company and not statutorily eligible for re-appointment with effect from the conclusion of 38th Annual General Meeting held for Financial Year 2022-2023.

Accordingly, pursuant to provisions of Sections 139, 141 & 142 of the Act and applicable Rules and other applicable provisions of the Act, the Board of Directors at its meeting held on August 1, 2023 has approved the appointment of M/s. S V J K and Associates*, (FRN- 135182W), Chartered Accountants as Statutory Auditors for five consecutive years from conclusion of the 38th Annual General Meeting held for Financial Year 2022-2023 till the conclusion of the 43rd Annual General Meeting of the Company, subject to the approval of shareholders of the Company at AGM.

Further the Company has received written consent(s) and certificate(s) of eligibility from the Statutory Auditors - S V J K and Associates, (FRN- 135182W), Chartered Accountant in accordance with Sections 139 and 141 of the Act and applicable Rules and other provisions of the Act and holds a valid certificate issued by the Peer Review Board of the ICAI. They have further confirmed that they were not disqualified to appoint as the Statutory Auditors in terms of the Act and Rules made thereunder.

* S V J K and Associates (Formerly known as A S R V & Co.)

B. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Chirag Shah & Associates, Practising Company Secretary (Membership No. 26725) to conduct the Secretarial Audit of the Company for the Financial Year 2023-24.

The Secretarial Audit Report for the Financial Year ended 31st March 2024, pursuant to Section 204 of the Companies Act, 2013 and rules made thereunder is annexed herewith as **Annexure - II**. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

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

Further, the Board of Directors of the Company have re-appointed M/s. Chirag Shah & Associates Practising Company Secretary (Membership No. 26725), Ahmedabad for conducting audit of the secretarial records for the financial year 2024-2025. The required consent to act as the Secretarial Auditors of the Company has been received by the Company from M/s. Chirag Shah & Associates, Company Secretaries, Ahmedabad on terms & conditions

as mutually agreed upon between the Secretarial Auditors and the Board / management of the Company.

C. COST AUDITORS

In accordance with the provisions of Section 148 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company has appointed M/s. A.G. Tulsian and Co., Cost Accountants (FRN: 100629) as the Cost Auditor of the Company for the financial year 2023-24.

The Board has re-appointed M/s. A.G. Tulsian and Co., Cost Accountants (FRN: 100629) as Cost Auditor to conduct the audit of cost records of your Company for the financial year 2024-25. The payment of remuneration to Cost Auditor requires the approval/ratification of the members of the Company and necessary resolution in this regard, has been included in the notice convening 39th AGM of the Company.

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

The Cost Audit Report, in Form No. CRA-4 (XBRL mode), for the year ended March 31, 2023 was filed with the Central Government within the prescribed time.

D. INTERNAL AUDITORS

In accordance with the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company has appointed two Internal Auditors for the financial year 2023-24:

1. M/s. Ronak Shah & Associates- (Appointed w.e.f. May 16, 2023)
2. M/s. Haribhakti & Co. LLP, Chartered Accountants. (Till First quarter of financial year 2023-24)

Further the Internal Auditors, M/s. Jhaveri Shah & Co., Chartered Accountants has resigned with effect from May 8, 2023. In view of the above, the board has appointed M/s. Ronak Shah & Associates., (FRN: 116766W), Ahmedabad Chartered Accountants as Internal Auditor w.e.f May 16, 2023 for the Financial Year 2023-2024, on such terms & conditions as may be mutually agreed upon by the Auditors and by the Board from time to time.

Further, the Board has re-appointed M/s. Ronak Shah & Associates., Chartered Accountants (FRN: 116766W), Ahmedabad as Internal Auditors of the Company for the Financial Year 2024-2025. The required consent to act as the Internal Auditors of the Company for the Financial Year 2024-2025 has been received by the Company from the said Internal Auditors, on terms & conditions as mutually agreed upon between the Internal Auditors and the Board / management of the Company.

22. CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company. The Board Members and the Senior Management personnel have affirmed compliance with the code for the year 2023-24. The said Code of Conduct has been posted on the website of the Company at link: www.vishalfabricsltd.com

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

23. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

24. CORPORATE GOVERNANCE

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

25. PREVENTION OF INSIDER TRADING

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 the Board has formulated and implemented a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons and Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information.

The updated "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" ("Code of Fair Disclosure") uploaded on the Company's website at link: www.vishalfabricsltd.com

26. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has framed a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The said policy has been disseminated within the organization and has also been uploaded on the Company's website at link: www.vishalfabricsltd.com

27. NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY

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

(by way of sitting fees and commission), Key Managerial Personnel and Senior Management.

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

The Nomination and Remuneration Policy as approved by the Board of Directors has been uploaded on the website of the Company and can be seen at the link: www.vishalfabricsltd.com

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

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

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

An appropriate complaint mechanism in the form of "Internal Complaints Committee" has been created in the Company for time-bound redressal of the complaint made by the victim. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaints of sexual harassment in the Financial Year 2023-24.

29. PUBLIC DEPOSITS

The Company has not accepted any Deposits from the public during the Financial Year 2023-24.

30. RISK MANAGEMENT

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

The Company has laid down a Risk Management Policy which defines the process for identification of risks, its assessment, mitigation measures, monitoring and

reporting. The policy has also been uploaded on the Company's website at link: www.vishalfabricsltd.com

31. INTERNAL CONTROL SYSTEM

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

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

32. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the accounts for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2024 and of the profit of the company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the accounts for the financial year on going concern basis;
- (v) the Directors have laid down internal financial controls, which are adequate and were operating effectively; and
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

33. PROCEEDINGS PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company has not made any application nor any proceeding are pending under the Insolvency and Bankruptcy Code, 2016 during the Financial Year 2023-24. The requirement to disclose the details of application

made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

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

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

35. TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124 and 125 of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), as amended from time to time, the amount of dividend remaining unpaid or unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (IEPF).

During the year under review, no amount was due for transfer to IEPF in accordance with Section 125 of the Companies Act, 2013.

36. PARTICULARS OF EMPLOYEES

The percentage increase in remuneration, ratio of remuneration of each Director and key managerial personnel (KMP) (as required under the Act) to the median of employees' remuneration, as required under Section 197 of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014, are set out in "Annexure V" of this report.

The information required under provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Annual Report. In terms of Section 134 and Section 136 of the Act, the Annual Report is being sent to the shareholders and others entitled thereto, excluding the said annexure, which is available for inspection by the shareholders at the Registered Office of your Company during business hours on working days of your Company. If any shareholder is interested in obtaining a copy thereof, such shareholder may write to the Company Secretary in this regard.

37. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended March 31, 2024 as stipulated under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable for financial year 2023-24 as your Company is not falling in the list of top

1000 Companies as per the Market Capitalization as on March 31, 2024.

38. ENVIRONMENT, HEALTH AND SAFETY

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

39. COMPLIANCE WITH SECRETARIAL STANDARDS

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

40. REPORTING OF FRAUDS

There was no instance of fraud during the Financial Year 2023-24, which were required by the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

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

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

42. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THERE OF DURING THE FINANCIAL YEAR

It is not applicable to the Company, during the financial year.

43. INSURANCE

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

44. LISTING OF SHARES

The Company's shares are listed at BSE Limited and the listing fee for the year 2024-2025 has been duly paid.

45. CAUTIONARY STATEMENT

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

46. APPRECIATION AND ACKNOWLEDGEMENT

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

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

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

Date: July 27, 2024
Place: Ahmedabad

Brijmohan D. Chiripal
Managing Director
DIN: 00290426

Ravindra Bajaj
Whole-time Director
DIN: 08243855

Annexure-I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Vishal Fabrics Limited
Shanti Corporate House, Nr. Hira Rupa Hall,
Bopal-Ambli Road, Bopal,
Ahmedabad, Sanand, Gujarat, India, 380058.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Vishal Fabrics Limited** having CIN L17110GJ1985PLC008206 and having registered office at Shanti Corporate House, Nr. Hira Rupa Hall, Bopal-Ambli Road, Bopal, Ahmedabad, Sanand, Gujarat, India, 380058 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Ravindrakumar Bajranglal Bajaj	08243855	25/05/2019
2.	Mr. Brijmohan Devkinandan Chiripal	00290426	01/06/2017
3.	Ms. Dhara Rupeshkumar Shah	06983857	05/03/2015
4.	Mr. Shubhankar Jha	07208823	28/05/2015
5.	Ms. Susanta Kumar Panda	07917003	01/06/2021
6.	Mr. Pramod Kumar Sharma	06387498	08/08/2022

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

For, Chirag Shah and Associates

Chirag Shah

Membership No.: 5545

CP No.: 3498

UDIN: F005545F000879473

Peer Review Cer. No. 704/2020

Date: 27th July, 2024

Place: Ahmedabad

Annexure-II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Vishal Fabrics Limited
Shanti Corporate House, Nr. Hira Rupa Hall,
Bopal-Ambli Road, Bopal,
Ahmedabad, Sanand, Gujarat, India, 380058.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Vishal Fabrics Limited (CIN: L17110GJ1985PLC008206)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit by using appropriate Information technology tools like virtual data sharing by way of data room and remote desktop access tools, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after. The physical Inspection or Verification of documents and records were taken to the extent possible.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i). The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: Not Applicable to the Company during the audit period;
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not Applicable to the Company during the audit period;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: Not Applicable to the Company during the audit period;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable to the Company during the audit period;
 - i. SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

Further being a Textile Industry and involved in specific products, there are no specific applicable laws to the Company, which requires approvals or compliances under any Act or Regulations.

1. We have also examined compliance with the applicable clauses of the following:
 - a. Secretarial Standards issued by the Institute of Company Secretaries of India;
 - b. The Listing Agreements entered into by the Company with Stock Exchange(s): -

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

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

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In Certain cases, the shorter notice was given for meetings and the consent of all directors were taken for the same.

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

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

We further report that During the year under review, following special resolutions have been passed vide Postal Ballot dated April 16, 2023:

1. To give loans, inter corporate deposits, give guarantees in connection with loans made by any person or body corporate and acquire by way of subscription, purchase or otherwise the securities of any other body corporate in excess of the limits prescribed in section 186 of the Companies, Act, 2013 upto an aggregate amount of Rs. 500 crores.
2. To grant approval for giving loan or guarantee or providing security in connection with loan availed by any of the company's subsidiary or any other person specified under section 185 of the Companies Act, 2013 upto an aggregate amount of Rs. 500 crores.
3. To Re-Appoint Mr. Brijmohan D. Chiripal(DIN: 00290426) as Managing Director of The Company and approve his Remuneration.

We further report that During the year under review, following special resolutions have been passed on Annual General Meeting dated September 29, 2023:

1. To Appoint Mr. Ravindra Bajaj (DIN: 08243855) as Whole Time Director.
2. To Approve revision in the remuneration of Mr. Parmod Kumar (DIN: 06387498) as an Executive Director of the Company.

Chirag Shah

Partner

Chirag Shah and Associates

FCS No. 5545

C P No.: 3498

UDIN: F005545F000879429

Place: Ahmedabad

Date: July 27, 2024

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

'Annexure A'

To,
The Members
Vishal Fabrics Limited
Shanti Corporate House, Nr. Hira Rupa Hall,
Bopal-Ambli Road, Bopal,
Ahmedabad, Sanand, Gujarat, India, 380058

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad
Date: July 27, 2024

Chirag Shah
Partner
Chirag Shah and Associates
FCS No. 5545
C P No.: 3498
UDIN: F005545F000879429
Peer Review Cert. No. 704/2020

Annexure-III

Corporate Social Responsibility (CSR)

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2023-24.

1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy has been prepared in accordance with Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India, in 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) as amended from time to time. Our CSR initiatives focus on promoting education, healthcare activities, eradicating hunger, conducting research activities. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy.

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

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

- To Train and promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- To undertake, conduct, organize, support, provide and work towards educational, cultural, environment, research and development activities and to act as a forum for exchange of information, ideas and experience for related issues through various mediums for this task of social, economic and educational upliftment of the poor and backward classes, Child education, direction/counseling to youth for right career, women and youth empowerment, health campaigns and awareness, clean & green India projects through awareness, projects for orphans, projects for addiction free youth through awareness.
- Developing infrastructure of schools by upgrading school buildings, providing classroom setup like benches, desks and boards, among others and helping in setting up of libraries and science laboratories and other related activities;
- Promoting education by providing educational resources for students as computer & study material, student books & periodicals, teaching aids, computer hardware & software for smart classes, workshops on self-defense and enhancing soft skills;
- Socializing the importance of education for children and community leaders;
- Granting scholarship for higher education, etc.

3. The Composition of the CSR Committee:

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

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

4. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.vishalfabricsltd.com

5. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

6. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL

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

(₹ In Crores)

Particulars	2020-21	2021-22	2022-23
Net Profit	32.30 Crores	96.45 Crores	69.28 Crores

Average net profit of the Company for last three financial year is at ₹ 66.01 Crores

8. (a) Two percent of average net profit of the company as per section 135(5): ₹ 1.32 Crores
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
 (c) Amount required to be set off for the financial year, if any: NIL
 (d) Total CSR obligation for the financial year (8a+8b-8c): ₹ 1.32 Crores
9. (a) CSR amount spent or unspent for the financial year:

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

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

Sr. No	Name of the Project/	Item from the list of activities in Schedule VII to the Companies Act, 2013	Local Area (Yes/No)	Location of the project		Amount Spent for the Project (In ₹ Crores)	Mode of implementation – Direct (yes/no)	Mode of Implementation - Through implementing agency	
				State	District			Name	CSR Registration No,
1.	School Upgradation, Digital Educations and promoting various educational initiatives & awareness programmes (more specifically described in point no. 2 of this annexure)	Item No. (ii) Promoting Education, employment enhancing vocation skills especially among children and women	Yes	Gujarat	Ahmedabad	0.298 Crores	No	Milestone Educom Trust	CSR00016150
						0.455 Crores	No	Happiness Reserve Foundation	CSR00015212
						0.742 Crores	No	Chiripal Charitable Trust	CSR00016151
TOTAL						1.495 Crores			

- (d) Amount spent in Administrative Overheads: NIL
 (e) Amount spent on Impact Assessment, if applicable: Not Applicable
 (f) Total amount spent for the Financial Year (9b+9c+9d+9e): ₹ 1.495 Crores
 (g) Excess amount for set off, if any:

Sr. No	Particulars	Amount (In ₹ Crores)
i	Two percent of average net profit of the company as per section 135(5)	₹ 1.32 Crores
ii	Total amount spent for the Financial Year	₹ 1.495 Crores
iii	Excess amount spent for the financial year [(ii)-(i)]	₹ 0.175 Crores
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 0.175 Crores

10. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): None
11. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable
12. **Specify the reason(s), if the company has failed to spend 2% of the average net profit as per Section 135(5):** Not Applicable

Date: July 27, 2024
Place : Ahmedabad

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

Annexure-IV

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

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

A. CONSERVATION OF ENERGY:

i. the steps taken or impact on conservation of energy

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

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

- The company has installed hot water collector which enables the reuse of hot water.
- Company have installed 0.999 MW Solar Rooftop plant at the Dholi unit to enhance energy efficiency and reduce costs incurred from power usage.
- We start using ETP RO water which reduce the DM plant regeneration at the Dholi unit
- Solar Plants installed at Corporate Office to utilize natural resources of energy as an alternate source.

iii. the capital investment on energy conservation equipment: Nil

B. TECHNOLOGY ABSORPTION:

i. the efforts made towards technology absorption

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

ii. the benefits derived as a result of above efforts

- Quality of fabric processed improved by adoption of new technology.
- Cost Efficient Use
- Increased Productivity and Efficiency
- Data Analysis and Reporting
- Risk analysis and prepare performance reports

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

iv. the expenditure incurred on Research and Development:

v. The Company has not incurred any specific expenditures on Research & Development during the Financial Year 2023-2024.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE FINANCIAL YEAR 01/04/2023 TO 31/03/2024:

EXPORT DETAILS

PARTICULARS	AMOUNT	CURRENCY
TOTAL EXPORT MADE	37630	USD

IMPORT DETAILS

PARTICULARS	AMOUNT	CURRENCY
TOTAL IMPORT MADE	18,02,817	USD
TOTAL IMPORT MADE	21,132	EURO

Annexure-V

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

- i. Ratio of the remuneration of each director to the median remuneration of the Employees of the Company for the financial year 2023-24:

Sr. No	Name	Category	Ratio
1.	Mr. Brijmohan Chiripal	Managing Director	57.08: 1
2.	Mr. Ravindra Bajaj	Whole time Director	13.92: 1
3.	Mr. Pramod Kumar	Director	2.65: 1

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

- ii. The percentage of increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the FY 2023-24:

Sr. No	Name	Category	%
1	Mr. Brijmohan Chiripal	Managing Director	Nil
2.	Mr. Pramod Kumar	Executive Director	Nil
3.	Mr. Ravindra Bajaj	Whole time Director	Nil
4.	Mr. Vinay Thadani	Chief Executive Officer	Nil
5.	Mr. Dharmesh Dattani	Chief Financial Officer	Nil
6.	Ms. Pooja Dhruve	Company Secretary	31%

The median remuneration of the employees of the Company as on 31st March, 2024 was ₹ 301716 per year.

- iii. During FY 2024, the percentage increased in the median remuneration of employees of the Company as compared to previous year was 6%
- iv. No. of permanent employees on the rolls of the Company: 456
- v. Average percentage increase already made in the salaries of employees other than the managerial remuneration in comparison with the last financial year: 6%
- vi. Affirmation that the remuneration is as per the remuneration policy of the company: Yes

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2024, in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

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

A Report of Corporate Governance is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the report contains the details of Corporate Governance systems and processes at Vishal Fabrics Limited.

2. BOARD OF DIRECTORS:

a. Composition of Board:

The Company has an active and a balanced Board, with an optimum combination of Executive and Non-Executive Directors with atleast half of the Board of the Company comprising Non – Executive Directors. As on March 31, 2024, the Board consists of 6 (Six) Directors out of which 1 (One) is Managing Director, 1(One) Whole time Director and 1(One) Executive Director. Further, 3 (Three) are Non-Executive Directors and Independent Directors, including 1 (One) Woman Independent Director. The Composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013.

The Board of Company comprised of Six (6) Directors including One (1) Woman Director with atleast 50% (Fifty percent) of it as Non – Executive Directors as on March 31, 2024, details of which are as follows: -

Sr. No	Name of Director & DIN	Category of Directors
1	Mr. Brijmohan D. Chiripal DIN: 00290426	Managing Director, Executive; Non-Independent
2.	Mr. Parmod Kumar DIN: 06387498	Executive Director; Non - Independent Director
3.	Mr. Ravindra Bajaj DIN:08243855	Whole Time Director, Executive; Non- Independent
4.	Mr. Shubhankar Jha DIN: 07208823	Non-Executive Independent Director
5.	Mrs. Dhara Shah DIN: 06983857	Non-Executive Independent Director,
6.	Mr. Susanta Kumar Panda DIN:07917003	Non-Executive Independent Director

In terms of Regulation 17(A) of the Listing Regulations, none of the Directors of the Company serves as an Independent Director in more than 7 (Seven) listed entities. Moreover, none of the Directors on the Company's Board is a member of more than 10 (Ten) Committees or act as Chairman of more than 5 (Five) Committees (Committees being Audit Committee and Stakeholders Relationship Committee) across all the Companies in which he or she is a director pursuant to the Regulation 26 of Listing Regulations. Necessary disclosures have been made by each Director.

b. Meeting and Attendance:

During the year, the Board of Directors met 4 times on 16th May 2023, 1st August 2023, 6th November 2023 and 6th February 2024. The gap between two Board Meetings was within the maximum time gap prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

Sr. No	Name of Directors	Number of Board Meetings held during the tenure of Directorship	Number of Board Meetings attended	Whether present at the previous AGM (Yes / No)
1.	Mr. Brijmohan D. Chiripal	4	4	Yes
2.	Mr. Parmod Kumar	4	3	Yes
3.	Mr. Ravindra Bajaj	4	4	Yes
4.	Mr. Shubhankar Jha	4	2	No
5.	Mrs. Dhara Shah	4	4	Yes
6.	Mr. Susanta Kumar Panda	4	4	Yes

c. The details of each member of the Board along with the number of Directorship(s)/Committee Membership(s)/Chairmanship(s) as at 31st March, 2024 are as given below:

Name of the Directors and DIN	Category	Number of Directorships in listed entities including this listed entity **	Number of Independent Directorships in listed entities including this listed entity**	Number of membership in Audit/ Stakeholder Committee including this listed entity***	Number of post of Chairperson in Audit/ Stakeholder Committee including this listed entity ***
Mr. Brijmohan D. Chiripal DIN: 00290426	Managing Director, Executive; Non-Independent	1	0	2	0
Mr. Parmod Kumar DIN: 06387498	Executive Director; Non - Independent Director	1	0	0	0
Mr. Ravindra Bajaj DIN:08243855	Whole Time Director, Executive; Non- Independent	1	0	0	0
Mr. Shubhankar Jha DIN: 07208823	Non-Executive Independent Director	1	1	2	0
Mrs. Dhara Shah DIN: 06983857	Non-Executive Independent Director,	3	3	6	1
Mr. Susanta Kumar Panda DIN:07917003	Non-Executive Independent Director	3	3	7	5

**In compliance with Regulation 17A of SEBI (LODR) Regulations, 2015

*** In compliance with Regulation 26(1) of SEBI (LODR) Regulations, 2015 & the membership is inclusive of number of post of chairperson and Excludes Private Limited Companies, Foreign Companies, Section 8 Companies.

Pursuant to the amendments through SEBI (LODR) (Amendment) (Regulations), 2018 in Schedule V; the names of other listed entities where Directors of the Company are Directors along with the category of Directorship as at 31st March, 2024 are appended separately below:

Sr. No	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship in the listed companies
1	Mrs. Dhara Shah DIN: 06983857	Ace Software Exports Limited Mayur Floorings Limited	Non-Executive Independent
2	Mr. Susanta Kumar Panda DIN:07917003	Shanti Educational Initiatives Limited Zee Media Corporation Limited	Director

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

There is no relationship between the Directors inter-se.

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

Apart from sitting fees for attending Board & Committee meetings, no other fees or commission is paid to the Non-Executive Independent Directors during the financial year. As on March 31, 2024 holding of Non-Executive Directors in Equity Shares and convertible instruments are Nil in the Company.

f. Familiarization Program for Directors:

On appointment of an individual as Director the company explained the role, function, duties and responsibilities and in addition the above the company also conducts Familiarization Program at least once in the year. The details of the familiarization program for Independent Directors are available on the Company's website at <https://vishalfabricsltd.com/>

g. Key Board Qualifications, Expertise and Attributes:

While all the Board members possess the skills identified, their area of core expertise is given below as on March 31, 2024:

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

- h. The Board of Directors has confirmed that in the opinion of the board, the independent directors fulfil the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.
- i. No Independent director resigned during the year ended March 31, 2024.

3. AUDIT COMMITTEE:

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

a. Brief Description of terms of reference:

The role of the Audit Committee includes the following:

- I. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- IV. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
- V. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- VI. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- VIII. Approval or any subsequent modification of transactions of the listed entity with related parties;
- IX. Scrutiny of inter-corporate loans and investments;
- X. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- XI. Evaluation of internal financial controls and risk management systems;
- XII. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XIII. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- XIV. Discussion with internal auditors of any significant findings and follow up there on;
- XV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- XVI. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XVII. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- XVIII. To review the functioning of the whistle blower mechanism;
- XIX. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- XX. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- XXI. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- vi. Statement of deviations:
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations, 2015.
 - Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations, 2015.
 - As on 31st March 2024, the Audit Committee of the Company comprised of three Independent Directors viz. Mrs. Dhara Shah, Mr. Shubhankar Jha, Mr. Susanta Kumar Panda and one Executive Director – Mr. Brijmohan Chiripal. During the Financial Year 2023-24, 4 Audit Committee Meetings were held on 16th May 2023, 1st August 2023, 6th November 2023 and 6th February 2024. The attendance of Members at meetings was as under:

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;

Sr. No	Name of members	Position	No. of meeting held during the year	No. of meetings attended
1.	Mr. Susanta Kumar Panda	Chairman	4	4
2.	Mr. Shubhankar Jha	Member	4	2
3.	Mrs. Dhara Shah	Member	4	4
4.	Mr. Brijmohan D. Chiripal	Member	4	4

The Audit Committee invites Senior Executives, Representatives of the Statutory Auditors of the Company & Head of the Internal Audit Department, whenever it considers appropriate, in the meetings. The Company Secretary of the Company acted as the Secretary of the Committee for the financial year 2023-24.

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

4. NOMINATION AND REMUNERATION COMMITTEE:

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

a. Brief description of Terms of reference:

The Committee has the mandate to review and recommend compensation/ remuneration payable to the Managing Director, Whole-time Directors and Senior Management of the Company. Its function

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

- To formulate criteria for determining qualifications, positive attributes and independence of a director and oversee the succession management process for the Board and senior management employees;
- To recommend the Board a policy relating to the remuneration of the Directors, KMPs and other employees of the Company;

- | | |
|--|--|
| <ul style="list-style-type: none"> iii. To formulate criteria for evaluation of Independent Directors and the Board; iv. To devise a policy on Board Diversity; v. To carry out evaluation of every Director's performance; vi. To identify persons who are qualified to become Director and who may be appointed in senior management in accordance with the criteria | <ul style="list-style-type: none"> laid down, and recommend to the Board their appointment and removal. vii. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors. viii. To recommend to the board, all remuneration, in whatever form, payable to senior management. |
|--|--|

b. As on 31st March 2024, the Nomination and Remuneration Committee of the Company comprised of three Independent Directors viz. Mrs. Dhara Shah, Mr. Susanta Kumar Panda and Mr. Shubhankar Jha.

During the Financial Year 2023-24, 1 (One) Nomination and Remuneration Committee Meeting were held on 1st August 2023. The Attendance of Members at meeting was as under:

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

c. Performance Evaluation Criteria for Independent Directors:

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

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 25 of the SEBI (LODR) Regulations, 2015., the performance of non-independent Directors, the Chairperson of the Company and Board as a whole and to assess the quality, quantity and flow of information between the management and the Board was carried out.

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

d. Remuneration of Directors:

i. Remuneration to Non-Executive Directors:

There are no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, except otherwise stated in the Report. All the Non-executive Directors receive sitting fees for attending Board Meetings, Audit Committee Meetings and Nomination and Remuneration Committee Meetings. The sitting fees paid to Non-Executive Directors are within the limits prescribed under the Companies Act, 2013 read with the relevant Rules.

Details of the sitting fees paid during the financial year 2023-24 are as under:

Sr. No	Name of the Directors	Sitting Fees paid (Amount in ₹) Board/Committee Meeting
1.	Mrs. Dhara Shah	80,000/-
2.	Mr. Shubhankar Jha	50,000/-
3.	Mr. Susanta Kumar Panda	1,00,000/-

ii. Remuneration to Executive Directors:

Details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2024 are as under:

Sr. No	Name of the Directors	Designation	Salary & Allowances (Amt. in ₹)	Contribution to PF (Amt. in ₹)	Total (Amt. in ₹)
1.	Mr. Brijmohan D. Chiripal	Managing Director	1,42,22,520	47,98,680	1,90,21,200
2.	Mr. Ravindra Bajaj	Whole Time Director	42,00,000	NIL	42,00,000
3.	Mr. Parmod Kumar	Director	78,96,000	NIL	78,96,000

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

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Committee is responsible for matters related to stakeholders' grievances and roles and responsibilities provided in the Company act, 2013 and the SEBI (LODR) Regulations, 2015.

a. As on 31st March 2024, the Stakeholders Relationship Committee of the Company comprised of three Independent Directors viz. Mrs. Dhara Shah, Mr. Shubhankar Jha and Mr. Susanta Kumar Panda.

During the Financial Year 2023-24, 4 Stakeholders Relationship Committee meetings were held on 16th May 2023, 1st August 2023, 6th November 2023 and 6th February 2024. The attendance of Members at meetings was as under:

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

b. Name and Designation of Compliance Officer:

Pooja Dhruve – Company Secretary & Compliance Officer.

c. Details of Complaints/ Queries received and redressed during 1st April 2023 to 31st March 2024 are as follows:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
0	2	2	0

6A. RISK MANAGEMENT COMMITTEE:

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

6B. SENIOR MANAGEMENT:

Particulars of senior management including the changes therein since the close of the previous financial year:

Sr. No	Designation
1.	Ashish Bansal Deputy Manager (Finance & Accounts)
2.	Dipex Modi Executive (Finance & Accounts)
3.	Viren Suchak Manager (Finance & Accounts)
4.	Rajneesh Garg General Manager (Marketing)
5.	Mahesh Kawat Senior Manager (Finance & Accounts)
6.	Jyotender Tiwari Manager (Marketing)
7.	Dharmesh Dattani Chief Financial Officer
8.	Pooja Dhruve Company Secretary & Compliance Officer

* There has been no change in the senior management of the Company since the close of the previous financial year.

7. INFORMATION ON GENERAL BODY MEETINGS:

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

FINANCIAL YEAR	DATE & TIME	VENUE
2022-23	September 29, 2023 02:00 P.M.	Meeting through Video Conferencing/ Other Audio-Visual Means facility.
2021-22	September 30, 2022 02:00 P.M.	
2020-21	December 20, 2021 02:00 P.M.	

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

2022-23

- a. Reappointment of Mr. Ravindra Bajaj (DIN: 08243855) as Whole Time Director of the Company and approve his remuneration
- b. Approval of revision in the remuneration of Mr. Parmod Kumar (DIN: 06387498) as an Executive Director of the Company

2021-22

- a. Increase In Borrowing Power
- b. Increase in creation of charges on the Movable and Immovable properties of the company, both present and future, in respect of borrowings

2020-21

No special resolution was passed

- iii. Postal Ballot and procedure:

During the year under review, the Company obtained the approval from shareholders through postal ballot, the details of the same are mentioned herein below. Details of resolutions passed through postal ballot during Financial Year 2022-23 and details of the voting pattern:

The following resolutions were passed through Postal Ballot (including electronic voting) as on 16th April, 2023:

- a) To give loans, inter corporate deposits, give guarantees in connection with loans made by any person or body corporate and acquire by way of subscription, purchase or otherwise the securities of any other body corporate in excess of the limits prescribed in section 186 of the Companies, Act, 2013 upto an aggregate amount of ₹ 500 Crores.

Votes in favour of resolution	114215563
Votes against the resolution	1605
Percentage of votes in favour of resolution	99.9986%

- b) Approval for giving loan or guarantee or providing security in connection with loan

availed by any of the Company's subsidiary or any other person specified under section 185 of the Companies Act, 2013 upto an aggregate amount of ₹ 500 Crores.

Votes in favour of resolution	114215558
Votes against the resolution	1610
Percentage of votes in favour of resolution	99.9986%

- c) To Re-appoint Mr. Brijmohan D. Chiripal (DIN: 00290426) as Managing Director of the Company and approve his remuneration.

Votes in favour of resolution	114216677
Votes against the resolution	491
Percentage of votes in favour of resolution	99.9996%

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

8. MEANS OF COMMUNICATION:

In compliance of SEBI Listing Regulations, the quarterly and annual financial results of the Company were submitted to Stock Exchange i.e. BSE soon after Board of Directors approved and taken on record these results and were normally published in Financial Express in English and Gujarati language and displayed on the Company's website at www.vishalfabricsltd.com. All important information(s) and official press releases, wherever required, are displayed on the website for the benefit of the public at large.

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

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

9. GENERAL SHAREHOLDER INFORMATION:

i. Annual General Meeting:

Date	27 th August, 2024
Time	2:00 P.M IST
Venue	Meeting through Video Conferencing/ Other Audio-Visual Means facility.

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

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

iv. Registered Office:

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

E-mail: cs.vfl@vishalfabrics.co.in

Website: <https://vishalfabricsltd.com/>

Tel: 9099952542, 02717 -466959,

Fax: 091-7925353981

x. **Stock Market Price Data:** Monthly high and low prices of the Company's Equity Shares on BSE Sensex for the FY. 2023-2024 are noted herein below:

Month	High Price	Low Price	Close Price	Volume of Shares
Apr 23	21.49	16.45	20.36	517945
May 23	21.2	17.8	17.95	447141
Jun 23	18.83	17.05	17.25	1194876
Jul 23	17.57	16.15	16.67	673849
Aug 23	17.74	14.28	17.11	1205040
Sep 23	20.99	17	20.36	1227258
Oct 23	22.95	18.7	20.69	2279353
Nov 23	26.1	20.02	24.06	2696668
Dec 23	24.44	21.06	22.04	1068644
Jan 24	25.2	20.5	21.76	9184758
Feb 24	26.7	21.25	22.87	11791650
Mar 24	23.25	18.1	18.41	3319783

All Prices in ₹

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

Link Intime India Private Limited

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

Phone: 079 2646 5179

Website: www.linkintime.co.in

E-mail: ahmedabad@linkintime.co.in

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

v. Listing on Stock exchanges:

S. no	Name of Stock Exchange	Code/ Symbol	Address
1.	BSE Limited	538598	Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001

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

vii. **Custodian Fees to Depositories:** The Company has paid fees for the financial year 2023-24 of Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).

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

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

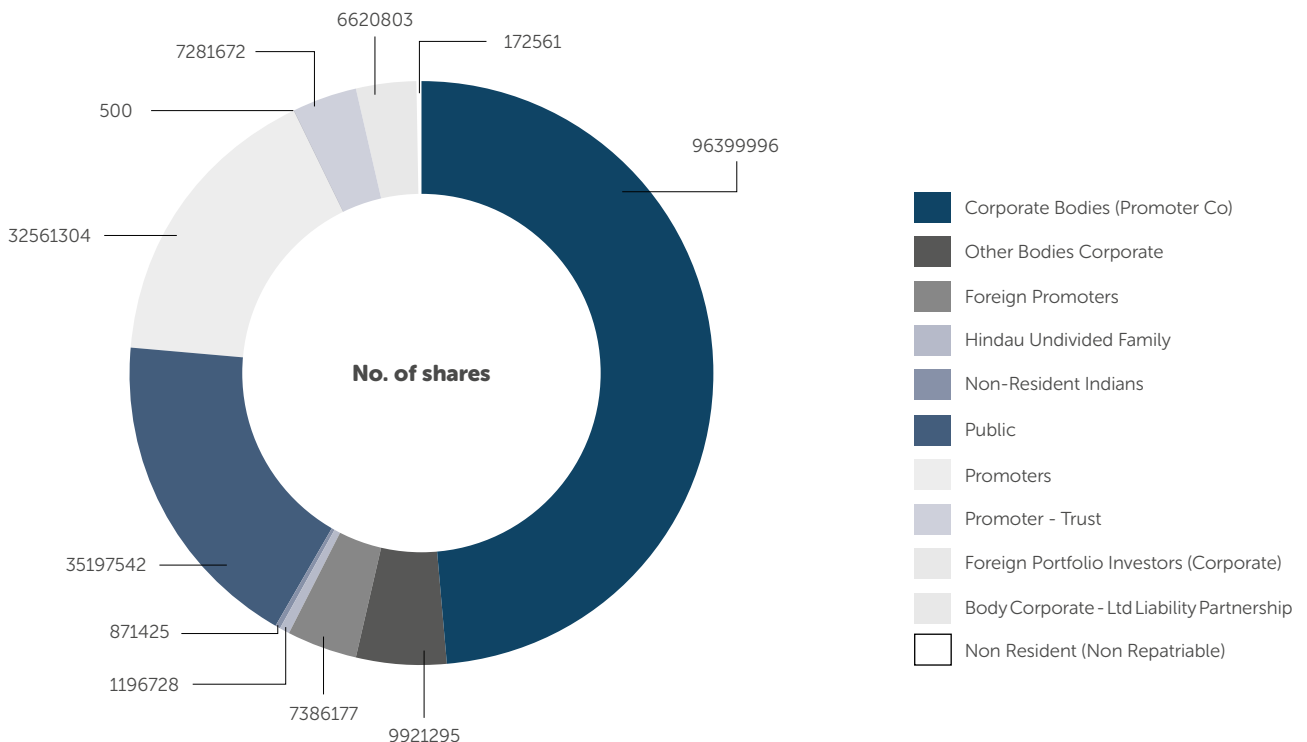
xiii. Distribution of shareholding:

- Distribution of Shareholding as on March 31, 2024:

S. no	Shares Range	No. of Shareholders	Total Shares	% of issued capital
1.	1- 500	27999	3579283	1.8113
2.	501-1000	3747	3015529	1.5260
3.	1001-2000	2147	3268751	1.6541
4.	2001-3000	944	2422188	1.2257
5.	3001-4000	410	1471759	0.7448
6.	4001-5000	402	1899488	0.9612
7.	5001-10000	595	4374540	2.2137
8.	100001 and above	539	177578465	89.8631

- Category wise Shareholding as on March 31, 2024:

Category of Shareholders	No. of shares	% Of issued capital
Corporate Bodies (Promoter Co)	96399996	48.7830
Other Bodies Corporate	9921295	5.0206
Foreign Promoters	7386177	3.7378
Hindau Undivided Family	1196728	0.6056
Non-Resident Indians	871425	0.4410
Public	35197542	17.8116
Promoters	32561304	16.4776
Promoter - Trust	500	0.0003
Foreign Portfolio Investors (Corporate)	7281672	3.6849
Body Corporate - Ltd Liability Partnership	6620803	3.3504
Non Resident (Non Repatriable)	172561	0.0873
TOTAL	197610003	100



- xiv. **Dematerialization of Shares and Liquidity:** Entire equity share capital is held in the demat form with NSDL and CDSL.
- xv. **Outstanding Global Depository receipt (GDRs)/American Depository Receipt (ADRs) /Warrants or any Convertible Instruments, conversion date, likely impact on equity:** - NA

xvi. Plant Locations:

- Narol, Ahmedabad
- Dholi, Ahmedabad

xvii. Address for Correspondence:

- For any query relating to shares:

Link Intime India Private Limited

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

Phone: 079 2646 5179

Website: www.linkintime.co.in

E-mail: ahmedabad@linkintime.co.in

- For General Correspondence:

Registered Office

Company Secretary

Vishal Fabrics Limited, Shanti Corporate House, Near Hira Rupa Hall, Bopal - Ambli Road, Bopal, Ahmedabad - 380058.

Tel: 9099952542, 02717 -466959,

Fax: 091-7925353981

Website: www.vishalfabricsltd.com

E-mail: cs.vfl@vishalfabrics.co.in

xviii. Credit Rating obtained in the Financial Year 2023-24:

During the financial year 2023-24, India Ratings and Research Private Limited ("Credit Rating Agency") has rated the bank facilities of Vishal Fabrics Limited ("the Company") as under:

Instrument Type	Size of Issue (million)	Rating	Rating Action
Term loans	INR1,256	IND A-/Stable	Assigned
Fund-based limit	INR1,780	IND A-/Stable/IND A2+	Assigned
Non-fund-based limit	INR260	IND A2+	Assigned
Proposed fund-based limit	INR220	IND A-/Stable/IND A2+	Assigned
Proposed non-fund-based limit	INR140	IND A2+	Assigned

Pursuant to Regulation 30 of Listing Regulations, necessary disclosures were made to the Stock Exchanges in regards to same.

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

conflict with the interest of the Company at large. The interest of Director, if any, in the transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions. Details of transactions with related parties are placed before the Audit Committee on a quarterly basis.

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

10. Other Disclosures:

i. Related Party Transactions:

During the year under review, apart from the transactions reported in Notes to accounts, there were no material significant related party transactions with the Promoters, Directors, Managements and other Related Parties. None of the contracts/ transactions with Related Parties had a potential

ii. Details of Non- Compliance:

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

The Bombay Stock Exchange had imposed penalty for non-compliance of optimum composition of executive and non-executive director under Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Non-compliance of Regulation 295 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 whereby the Company had delayed by 15 days for implementation of bonus shares declared in Annual General Meeting held on 9th December 2020. The Company has paid respective penalty to the Bombay Stock Exchange.

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

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

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

iv. Compliances by the Company:

The Company has complied with all mandatory requirements laid down by the Regulations 27 of the Listing Obligations and Disclosure Requirements Regulations, 2015. The non-mandatory requirements complied with wherever requires and same has been disclosed at the relevant places.

v. Web Link for policy on Material Subsidiary:

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

vi. Web Link Where Policy on Dealing with Related Party Transactions

The policy on Related Party Transactions is disclosed on the Company's website at <https://vishalfabricsltd.com/wp-content/uploads/2021/02/Related-Party-Policy.pdf>

vii. Disclosure of commodity price risks and commodity hedging activities.

There is no commodity price risk and commodity hedging activity during the financial year ended

on March 31, 2024. The Company does not use any derivative contracts to hedge exposure to fluctuations in commodity prices.

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

The Company has not raised any fund during the previous financial year through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ix. Certificate from Company Secretary in Practice:

The Company has taken certificate from Mr. Chirag Shah, Practicing Company Secretary, Membership No. 5545 and Certificate of Practice No. 3498, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

x. Recommendation of any committee of the board which is mandatorily required:

The Board has accepted all the recommendations of various committees of the Board during the financial Year 2023-2024.

xi. Details of total fees paid to Statutory Auditors:

The total fees for all services paid by the listed entity to the statutory auditor is ₹ 12,86,600/- p.a.

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

- number of complaints filed during the financial year – NIL
- number of complaints disposed of during the financial year - NIL
- number of complaints pending as on end of the financial year –NIL

xiii. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

The company has not granted any loans and advances to firms/companies in which directors are interested.

xiv. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

The Company has not any material subsidiaries.

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

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

12. Discretionary Requirements:

• The Board

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company, since the Chairman of the Company is an Executive Director.

• Shareholders' Rights:

The quarterly and half yearly financial performance along with significant events are published in the newspapers and are also posted on the Company's website.

• Modified opinion(s) in audit report:

There are no qualifications in the Auditor's Report on the financial statements of the company.

• Reporting of Internal Auditor

Internal Auditors are invited to the meetings of Audit Committee wherein they report directly to the Committee.

- Details of shares lying in suspense account: Not Applicable

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

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

14. Code of Conduct:

The Company has laid down a Code of Conduct for the Members of the Board and the Senior Management in accordance with the Regulation 17(5) of the SEBI (LODR) Regulations, 2015. All the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct as on 31st March, 2024 and a declaration to that effect signed by the Chief Executive Officer is enclosed of this report.

The code of conduct has been hosted on the website of the Company at <https://vishalfabricsltd.com/wp-content/uploads/2021/02/Code-of-Conduct-for-BOARD-AND-SENIOR-MANAGEMENT.pdf>

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

I, Vinay Thadani, Chief Executive Officer of Vishal Fabrics Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulation 26 (3) of the SEBI (LODR) Regulations, 2015 for the year ended 31st March, 2024.

Place: Ahmedabad

Date: July 27, 2024

Vinay Thadani,

Chief Executive Officer

Independent Auditor's Certificate on Corporate Governance

To,
The Members
Vishal Fabrics Limited

This Certificate is issued in accordance with the terms of our Company. We have examined the compliance of conditions of corporate governance by **Vishal Fabrics Limited** (the 'Company') For the year ended 31st March 2024, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and Paragraphs C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015 (the listing regulation)

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate Governance as stipulated in the Listing Regulations during the year ended 31st March, 2024.

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

Restriction on use

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

For, **S V J K and Associates**
Chartered Accountants
Firm Reg. No. 135182W

Reeturaj Verma
Partner

Date: 29.05.2024
Place: Ahmedabad

M.No. 193591
UDIN:24193591BKAFLR5555

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

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

To,
The Board of Directors,
Vishal Fabrics limited

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

- a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2024 and based on our knowledge and belief, we state that:
 - i. These statements do not contain any materially untrue statement or omit material fact or contain any statement that might be misleading;
 - ii. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, the deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - i. Significant changes, if any, in the internal control over financial reporting during the year;
 - ii. Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Date: May 29, 2024
Place: Ahmedabad

Dharmesh Dattani
Chief Financial Officer

Vinay Thadani
Chief Executive Officer



Independent Auditors' Report

To
The Members of
M/S. VISHAL FABRICS LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of M/S. VISHAL FABRICS LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Changes in Equity and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian accounting Standards prescribed under section 133 of the Act read with the companies (Indian Accounting standards) Rule, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024 and its profit & total Comprehensive Income, Changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters. Based on the circumstances and facts of the audit and entity, there are no key audit matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that there is a no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Emphasis of Matter

We draw the attention to the financial statements, which describes the effect of investment made by company in different group companies including right issue subscription. This acquisition makes the concern entities associate of the company as on 29th March, 2024 and 30th March, 2024. However, company has taken the written opinion of independent chartered accountant and decided to give consolidation effect for the 1st April, 2024.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the

assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgements and estimates that are responsible and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statement

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Standalone Balance sheet, the statement of Standalone Profit and loss, other comprehensive Income, Statement of changes in Equity and the

Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
 - iii) The Provisions of transfer of funds to Investor Education and Protection Fund not applicable to the Company.
 - iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or



- invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- vi) The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year.

For, S V J K and Associates
Chartered Accountants
Firm Reg. No. 135182W

Place: Ahmedabad
Date: 29th May 2024
UDIN: 24193591BKAFLR5555

Reeturaj Verma
Partner
M.No. 193591

Annexure "A" to the Independent Auditor's Report

Responsibilities for Audit of Financial Statement

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

For, S V J K and Associates
Chartered Accountants
Firm Reg. No. 135182W

Place: Ahmedabad
Date: 29th May 2024
UDIN: 24193591BKAFLR5555

Reeturaj Verma
Partner
M.No. 193591



Annexure "B" to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2024, we report that;

- (i) In respect of Property, Plant and Equipment and Intangible Assets:
- a) A) According to the information and explanation given to us and the records produced to us for our verification, the company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital Work in Progress ('CWIP') and Right to Use.
- B) According to the information and explanation given to us and the records produced to us for our verification the company is maintaining proper records showing full particulars of the Intangible assets including those under development.
- b) According to the information and explanation given to us and the records produced to us for our verification, the Company has a regular programme of physical verification of its Property, Plant and Equipments by which all Property, Plant and Equipments are verified by the management at least once in every three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year and the discrepancies noticed on verification were not material and have been appropriately dealt with in the books of accounts. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanation given to us and the records produced to us for our verification, the title deeds of all the immovable properties (other than immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the company) disclosed in the standalone financial statements are held in the name of the company.
- (a) As per the information furnished, the company has not granted any loans or advances, secured or unsecure, but made investment in other concerns and provided guarantee, to the companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Balance and transaction of the same are as under.
- d) According to the information and explanation given to us and the records produced to us for our verification, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, clause 3(i)(d) of the Order is not applicable.
- e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- (ii) In respect of Inventory:
- (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. As informed to us there were no material discrepancies noticed on verification between the physical stocks and the book records and any discrepancies found has been properly dealt within the books of accounts.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets and quarterly returns/ statements filed by company with such bank or financial institutions are in agreement with books of accounts.
- (iii) In respect of the loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register-maintained u/s. 189 of the Companies Act, 2013:

Particulars	Guarantees	Loans	Advances
Aggregate amount of granted/provided during the year			
others	34,68,540	-	-
Balance outstanding as at Balance sheet date in respect of above cases	-	-	-
others	3,59,06,145	-	-

- (b) According to information and explanation given to us and based on the audit procedures conducted by us, in our opinion Investments and guarantee provided are not prejudicial to the interest of company.
- (c) In our opinion as no loans and advances are granted by company during the year hence clause 3 (iii) (c), (d), (e), (f) of the Companies (Auditor's Report) Order, 2020 are not applicable
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanation given to us, the company has not accepted any deposit from the public during the year. Therefore, the provisions of clause (v) of paragraph 3 of the order are not applicable to the company.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost records and

Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of the company's services to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Goods and Service Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of afore mentioned dues were outstanding as at 31st March 2024 for a period of more than six months from the date they became payable.

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

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

- (viii) According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- (ix) 1) Based upon the audit procedures performed, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender, although certain loans taken from related parties, which fell due during the year, were renewed/extended prior to the due date and interest accrued and remaining unpaid has been added to loans outstanding at year end, as per terms of the agreement.
- 2) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- 3) According to the information and explanations given to us by the management, the company has utilized the money obtained by way of term loan during the year for the purposes for which they were obtained.

4) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that, prima facie, no funds raised on short term basis have been used by the company for long-term purposes.

- 5) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that the company has not taken funds from any other entities and company doesn't have subsidiary.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable



- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the Audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has not received any whistle-blower complaints during the year.
- (xii) According to the information and explanations given to us, the Company is not Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under provisions of sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For, S V J K and Associates
Chartered Accountants
Firm Reg. No. 135182W

Place: Ahmedabad
 Date: 29th May 2024
 UDIN: 24193591BKAFLR5555

Reeturaj Verma
Partner
M.No. 193591

Annexure "C" to the Auditors' Report

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

Opinion

We have audited the internal financial controls over financial statements of **M/S. VISHAL FABRICS LIMITED** ("the Company"), as of 31 March, 2024, in conjunction with our audit of the standalone financial statements of the Company as at and for the year ended that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in



accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For, S V J K and Associates
Chartered Accountants
Firm Reg. No. 135182W

Place: Ahmedabad
Date: 29th May 2024
UDIN: 24193591BKAFLR5555

Reeturaj Verma
Partner
M.No. 193591

Balance Sheet

as at 31st march 2024

(₹ in Crore)

PARTICULARS	Note No.	As at 31-03-2024	As at 31-03-2023
1 NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	157.74	175.68
(b) Capital Work-In-Progress	2A	1.93	9.39
(c) Investment Property	2B	59.46	64.88
(d) Financial Assets			
(i) Investments	3	49.86	33.32
(ii) Others Financial Assets	4	0.64	2.35
(e) Other Non-Current Assets	5	2.63	1.61
TOTAL NON-CURRENT ASSETS		272.26	287.22
2 CURRENT ASSETS			
(a) Investments		-	-
(b) Inventories	6	93.97	79.24
(c) Financial Assets			
(i) Trade Receivables	7	510.80	456.42
(ii) Cash And Cash Equivalents	8	0.24	0.47
(iii) Bank Balances Other Than (ii) Above	9	10.79	9.15
(d) Other Current Assets	10	33.57	34.18
TOTAL CURRENT ASSETS		649.37	579.47
TOTAL ASSETS		921.63	866.69
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	11	98.81	98.81
(b) Other Equity	12	313.21	291.50
TOTAL EQUITY		412.02	390.30
LIABILITIES			
1 NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	130.39	134.42
(ii) Other Financial Liabilities	14	10.99	11.53
(b) Provisions	15	1.05	2.25
(c) Deferred Tax Liabilities (Net)	16	12.68	3.83
TOTAL NON-CURRENT LIABILITIES		155.11	152.02
2 CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	250.40	182.99
(ii) Trade Payables	18		
- Due to Micro and Small Enterprises		14.28	18.12
- Due to Creditors other than Micro and Small Enterprises		79.64	99.64
(b) Other Current Liabilities	19	2.48	4.57
(c) Provisions	20	2.21	2.78
(d) Current Tax Liabilities (Net)	21	5.50	16.25
TOTAL CURRENT LIABILITIES		354.51	324.36
TOTAL EQUITY AND LIABILITIES		921.63	866.69

Significant Accounting Policies

1

The accompanying Notes 2 to 51 are integral part of the Financial Statements.

As per our report of even date

For **S V J K and Associates**

Chartered Accountants

Firm Registration No: 135182W

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

CIN : L17110GJ1985PLC008206

Reeturaj Verma

Partner

Membership No.: 193591

Brijmohan Chiripal

Managing Director

DIN : 00290426

Vinay Thadani

Chief Executive

Officer

Dharmesh Dattani

Chief Financia

Officer

Pooja Dhruve

Company

Secretary

Mem No. A48396

Place: Ahmedabad

Date: May 29,2024

Ravindrakumar Bajranglal Bajaj

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: May 29,2024

Statement of Profit And Loss

for the year ended on 31st march 2024

(₹ in Crore)

PARTICULARS	Note No.	2023-24	2022-23
I Revenue From Operations	22	1450.13	1547.86
II Other Income	23	1.17	4.03
III Total Income (I+II)		1451.30	1551.89
IV EXPENSES			
(a) Cost of Materials Consumed	24	1312.28	1312.55
(b) Purchases of Stock-In-Trade	24A	0.01	2.13
(c) Changes in Inventories of Finished Goods	25	(12.95)	(15.40)
(d) Changes in Stock-In-Trade and Work-In-Progress	25A	0.25	5.93
(e) Employee Benefits Expense	26	26.88	63.29
(f) Finance Costs	27	38.48	37.35
(g) Depreciation and Amortization Expense	28	32.70	33.41
(h) Other Expenses	29	22.71	43.69
Total Expenses (IV)		1420.36	1482.96
V Profit/(Loss) Before Tax (III-IV)		30.94	68.94
VI Tax Expense:	30		
(a) Current Tax		8.51	19.72
(b) Deferred Tax (Credit)/charge		8.65	(0.47)
(C) Tax Expense Related to Earlier Year		(7.36)	(3.13)
Total Tax Expenses		9.80	16.12
VII Profit (Loss) For The Year (V-VI)		21.13	52.82
VIII Other Comprehensive Income	31		
(a) Items That Will Not be Reclassified To Profit or Loss		0.78	3.86
(b) Income Tax Relating to Items That Will Not be Reclassified to Profit or Loss		(0.20)	(0.99)
(c) Items That Will be Reclassified to Profit or Loss		-	-
(d) Income Tax Relating to Items That Will be Reclassified to Profit or Loss		-	-
Total Other Comprehensive Income		0.58	2.87
IX Total Comprehensive Income for The Period (VII+VIII) (Comprising Profit (Loss) and Other Comprehensive Income for The period)		21.71	55.69
X Earnings Per Equity Share :	44		
(a) Basic (in Rs.)		1.07	2.67
(b) Diluted (in Rs.)		1.07	2.67

Significant Accounting Policies

1

The accompanying Notes 2 to 51 are integral part of the Financial Statements.

As per our report of even date

For **S V J K and Associates**

Chartered Accountants

Firm Registration No: 135182W

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

CIN : L17110GJ1985PLC008206

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Place: Ahmedabad

Date: 'May 29,2024

Ravindrakumar Bajranglal Bajaj

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: 'May 29,2024

Cash Flow Statement

for the year ended 31 march 2024

(₹ in Crore)

Particulars	Year ended 31/03/2024	Year ended 31/03/2023
Cash flow from operating activities		
Net profit before tax	30.94	68.94
Adjustments:		
Depreciation and amortisation	32.70	33.41
Finance expense	38.48	37.35
Interest income	(0.55)	(0.67)
Gain on sale of Investment	-	(0.02)
Loss on sale of Property, Plant and Equipment	0.14	-
Change in Fair Value of Preference Instruments through profit and loss account	0.47	(2.63)
Operating cash flow before working capital changes	102.18	136.38
Working capital adjustments:		
Decrease/ (Increase) in trade receivables	(54.38)	(63.11)
Decrease/ (Increase) in other current assets	0.61	4.40
Decrease/ (Increase) in inventories	(14.73)	17.28
Increase/ (Decrease) in trade payables	(23.85)	(20.19)
Increase/ (Decrease) in provisions	(0.92)	0.41
Increase/ (Decrease) in current liabilities	(1.82)	(3.37)
Increase/ (Decrease) in other financial liabilities	(0.54)	6.80
Cash generated from operations	6.56	78.62
Income tax paid (net of refund)	(12.17)	(5.02)
Net cash generated from operating activities (a)	-5.62	73.61
Cash flow from investing activities		
Purchase of Property Plant & Equipment including Capital Work in Progress	(3.20)	(9.96)
Proceeds from sales of Property Plant & Equipment	0.14	0.02
Purchase of Investment Property	-	(0.51)
Proceeds from sales of Investment Property	-	0.34
Proceeds from sales of Mutual Fund	-	26.02
Purchase of Non-current Investment	(17.08)	(4.92)
Proceeds from sales of Investment	0.00	0.02
Capital advances and other non-current assets	1.71	0.18
Interest income	0.55	0.67
Net cash used in investing activities (b)	(17.87)	11.85



Cash Flow Statement

for the year ended 31 march 2024

(₹ in Crore)

Particulars	Year ended 31/03/2024	Year ended 31/03/2023
Cash flow from financing activities		
Repayment of Long term borrowings	(4.03)	(69.68)
Proceeds from Long term borrowing	-	41.02
Short term borrowings (net)	67.41	(31.64)
Finance cost paid	(38.48)	(37.35)
Net cash generated from /(used in) financing activities (c)	24.89	(97.65)
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	1.41	(12.19)
Cash and cash equivalents at the beginning of the year	9.62	21.81
Cash and cash equivalents at the end of the year	11.03	9.62
Components of cash and cash equivalents		
Cash on hand*	0.13	0.39
Balances with banks		
Current accounts	0.10	0.07
Deposit accounts**	10.79	9.15
	11.03	9.62

* Out of total balance Rs. 0.03 Crore is laying with the income tax department perusing to the search conducted in the month of July - 22, 2022.

** Fixed deposit is earmarked with bank

Notes:

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

Significant Accounting Policies 1

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As per our report of even date

For **SVJK and Associates**

Chartered Accountants

Firm Registration No: 135182W

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

CIN : L17110GJ1985PLC008206

Reeturaj Verma

Partner

Membership No.: 193591

Brijmohan Chiripal

Managing Director

DIN : 00290426

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Secretary

Mem No. A48396

Ravindrakumar Bajranglal Bajaj

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: 'May 29,2024

Place: Ahmedabad

Date: 'May 29,2024

Statement of Changes in Equity

for the year ended 31st March, 2024

A. Equity share capital

Equity shares of Rs. 5 each

As at 1 st April, 2022	Change in Equity Share Capital due to prior period errors	Restated balance at the beginning of the period 1 st April, 2022	Changes in equity share capital during 2022-2023	As at 31 st March, 2023	Change in Equity Share Capital due to prior period errors	Restated balance at the beginning of the period 1 st April, 2023	Changes in equity share capital during 2023-2024	As at 31 st March, 2024
98.81	-	98.81	-	98.81	-	98.81	-	98.81

(₹ in Crore)

B. Other equity as at 31st March, 2024

Particulars	Share Application Money pending allotment	Equity component of compound financial instruments	Reserves & Surplus		Items of other comprehensive income Equity instruments through other comprehensive income	Remeasurement of defined benefit plants	Money received against Share Warrants	Total
			Security Premium	Retained Earnings				
Balance at April 1, 2022	-	-	15.22	216.09	2.00	2.50	-	235.81
Retained earning during the year	-	-	-	52.82	-	-	-	52.82
Other comprehensive income for the year	-	-	-	-	1.42	1.45	-	2.87
Total comprehensive income for the year	-	-	-	52.82	1.42	1.45	-	55.69
Balance at March 31, 2023	-	-	15.22	268.91	3.42	3.95	-	291.50
Balance at April 1, 2023	-	-	15.22	268.91	3.42	3.95	-	291.50
Retained earning during the year	-	-	-	21.13	-	-	-	21.13
Other comprehensive income for the year	-	-	-	-	(0.05)	0.63	-	0.58
Total comprehensive income for the year	-	-	-	21.13	(0.05)	0.63	-	21.71
Balance at March 31, 2024	-	-	15.22	290.04	3.37	4.58	-	313.21

Significant Accounting Policies 1

The accompanying Notes 2 to 51 are integral part of the Financial Statements.

As per our report of even date

For **S V J K and Associates**

Chartered Accountants

Firm Registration No.: 135182W

Reeturaj Verma

Partner

Membership No.: 193591

Place: Ahmedabad

Date: May 29, 2024

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

CIN : L17110GJ1985PLC008206

Brijmohan Chiripal

Managing Director

DIN : 00290426

Vinay Thadani

Chief Executive Officer

Dharmesh Dattani

Chief Financia Officer

Pooja Dhruve

Company Secretary

Mem No. A48396

Place: Ahmedabad

Date: May 29, 2024

Ravindrakumar Bajranglal Bajaj

Whole-Time Director

DIN : 08243855



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 1

I. Company Information

Vishal Fabrics Ltd. (the company) is a company domiciled in India and incorporated under the provisions of Companies Act, 1956 of India as a Private Limited company. The same was converted to public limited company w.e.f. 1st March, 2015. The company has its registered office and plant at Narol, Ahmedabad - 380009, and another plant situated at Dholi Integrated Spinning Park, Taluka: Dholka, Village: Dholi, Ahmedabad - 382240, Gujarat, India. The company is engaged in manufacturing and selling of various Textile products like Dyed yarn, Denim Fabrics and job work of Textile products.

II. Basis of preparation

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

III. Significant accounting policies

A. Revenue recognition

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

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

1. Sale of goods

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

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

2. Interest income

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

3. Dividends

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

B. Borrowing costs

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

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

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

C. Government Grants

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

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

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

D. Export Benefits

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

E. Taxes

1. Current income tax

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

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

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

2. Deferred tax

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

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

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

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

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

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

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

F. Leases

Company as a lessee

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



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

1) *Right-of-use assets*

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

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

- Leasehold Land 99 years

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

2) *Lease Liabilities*

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

the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

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

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

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

G. *Employee Benefits*

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible Indian employees of Vishal Fabrics. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, in incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company contributes Gratuity liabilities to the Vishal Fabrics Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the Life Insurance Corporation of India as permitted by Indian law.

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

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

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

The cost of providing benefits under the defined benefit plan is determined using the projected unit

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

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

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

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

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

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

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

1. Long-term employee benefits

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

2. Defined contribution plans

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

H. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost of the items. Acquisition cost

includes expenditure that is directly attributable to getting the asset ready for intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

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

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

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

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

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated to allocate the cost of assets, net of their residual values, over their estimated useful lives. Components having value significant to the total cost of the asset and life different from that of the main asset are depreciated over its useful life.



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

However, land is not depreciated. The useful lives so determined are as follows:

Assets	Estimated useful life
Lease hold land	Lease term (99 years)
Buildings	30 to 60 years
Plant and machinery	9 to 40 years
Furniture and fixtures	10 years
Office equipment	10 years
Vehicles	8 to 10 years

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

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

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

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

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

I. Investment properties

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

J. Intangibles

Intangible assets are recognized when it is probable that the future economic benefits that are attributable

to the assets will flow to the company and the cost of the asset can be measured reliably.

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

K. Inventories

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

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

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

L. Investment in subsidiaries, joint ventures and associates

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

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

M. Financial Instruments

1. Financial assets

i. Initial recognition and measurement

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

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

ii. Subsequent measurement

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

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

iii. Debt instruments at amortized cost

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

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

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any

discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

iv. Debt instrument at FVTOCI

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

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

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

v. Financial instrument at FVTPL

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

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

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

vi. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

vii. Derecognition

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

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

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially

all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

viii. Impairment of financial assets

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

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

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

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

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

- a. Trade receivables or contract revenue receivables; and

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

The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

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

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

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

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

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

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

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

2. Financial liabilities

i. *Initial recognition and measurement*

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

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

ii. *Subsequent measurement*

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

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

iii. *Financial liabilities at FVTPL*

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

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

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



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for the year ended 31st March, 2024

iv. *Loans and borrowings*

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

v. *Financial guarantee contracts*

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

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

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

vi. *Preference shares*

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

vii. *Derecognition*

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

3. **Off-setting of financial instruments**

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

N. **Impairment of non-financial assets**

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

Recoverable amount is determined:

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market

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for the year ended 31st March, 2024

assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

O. Cash and cash equivalents

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

P. Segment accounting

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

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter Segment revenue is accounted on the basis of

transactions which are primarily determined based on market/fair value factors. Revenue, expenses, assets and liabilities which relate to the company as a whole and are not allocated to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

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

Q. Provisions, Contingent liabilities, Contingent assets and Commitments

General

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

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

Contingent liability is disclosed in the case of:

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

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

The company provides for the expenses to reclaim the quarries used for mining. The total estimate



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

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

R. Dividend

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

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

S. Earnings per share

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

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable was based on shares

having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

T. Use of estimates and judgements

The presentation of the financial statements is in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

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

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

Note 33 - Current tax

Note 38 - Measurement of defined benefit obligations

Note 41 – Fair valuation of unlisted securities

U. Statement of cash flows

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

V. Current and non-current classification

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

- i. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii. Held primarily for the purpose of trading;
- iii. Expected to be realized within twelve months after the reporting period, or

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

- iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

Operating Cycle

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

W. Foreign currency translation

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using

the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

X. Fair value measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i. **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or Liabilities.
- ii. **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii. **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

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

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

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

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

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

On an interim basis, the Valuation Committee and the Company's external valuers present the valuation

results to the Audit Committee and the company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- i. Disclosures for valuation methods, significant estimates and assumptions.
- ii. Quantitative disclosures of fair value measurement hierarchy.
- iii. Investment in unquoted equity shares (discontinued operations).
- iv. Financial instruments (including those carried at amortized cost).

Y. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

Z. Rounding off

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores as per the requirements of Schedule III, unless otherwise stated.

AA. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the company.

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for the year ended 31st March, 2024

Note - 2 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION			NET BLOCK			
	As at 01/04/2023	Additions during the year	Disposal during the year	Transfer to Investment Property (Refer Note no. 5)	As at 31/03/2024	Charge for the year	Disposal during the year	Transfer to Investment Property (refer Note no. 5)	As at 31/03/2024	As at 31/03/2023
1. Freehold land	-	-	-	-	-	-	-	-	-	-
2. Leasehold land	10.98	-	-	-	10.98	0.11	-	-	0.82	10.15
3. Building	64.08	-	-	-	64.08	3.73	-	-	28.53	39.28
4. Plant & Equipments	219.03	7.58	-	-	226.61	21.21	-	-	117.58	122.69
5. Furniture & Fittings	5.34	0.01	-	-	5.35	0.54	-	-	3.83	2.02
6. Office Equipments	2.08	0.05	(0.14)	-	1.98	0.13	(0.13)	-	1.77	0.31
7. Vehicles	4.77	0.60	-	-	5.37	0.44	-	-	4.10	1.11
Total	306.26	8.25	(0.14)	-	314.37	26.17	(0.13)	-	156.62	175.68

(₹ in Crore)

Particulars	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION			NET BLOCK			
	As at 01/04/2022	Additions during the year	Disposal during the year	Transfer to Investment Property (Refer Note no. 5)	As at 31/03/2023	Charge for the year	Disposal during the year	Transfer to Investment Property (refer Note no. 5)	As at 31/03/2023	As at 31/03/2022
1. Freehold land	5.26	-	-	(5.26)	-	-	-	-	-	5.26
2. Leasehold land	10.98	-	-	-	10.98	0.11	-	-	0.71	10.26
3. Building	83.75	0.08	-	(19.75)	64.08	4.57	-	(14.05)	24.79	39.28
4. Plant & Equipments	350.45	2.81	-	(134.24)	219.03	25.43	-	(79.85)	96.34	122.69
5. Furniture & Fittings	8.64	0.74	-	(4.04)	5.34	0.66	-	(3.41)	3.32	2.02
6. Office Equipments	3.81	0.14	-	(1.88)	2.08	0.24	-	(1.72)	1.77	0.56
7. Vehicles	6.96	0.07	-	(2.26)	4.77	0.53	-	(2.04)	3.65	1.11
Total	469.85	3.83	-	(167.42)	306.26	31.55	-	(101.08)	130.58	269.74

Notes :

- 1 Addition to block of Plant and equipments and other includes interest capitalised during the year Rs Nil crore (py Rs:0.03 crore)
- 2 Refer Note no.32 for information on property, plant and equipment hypothecated/mortgaged as security by the Company.
- 3 Refer note no. 33 for disclosure of contractual commitment for the acquisition of property, plant and equipment.
- 4 All assets are in the name of company.
- 5 During the previous year, the company has entered into Lease cum Joint Venture agreement with M/s Texworld Fashion Private Limited for leasing of it's property, plant and equipment of narol unit. Accordingly, property, plant and equipment of Rs. 66.35 Crore located at Narol, Ahmedabad is reclassified as Investment Property as defined in Ind AS 40 - Investment Property.



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for the year ended 31st March, 2024

Note - 2A : CAPITAL WORK-IN-PROGRESS

(₹ in Crore)

Particulars	As at 01/04/2023	Additions during the year	Transfer during the year	As at 31/03/2024
Capital Work-in-Progress	9.39	-	(7.46)	1.93

(₹ in Crore)

Particulars	As at 01/04/2022	Additions during the year	Transfer during the year	As at 31/03/2023
Capital Work-in-Progress	3.29	6.10	-	9.39

Capital Work-in-Progress Ageing Schedule

As at 31st March, 2024

CWIP	Amount in CWIP for a period				Total
	Less Than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Project in progress - Growth Projects	-	1.93	-	-	1.93
Project temporarily suspended	-	-	-	-	-

As at 31st March, 2023

CWIP	Amount in CWIP for a period				Total
	Less Than 1 Year	1-2 Year	2-3 Year	More than 3 Year	
Project in progress - Growth Projects	6.10	3.29	-	-	9.39
Project temporarily suspended	-	-	-	-	-

Note :

1. Refer Note no.32 for information on capital work-in progress hypothecated as security by the Company.

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 2B : INVESTMENT PROPERTY

Particulars	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01/04/2023	Addition of PPE (Refer note no.3)	Charge for the year	Disposal during the year	As at 31/03/2024	Charge for the year	Disposal during the year	As at 31/03/2024	As at 31/03/2023
1. Freehold land	5.26	1.39	-	-	6.65	-	-	6.65	5.26
2. Factory Building	19.75	-	-	-	19.75	14.21	0	5.01	5.55
3. Building	0.38	-	-	-	0.38	0.02	-	0.32	0.35
4. Plant & Equipments	133.39	-	-	(3.07)	130.32	80.59	(2.79)	46.74	52.80
5. Furniture & Fittings	4.04	-	-	-	4.04	3.46	-	0.49	0.58
6. Office Equipments	1.88	-	-	-	1.88	1.74	-	0.11	0.13
7. Vehicles	2.25	-	-	-	2.25	2.05	-	0.15	0.21
Total	166.94	1.39	-	(3.07)	165.26	102.07	(2.79)	59.46	64.88

Particulars	GROSS BLOCK (At carrying amount)			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 01/04/2022	Transfer from PPE (Refer note no.3)	Charge for the year	Disposal during the year	As at 31/03/2023	Charge for the year	Disposal during the year	As at 31/03/2023	As at 31/03/2022
1. Freehold land	-	5.26	-	-	-	-	-	-	-
2. Factory Building	-	19.75	-	-	19.75	14.05	0.15	14.21	5.55
3. Building	0.21	-	0.51	(0.35)	0.38	(Rs. 32015)	0.03	0.02	0.21
4. Plant & Equipments	-	134.24	0.03	(0.88)	133.39	79.85	1.60	80.59	52.80
5. Furniture & Fittings	-	4.04	(Rs. 1188)	-	4.04	3.41	0.05	3.46	0.58
6. Office Equipments	-	1.88	(Rs. 6278)	-	1.88	1.72	0.02	1.74	0.13
7. Vehicles	-	2.26	-	(0.01)	2.25	2.04	0.02	2.05	0.21
Total	0.21	167.42	0.54	(1.23)	166.94	101.08	1.87	102.07	64.88

Note :

1. Fair value of investment property as on 31st March, 2024 is Rs. 3.44 Cr and 31st March, 2023 is Rs. 2.24 Cr
2. Refer Note no.32 for information on capital work-in progress hypothecated/mortgaged as security by the Company.
3. During the previous year, the company has entered into Lease cum Joint Venture agreement with M/s Texworld Fashion Private Limited for leasing of its property, plant and equipment of narol unit. Accordingly, property, plant and equipment of Rs. 66.35 Crore located at Narol, Ahmedabad is reclassified from property plant and equipment as Investment Property as defined in Ind AS 40 - Investment Property.



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 3 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

Numbers		Particulars	As at	
31-03-2024	31-03-2023		31/03/2024	31/03/2023
Investment in quoted Equity instruments				
Investment in equity shares (Fully paid up) accounted through other comprehensive income				
-	20000	Equity Shares of GSL Nova Petrochemicals Ltd of Rs 5 Each	-	(Rs. 2580)
10000	10000	Equity Shares of CIL Nova Petrochemicals Ltd of Rs 10 Each	0.03	0.02
Total : A			0.03	0.02
Investment in Un-quoted Equity instruments				
Investment in equity shares (Fully paid up) accounted through other comprehensive income				
440000	440000	Equity Shares of Dholi Spintex Pvt Ltd of Rs.10 Each	8.56	7.79
35000	35000	Equity Shares of Prakash Calender Pvt Ltd of Rs.10 Each	0.12	0.12
150	150	Equity Shares of Deepak Impex Pvt Ltd of Rs.100 Each	(Rs. 9222)	(Rs. 8736)
20250	20250	Equity Shares of Chiripal Industries Ltd of Rs.10 Each	0.48	0.46
44	44	Equity Shares of Ellisbridge Co-op Bank Ltd of Rs.25 Each	(Rs. 1100)	(Rs. 1100)
4	4	Equity Shares of Nutan Nagrik Sahakari Bank Ltd of Rs.25 Each	(Rs. 100)	(Rs. 100)
210000	210000	Equity Shares of Grew Energy Pvt. Ltd. of Rs.10 Each	2.82	2.96
Investment in Un-quoted Preference shares				
Investment in preference shares (Fully paid up) accounted through Profit & Loss account				
332000	332000	0.01% Non Cumulative Convertible Preference Shares of Quality Exim Pvt Ltd of Rs. 125 Each	3.95	4.55
500000	500000	0.01% Non Cumulative Convertible Preference Shares of Dholi Spintex Pvt Ltd of Rs. 125Each	9.73	8.85
275000	275000	0.01% Non Cumulative Convertible Preference Shares of Nandan Industries Pvt Ltd of Rs. 70 Each	1.79	2.55
Total : B			27.45	27.27
Investment in Unquoted Equity Instruments Associate Entities (At Cost)				
1412500	121000	Equity Shares of Chiripal Textile Mills Pvt. Ltd. of Rs.10 Each	17.77	1.85
1000000	250000	Equity Shares of Nandan Industries Pvt Ltd of Rs.70 Each	2.50	2.31
544000	136000	Equity Shares of Quality Exim Pvt Ltd of Rs.125 Each	2.11	1.86
Total : C			22.38	6.03
Total : A+B+C			49.86	33.32
Aggregate amount of quoted investments			0.03	0.02
Aggregate market value of quoted investments			0.03	0.02
Aggregate amount of unquoted investments			49.83	33.30
Aggregate amount of impairment in value of investments			-	-

Note :

- Investments at fair value through other comprehensive income reflect investment in quoted and un quoted equity instruments. Refer note no. 38 for detailed disclosure on fair values
- Refer note no. 37 Related Party disclosure and note no. 48.

Note - 4: NON-CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Crore)

Particulars	As at	
	31/03/2024	31/03/2023
Bank deposit with original maturity more than 12 months	0.12	0.11
Security Deposits	0.51	2.23
Total	0.64	2.35

Notes :

- Earmarked balances with Banks 0.12 0.11
- Refer Note No.39 to 41 to for credit risk, liquidity risk and market risk for non current financial assets - others
- Refer Note no.32 for information on Bank Deposits Pledged as security by the Company.

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 5: OTHER NON-CURRENT ASSETS

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Capital advances	2.63	1.61
Total	2.63	1.61

Note:

- 1 Refer note no 32 for Capital Advances as hypothecated by the Company.

Note - 6: INVENTORIES

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Raw materials & Packaging materials	25.03	22.66
	25.03	22.66
Work-in-progress	9.58	9.83
Finished goods	56.65	43.70
	66.23	53.53
Stores and spares	2.71	3.06
	2.71	3.06
Total	93.97	79.24

Notes :

- 1 Refer significant accounting policy No. 1 for inventory
- 2 Refer note no.32 for Inventory hypothecated as security by the Company.

Note - 7: CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Trade Receivable Secured, considered good	-	-
Trade Receivable Unsecured, considered good	503.44	453.02
Trade Receivable Unsecured, considered good from related parties (Refer note no. 37)	7.36	3.40
Trade Receivable Unsecured, credit impaired	-	-
	510.80	456.42
Less: Allowance for credit impairment	-	-
Total	510.80	456.42

Notes:

- 1 Refer note no.39 to 41 for credit risk, liquidity risk and market risk for current financial assets.
- 2 Refer note no.32 for Trade Receivables hypothecated as security by the Company.

Trade receivables ageing schedule for current year and previous year

As at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables considered good	323.44	168.29	2.32	1.44	2.92	12.39	510.80
Undisputed Trade receivables considered doubtful	-	-	-	-	-	-	-
Disputed Trade receivables considered good	-	-	-	-	-	-	-
Disputed Trade receivables considered doubtful	-	-	-	-	-	-	-
Total	323.44	168.29	2.32	1.44	2.92	12.39	510.80

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 7: CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES (Contd..)

As at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables considered good	305.31	132.44	1.46	4.45	0.90	11.86	456.42
Undisputed Trade receivables considered doubtful	-	-	-	-	-	-	-
Disputed Trade receivables considered good	-	-	-	-	-	-	-
Disputed Trade receivables considered doubtful	-	-	-	-	-	-	-
Total	305.31	132.44	1.46	4.45	0.90	11.86	456.42

Note - 8: CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Cash and cash equivalents		
Balance with banks		
In current accounts	0.10	0.07
Cash on hand	0.13	0.39
Total	0.24	0.47

Note:

- 1 Refer note no.39 to 41 for credit risk, liquidity risk and market risk for current financial assets.
- 2 Refer note no.32 for Current Financial Assets - Cash and Cash Equivalents hypothecated as security by the Company.
- 3 Out of total balance Rs. 0.03 Crore is laying with the income tax department perusing to the search conducted in the month of July - 22.

Note - 9: CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Other bank balances		
Deposit accounts	10.79	9.15
(with original maturity more than 3 months but less than 12 months)		
Total	10.79	9.15

Notes:

- 1 Earmarked balances with Banks 10.79 9.15
- 2 Refer note no.39 to 41 for credit risk, liquidity risk and market risk for current financial assets.
- 3 Refer note no.32 for Bank Deposits hypothecated as security by the Company.

Note - 10: OTHER CURRENT ASSETS

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Advances to suppliers	20.08	13.99
Balance with statutory authorities	4.71	11.95
Prepaid expenses	1.72	1.35
Others	7.06	6.89
Total	33.57	34.18

Note:

- 1 Refer note no.32 for Other Current Assets hypothecated as security by the Company.

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 11: Equity Share Capital

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number of shares	₹ in Crore	Number of shares	₹ in Crore
AUTHORISED				
Equity Shares of Rs. 5 each	200000000	100.00	200000000	100.00
	200000000	100.00	200000000	100.00
ISSUED AND SUBSCRIBED				
Equity Shares of Rs. 5 each	197610003	98.81	197610003	98.81
FULLY PAID UP				
Equity Shares of Rs. 5 each	197610003	98.81	197610003	98.81
	197610003	98.81	197610003	98.81

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

Particulars	2023-24		2022-23	
	Number of shares	Amt in Crores	Number of shares	Amt in Crores
Opening Balance	197610003	98.81	197610003	98.81
Bonus Share issued during the year	-	-	-	-
Closing Balance	197610003	98.81	197610003	98.81

2 The Company has only one class of equity shares having a par value of Rs.5 per share

3 The company does not have any holding company

4 Each shareholder of equity shares is entitled to one vote per share.

5 In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

6 The details of Shareholders holding more than 5 % of Shares

Particulars	As at 31/03/2024		As at 31/03/2023	
	No. of shares held	% of Total paid up Equity Share Capital	No. of shares held	% of Total paid up Equity Share Capital
Equity shares				
1. Chiripal Industries Limited	57294000	28.99%	57294000	28.99%

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

Sr. No.	Name of promoter	As at 31st March, 2024			As at 31st March, 2023		
		No of shares	% of total shares	% change during the year	No of shares	% of total shares	% change during the year
1	Brijmohan D Chiripal	7483500	3.79	0.00	7483500	3.79	0.00
2	Savitridevi V Chiripal	4067226	2.06	0.00	4067226	2.06	0.00
3	Pritidevi B Chiripal	3413997	1.73	0.00	3413997	1.73	0.00
4	Manjudevi Jaiprakash Chiripal	2358000	1.19	0.00	2358000	1.19	0.00
5	Vineeta Chiripal	2169300	1.10	0.00	2169300	1.10	7.43
6	Vishal V Chiripal	2091996	1.06	0.00	2091996	1.06	0.00
7	Urmiladevi Jyotiprasad Chiripal	1812000	0.92	0.00	1812000	0.92	0.00
8	Deepak J Chiripal	1512000	0.77	0.00	1512000	0.77	0.00
9	Aayushi Jaiprakash Agarwal	1338746	0.68	0.00	1338746	0.68	0.51
10	Jaiprakash D Chiripal	1332000	0.67	0.00	1332000	0.67	0.00
11	Jyotiprasad D Chiripal	1332000	0.67	0.00	1332000	0.67	0.00
12	Nitika Deepak Chiripal	1332000	0.67	0.00	1332000	0.67	0.00
13	Nishi J Agarwal	664000	0.34	0.00	664000	0.34	2.47
14	Shiwani V. Chiripal	648000	0.33	0.00	648000	0.33	0.00



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 11: Equity Share Capital (Contd..)

Sr. No.	Name of promoter	As at 31st March, 2024			As at 31st March, 2023		
		No of shares	% of total shares	% change during the year	No of shares	% of total shares	% change during the year
15	Saloo J. Agarwal	432000	0.22	0.00	432000	0.22	0.00
16	Ronak B Agarwal	316689	0.16	0.00	316689	0.16	0.00
17	Priyanka Brijmohan Chiripal	257850	0.13	0.00	257850	0.13	0.00
18	Jaiprakash Chiripal - UNITY TRUST	100	0.00	0.00	100	0.00	100.00
19	Chiripal Industries Limited	57294000	28.99	0.00	57294000	28.99	0.00
20	Chiripal Exim Llp	12622350	6.39	0.00	12622350	6.39	0.00
21	Tripoli Management Private Limited	8082225	4.09	0.00	8082225	4.09	0.00
22	Devkinandan Corporation Llp	7074000	3.58	0.00	7074000	3.58	0.00
23	Nandan Corporation Llp	5711235	2.89	0.00	5711235	2.89	0.00
24	Chiripal Textile Mills Private Limited	2200000	1.11	0.00	2200000	1.11	83.33
25	Quality Exim Private Limited	2118686	1.07	0.00	2118686	1.07	38.04
26	Nandan Industries Private Limited	1297500	0.66	0.00	1297500	0.66	0.00
27	Vedprakash Chiripal	7386177	3.74	0.00	7386177	3.74	0.00
28	Brijmohan Devkinandan Chiripal (On behalf of Brij Trust)	100	0.00	100.00	0	0.00	0.00
29	Jaiprakash Chiripal (On behalf of Jai Trust)	100	0.00	100.00	0	0.00	0.00
30	Jyotiprasad Devkinandan Chiripal (On behalf of Jyoti Trust)	100	0.00	100.00	0	0.00	0.00
31	Vedprakash Devkinandan Chiripal (On behalf of Ved Trust)	100	0.00	100.00	0	0.00	0.00
Total promoter shares outstanding		136347977	69.00		136347577	69.00	

Note - 12: OTHER EQUITY

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Security Premium		
Opening balance	15.22	15.22
Closing balance	15.22	15.22
Retained Earnings		
Opening balance	268.91	216.09
Add : Retained earnings during the year	21.13	52.82
Closing Balance	290.04	268.91
Other Comprehensive Income		
Opening balance	7.37	4.50
Add:		
Due to increase in Fair Value of Equity Instruments	(0.05)	1.42
Due to Remeasurement of defined benefit plants	0.63	1.45
Closing balance	7.95	7.37
Total Other Equity	313.21	291.50

Notes:

Description of nature and purpose of each reserve:

1 Security Premium

The amount received in excess of face value of the equity shares is recognised in equity security premium.

2 Retained Earnings

Retained earnings are the profits/losses that the Company has earned till date less any transfer to other reserves, dividends or other distributions to shareholders.

3 Other Comprehensive income

- The fair value change of the equity instruments measured at fair value through other comprehensive income is recognised in equity instruments through Other Comprehensive income.
- The remeasurement gain/(loss) on net defined plan is recognised in Other Comprehensive Income net of Tax

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 13: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Secured		
Term Loans from Banks (Refer note no. 1 and 2 below)	37.64	41.67
Unsecured		
Inter corporate deposits (Refer note no. 3 below)	92.75	92.75
Total	130.39	134.42

Notes:

Sr. No.	Particulars	As at 31/03/2024		As at 31/03/2023	
		Non Current	Current	Non Current	Current
1	The company has availed Lease Rental Discounting facility of Rs. 50 crore from Bandhan Bank. The same is secured against first charge of assets lying at Narol, Ahmedabad and future lease rental receivable from M/s Texworld Fashion Private Limited.	37.07	7.51	41.39	7.14
2	Vehicles Loans are secured by hypothecation of vehicles in favour of Bank and other terms as prescribe by the respective banks. Effective rate of interest is 9.00% to 10.00% p.a	0.57	0.02	0.28	0.37
3	Unsecured Inter corporate deposit is repayable after more than one year. The said loan is interest free.	92.75	-	92.75	-

4 Refer note no.39 to 41 for credit risk, liquidity risk and market risk for current financial liability.

5 The company has complied few covenants for loan.

6 As at March 31, 2024, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified since the inception of the company.

Note - 14: NON-CURRENT FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Creditors for capital expenditure	0.99	1.53
Security deposit for Lease Rental Service	10.00	10.00
Total	10.99	11.53

Note - 15: NON-CURRENT PROVISIONS

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Provision for employee benefits (Refer note no.35)	1.05	2.25
Total	1.05	2.25

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 16: DEFERRED TAX ASSETS/LIABILITIES (Net)

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Deferred Tax Liability		
Property, plant and equipment and investment property	11.97	3.04
Fair value of investments in equity instruments	1.15	1.16
Fair value of investments in Preference instruments	0.34	0.46
Others	0.08	0.45
Total Deferred Tax Liabilities	13.97	5.12
Deferred Tax Assets		
Others	1.29	1.29
Total Deferred Tax Assets	1.29	1.29
Total	12.68	3.83

Note - 17: CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Secured		
Cash credit facility (Refer note no. 1 & 2 below)	182.66	100.89
ECLGS Facility (Emergency Credit Line Guarantee Scheme) (Refer note no. 3 below)	60.21	74.59
Current Maturity of Term Loans (Refer note no. 13)	7.53	7.51
Total	250.40	182.99

Notes :

- The Cash Credit facility and packaging credit facility from banks Rs. 182.66 crore (P.Y 100.89 crore) is secured against first paripasu charge on entire current assets of the company present and future. Second paripasu charge on entire fixed assets of the company. The working capital loan is secured by personal guarantees of promoters namely Mr. Brijmohan D Chiripal, Mr. Ved Prakash Chiripal, Mr. Jyoti Prasad Chiripal and Mr. Jai Prakash Chiripal and by corporate guarantee of M/s Prakash calender Pvt Ltd and M/s Bhushan petrofills pvt. ltd. and Pledge of 10% promoters' holding in the name of Promoter guarantors as on 30th September 2018. i.e 29,92,099 equity shares of the company. As on date 1,34,64,444 equity shares of the promoter.
- Effective interest rate of cash credit facility is in range of 9.20% p.a to 10.70% p.a (P.Y 9.45% to 10.40%)
- Effective interest rate of ECLGS facility is in range of 8.70% p.a to 9.25% p.a (P.Y 7.95% p.a. to 9.25%)
- Details submitted to lenders on quarterly basis are in conformity with books of accounts.
- Refer note no.39 to 41 for credit risk, liquidity risk and market risk for current financial liability

Note - 18: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Trade Payables		
- For Micro and Small Enterprises for Goods (Refer note no. 36)	14.23	18.12
- For Micro and Small Enterprises for Services (Refer note no. 36)	0.05	0.01
- Other than Micro and Small Enterprises	79.64	99.64
Total	93.92	117.77

Note:

- Details of Dues to Micro, Small & Medium Enterprises as defined under MSMED Act, 2006 This information, as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 18: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE (Contd..)

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

As at 31st March, 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	13.96	0.32	-	-	-	14.28
Others	6.74	72.47	0.42	-	-	79.64
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	20.71	72.79	0.42	-	-	93.92

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

As at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	18.07	0.06	-	-	-	18.12
Others	14.24	85.24	0.13	-	0.03	99.64
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
Total	32.31	85.30	0.13	-	0.03	117.77

Note - 19: OTHER CURRENT LIABILITIES

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Advance received from customers	0.16	0.85
Statutory liabilities	0.44	0.81
Other	1.88	2.92
Total	2.48	4.57

Note - 20: CURRENT PROVISIONS

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Provision for employee Benefits(Refer note no 35)	2.21	2.78
Total	2.21	2.78

Note - 21: CURRENT TAX LIABILITIES (NET)

(₹ in Crore)

Particulars	As at 31/03/2024	As at 31/03/2023
Income Tax Provision (net)	5.50	16.25
Total	5.50	16.25

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 22 : REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	2023-24	2022-23
A-Revenue from operations		
Sale of Products (Excluding all Taxes)		
- Finished Goods	1,416.86	1,340.58
- Traded Goods	0.01	1.62
	1,416.87	1,342.20
B-Sale of Services	13.76	191.81
C-Other operating revenues		
- Scrap Sale	3.24	4.76
- Store Sale	4.26	5.51
- Lease Rental	12.00	3.58
Total	1,450.13	1,547.86

Note - 23 : OTHER INCOME

(₹ in Crore)

Particulars	2023-24	2022-23
a- Interest income	0.55	0.67
b- Others	0.61	0.74
c- Gain on fair value of investment in preference shares	-	2.63
Total	1.17	4.03

Note:

A) Disaggregated Revenue Information

Set out below is the disaggregation of the company's revenue from contracts with customers:

(₹ in Crore)

Segment	For the year ended March 31, 2024	For the year ended March 31, 2023
	Textiles	Textiles
Type of goods or service		
Sale of manufactured goods		
Textile Products	1,416.86	1,340.58
Sale of traded products		
Textile Products	0.01	1.62
Sale of Services		
Job Work Charges	13.76	191.81
Other Operating Revenue		
Scrap Sale	3.24	4.76
Store Sale	4.26	5.51
Lease rental	12.00	3.58
Total revenue from contracts with customers	1,450.13	1,547.86
India	1,449.82	1,547.03
Outside India	0.31	0.83
Total revenue from contracts with customers	1,450.13	1,547.86
Timing of revenue recognition		
Goods transferred at a point in time	-	-
Total revenue from contracts with customers	1,450.13	1,547.86

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 23 : OTHER INCOME (Contd..)

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

Segment	(₹ in Crore)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
	Textiles	Textiles
Revenue		
External customer	1,450.13	1,547.86
Inter-segment	-	-
Inter-segment adjustment and elimination	-	-
Total revenue from contracts with customers	1,450.13	1,547.86

B) Contract balances

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

Particulars	(₹ in Crore)	
	As at March 31, 2024	As at March 31, 2023
Trade receivables*	510.80	456.42
Contract liabilities	-	-
Advances from customers (refer note no.19)	0.16	0.85

*Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.

C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	(₹ in Crore)	
	As at March 31, 2024	As at March 31, 2023
Revenue as per contracted price	1,471.31	1,567.53
Adjustments		
Discount	21.17	19.67
Revenue from contract with customers	1,450.13	1,547.86

D) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	(₹ in Crore)	
	As at March 31, 2024	As at March 31, 2023
Advances from customers	0.16	0.85
Total	0.16	0.85

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

Note - 24 : COST OF MATERIALS CONSUMED

Particulars	(₹ in Crore)	
	2023-24	2022-23
Stock of Raw material and Packing material at the beginning of the year	25.72	52.47
Add: Purchases (net)	1,314.31	1,285.80
Less : Stock of Raw material and Packing material at the end of the year	27.74	25.72
Cost of Raw material Consumed (Including Packaging Materials)	1,312.28	1,312.55

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 24A: PURCHASE OF STOCK IN TRADE

(₹ in Crore)

Particulars	2023-24	2022-23
Stock in trade:		
Chemical	0.01	2.13
Total	0.01	2.13

Note - 25: CHANGES IN INVENTORIES OF FINISHED GOODS

(₹ in Crore)

Particulars	2023-24	2022-23
Inventories at the beginning of the year:		
Finished goods	43.70	28.30
Total	43.70	28.30
Inventories at the end of the year:		
Finished goods	56.65	43.70
Total	56.65	43.70
Changes in inventories of finished goods	(12.95)	(15.40)

Note - 25A: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Crore)

Particulars	2023-24	2022-23
Inventories at the beginning of the year:		
Work-in-progress	9.83	15.76
Total	9.83	15.76
Inventories at the end of the year:		
Work-in-progress	9.58	9.83
Total	9.58	9.83
Changes in inventories of stock-in-trade and work-in-progress	0.25	5.93

Note - 26: EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	2023-24	2022-23
Salaries and wages	25.49	60.73
Contributions to provident and other funds (Refer note no.35)	0.52	0.90
Gratuity (Refer note no.35)	0.77	1.24
Leave Encashment (Refer note no.35)	-	0.10
Staff welfare expense	0.10	0.33
Total	26.88	63.29

Note - 27: FINANCE COSTS

(₹ in Crore)

Particulars	2023-24	2022-23
Interest and finance charges on financial liabilities not at fair value through profit or loss	27.50	26.61
Others	10.99	10.78
Less: Interest Capitalised	-	0.03
Total	38.48	37.35

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 28: DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(₹ in Crore)	
	2023-24	2022-23
Depreciation on property, plant and equipment (Refer note no.2)	26.17	31.55
Depreciation on Investment Property (Refer note no.2B)	6.53	1.87
Total	32.70	33.41

Note - 29: OTHER EXPENSES

Particulars	(₹ in Crore)	
	2023-24	2022-23
Power and Fuel Expenses	2.74	15.57
Repairs and Maintenance		
To Building	(Rs. 4280)	1.75
To Machinery	1.03	2.09
To Others	1.33	2.98
	2.36	6.82
Insurance Expenses	1.31	1.59
Rates and taxes	0.49	0.56
Payments to auditors	0.14	0.17
Freight and transportation expenses	5.45	4.79
Donation	0.05	1.10
C S R Expenses (Refer note no. 45)	1.32	1.17
Dalali and commission	0.71	0.66
Loss on Preference Shares Investment	0.47	-
Loss on Sale of Assets	0.14	-
Other expenses	7.54	11.27
Total	22.71	43.69

Details of Payment to Auditors

Particulars	(₹ in Crore)	
	2023-24	2022-23
a) Auditor Remuneration		
I) Statutory Audit Fees	0.08	0.08
II) Tax Audit fees	0.05	0.05
III) For Other Services	0.01	0.04
b) Cost Audit Fees	0.01	0.01
Total	0.14	0.17

Note - 30 : TAX EXPENSES

Particulars	(₹ in Crore)	
	2023-24	2022-23
Current tax	8.51	19.72
Tax Expense related to Prior Year/paid/written back	(7.36)	(0.47)
Deferred tax	8.65	(3.13)
Total	9.80	16.12

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

Particulars	(₹ in Crore)	
	2023-24	2022-23
Enacted income tax rate in India applicable to the Company	25.62%	25.62%
Profit before tax	30.94	68.94
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	7.93	17.66
Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income		

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note - 30 : TAX EXPENSES (Contd..)

(₹ in Crore)

Particulars	2023-24	2022-23
Other deductible expenses	0.58	2.06
Deferred tax Expense (net)	8.65	(3.13)
Tax Expense related to Prior Year/paid/written back	(7.36)	(0.47)
Total tax expenses	9.80	16.12
Tax Expense related to Prior Year/paid/written back	-	(0.35)
Current year tax expense	9.80	16.47
Effective tax rate	31.67%	23.89%

Note:

- In calculation of tax expense for the current year and earlier years, the company had claimed certain deductions as allowable under Income Tax Act, which were disputed by the department and the matter is pending before tax authorities.

Note - 31: STATEMENT OF OTHER COMPREHENSIVE INCOME

(₹ in Crore)

Particulars	2023-24	2022-23
(i) Items that will not be reclassified to profit or loss		
1. Equity Instruments through Other Comprehensive Income	(0.07)	1.91
2. Remeasurement of defined benefit plans		
Actuarial gains and losses	0.85	1.96
	0.78	3.86
(ii) Income tax relating to these items that will not be reclassified to profit or loss		
Deferred Tax impact on equity instruments through other comprehensive income	0.02	(0.49)
Deferred Tax impact on actuarial gains and losses	(0.22)	(0.50)
	(0.20)	(0.99)
Total	0.58	2.87

Note 32

Assets Mortgage/Hypothecated as security

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

(₹ in Crore)

Assets description	2023-24	2022-23
First and / or Second charge		
I. Current Financial Assets		
Trade receivables	510.80	456.42
Current Financial Assets - Cash And Cash Equivalents	0.24	0.47
Current Financial Assets - Other Bank Balances	10.79	9.15
II. Current Assets		
Inventories	93.97	79.24
Other Current Assets	33.57	34.18
Investments	-	-
Total current assets hypothecated as security	649.37	579.47
First and / or Second charge		
III Property, Plant and Equipment		
A. Plant and equipments	109.03	122.69
B. Freehold land	-	-
C. Buildings	35.55	39.28
D. Lease Hold Improvements	10.15	10.26
E. Furniture & Fittings	1.52	2.02
F. Office Equipments	0.22	0.31
G. Vehicles	1.27	1.11
IV. Capital work in progress	1.93	9.39
V. Investment Property (Refer Note No. 2B)	59.14	64.52
VI. Non Current Financial Assets		
Investment	49.86	33.32
Other Financial Assets	0.64	2.35
VII. Other Non Current Assets	2.63	1.61
Total non-current assets hypothecated as security	271.94	286.86
Total Assets hypothecated as Security	921.31	866.33

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 33

Contingent assets / liabilities not provided for in accounts :

Contingent liabilities :

(₹ in Crore)

Sr. No.	Particulars	As at	
		2023-24	2022-23
A	Claims against the company not acknowledged as debt		
1	Estimated amount of contracts, remaining to be executed, on capital account (net off payment)	2.32	1.29
2	For letters of credit (net off Margin)	2.04	2.00
3	For bank guarantee (net off Margin)	1.57	2.46
4	Corporate Guarantee Given	3.58	2.97
B	Others	1.51	0.49

Notes:

- The company has reviewed all its pending litigations and proceedings and has adequately provided where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have materially adverse effect on its financial position. The company does not expect any reimbursement in respect of the above contingent liabilities.
- The company has signed First Loss Default Guarantee in favour of State Bank of India against EDFs facility provided by bank to our customer. The liability of the company will arise only when customers make default in repayment of EDFs facility provided by bank. Outstanding as on 31st March, 2024 all customer collectively has outstanding of Rs. 1.23 Cr against EDFs facility.
- The Income Tax Department ("the Department") conducted a Search activity ("the Search" under Section 132 of the Income Tax Act on the Company in July 2022. Subsequently, the Company has provided all support and cooperation and the necessary documents and data to the Department, as requested by the Department. The Company is examining and reviewing details of the matter and will take appropriate actions, including addressing regulatory actions, if and when they occur.

While the uncertainty exists regarding the outcome of the proceedings by the department, the Company after considering all available information and facts as of date, has not identified the need for any adjustments to the current or prior period financial statements.

Note 34

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

(₹ in Crore)

	As at 31/03/2024			As at 31/03/2023		
	India	Outside India	Total	India	Outside India	Total
Revenue from operations*						
External	1,449.82	0.31	1,450.13	1,547.03	0.83	1,547.86
Internal Segment	-	-	-	-	-	-
Total Revenue	1,449.82	0.31	1,450.13	1,547.03	0.83	1,547.86
Other Information**						
Carrying cost of segment non current assets@	272.26	-	272.26	287.22	-	287.22
carrying cost of segment assets	921.63	-	921.63	866.69	-	866.69
Addition to property plant and equipment including intangible assets	6.42	-	6.42	4.38	-	4.38

Note:

* Based on location of customer

**Based on location of assets

@ Excluding financial assets, and deferred tax assets

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



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 35

Employment Benefit Plans

The company operates post employment and other long term em

I. Defined Contribution plan

Contribution to Defined Contribution Plan, recognised as expenses for the year are as under:

(₹ in Crore)

Particulars	2023-24	2022-23
Employer's Contribution to Provident Fund	0.52	0.90

II. Defined Benefit Plan

The employee's gratuity fund scheme managed by a Trust is defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service to build up the final obligation. The obligation for leave encashment is recognised in the same manner as for gratuity.

Description	31/03/2024		As at 31/03/2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A. Reconciliation of opening and closing balances of Defined Benefit obligation				
a. Obligation as at the beginning of the year	4.23	1.81	5.19	1.02
b. Current Service Cost	0.59	0.03	0.81	0.73
c. Interest Cost	0.25	0.01	0.23	0.04
d. Actuarial Gain/(Loss)	(0.85)	(0.12)	(1.96)	0.04
e. Benefits Paid	(0.10)	(0.00)	(0.05)	(0.01)
f. Past Service Cost	-	-	-	-
g. Obligation as at the end of the year	4.12	1.75	4.23	1.81
B. Reconciliation of opening and closing balances of fair value of plan assets				
a. Fair Value of Plan Assets as at the beginning of the year	1.02	-	0.72	-
b. Expected return on Plan Assets	0.07	-	0.05	-
c. Actuarial Gain/(Loss)	0.00	-	(0.00)	-
d. Employer's Contributions	-	-	0.29	-
e. Benefits Paid	(0.10)	-	(0.05)	-
f. Fair Value of Plan Assets as at the end of the year	0.99	-	1.02	-
C. Reconciliation of fair value of assets and obligation				
a. Fair Value of Plan Assets as at the end of the year	0.99	-	1.02	-
b. Present Value of Obligation as at the end of the year	4.12	1.75	4.23	1.81
c. Amount recognised in the Balance Sheet	3.13	1.75	3.21	1.81
D. Investment Details of Plan Assets				
Bank balance	-	-	-	-
Invested with Life Insurance Corporation of India	0.99	-	1.02	-
E. Actuarial Assumptions				
a. Discount Rate (per annum)	7.15% to 7.25%	7.25%	7.30% to 7.50%	7.30% to 7.50%
b. Estimated Rate of return on Plan Assets (per annum)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c. Rate of escalation in salary (per annum)	6.00%	6.00%	6.00%	6.00%
F. Expenses recognised during the year				
Expenses recognised during the year				
(i). Current Service Cost	0.59	0.03	0.81	0.73
(ii). Interest Cost	0.25	0.01	0.23	0.04
(iii). Expected return on Plan Assets	(0.07)	-	(0.05)	-
(iv). Actuarial Gain/(Loss)	(0.85)	(0.12)	(1.96)	0.04
(v). Past Service Cost	-	-	-	-
(vi). Expense recognised during the year	(0.08)	(0.07)	(0.97)	0.80

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 35 (Contd..)

Notes:

- (i) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- (ii) The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for management of plan assets.

G. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	31/03/2024			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	4.02	0.12	4.26	0.13
Salary growth rate (0.5% movement)	4.26	0.12	4.23	0.13

Particulars	31/03/2023			
	Increase		Decrease	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (0.5% movement)	4.13	1.79	4.35	1.84
Salary growth rate (0.5% movement)	4.35	1.84	4.13	1.79

Note:

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

Note -36

Due to Micro, Small and Medium Enterprises

Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 02.10.2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below

Particulars	As at	
	2023-24	2022-23
Principal amount remaining unpaid to any supplier as at the year end	14.28	18.12
Interest due thereon	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of accounting year	-	-



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 37

Related party disclosures as per Ind AS 24

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

I. Relationship:

A. Promoters having control over the company

Sr. No.	Name
1	Brijmohan D Chiripal
2	Jyotiprasad D Chiripal
3	Vedprakash D Chiripal
4	Jayprakash D Chiripal

B. Entities over which Promoter exercise control

Sr. No.	Name of the entity
1	Chiripal Textile Mills Private Limited
2	Dholi Spintex Private Limited
3	Hunky Dory Travel Private Limited
4	Nandan Industries Private Limited
5	Nandan Terry Limited
6	Nova Textile Private Limited
7	Deepak Impex Private Limited
8	Quality Exim Private Limited
9	Shanti Education Initiatives Limited
10	Bhavana Textiles Private Limited
11	Grew Renewables Private Limited (w.e.f. 31 st March, 2022)
12	Shanti Shirting Private Limited

C. Entities over which Promoter has Significant Influence

Sr. No.	Name of the entity
1	Chiripal Chartable Trust
2	Chiripal Industries Limited
3	Dholi Integrated Spinning Park Limited
4	Vraj Integrated Textile Park Limited
5	Nandan Denim Limited
6	Narol Textile Infrastructure & Inviro Management
7	Prakash Calender Private Limited

D. Key Management Personnel:

Sr. No.	Particulars	Designation
1	Brijmohan D Chiripal	Managing Director
2	Amit Kadmawala	Whole Time Director (Up to 7 th November, 2022)
3	Pramodkumar Sharma	Whole Time Director (From 8 th August, 2022)
4	Ravindrakumar Bajaj	Whole Time Director
5	Sushanta Kumar Panda	Independent Director
6	Shubhnikar Jha	Independent Director
7	Dhara Shah	Independent Director
8	Vinay Thadani	Chief Financial Officer (Till 19 th May, 2022)
9	Vinay Thadani	Chief Executive Officer (From 19 th May, 2022)
10	Dharmesh Dattani	Chief Financial Officer (From 8 th August, 2022)
11	Nikhil Vadera	Company Secretary (Up to 14 th November,2022)
12	Pooja Dhruve	Company Secretary (From 10 th February, 2023)

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 37 (Contd..)

E Key Management Personnel compensation:

Particulars	(₹ in Crore)	
	2023-24	2022-23
Short-term employee benefits	0.16	0.47
Long-term post employment benefits	0.02	(Rs. 17437)
Total compensation	0.18	0.47

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

B. Entities over which Promoter exercise control

Particulars	(₹ in Crore)	
	2023-24	2022-23
1 Sale of goods/services	17.35	21.65
Nandan Industries Private Limited	-	1.02
Nandan Terry Limited	2.73	2.57
Nova Textile Private Limited	0.60	4.53
Bhavana Textiles Private Limited	7.94	-
Chiripal Textile Mills Private Limited	-	2.82
Dholi Spintex Private Limited	1.83	3.35
Quality Exim Private Limited	4.18	7.36
Shanti Shirting Private Limited	0.07	-
2 Purchase of materials/services	81.35	120.58
Dholi Spintex Private Limited	0.15	5.32
Hunky Dory Travel Private Limited	-	0.10
Shanti Education Initiatives Limited	0.07	0.10
Nandan Terry Limited	0.01	0.38
Nandan Industries Private Limited	-	0.19
Quality Exim Private Limited	0.25	0.06
Nova Textile Private Limited	29.37	57.32
Deepak Impex Private Limited	33.86	51.01
Bhavana Textiles Private Limited	-	0.36
Grew Renewables Private Limited	-	4.64
Chiripal Textile Mills Private Limited	-	1.10
Shanti Shirting Private Limited	6.94	-
Srikunj Weaving Private Limited	10.59	-
Brijmohan D Chiripal	0.06	-
Pritidevi B Chiripal	0.06	-
3 Investments	17.08	-
Chiripal Textile Mills Private Limited	15.92	-
Nandan Industries Private Limited	0.75	-
Quality Exim Private Limited	0.41	-
3 Net closing balance - debit	6.12	-
4 Net closing balance - credit	-	3.81

C. Entities over which Promoter has Significant Influence

Particulars	(₹ in Crore)	
	2023-24	2022-23
1 Purchase of materials	7.72	13.50
Chiripal Industries Limited	-	0.87
Dholi Integrated Spinning Park Limited	0.69	1.06
Vraj Integrated Textile Park Limited	-	1.64
Nandan Denim Limited	3.56	7.59
Shanti Exports Private Limited	0.54	-
Narol Textile Infrastructure & Inviro Management	2.92	2.34

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 37 (Contd..)

Particulars	(₹ in Crore)	
	2023-24	2022-23
2 Sale of goods/services	-	0.63
Nandan Denim Limited	-	0.63
3 Guarantee Commission	0.01	0.01
Prakash Calender Private Limited	0.01	0.01
4 Donation	1.50	0.46
Chiripal Charitable Trust	0.74	-
Milestone Educom Trust	0.30	0.46
Happiness Reserves Foundation	0.46	-
5 Net closing balance - debit	-	-
6 Net closing balance - credit	0.89	0.73

D. Key Management Personnel

Particulars	(₹ in Crore)	
	2023-24	2022-23
1 Remuneration		
Salary and Allowances	3.31	2.87
Brijmohan D Chiripal	1.72	1.56
Amit Kadmawala	-	0.06
Shubhankar Jha	0.01	0.01
Dhara Shah	0.08	0.01
Susanta Kumar Panda	0.01	0.01
Ravindrakumar Bajaj	0.42	0.31
Pramodkumar Sharma	0.08	0.05
Vinay Thadani	0.59	0.59
Dharmesh Dattani	0.34	0.21
Nikhil Vadera	-	0.05
Pooja Dhruve	0.07	0.01

III. Terms and conditions

- A. Goods were sold during the year based on the price lists in force and terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions at market rates. All outstanding balances are unsecured and are repayable in cash and bank.

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 38

Financial instruments – Fair values and risk management

I. Accounting classification and fair values

(₹ in Crore)

31/03/2024	Carrying amount				Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Financial assets measured at each reporting date								
Investments								
Listed equity instruments	-	0.03	-	0.03	0.03	-	-	0.03
Unquoted equity instruments	-	11.97	-	11.97	-	-	11.97	11.97
Unquoted preference instruments	15.47	-	-	15.47	-	-	15.47	15.47
Unquoted investment in mutual funds	-	-	-	-	-	-	-	-
Financial assets measured at amortised cost								
Other non current financial assets	-	-	0.64	0.64	-	-	-	0.64
Other non current assets	-	-	2.63	2.63	-	-	-	2.63
Trade receivables	-	-	510.80	510.80	-	-	-	510.80
Cash and cash equivalents	-	-	0.24	0.24	-	-	-	0.24
Other bank balances	-	-	10.79	10.79	-	-	-	10.79
Other financial current assets	-	-	33.57	33.57	-	-	-	33.57
Total Financial Assets	15.47	12.00	558.66	586.14	0.03	-	27.45	586.14
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	130.39	130.39	-	-	-	130.39
Current borrowings	-	-	250.40	250.40	-	-	-	250.40
Trade payables	-	-	93.92	93.92	-	-	-	93.92
Other Non Current Financial Liability	-	-	10.99	10.99	-	-	-	10.99
Other financial liabilities	-	-	-	-	-	-	-	-
Total Financial Liabilities	-	-	485.69	485.69	-	-	-	485.69

(₹ in Crore)

31/03/2023	Carrying amount				Carrying amount			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 Quoted price in active markets	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Financial assets measured at each reporting date								
Investments								
Listed equity instruments	-	0.02	-	0.02	0.02	-	-	0.02
Unquoted equity instruments	-	11.32	-	11.32	-	-	11.32	11.32
Unquoted preference instruments	15.95	-	-	15.95	-	-	15.95	15.95
Unquoted investment in mutual funds	-	-	-	-	-	-	-	-
Financial assets measured at amortised cost								
Other non current financial assets	-	-	2.35	2.35	-	-	-	2.35
Other non current assets	-	-	1.61	1.61	-	-	-	1.61
Trade receivables	-	-	456.42	456.42	-	-	-	456.42
Cash and cash equivalents	-	-	0.47	0.47	-	-	-	0.47
Other bank balances	-	-	9.15	9.15	-	-	-	9.15
Other financial current assets	-	-	34.18	34.18	-	-	-	34.18
Total Financial Assets	15.95	11.34	504.18	531.47	0.02	-	27.27	531.47
Financial liabilities measured at amortised cost								
Non current borrowings	-	-	134.42	134.42	-	-	-	134.42
Current borrowings	-	-	182.99	182.99	-	-	-	182.99
Trade payables	-	-	117.77	117.77	-	-	-	117.77
Other Non Current Financial Liability	-	-	11.53	11.53	-	-	-	11.53
Other financial liabilities	-	-	-	-	-	-	-	-
Total Financial Liabilities	-	-	446.70	446.70	-	-	-	446.70



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 38 (Contd..)

Notes:

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements described below:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2 : Inputs other than the quoted prices included withing Level 1 that are observable for the asset or liability, either directly or indirectly.

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

(₹ in Crore)

	31/03/2024		31/03/2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Other non current financial assets	49.86	49.86	33.32	33.32
Total financial assets	49.86	49.86	33.32	33.32
Financial liabilities				
Non current borrowings	130.39	130.39	134.42	134.42
Other non current financial assets	10.99	10.99	11.53	11.53
Total financial liabilities	141.37	141.37	145.94	145.94

Notes:

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

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

III. Measurement of fair values

A. Valuation techniques and significant unobservable inputs

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

Financial instruments measured at fair value

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

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 38 (Contd..)

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
	<p>2. Market approach - relies on signs from the real market place to determine what a business is worth. The market approach based valuation methods establish the business value in comparison to similar businesses. The methods rely on the pricing multiples which determine a relationship between the business economic performance, such as its revenues or profits, and its potential selling price.</p> <p>The valuation has been made considering the following weightage to the above approaches: Asset approach : 70% Market approach : 30%</p>		

B. Transfers between Levels 1 and 2

There have been no transfers between Level 1 and Level 2 during the reporting periods

2. Sensitivity analysis

For the fair values of unquoted investments, reasonably possible changes at the reporting date to one of the significant observable inputs, holding other inputs constant, would have the following effects.

Significant observable inputs	31/03/2024		31/03/2023	
	Other Comprehensive Income		Other Comprehensive Income	
	Increase	Decrease	Increase	Decrease
Unquoted equity instruments measured through OCI				
5% movement	0.46	0.46	0.42	0.42

Significant observable inputs	31/03/2024		31/03/2023	
	Profit & Loss Account		Profit & Loss Account	
	Increase	Decrease	Increase	Decrease
Unquoted equity instruments measured through OCI				
5% movement	0.77	0.77	0.80	0.80

Note 39

Financial risk management

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

- Credit risk ;
- Liquidity risk ; and
- Market risk

1. Risk management framework

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

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 39 (Contd..)

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

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

2. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

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

A. Trade receivables

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

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

Other financial assets

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

Cash and cash equivalents

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

A.1. Impairment

At March 31, 2024, the ageing of trade and other receivables that were not impaired was as follows.

(₹ in Crore)

Particulars	Carrying amount					
	31/03/2024			31/03/2023		
	Gross	Provision	Net	Gross	Provision	Net
Not Due	323.44	-	323.44	305.31	-	305.31
Less than 6 months	168.29	-	168.29	132.44	-	132.44
6months to 1 year	2.32	-	2.32	1.46	-	1.46
1-2 years	1.44	-	1.44	4.45	-	4.45
2-3 years	2.92	-	2.92	0.90	-	0.90
More than 3 years	12.39	-	12.39	11.86	-	11.86
	510.80	-	510.80	456.42	-	456.42
% of expected credit losses (More than 365 days)			-			-

The above receivables which are past due but not impaired are assessed on individual case to case basis and relate to a number of independent third party customers from whom there is no recent history of default. These financial assets were not impaired as there had not been a significant change in credit quality and the amounts were still considered recoverable based on the nature of the activity of the customer portfolio to which they belong and the type of customers. There are no other classes of financial assets that are past due but not impaired except for Trade receivables as at 31.03.2024 and 31.03.2023

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 40

Financial instruments – Fair values and risk management

Liquidity risk

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

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

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

B. The company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ in Crore)

Particulars	As at	
	2023-24	2022-23
Floating rate		
Fund Base	17.34	77.11
Expiring within one year (bank overdraft and other facilities)		
Non Fund Base	27.44	9.56
Expiring within one year		

C. Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in Crore)

31/03/2024	Carrying amount	Less than 12 months	1-2 years	2-3 years	More than 5 years	Total
Financial liabilities						
Non current borrowings*	137.91	10.77	19.48	115.06	-	145.31
Current borrowing	182.66	182.66	-	-	-	182.66
ECLGS Facility*	60.21	24.97	22.36	20.67	-	68.00
Trade payable	93.92	93.92	-	-	-	93.92
Other current financial liabilities	10.99	10.99	-	-	-	10.99

*includes interest

(₹ in Crore)

31/03/2023	Carrying amount	Less than 12 months	1-2 years	2-3 years	More than 5 years	Total
Financial liabilities						
Non current borrowings*	141.93	11.85	21.09	118.94	13.60	165.48
Current borrowing	100.89	100.89	-	-	-	100.89
ECLGS Facility*	74.59	20.62	24.52	40.13	1.98	87.25
Trade payable	117.77	117.77	-	-	-	117.77
Other current financial liabilities	11.53	11.53	-	-	-	11.53

*includes interest

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 41

Financial instruments – Fair values and risk management

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

A. Currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of payables and receivables in foreign currency. The company has formulated policy to meet the currency risk.

company does not use derivative financial instruments for trading or speculative purposes.

1. Foreign Currency Exposure

Particulars	Currency	(₹/ FC in Crore)	
		31/03/2024	31/03/2023
a) Against export	USD	-	0.01
	INR	-	0.50
b) Net statement of financial exposure	USD	-	0.01
	INR	-	0.50

2. Sensitivity

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

As on 31.03.2024 Particulars	Impact on profit before tax	
	Increase	Decrease
Currency rates (5% increase/ decrease) USD	-	-

As on 31.03.2023 Particulars	Impact on profit before tax	
	Increase	Decrease
Currency rates (5% increase/ decrease) USD	0.03	0.03

B. Interest rate risk

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

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 41 (Contd..)

1. Exposure to interest rate risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Crore)

Particulars	31/03/2024	31/03/2023
Fixed-rate instruments		
Financial assets	11.43	11.50
Financial liabilities	-	-
Total	11.43	11.50
Variable-rate instruments		
Financial liabilities	380.79	317.41
Total	380.79	317.41

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

As on 31.03.2024	Bank loans
Weighted average interest rate	10.00%
Balance (Rs. in crore)	380.79
% of total loans	100.00%

As on 31.03.2023	Bank loans
Weighted average interest rate	9.50%
Balance (Rs. in crore)	317.41
% of total loans	100.00%

2. Sensitivity

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

As on 31.03.2024	Impact on profit before tax	
	Decrease	Increase
Particulars		
Interest rates (0.50% increase/ decrease)	1.90	1.90

As on 31.03.2023	Impact on profit before tax	
	Decrease	Increase
Particulars		
Interest rates (0.50% increase/ decrease)	1.59	1.59

3. Fair value sensitivity analysis for fixed-rate instruments

The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 42

Disclosure relating to various ratios

Sr. No.	Ratio Name	Particulars	Ratio 2023-24	Ratio 2022-23	% of Variance	Reason for Variance
1	Current Ratio (In times)	Current Assets Current Liability	1.83	1.79	2.53	NA
2	Debt Service Coverage Ratio (In times)	EBIDTA (Interest+Repayment)	5.97	1.33	677.03	Substantial Debt has been repaid during the previous year
3	Inventory Turnover Ratio (In times)	Sales Average Inventory	16.74	17.61	-4.93	NA
4	Trade Payable Turnover Ratio (In times)	Net Purchase Average Trade Payable	14.00	10.09	38.67	Due to decrease in Trade Payable
5	Net Profit Ratio (In %)	Net Profit Net Sales	1.46	3.41	-57.29	Due to reduction in net income
6	Debt-Equity Ratio (In times)	Total Debt Total Shareholder Equity	0.92	0.81	13.64	NA
7	Return on Equity ratio (In %)	Net Income Average Shareholder's Equity	5.27	14.57	-63.85	Due to reduction in net income
8	Trade Receivable Turnover Ratio (In times)	Net Sales Average Trade Receivable	3.00	3.64	-17.69	NA
9	Net Capital Turnover Ratio (In times)	Net Sales Working Capital	4.92	6.07	-18.95	NA
10	Return on Capital Employed Ratio (In %)	EBIT Capital Employed	8.62	14.94	-42.30	Due to reduction in net income
11	Return on Investment (In %)	Refer Note no. 1 below	49.65	62.97	-21.16	Due to increase in Non Current Investments

Note:

1 Return on Investment

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

$$\text{Where,}$$

Where,

T1 = End of time period

T2 = Beginning of time period

T = Specific date falling between T1 and T0

MV(T1) = Market value at T1

MV(T0) = Market value at T0

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

W(T) = Weight of net cash flow (i.e. either net inflow or outflow) on day 'T', Calculated as $\frac{T1 - T}{T1}$

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 43

Capital management

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

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

(₹ in Crore)

Particulars	As at	
	31/03/2024	31/03/2023
Total Liabilities	509.62	476.38
Less : Cash and bank balances	11.03	9.62
Adjusted net debt	498.59	466.76
Total equity	412.02	390.30
Adjusted net debt to adjusted equity ratio	1.21	1.20

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

Note 44

Earnings per share

Particulars	[Number of shares]	
	31/03/2024	31/03/2023
Issued equity shares	197610003	197610003
Weighted average shares outstanding - Basic and Diluted - A	197610003	197610003

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

(₹ in Crore)

Particulars	31-03-2024	31-03-2023
Profit and loss after tax	21.13	52.82
Profit and loss after tax for EPS - B	21.13	52.82
Basic Earnings per share [B/A] [Rs.]	1.07	2.67
Diluted Earnings per share [B/A] [Rs.]	1.07	2.67

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.



Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 45

Expenditure on corporate social responsibility activities

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

(₹ in Crore)

Particulars	Year ended 31st March, 2024	Year ended 31st March, 2023
I. Amount required to be spent by the company during the year	1.32	1.17
II. Amount spent by the company during the year on:		
a) Construction/acquisition of any assets	-	-
b) For purpose other than (a) above	1.50	1.17
III. Shortfall at the end of the year	-	-
IV. Total of previous year shortfall	-	-
V. Reason of Shortfall	NA	NA
VI. Amount carried forward at the end of the year	0.18	-

VI. Nature of CSR activities - To promoting education, employment enhancing vocation skills especially among children and women.

VII. The company carry Rs. 0.18 Crore as provision for corporate Social Responsibility expenses for current year.

Note 46

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company has a Fund-based and Non-fund-based limits of Working Capital from Banks and Financial institutions. For the said facility, the Company has submitted Stock and debtors statement to the bank on monthly basis as also the Quarterly Information Statements. The average difference is not material and is less than 1% of amount of stock and debtors, which is on account of valuation, provisions, etc.
- The Company has not been declared as a willful defaulter by any lender who has powers to declare a company as a willful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.
- The Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Company Act, 1956.
- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restrictions on number of Layers) Rules, 2017.
- The Company has not received any funds from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

Notes to Standalone Financial Statements

for the year ended 31st March, 2024

Note 47

The company has acquired additional equity shares in Chiripal Textile Mills Private Limited, Nandan Industries Private Limited and Quality Exim Private Limited w.e.f. 29Th March, 2024 and 30Th March, 2024. Due to increased in % of holding in these companies, they are now associates companies as per Ind As 28 " Investment in Associates and Joint Venture". For convenience purpose and as per written opinion received by the Management and as per guidance given in IFRS 3 and FAS 141(R) the accounts of the associate companies will be consolidated as per equity method , as prescribed in Ind AS 28, with effect from 01.04.2024.

Note 48

The financial statements are approved by the audit committee and Board of Directors at its meeting held on 29Th May, 2024. The said financial statements are subject to approval of Share Holders in Annual General Meeting.

Note 49

Company has given guarantees during the year and in previous year and disclosure under section 186(4) of the companies Act 2013 is given below.

Particulars	(₹ in Crore)	
	2023-24	2022-23
Corporate guarantee given to Narol Textile Infrastructure & Inviro Management for Common Effluent Treatment Plant (CETP) and balance at the year end	3.58	2.97
Investment in Unquoted Equity Instruments Associate Entities (At Cost)		
Chiripal Textile Mills Private Limited	15.92	-
Nandan Industries Private Limited	0.75	-
Quality Exim Private Limited	0.41	-

Note 50

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

Note 51 : Events occurring after the reporting period

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 18, 2022, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

Significant Accounting Policies 1

The accompanying Notes 2 to 51 are integral part of the Financial Statements.

As per our report of even date

For **S V J K and Associates**

Chartered Accountants

Firm Registration No: 135182W

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

CIN : L17110GJ1985PLC008206

Reeturaj Verma

Partner

Membership No.: 193591

Brijmohan Chiripal

Managing Director

DIN : 00290426

Vinay Thadani

Chief Executive

Officer

Dharmesh Dattani

Chief Financia

Officer

Pooja Dhruve

Company

Secretary

Mem No. A48396

Ravindrakumar Bajranglal Bajaj

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: 'May 29,2024

Place: Ahmedabad

Date: 'May 29,2024



VISHAL FABRICS LIMITED

CIN: L17110GJ1985PLCOO8206

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