

30TH ANNUAL REPORT

2014-2015



VISHAL FABRICS LIMITED



VISHAL FABRICS LIMITED

Corporate Information

BOARD OF DIRECTORS	Mr. Jyotiprasad Chiripal Mr. Shubhankar Jha Mr. Arakhita Khandual Mr. Amit Kadmawala Ms. Dhara Shah	<i>Managing Director (DIN: 00155695)</i> <i>Independent Director (DIN: 07208823)</i> <i>Independent Director (DIN: 00055601)</i> <i>Executive Director (DIN: 07016454)</i> <i>Independent Director (DIN: 06983857)</i>
CORPORATE IDENTITY NUMBER		CIN: L17110GJ1985PLC008206
BANKERS		Oriental Bank of Commerce IDBI Bank The Lakshmi Vilas Bank Limited
CHIEF FINANCIAL OFFICER		Mr. Mahesh Kawat
COMPANY SECRETARY		Ms. Poonam Pabla
REGISTERED OFFICE AND PLANT		Ranipur Narol Road, Ahmedabad – 382 405 Phone: + 91 - 79 - 25353977/78/79/80 Fax: +91 - 79 – 25353981
CORPORATE OFFICE		‘Chiripal House’, Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015 Phone: + 91 - 79 - 26734660/2/3 Fax: + 91 - 79 – 26768656
STATUTORY AUDITORS		M/s. Anil S. Shah & Co. Chartered Accountants, 302, Shailly Complex, Opp. Loha Bhavan, Nr. Old High Court Road, Navrangpura, Ahmedabad – 380 009
REGISTRAR AND SHARE TRANSFER AGENT		Link Intime India Private Limited 303, 3 rd Floor, Shoppers Plaza V, Opp. Municipal Market, Off. C.G. Road, Ahmedabad – 380 009 Tel. No.: +91 - 79 - 26465179 Fax No.: +91 - 79 - 26465179 Email: ahmedabad@linkintime.co.in
EMAIL AND WEBSITE		cs.vfl@chiripalgroup.com, www.vishalfabricsltd.com

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VISHAL FABRICS LIMITED

VISHAL FABRICS LIMITED

(CIN: L17110GJ1985PLC008206)

Regd. Office: Ranipur Narol Road, Ahmedabad – 382 405

Phone: +91 - 79 - 25353977/78/79/80; Fax: +91 - 79 - 25353981

Email: cs.vfl@chiripalgroup.com; Website: www.vishalfabricsltd.com

NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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



VISHAL FABRICS LIMITED

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Schedule V to the Act and the Rules made thereunder, as amended from time to time, approval of the members of the Company be and is hereby accorded to the appointment and terms of remuneration of Mr. Amit Kadmawala as a Whole – Time Director designated as an Executive Director of the Company for a period of 5 years w.e.f. November 13, 2014 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Directors and Mr. Amit Kadmawala.”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“RESOLVED THAT pursuant to the provisions of section 62 and other applicable provisions, if any, of the Companies Act, 2013 along with



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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

Date: August 17, 2015

Place: Ahmedabad

By order of the Board of Directors

Poonam Pabla

Company Secretary

NOTES:

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

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

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

Item No. 4

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

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

Item No. 5

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

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

Item No. 6

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

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

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



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

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

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

Item No. 7

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

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

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

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

Item No. 8

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

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

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

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

Item No. 9

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



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

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

Item No. 10 & 11

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

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

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

Item No. 12

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

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

In case of Rights Issue:

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

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

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