

**August 26, 2025**

To,  
**BSE Limited.**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort.  
Mumbai – 400001

Dear Sir/Madam,

**Sub.: Submission of Annual Report for the Financial Year 2024-25**  
**Ref.: Vishal Fabrics Limited, Scrip Code: 538598, Security ID: VISHAL**

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report along with Notice of the **40<sup>th</sup> Annual General Meeting** of the Vishal Fabrics Limited, which is scheduled to be held on **Friday, September 19, 2025 at 11:30 a.m.** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") in compliance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities Exchange Board of India (SEBI).

Kindly take the same on record.

Thanking you,  
For, VISHAL FABRICS LIMITED

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Brijmohan D. Chiripal  
Managing Director  
DIN: - 00290426

**Registered Office :**

Shanti Corporate House, Nr. Hira Rupa Hall, Bopal-Ambli Rd, Bopal, Ahmedabad - 380058, Gujarat, India.  
Ph : +91 6359701763 | 6359701796

info.vfl@chiripalgroup.com | www.vishalfabricsltd.com | CIN : L17110GJ1985PLC008206

    /vishaldenim

Redefining Fashion  
***Weaving Tomorrows's Trends.***

Annual Report 2024-25







## Redefining Fashion *Weaving Tomorrows's Trends.*

At Vishal Fabrics, redefining fashion is more than a commitment. We are weaving innovation and sustainability into every thread to change the perception of denim and fashion as we know it. We are transforming denim into a canvas for tomorrow's trends. Our consistent focus on quality ensures that each fabric is not just worn but experienced.

By utilising advanced technology and a deep understanding of the market, we deliver fabrics that resonate with modern consumers and diverse styles. By producing wider width fabrics, we are fulfilling our promise to deliver more. Our collaborations with leading global brands reinforce our position as an entity which does not just follow trends but creates them.

As we stride ahead, we are prepared to capitalise on the opportunities of tomorrow. We will continue to shape a fashion landscape where every fabric tells a story of progress, responsibility and craftsmanship.

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## About us

Vishal Fabrics Limited began its journey in 1985 with the aim to make denim more than just a fashion statement. Over the years, we have grown into one of India's trusted textile processors, known for our expertise in dyeing, printing and processing of denim and other fabrics.

Our state-of-the-art facilities in Gujarat help us meet the evolving demands of global fashion brands and uphold the highest standards of sustainability and innovation. Our reach extends well beyond India's borders. We serve an international clientele across South Africa, Thailand, Sri Lanka and Bangladesh, offering solutions that blend craftsmanship with consistent quality.

With an annual capacity to produce over 100 million meters of processed fabric, we are well-positioned to meet the growing demand. To support this scale, we have installed a 6MW captive power plant. Our operations are strengthened by advanced machines such as the Continuous Bleaching Range (CBR) unit, Rotary Screen Printing Machine, Continuous and Loop Agers, Hydro Extractors, Sanforizing Machine, Liza Brushing Machine and the Sueding Machine, which enable us to carry out intricate processes seamlessly across the production chain.

**50+**  
Years of excellence

**11+**  
Countries presence

**20,000**  
Employees



### 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





## 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



### Education

- Shanti Educational Initiatives Ltd



### Robotics/AI

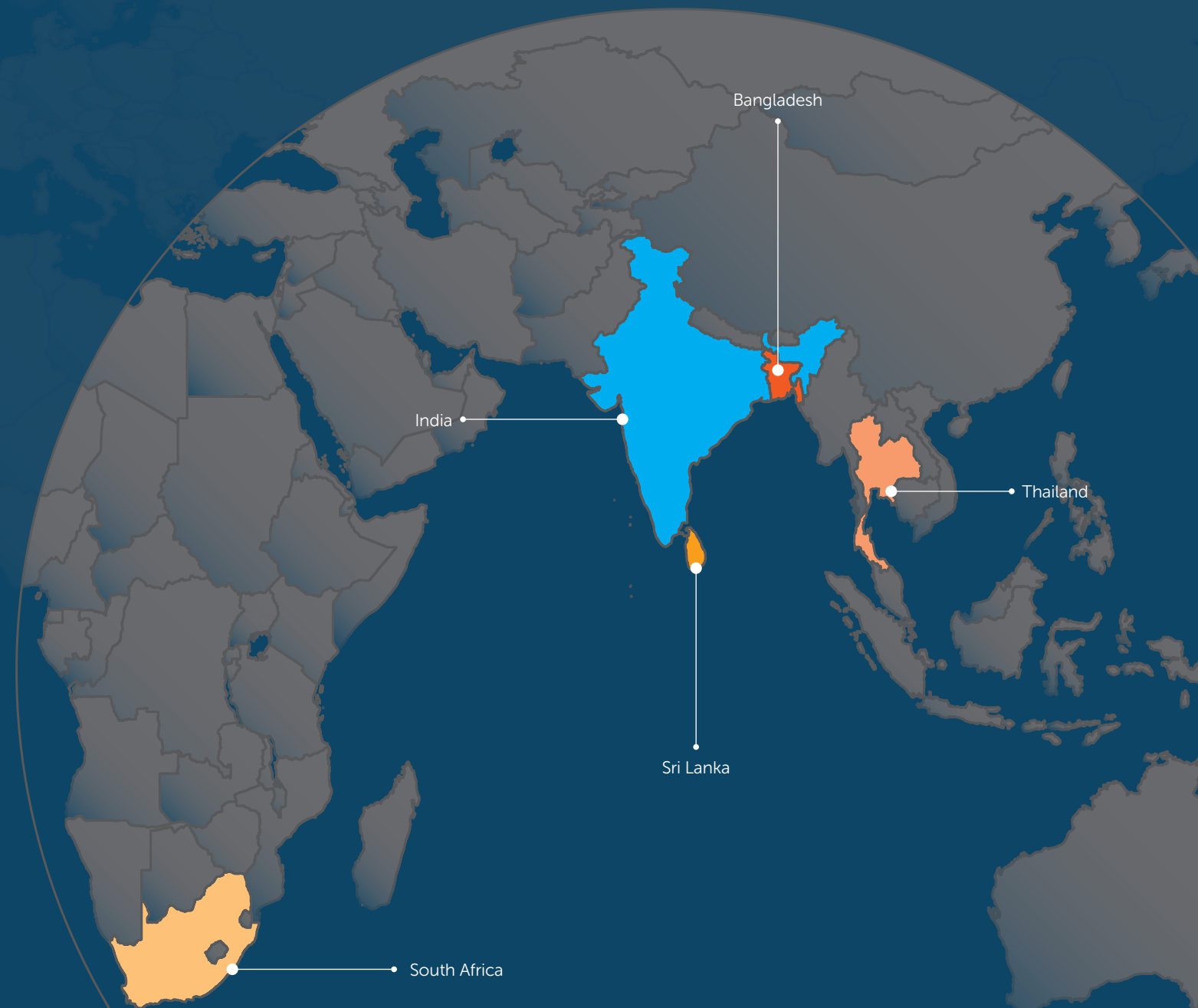
- HRF/WSRO



### Packaging Solutions

- Chiripal Poly Films Limited

## Global presence





# Key milestones

**2023-24**

Invested in several group companies, elevating them to associate status. These strategic steps enhanced operational synergies, expanded market reach and strengthened the overall business portfolio.

**2024-25**

Company has issued 5,00,00,000 warrants aggregating of ₹ 153 Crores to various FII's

**2022-23**

Achieved the highest-ever topline turnover of ₹ 1,547.86 crore.

**2021-22**

Commissioned an additional denim production line with a capacity of 10 million metres annually, raising total dyeing capacity to 90 MMTPA dyeing and processing capacity to 105 MMTPA.

**2018-19**

Achieved total dying and processing capacity of 105 MMTPA and denim fabrics processing of capacity of 80 MMTPA.

**2017-18**

Commenced commercial operations of denim lines 5 to 8.

**2016-17**

Began commercial operations of denim lines 1 to 4. Successfully raised ₹ 878 million through rights issue.

**2014-16**

Transferred equity shares from the BSE SME Platform to the BSE Mainboard. Commenced capex for the manufacturing of denim fabric with 80 MMTPA processing capacity.

**1985-89**

Started dyeing and processing of fabrics with capacity of 105 MMTPA.

# Marquee clientele

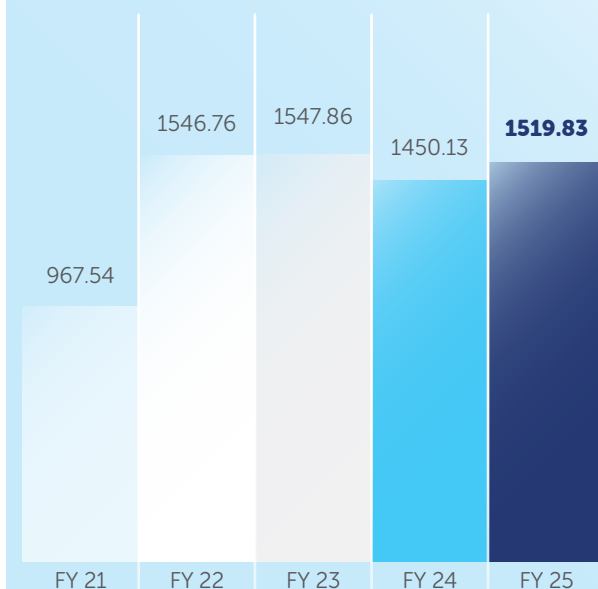
|   |   |   |   |
|---|---|---|---|
|  |    |    |    |
| Calvin Klein  |  |  |  |
| TOMMY HILFIGER  |  |  |   |
| EMPORIO ARMANI  |  |   |   |



## Financial highlights

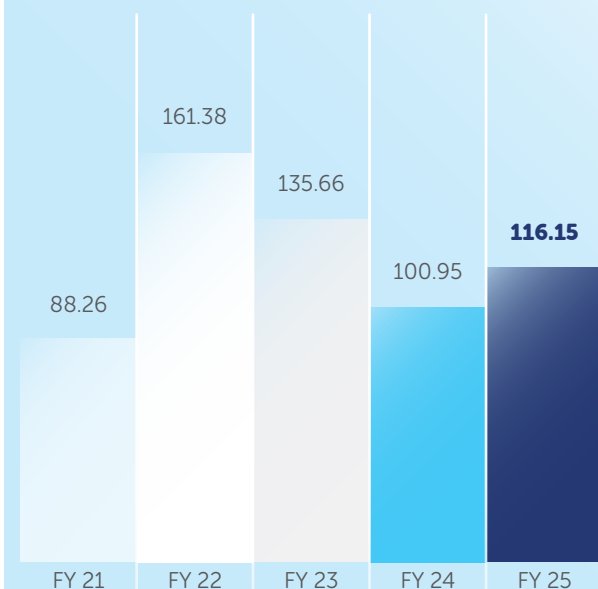
### Revenue from operations (₹ in crores)

**1519.83**



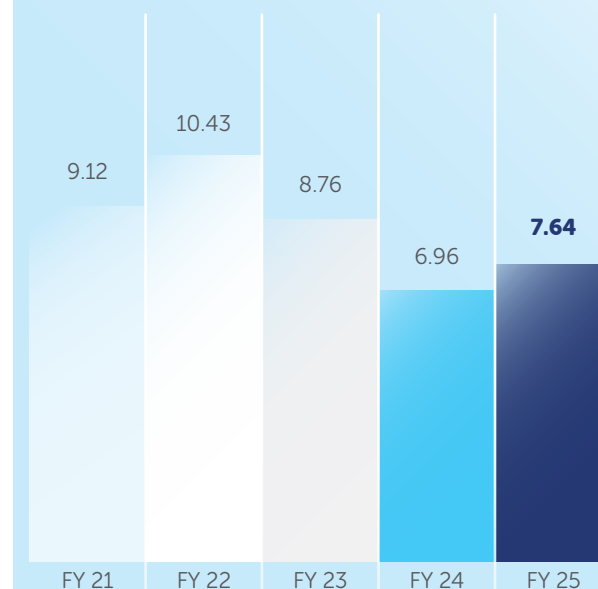
### EBITDA (₹ in crores)

**116.15**



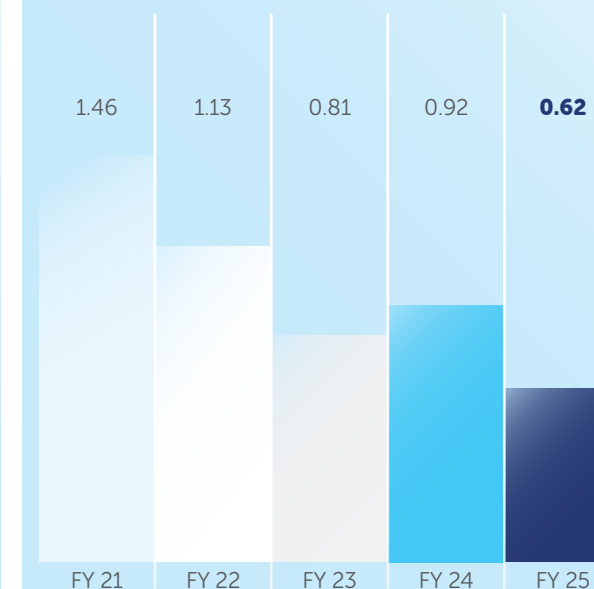
### EBITDA Margin (%)

**7.64**



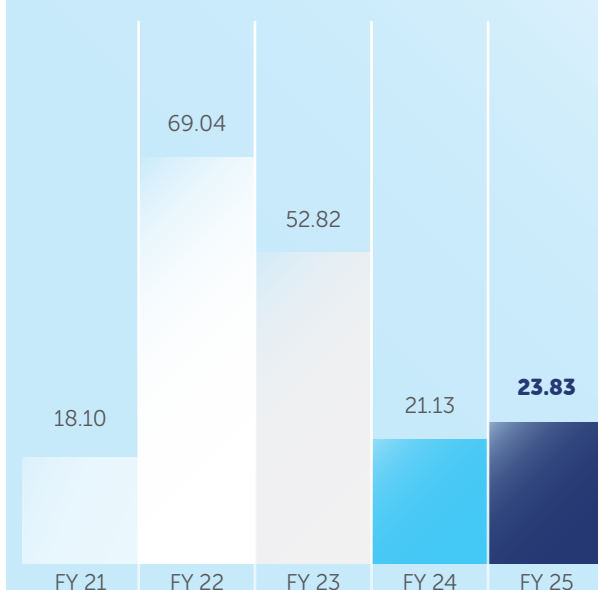
### Debt equity ratio (times)

**0.62**



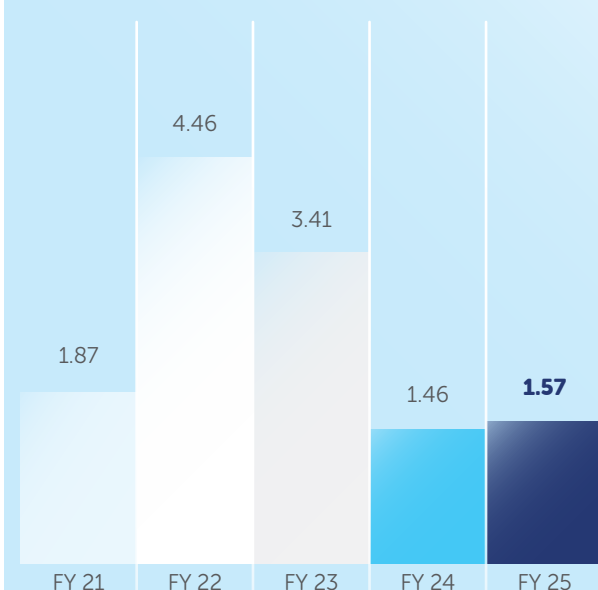
### PAT (₹ in crores)

**23.83**



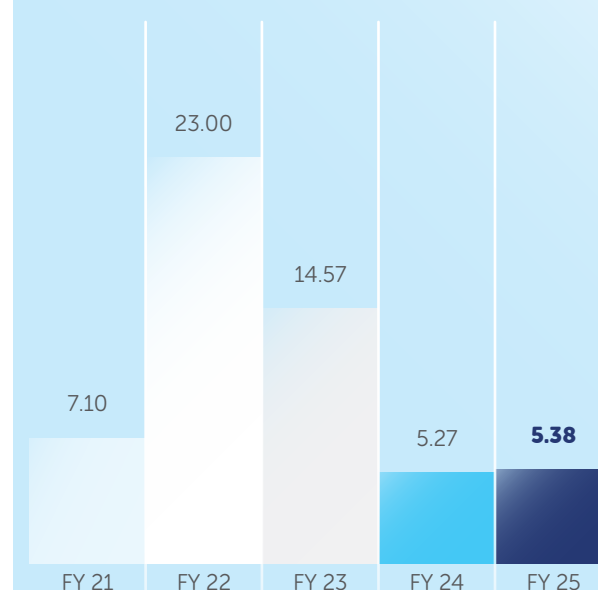
### PAT Margin (%)

**1.57**



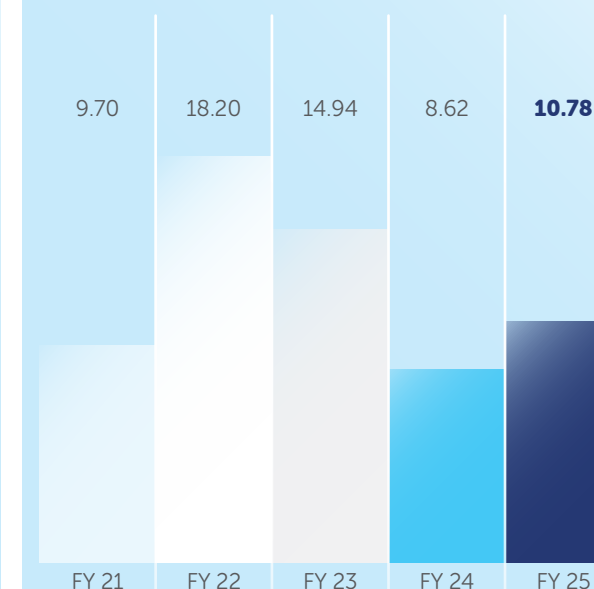
### ROE (%)

**5.38**



### ROCE (%)

**10.78**





## Managing Director's message



*Dear Shareholders,*

**As I look back on the past year, I am incredibly pleased with Vishal Fabrics Limited's (VFL) achievements. Despite evolving market conditions and global uncertainties, our sustained focus on excellence, sustainability and innovation has been key to our continued progress.**

The Indian economy continues its robust growth, bolstered by government initiatives that enhance manufacturing and export capabilities. Current market trends emphasise sustainability, innovation and digital transformation, driving increased customer demand for eco-friendly and technologically advanced denim products. Vishal Fabrics strategically positions itself to capitalise on these trends by investing in associate companies and expanding its capacity, particularly in wider-width fabrics. Our Company aims to leverage global supply chain diversification strategies, such as 'China+1', expanding our international market footprint, improving operational efficiency and sustaining growth by adhering to strong ESG principles and customer-centric innovation.

In FY 2024-25, Vishal Fabrics Limited reported strong financial results, with revenue from operations reaching 1521.14 crores, an EBITDA of 84.55 crores and a Profit After Tax (PAT) of 23.83 crores. These achievements are particularly noteworthy given the challenging macroeconomic backdrop, marked by subdued global textile demand and price volatility. Our ability to surpass our topline projections and secure robust financial stability underscores the effectiveness of our prudent cost management and ongoing operational efficiency initiatives.

At Vishal Fabrics, our strategic imperative is to enhance operational synergies and expand our market presence. Key to this has been our investments in Quality Exim, Nandan Industries and Chiripal Textile Mills, successfully integrating them as associate companies. These alliances have substantially strengthened our textile value chain, improving collaboration, optimising supply chain efficiency and extending our reach across diverse markets including India, Bangladesh, Thailand, Sri Lanka and South Africa.

I extend my heartfelt gratitude to our shareholders, employees, partners and the entire Vishal Fabrics community. Your confidence and tireless efforts were instrumental in navigating a challenging year, enabling us to overcome obstacles and emerge poised for future growth. Moving forward, we are more committed than ever to achieving operational excellence, driving sustainable value creation and cementing our position as a stronger industry leader.

Warm Regards,

**Mr. Brijmohan D. Chiripal**  
Managing Director  
Vishal Fabrics Limited



## Chief Executive Officer's message



### *Dear Shareholders,*

As we conclude another year, I wish to share my reflections with great sincerity and a renewed sense of purpose. This period has tested our resilience in the face of evolving market dynamics but it has also sharpened our focus and determination to achieve long-term, sustainable growth.

#### **Resilience in a challenging year**

During the year, the Company navigated a challenging operating environment characterised by ongoing market volatility, supply chain disruptions and fluctuating demand in key markets. Despite these headwinds, we demonstrated resilience and maintained a sharp focus on operational excellence. For the year under review, we reported a turnover of ₹1,519.83 crore and a profit after tax of ₹23.84 crore.

Amidst these challenges, we continued to invest strategically and strengthen our core business capabilities. Our operational performance remained stable, reflecting our team's commitment to agility, efficiency and creation of long-term value.

#### **Strategic focus on product development**

We are actively focusing on developing new products and enhancing our capabilities to establish ourselves as a key player in the denim segment. To support this, we have onboarded product development specialists and are working to ensure that quality, innovation and customer service remain our core differentiators.

Recognising the importance of a robust export strategy to reduce reliance on the domestic market, we currently export modest volumes to Nepal and Sri Lanka. We are now actively exploring new markets, including Portugal, Panama, Kenya, Morocco and Bangladesh. These regions present promising growth opportunities and we are confident that our high-quality denim products will appeal to potential customers worldwide.

#### **Unlocking potential through brand partnerships**

We are equally committed to expanding our domestic presence by capitalising on India's growing denim consumption potential. With per capita denim usage in India still below one garment, significantly lower than the 4 to 6 garments typical in Western markets, we believe there is substantial opportunity for growth.

Currently, only five percent of our production is dedicated to established brands. We intend to increase this by partnering with prominent national brands such as Killer, Spykar, Pepe and Mufti, especially in major urban centres like Mumbai and Bengaluru. At present, the north and eastern regions of India

account for 55% of our denim fabric sales, followed by the western region at 35%. We see significant potential to further deepen our market presence across these areas.

#### **Sustainability and CSR**

As we continue to grow, we remain mindful of our environmental and social responsibilities. Over the past year, we have implemented several impactful initiatives to reduce our ecological footprint, including sourcing eco-friendly materials, increasing our use of renewable energy and adopting advanced water recycling and zero-waste processes.

I am pleased to share that we have made meaningful progress across these areas, with significant waste reduction, greater renewable energy utilisation and successful deployment of innovative water conservation techniques bringing us closer to our environmental goals.

We also continue to invest in the communities where we operate. Through our partnerships with registered trusts - Chiripal Charitable Trust, Happiness Reserves Foundation, Arya Foundation and Milestone Educom Trust, we are contributing to education, healthcare, environmental conservation and skill development. These efforts enable us to create shared value and build a stronger, more resilient society.

#### **Way forward**

Our priorities for the coming year are clearly defined. We aim to export over 5 lakh metres of denim while strengthening our partnerships with leading national brands. We will focus on developing a differentiated product portfolio, expanding into high-potential markets and advancing our sustainability initiatives.

With the solid foundation established over the past year, we are confident that Vishal Fabrics is well-positioned to achieve significant growth and reach new milestones in the years ahead.

I would like to express my sincere gratitude to all our stakeholders for their continued trust and support. Your confidence inspires us to push boundaries and move forward with resilience, responsibility and renewed ambition.

Warm Regards,

**Suketu Shah**  
Chief Executive Officer



## Chief Financial Officer's message



*Dear Shareholders,*

**FY 2024–25 was a milestone year for Vishal Fabrics Ltd., distinguished by robust execution, prudent financial management and strengthened operational efficiency. Despite a dynamic and occasionally uncertain macroeconomic environment, we exceeded internal expectations and achieved strong performance across key operational and financial metrics.**

We reported revenue of ₹1,519.83 crore, surpassing our projection of ₹1,500.00 crore. Profit Before Tax stood at ₹44.90 crore, exceeding the estimated ₹39.04 crore, while EBITDA reached ₹116.15 crore, above the projected ₹106.39 crore. Our Debt Service Coverage Ratio (DSCR) improved from 4.28 to 4.96, reflecting stronger liquidity and prudent capital management.

During the year, we invested ₹15.00 crore in our textile business, a strategic allocation expected to drive consolidated earnings growth in the future. Our commitment to deleveraging remained intact, with ₹38.25 crore of unsecured loans repaid during the year and a further reduction of ₹45 crore planned for FY 2025-26. Additionally, we initiated the consolidation of our banking relationships to strengthen compliance, improve cost efficiency and streamline cash flow management.

A significant strategic shift this year was our decision to prioritise capacity utilisation over expansion. Through targeted technology upgrades, we have enhanced plant efficiency and improved delivery timelines. Our facilities consistently meet international standards, backed by certifications such as ISO 9001:2015, ISO 14001:2015, OEKO TEX, BCI and GOTS. These certifications reflect our commitment not only to quality but also to effective risk management and responsible manufacturing practices.

Aligned with our long-term sustainability objectives, we have continued to leverage renewable energy sources, with our captive solar plant fulfilling a substantial portion of our power requirements. Our zero-discharge water treatment systems, material waste recycling initiatives and green landscaping efforts further exemplify our dedication to environmentally responsible operations, all of which contribute to long-term financial efficiencies.

Looking ahead, we will continue to prioritise financial prudence, cost efficiency and optimal capacity utilisation, all while upholding the highest standards of quality and punctuality in delivery. Our team is unflinching in its commitment to building sustainable, long-term value for all stakeholders by aligning operational excellence with strategic foresight.

I take this opportunity to extend my sincere appreciation to the Board of Directors, our leadership team and all stakeholders for their continued trust and invaluable support.

Warm regards,

**Dharmesh Dattani**  
Chief Financial Officer



## Our strengths

We are guided by a strong foundation of values that shape our operations, be it sustainable manufacturing and innovation to teamwork and integrity. These core principles drive our success and help us deliver impact across global markets.



### Sustainable practices

We have adopted cutting-edge, environmentally-friendly technologies into our processes, which has established us as a trusted partner for customers who prioritise sustainability.

### Innovation-driven

Our manufacturing facility combines innovation with advanced technology to produce a diverse range of high-quality textiles. Our smart, energy-efficient strategies supports a sustainable, end-to-end manufacturing process for all our fabrics, finishes and widths. This commitment drives excellence and self-reliance in our processes.



### Teamwork and creativity

We believe that collaboration is key to innovation. We encourage our team to think creatively and explore new possibilities. This collaborative mindset fuels continuous improvement and helps us stay ahead in the denim industry.



### Integrity and impact

VFL operates with the highest ethical standards. Our integrity is reflected in our interactions our employees, customers and the communities we serve.



## Manufacturing excellence

Our manufacturing facilities are equipped with advanced systems that boost efficiency and enable us to consistently exceed customer expectations. This approach strengthens our position in a competitive market and allows us to deliver high-quality, value-accretive products.

Guided by our philosophy of delivering more than expected, we innovate with integrity. Producing a wider range of denim fabrics is just one example of how we set ourselves apart in the textile industry.

2

Manufacturing units

100+ million

Metres of processed fabric annually

**Dholi unit**

Situated in Dholi Integrated Spinning Park, Ahmedabad

**Narol unit**

Located in Narol, Ahmedabad

90

Capacity

MMTPA

105

Capacity

MMTPA

### Key features



Yarn dyeing



Denim processing

### Key features



A wide range of fabrics



cotton



viscose



blends



polyester

## Unlocking performance through strategic asset-light operations

Our asset-light business model enables us to maintain financial strength while delivering high-quality, market-relevant textile solutions. This strategy empowers us to:



### Focus on strengthening our core competencies

We retain end-to-end control over critical functions such as product development, yarn dyeing and fabric finishing. This ensures consistency in quality and allows us to deliver differentiated products aligned with evolving customer expectations.



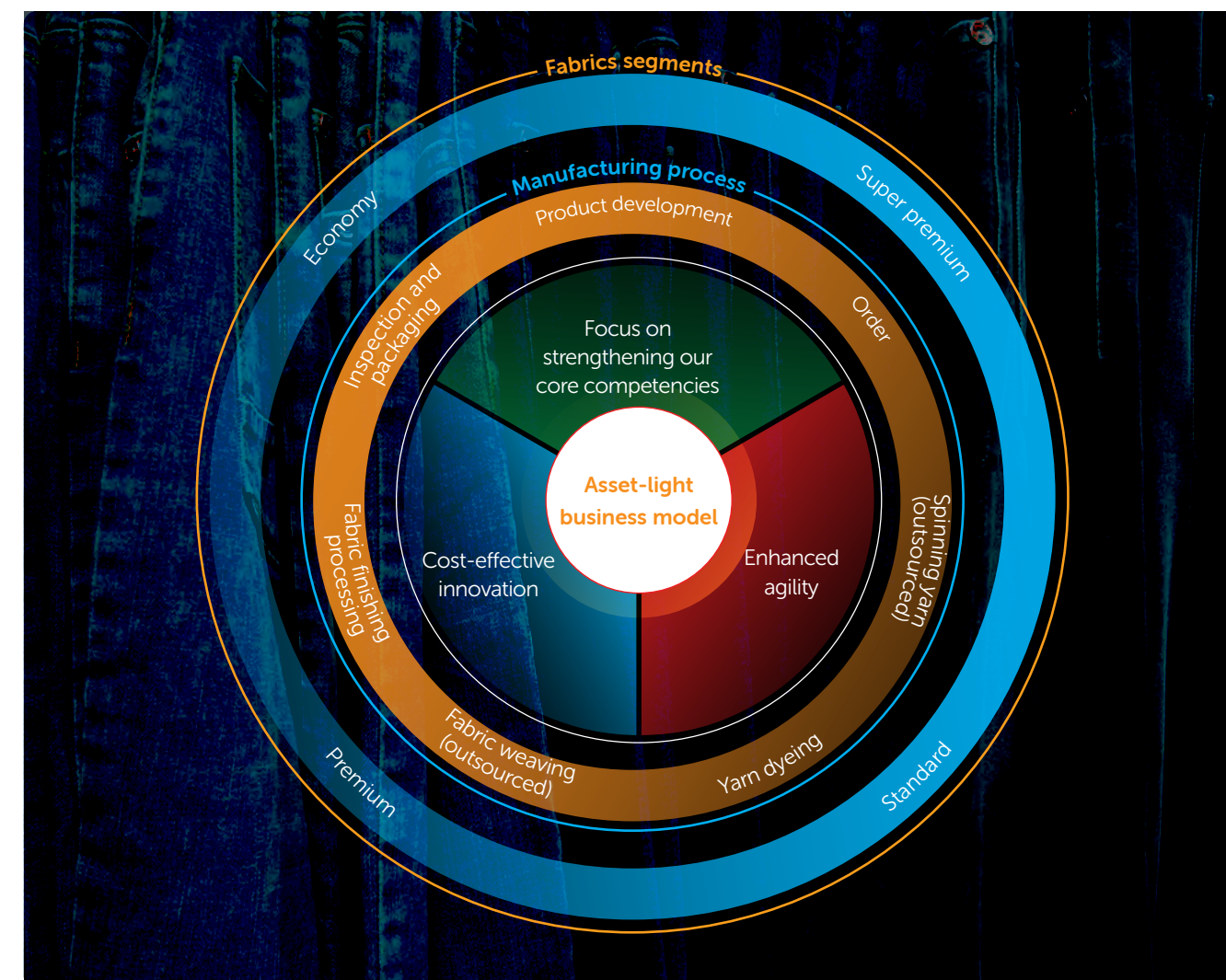
### Enhanced agility

By selectively outsourcing processes like yarn spinning and fabric weaving, we maintain the flexibility to scale operations swiftly. This enables faster response to emerging market trends and evolving consumer preferences.



### Cost-effective innovation

Our model facilitates efficient and scalable innovation. By minimising capital intensity, we can invest in trend-driven product development while keeping costs competitive- allowing us to stay ahead in a dynamic market.





## People

VFL has built a dedicated and highly skilled team that is essential to our success. With strong leadership and a shared vision, we effectively implement our strategies to create lasting value for all our stakeholders.

We foster a culture built on collaboration, open communication and continuous improvement. This shared commitment drives our innovation and propels us forward as a Company.

**434**  
Employees





## Environmental sustainability

We are mindful of the impact our industry can have on the environment and we have made it our priority to operate in ways that preserve natural resources and protect the planet. From thoughtful initiatives in energy to water and biodiversity, our efforts are ongoing and strive to shape a greener future.

### Energy management

Our on-site solar power plant serves as a captive energy source, fulfilling a significant portion of our facility's needs. This includes a 0.999 MW rooftop solar plant installed at our Dholi unit, as well as solar panels at our Corporate Office, which supports our shift toward renewable energy. We have also installed inverters and AC drives to optimise energy consumption further. Also, a hot water collector has been implemented to enable reuse and promoting operational efficiency. This initiative lowers our carbon footprint and promotes environmentally responsible manufacturing practices, reflecting our commitment to clean energy and long-term sustainability.

The company has installed FRP fans instead of metal fans at our all H plants to save the power. The conservation measures are taken on day to day basis. The company has started to use liquid indigo color instead of powder for the betterment of fabrics quality and also cost effective. The company has done hood fixing at plant.



### Water management

Our facility operates as a zero-discharge plant with an advanced water management system. Using counterflow technology, we treat and recycle water for repeated use, which significantly reduces waste. We have also adopted rainwater harvesting technology to improve groundwater recharge and environmental resilience. In addition, we began using ETP RO-treated water at our Dholi unit to reduce the need for regeneration of the DM plant and enhance overall water efficiency.

### Waste management

We repurpose residual cotton fibres into products like denim bags, tablecloths, mats and covers. This practice reduces waste, supports a circular economy and lowers our environmental impact.

### Air quality and biodiversity

As part of our environmental stewardship, we have cultivated extensive green spaces within our manufacturing facility. These green zones help improve air quality and support a healthy on-site ecosystem. Our plantation efforts are aimed at increasing green cover and contributing to long-term ecological balance.

**50,000+**  
Trees planted





## Social

We remain committed to building a more inclusive and empowered society. Through targeted interventions in education, healthcare, sports, environment and skill development, we aim to create long-lasting impact and contribute meaningfully to nation-building.



### Creating value through collaboration

We continued to execute our CSR initiatives through strategic collaborations with trusted implementation partners, including the Arya Foundation, Happiness Reserve Foundation, Chiripal Charitable Trust and Aggrasain Trust. These partnerships enabled us to broaden the reach and effectiveness of our efforts across education, health and social welfare.

**1.16** crores  
Spent on CSR

### Our CSR initiatives

#### Promoting education and digital learning

We continued to enhance access to quality education by upgrading school infrastructure by providing desks, benches, blackboards, science labs and libraries. To enable digital classrooms, we offered computers, hardware and teaching aids for smart class integration. Educational kits, books and periodicals were distributed to students, along with workshops on self-defense, soft skills and career counselling. Scholarships were granted to support higher education and awareness sessions highlighted the importance of education within communities.

#### Empowering youth and women

Empowerment was a key area of focus, especially for youth and women in underserved communities. Career guidance sessions were conducted to help young individuals make informed decisions. Campaigns promoted awareness around addiction-free lifestyles and social well-being. Women-focused initiatives addressed issues related to health awareness and self-reliance.

#### Supporting sports

We supported the development of rural and nationally recognised sports, including Paralympic and Olympic disciplines. These efforts aimed to nurture talent, promote physical well-being and instil values such as discipline and teamwork.

#### Environmental and health initiatives

As part of our environmental and health agenda, we conducted cleanliness drives under the Swachh Bharat Abhiyan and promoted green living through plantation activities. Public health campaigns and medical support initiatives were undertaken to raise awareness and improve well-being among marginalised groups.

## Governance

We are guided by a framework that emphasises transparency, accountability and ethical leadership. Our governance practices ensure clear oversight, responsible decision-making and alignment with the interests of all stakeholders. We strive to uphold the highest standards of corporate conduct while steering the Company with integrity and foresight.

### Board committees

To ensure effective policy implementation and robust decision-making, we have established various Board Committees. Composed of members with rich industry experience, these Committees are crucial for improving operational efficiency and strong strategic oversight.

### Separation of duties

To promote accountability and prevent conflicts of interest, the roles of Chairman and CEO are held by separate individuals. The Chairman provides strategic oversight, while the CEO manages daily operations and executes the Board's directives.

### Policy on related party transactions

Our comprehensive policy on Related Party Transactions ensures transparency, fairness and compliance with all legal requirements. By establishing clear procedures and guidelines, we prevent conflicts of interest, uphold organisational integrity and maintain the trust of all stakeholders.





## 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**  
Whole Time 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**  
Whole Time 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. Susanta Kumar Panda**  
Non-Executive - 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).



**Mr. Ram Krishna Dash**  
Non-Executive - Independent Director

Mr. Ram Krishna Dash is M.A., LLB and CAIIB qualified, he exemplifies extensive expertise and leadership in the banking and financial sectors.



**Ms. Roma Siddharth Sanghani**  
Non-Executive - Independent Director

Ms. Roma Sanghani is practising company secretary and She has more than 7 years' experience in the areas of Companies Act, SEBI regulations, Secretarial Audit and legal advisory functions



# 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)

### Mr. Shubhankar Jha

Independent Director  
(DIN:07208823)  
(Up to September 30, 2024)

### Mrs. Dhara Shah

Independent Director  
(DIN:06983857)  
(Up to September 30, 2024)

### Mr. Susanta Kumar Panda

Independent Director  
(DIN: 07917003)

### Mr. Ram Krishna Dash

Independent Director  
(DIN: 08175156)  
(Appointed w.e.f October 01, 2024)

### Mrs. Roma Siddharth Sanghani

Independent Director  
(DIN: 10791529)  
(Appointed w.e.f October 01, 2024)

## BOARD COMMITTEES

### AUDIT COMMITTEE

(Up to September 30, 2024)

Mr. Susanta Kumar Panda  
Chairman

Mr. Brijmohan D. Chiripal  
Member

Mr. Shubhankar Jha  
Member

Mrs. Dhara Shah  
Member

(w.e.f. October 01, 2024)

Mr. Ram Krishna Dash  
Chairman

Mr. Brijmohan D. Chiripal  
Member

Mr. Susanta Kumar Panda  
Member

Mrs. Roma Sanghani  
Member

### NOMINATION & REMUNERATION COMMITTEE

(Up to September 30, 2024)

Mrs. Dhara Shah  
Chairman

Mr. Shubhankar Jha  
Member

Mr. Susanta Kumar Panda  
Member

(w.e.f. October 01, 2024)

Mr. Susanta Kumar Panda  
Chairman

Mr. Ram Krishna Dash  
Member

Mrs. Roma Sanghani  
Member

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

(Up to September 30, 2024)

Mr. Susanta Kumar Panda  
Chairman

Mr. Shubhankar Jha  
Member

Mrs. Dhara Shah  
Member

(w.e.f. October 01, 2024)

Mr. Ram Krishna Dash  
Chairman

Mr. Susanta Kumar Panda  
Member

Mrs. Roma Sanghani  
Member

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(Up to September 30, 2024)

Mr. Brijmohan D. Chiripal  
Chairman

Mrs. Dhara Shah  
Member

Mr. Shubhankar Jha  
Member

Mr. Susanta Kumar Panda  
Member

(w.e.f. October 01, 2024)

Mr. Brijmohan D. Chiripal  
Chairman

Mr. Susanta Kumar Panda  
Member

Mr. Ram Krishna Dash  
Member

Mrs. Roma Sanghani  
Member

Corporate Identity Number (CIN)  
L17110GJ1985PLC008206

## BANKERS

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

## CHIEF EXECUTIVE OFFICER(CEO)

(Up to February 04, 2025)

Mr. Vinay Thadani

(w.e.f. February 05, 2025)

Mr. Suketu Shah

## CHIEF FINANCIAL OFFICER (CFO)

Mr. Dharmesh Dattani

## COMPANY SECRETARY & COMPLIANCE OFFICER

(Up to April 24, 2025)

Ms. Pooja Dhruve

(w.e.f. July 11, 2025)

Mr. Dilipkumar Gajanand Nikhare

## 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

MUFG Intime India Private Limited

(formerly known as Link Intime India Private Limited)

## E-MAIL

cs.vfl@vishalfabrics.co.in

## WEBSITE

www.vishalfabricsltd.com



# Management Discussion and Analysis

## Economic Overview

### Global Economy<sup>1</sup>

In CY 2024, the world economy faced several headwinds but still managed to grow steadily by 3.3%. This expansion was largely driven by emerging and developing markets, which grew by 4.3%, while advanced economies recorded more modest growth of 1.8%. The US economy grew by 2.8%, supported by strong consumer spending and a resilient labour market. In contrast, the European Union experienced a slower recovery, hindered by weak domestic demand and persistent structural issues. China's growth also decelerated, primarily due to ongoing stress in its property sector.

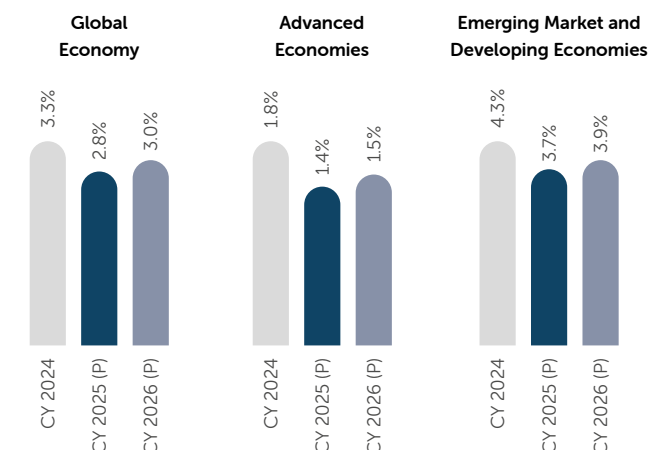
Despite these challenges, global economic output reached approximately USD 110.5 trillion, or USD 196.1 trillion in Purchasing Power Parity (PPP) terms, reflecting the resilience of the global economy. Inflation declined to 5.7% worldwide, with emerging markets showing signs of price stabilisation. Global trade volumes increased overall, although selective US tariffs caused disruptions in some sectors. Nevertheless major economies demonstrated adaptability, contributing to macroeconomic stability and moderate growth.

### Outlook

Looking ahead, global growth is expected to moderate to 2.8% in 2025, before recovering to around 3.0% in CY 2026. Emerging and Developing Economies (EMDEs) will remain key growth drivers, with projections of 3.7% in CY 2025 and 3.9% in CY 2026. This will be supported by steady domestic demand, ongoing investments and prudent policy management. Growth in advanced economies, however, is predicted to remain subdued, at around 1.4% in CY 2025 and 1.5% in CY 2026, as they continue to navigate tighter monetary policies and shifting global trade scenarios.

Global inflation is expected to continue declining, reaching about 4.3% in CY 2025 and further down to 3.6% by CY 2026. This drop is mainly due to commodity price stabilisation and improvements in global supply chains. Inflation rates will likely be lower in advanced economies compared to emerging markets, due to differences in monetary policy frameworks and central bank strategies. Overall, the global economic outlook remains cautiously optimistic, with emerging markets leading the way in growth and inflationary pressures expected to ease over the next couple of years.

## Global GDP Growth Trend



P – Projected

Source: IMF

### Indian Economy<sup>2</sup>

India has emerged as the world's fourth-largest economy, surpassing Japan, with a GDP of about USD 4 trillion.<sup>3</sup> In the Fiscal Year (FY) 2024-25, the Indian economy maintained a robust growth rate of 6.5%, positioning it among the fastest-growing large economies in the world. This expansion has been driven by strong domestic consumption, increased infrastructure improvement, key structural reforms and rapid growth in the digital sector. Core areas such as manufacturing, agriculture and services showed good progress, contributing to rising rural and urban spending.

Inflation eased from 5.4% to 4.6%,<sup>4</sup> strengthening consumer confidence and supporting a rebound in spending. To ensure sufficient liquidity in the financial system, the Reserve Bank of India (RBI) injected ₹ 1.5 trillion, thereby encouraging lending and economic activity.<sup>5</sup> Rural consumption remained stable due to steady agricultural production and government support schemes, while urban areas benefitted from rising incomes and evolving consumption patterns.

### Outlook

India's ascent to the fourth-largest economy reflects its resilience and social progress. Despite global challenges, the outlook remains positive, supported by strong domestic investments,

<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>

<sup>2</sup><https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

<sup>3</sup><https://www.newsonair.gov.in/india-becomes-worlds-4th-largest-economy-surpasses-japan-niti-aayog/>

<sup>4</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2122148>

<sup>5</sup><https://www.livemint.com/economy/rbi-1-5-trillion-liquidity-boost-how-will-it-help-dollar-rupee-rate-cut-mint-primer-11738086455919.html>

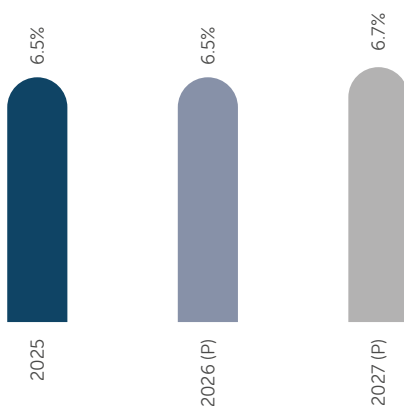


expanding manufacturing activities and improvements in trade and finance. GDP growth is expected to stay steady at 6.5%, supported by supportive government policies and accommodative monetary conditions. Important reforms such as the revision of the income tax exemption limit to ₹ 12.75 lakh<sup>6</sup> and the recommendations of the 8th Pay Commission are likely to boost disposable income and stimulate domestic consumption. The RBI's anticipated reduction in the repo rate will make borrowing cheaper, increase liquidity and improve market confidence.

Additionally, the government is pursuing cautious trade policies to safeguard national interests amid global uncertainty. The upcoming Free Trade Agreement (FTA) between India and the UK aims to reduce tariffs, streamline customs procedures and promote bilateral investments. These developments, along with declining inflation, are expected to support consumer spending, ensure economic stability, broaden market access and contribute to India's sustainable growth.

### Indian GDP Growth Trend

#### GDP growth (%)



P – Projected

Source: RBI Bulletin

### Industry Overview

#### Indian Textile Industry<sup>7</sup>

India's textile industry is a cornerstone of the national economy and global trade, ranking among the top five textile markets worldwide. Valued at USD 174 billion in 2025, the sector is projected to reach USD 350 billion by 2030, highlighting its robust growth trajectory. This expansion is fuelled by India's comprehensive textile value chain, spanning from the cultivation of natural fibres such as cotton and silk to manufacturing and exporting garments to over 100 countries. Employing over 45 million people, the industry is one of the largest employment generators in the country after agriculture and it produces approximately 22,000 million pieces of garments annually.

<sup>6</sup><https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2098353>

<sup>7</sup><https://www.investindia.gov.in/sector/textiles-apparel>

## \$350 BN

Expected growth of India's textile industry by 2030

## 7%

Contribution to the industrial output of the country in value terms

## USD 34.4 billion

Worth of Textile and Apparel exported by India in FY 2023-24

## USD 4.34 billion

FDI Inflow in Textiles (including Dyed, Printed) till Sept 2023

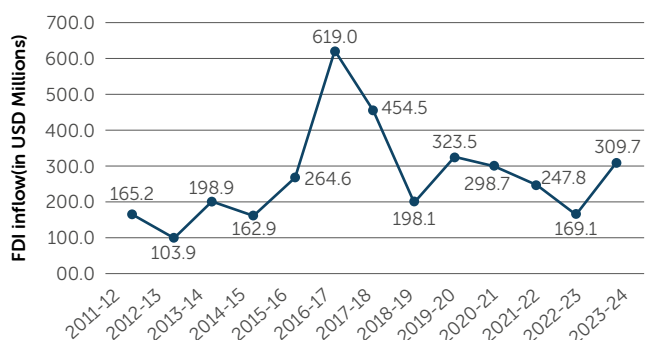
## 45 billion

People employed in this sector

Government support has played a key role in this momentum. Flagship initiatives such as the Production Linked Incentive (PLI) scheme and the PM MITRA Parks are promoting integrated textile hubs with world-class infrastructure. Branding efforts of Kasturi Cotton aim to position Indian cotton as a high-quality, globally recognised commodity. The sector is also undergoing a significant transformation through trends such as sustainable manufacturing, increased automation and digitisation often referred to as Textiles 4.0. These innovations, along with a growing emphasis on eco-friendly practices, are shaping the industry landscape.

### FDI in the Textile Industry

#### FDI in Textiles



Source: PIB



Looking ahead, the Indian textile sector holds an optimistic outlook. Rapid urbanisation, rising disposable incomes, a young and skilled workforce and favourable policy frameworks are expected to accelerate both domestic consumption and exports. Notably, the Union Budget for 2025-26 has allocated ₹ 5,272 crores to the Ministry of Textiles, marking a 19% increase from the previous year's budget estimate of ₹ 4417.03 crores. This increased funding is poised to support ongoing initiatives in modernisation, technical textiles and global market expansion. With continued government backing, a strong manufacturing base and growing focus on innovation and sustainability, India is well-positioned to reinforce its stature as a leading global hub for textiles and apparel.<sup>8</sup>

## Opportunities and Challenges

### Opportunities

| Opportunities                                  | Description   |
|--|---|
| Rising Global Demand for Sustainable Textiles  | Increasing demand for eco-friendly and ethically sourced textiles presents opportunities for diversification, adoption of sustainable practices and compliance with evolving standards. |
| Government Support and Policy Incentives       | Policies such as PLI schemes, interest subsidies and textile park development encourage industry expansion and improve global competitiveness.  |
| Expansion in Technical and Functional Textiles | Growing applications in sectors such as healthcare, automotive, defence and construction create avenues for innovation, diversification and new revenue streams.                        |
| Digitisation and Automation                    | Embracing digital technologies enhances efficiency, reduces lead times and improves responsiveness to changing market trends.   |

### Challenges

| Challenges                                | Description   |
|---|---|
| Volatility in Raw Material Prices         | Fluctuations in prices of cotton, dyes and energy affect margins and complicate cost forecasting and management.                                  |
| Intense Competitive Pressure              | Competition from unorganised domestic players and global manufacturers necessitates continuous innovation, cost optimisation and differentiation. |
| Geopolitical and Trade Risks              | Trade policy shifts, tariffs and geopolitical uncertainties can disrupt supply chains and restrict access to export markets.                      |
| Strict Environmental and Compliance Norms | Increasing environmental and labour regulations raise compliance costs and require ongoing investment in processes and infrastructure upgrades.   |

## Indian Denim Industry<sup>9</sup>

India's denim industry has emerged as a global powerhouse, currently ranking as the third-largest producer of denim worldwide. Driven by a steady annual growth rate of 8–9%, the market is projected to rise from USD 6.15 billion in FY2023 to USD 9.15 billion by FY2026. Gujarat spearheads the sector, producing up to 70% of the country's denim fabric, earning its title of 'Denim Capital of India'. Rising disposable incomes, evolving fashion preferences among younger consumers and increasing demand from rural as well as urban centres fuel market expansion.

However, the sector contends with challenges, including high raw material costs, particularly for cotton, spandex and polyester. The industry also faces the impact of volatile trade dynamics and rising buyer demands for faster production cycles. In response, the industry is undergoing a significant transformation. There is a marked shift toward sustainable manufacturing practices, along with increased emphasis on product innovation and investments in research and development. These initiatives are essential for maintaining competitive advantage and responding to evolving consumer preferences. With global demand for denim rebounding and the industry embracing new technologies, India is well-positioned to consolidate and expand its leadership in denim manufacturing.

### Key Trends in the Indian Denim Industry

| Key Trend  | Description  |
|--|--|
| Preference for sustainability and eco-Friendly denim | Indian denim manufacturers are increasingly prioritising sustainability. They use organic cotton, adopt water saving production methods and recycle materials to reduce pollution and waste. This helps meet the growing demand for eco-friendly products. |
| Technology-driven manufacturing                      | Companies are adopting advanced technologies such as laser finishing for denim effects, Artificial Intelligence (AI) and automation machines. These help them manufacture quality products faster using fewer resources, thereby saving money and energy.  |
| Rising domestic and rural demand                     | Growing incomes and rising popularity of denim across both urban and rural areas are driving increased demand. This trend is helping the denim industry to expand beyond metropolitan markets.   |
| Premiumisation and customisation                     | Consumers, especially the youth, are seeking high quality denim with personalised fits and styles. Brands are responding with special washes, unique designs and personalised sizes to cater to this demand.   |
| Export growth and global reach                       | Indian denim manufacturers are expanding their global footprint, exporting more to markets of the US and Europe. By adhering to international quality and sustainability standards, they are emerging as reliable suppliers worldwide.                     |

<sup>8</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2117470>

<sup>9</sup><https://www.textiletoday.com.bd/indias-denim-industry-emerges-as-a-global-powerhouse>



## Company Overview

Founded in 1985, Vishal Fabrics Limited (VFL) has evolved into a global leader in textile processing, with a clear mission to make denim an essential part of everyday style. As the flagship company of the Chiripal Group, VFL specialises in dyeing, printing and finishing a wide range of fabrics, from pure cotton to sustainable blends such as modal and Tencel.

Headquartered in Gujarat, the Company operates advanced facilities with an impressive annual processing capacity of over 100 million metres. Its advanced infrastructure, including high-efficiency machinery and a 6MW captive power plant, supports sustainable and smart manufacturing practices that meet the evolving demands of global markets.

VFL's reach spans continents, with a growing presence in regions such as South Africa to Sri Lanka. Through a commitment to innovation, quality and inclusive fashion, Vishal Fabrics goes beyond manufacturing to shape global textile trends that resonate across cultures and communities worldwide.

## Manufacturing Capabilities

Vishal Fabrics Limited (VFL) operates an advanced manufacturing facility with an annual processing capacity of over 100 million metres of processed fabric. This includes an 80 Million Metres Per Annum (MMPA) denim fabric processing line and an additional 105 MMPA capacity for processing a diverse range of fabrics such as 100% cotton, cotton-spandex blends, polyester, modal and Tencel. The facility employs advanced technology including 464 weaving looms, multiple warping units, dyeing machines, singeing machines, mercerising units and finishing equipment. This comprehensive setup enables VFL to produce diverse products from shirting fabrics and dress materials to home furnishings and high demand stretch denim, appealing to consumers across age groups.

Committed to promoting sustainability, VFL integrates eco-friendly practices such as water recycling and operates a 6MW captive power plant to ensure energy efficient production. Its skilled engineering team focuses on continuous innovation and process improvement, maintaining stringent quality benchmarks. VFL's quality management is certified to ISO 9001,

with environmental compliance certified to ISO 14001. The Company also holds globally recognised textile certifications including OEKO-TEX, BCI and GOTS.

To ensure consistent quality, VFL conducts rigorous fabric testing at multiple stages of production. Its quality standards are comparable to those of international brands such as Levi's. By utilising an asset-light model and benefitting from vertical integration within the Chiripal Group, VFL sources up to 90% of its yarn from in-group spinning mills, ensuring superior consistency and quality. The Company caters to both domestic and international markets, supplying a broad client base including major fashion brands and e-commerce platforms. With its high production capacity, advanced infrastructure, eco-conscious operations, robust quality assurance and strategic market reach, Vishal Fabrics Limited continues to be a prominent player in the global textile industry.

## Operational Performance

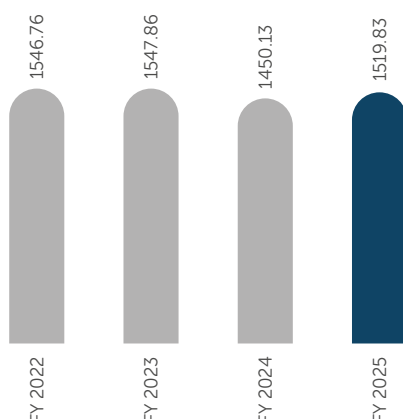
### Financial Performance

| PARTICULARS   | 2024-25        |
|---|----------------|
| Net Revenue from Operations                           | 1519.83        |
| Other Income  | 1.600          |
| <b>Total Revenue</b>                                  | <b>1521.14</b> |
| Less: Expenses excluding Depreciation                 | 1443.33        |
| <b>Profit before Depreciation &amp; Tax</b>           | <b>78.10</b>   |
| Less: Depreciation                                    | 33.20          |
| <b>Profit Before Tax</b>                              | <b>44.90</b>   |
| Less: Provision for Taxation (Including Deferred Tax) | 21.07          |
| <b>Profit After Tax</b>                               | <b>23.83</b>   |
| Earnings Per Share (in ₹)                             | 1.21           |

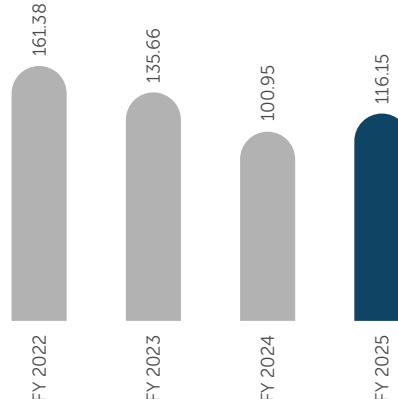
During the year under review, your Company has achieved a Turnover of ₹ 1519.83 Crore. The Profit before depreciation and tax was ₹ 77.10 Crore. The profit after tax for the year ₹ 23.83 Crore.

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.

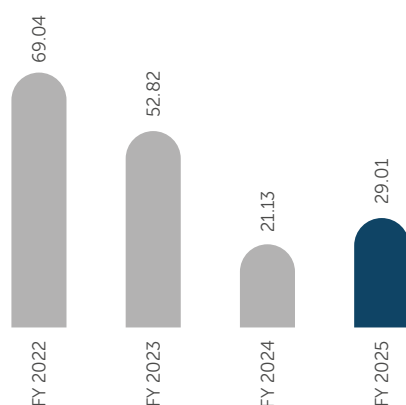
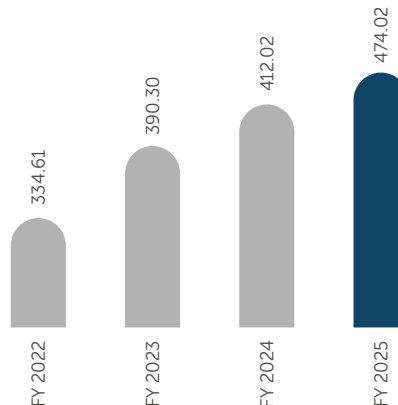
### Revenue from Operations (₹ in crores)



### EBITDA (₹ in crores)





**PAT (₹ in crores)**

**Net Worth (₹ in crores)**

**Key Financial Ratio**

| Sr.No | Ratio Name                                 | Particulars                            | Ratio 2024-25 | Ratio 2023-24 | % of Variance | Reason For Variance     |
|-------|--|--|---------------|---------------|---------------|-------------------------|
| 1     | Current Ratio (in times)                   | current Asset current liability        | 1.94          | 1.83          | 5.97          | NA                      |
| 2     | Debt Service Coverage Ratio (in times)     | EBIDITA (Interest+Repayment)           | 2.92          | 3.44          | -15.25        | NA                      |
| 3     | Inventory Turnover Ratio (in times)        | Sales Average Inventory                | 14.54         | 16.74         | -13.16        | NA                      |
| 4     | Trade Payable Turnover Ratio (in times)    | Net Purchase Average Trade Payable     | 12.53         | 12.42         | 0.88          | NA                      |
| 5     | Net Profit Ratio (in%)                     | Net Profit Net Sales                   | 1.57          | 1.46          | 7.62          | NA                      |
| 6     | Debt-Equity Ratio (in times)               | Total Debt Total Shareholder Equity    | 0.62          | 0.92          | -33.26        | Due to decrease in debt |
| 7     | Return On Equity Ratio (in%)               | Net Income Average hareholder's Equity | 5.38          | 5.27          | 2.14          | NA                      |
| 8     | Trade Receivable Turnover Ratio (in times) | Net Sales Average Trade Receivable     | 2.93          | 3             | -2.26         | NA                      |
| 9     | Net Capital Turnover Ratio (in times)      | Net Sales Working Capital              | 4.59          | 4.92          | -6.63         | NA                      |
| 10    | Return On Capital Turnover Ratio (in %)    | EBIT Capital Employed                  | 10.78         | 8.62          | 25.05         | Due to decrease in debt |
| 11    | Return On Investment (in %)                | Refer Note no.1 Below                  | 19.84         | 49.65         | -60.04        | Due to decrease in debt |

**Outlook**

The Indian textile industry significantly contributes to the national economy, with its output including both domestic production and exports. The industry's output is a key factor in India's GDP, industrial production, and employment. The textile sector is also a major contributor to export earnings, with significant exports of apparel, raw materials, and finished goods.

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.



## Risk and Concerns

| Risk Category                   | Description of Risk  | Mitigation Strategy   |
|---------------------------------|--|---|
| <b>Economic Risk</b>            | Fluctuations in inflation rates and trade terms may adversely affect operations, profitability and long-term sustainability.       | The Company conducts systematic cost analyses, performs regular financial health assessments, diversifies markets and supply chains and secures long-term contracts to strengthen resilience.                             |
| <b>Competition Risk</b>         | A highly competitive market can erode profitability, market share and return on capital.   | The Company invests in strong R&D driven innovation, cultivates strategic partnerships and builds lasting client relationships to reinforce brand equity and market positioning.  |
| <b>Consumer Preference Risk</b> | Rapid shifts in customer preferences may impact relevance and competitiveness.   | The Company implements continuous market research, agile product strategies and engages consumers through personalised digital experiences.   |
| <b>Exchange Rate Risk</b>       | Volatility in foreign exchange rates may lead to financial instability.  | The Company implements proactive currency monitoring and trading strategies to manage exposure to exchange rate variations.   |
| <b>Technology Risk</b>          | Lagging behind in technological advancement can weaken market position and operational efficiency.                                 | The Company conducts ongoing technology risk assessments, invests in process automation and adopts emerging technologies to maintain market relevance and enhance productivity.   |
| <b>Procurement Risk</b>         | Raw material price volatility and supply disruptions can have a negative impact on profitability and operational continuity.       | The Company optimises procurement planning, cultivates reliable supplier base and maintains flexible supply chain systems to ensure cost-effective and consistent material flow.  |
| <b>Environmental Risk</b>       | Activities leading to soil degradation, water depletion or pollution can harm the environment as well as tarnish brand reputation. | The Company adopts eco-friendly practices, reduces carbon emissions, adopts renewable energy, conducts regular environmental assessments and complies with all relevant environmental regulations and industry standards. |

## Human Resource

Vishal Fabrics Limited continues to regard its workforce as one of its most invaluable assets, recognising that sustained success is rooted in skilled, motivated and engaged employees. As of this year, the total workforce stands at 434, reflecting the Company's commitment to growth and talent acquisition.

To support continuous development, the Company offers targeted training and leadership development programmes aimed at enhancing professional capabilities and nurturing future leaders across all functions. These initiatives are strategically aligned with organisational objectives to ensure mutual growth.

In pursuit of a vibrant and performance-driven workplace culture, the Company has implemented structured employee engagement programmes that have proven instrumental in elevating productivity and strengthening morale. These efforts have amplified job satisfaction as well as played a significant role in talent retention.

Maintaining open and transparent communication remains a top priority. Through clearly defined channels, the Company encourages dialogue, collaboration and cross-functional synergy, enabling a workplace culture that thrives on trust and shared success.

## Internal Control and Adequacy

Vishal Fabrics has established robust internal control systems that are proactively enhanced to align with evolving business

dynamics and to comply with statutory and accounting standards. A sophisticated Management Information System forms the backbone of its control infrastructure, enabling precise and timely decision-making. Oversight by the Audit Committee of the Board of Directors ensures continuous evaluation of these systems' efficacy and efficiency. Throughout the year, the internal controls underwent comprehensive testing, which confirmed their structural integrity and operational soundness, with no significant deficiencies identified. Strategic recommendations from the committee contribute to ongoing reinforcement and optimisation.

## Cautionary Statement

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, macro-environmental 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](mailto:cs.vfl@vishalfabrics.co.in)

## NOTICE

**NOTICE** is hereby given that the 40th Annual General Meeting of the members of Vishal Fabrics Limited (the Company) will be held on 19th September, 2025 at 11:30 A.M 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, 2025, 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, 2025 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. Ravindra Bajaj (DIN: 08243855), 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 Rs. 50,000/- plus GST and reimbursement of out-of-pocket expenses as approved by the Board of Directors be and is hereby ratified and approved; and

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

4. **Appointment of M/s. Chirag Shah And Associates, Company Secretaries, as the Secretarial Auditor of the Company for a term of five consecutive years from the Financial Year 2025-26 to the Financial Year 2029-30:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Regulation 24A(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Chirag Shah & Associates (CoP: 3498), Company Secretaries be and are hereby appointed as Secretarial Auditors of the Company, for a term of five (5) consecutive years for the Financial year 2025-26 to Financial Year 2029-30 on such remuneration, as recommended by the Audit Committee and as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors, from time to time

**RESOLVED FURTHER THAT** any of the Director, the Chief Financial Officer and the Company Secretary of the Company, be and are hereby severally authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

By order of the board of directors  
**Vishal Fabrics Limited**

**Dilip Nikhare**  
Company Secretary &  
Compliance Officer  
(Mem No: A45570)

Date: August 08, 2025

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 4 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 40th AGM of the Company is being held through VC/OAVM. The deemed venue for the 40TH AGM shall be the Registered Office of the Company.  
  
Accordingly, in compliance with the aforementioned MCA Circulars and SEBI Circulars, the 40th Annual General Meeting ("AGM") of the Company will be held on 19TH September, 2025 at 11:30 A.M (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](mailto:projects.csa@gmail.com) with a copy marked to [cs.vfl@vishalfabrics.co.in](mailto: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. 22th August, 2025 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](http://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 2024-2025 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](http://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 Saturday , September 13, 2025 to Friday , September 19th , 2025 (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. September 12 , 2025 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 September 16, 2025, Tuesday at 10:00 a.m. and ends on September 18, 2025, Thursday 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. September 12, 2025, Friday 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., September 12, 2025.
20. Chirag Shah and Associates, 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 September 12, 2025.

21. The results declared along with the Scrutinizer's Report shall be uploaded on the website of the Company i.e. [www.vishalfabricsltd.com](http://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.



# EXPLANATORY STATEMENT

## EXPLANATORY REGULATION STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 3

The Board of Directors on the recommendation of Audit Committee at their meeting held on May 21, 2025 have approved appointment and remuneration of Cost Auditors to conduct audit of cost records of the Company for financial year ending 31st March, 2026 at a remuneration of Rs. 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, 2026.

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

Based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s Chirag Shah And Associate, Company Secretaries, as the Secretarial Auditors of the Company for a consecutive period of five years, commencing from FY 2025-26 to FY 2029-2030. The appointment is subject to shareholders' approval at the Annual General Meeting.

Chirag Shah And Associates has provided its consent to act as the Secretarial Auditors of the Company and has confirmed that the proposed appointment, if made, will be in compliance with the provisions of the Act and the SEBI Listing Regulations. Accordingly, the consent of the shareholders is sought for the appointment of BNP as the Secretarial Auditors of the Company.

The Board of Directors recommends the resolution for approval by the Members, as set out at Item No. 4 of the Notice.

None of the Directors, Key Managerial Personnel (KMP), or their relatives have any financial or other interest in the proposed resolution.

By order of the board of directors  
**Vishal Fabrics Limited**

**Dilip Nikhare**

Company Secretary &  
Compliance Officer  
(Mem No: A45570)

Date: August 08, 2025  
Place: Ahmedabad



Classification: Public

# Remote E-Voting Instructions

URL: <https://instavote.linkintime.co.in/>

Version V 1.8

**Insta**VOTE



Remote E-Voting Instructions  
Classification: Public

## REMOTE EVOTING INSTRUCTIONS:

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

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

### Login method for Individual shareholders holding securities in demat mode:

#### Individual Shareholders holding securities in demat mode with NSDL

##### METHOD 1 - NSDL IDeAS facility

Shareholders registered for IDeAS facility:

- Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "IDeAS Login Section".
- Click on "Beneficial Owner" icon under "IDeAS Login Section".
- Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for IDeAS facility:

- To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".
- Enter the last 4 digits of your bank account / generate 'OTP'
- Post successful registration, user will be provided with Login ID and password. Follow steps given above in points (a-d).

Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



##### METHOD 2 - NSDL e-voting website

- Visit URL: <https://www.evoting.nsdl.com>
- Click on the "Login" tab available under 'Shareholder/Member' section.
- Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

##### METHOD 3 - NSDL OTP based login

- Visit URL: <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>
- Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP.
- Enter the OTP received on your registered email ID/ mobile number and click on login.
- Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### Individual Shareholders registered with CDSL Easi/ Easiest facility

##### METHOD 1 - CDSL Easi/ Easiest facility:

Shareholders registered for Easi/ Easiest facility:

- Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or [www.cdslindia.com](http://www.cdslindia.com) & click on New System Myeasi Tab.

MUFG Intime India Private Limited

A part of MUFG Corporate Markets, a division of MUFG Pension & Market Services  
(Formerly Link Intime India Private Limited)



## Remote E-Voting Instructions

Classification: Public

- b) Enter existing username, Password & click on "Login".
- c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Shareholders not registered for Easi/ Easiest facility:

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration/> / <https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration/>
- b) Proceed with updating the required fields for registration.
- c) Post successful registration, user will be provided username and password. Follow steps given above in points (a-c).

### METHOD 2 - CDSL e-voting page

- a) Visit URL: <https://www.cdslindia.com>
- b) Go to e-voting tab.
- c) Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit".
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

### Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, user shall navigate through "e-voting" option.
- c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- d) Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

### Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

#### STEP 1: LOGIN / SIGNUP to InstaVote

Shareholders registered for INSTAVOTE facility:

- a) Visit URL: <https://instavote.linkintime.co.in> & click on "Login" under 'SHARE HOLDER' tab.
- b) Enter details as under:
  1. User ID: Enter User ID
  2. Password: Enter existing Password
  3. Enter Image Verification (CAPTCHA) Code
  4. Click "Submit".
 (Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")

|                   |                              |  |
|-------------------|------------------------------|--|
| InstaVote USER ID | NSDL                         | User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g. IN123456) and 6 digit Client ID (eg. 12345678). |
|                   | CDSL                         | User ID is 16 Digit Beneficiary ID.  |
|                   | Shares held in physical form | User ID is Event No + Folio no. registered with the Company  |

Shareholders not registered for INSTAVOTE facility:

- a) Visit URL: <https://instavote.linkintime.co.in> & click on "Sign Up" under 'SHARE HOLDER' tab & register with details as under:



## Remote E-Voting Instructions

Classification: Public

1. User ID: Enter User ID
2. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).
3. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
  - o Shareholders holding shares in **NSDL form**, shall provide 'D' above
  - o Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
5. 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).
6. Enter Image Verification (CAPTCHA) Code.
7. Click "Submit" (You have now registered on InstaVote).

|                   |                              |  |
|-------------------|------------------------------|--|
| InstaVote USER ID | NSDL                         | User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g. IN123456) and 8 digit Client ID (eg. 12345678). |
|                   | CDSL                         | User ID is 16 Digit Beneficiary ID.  |
|                   | Shares held in physical form | User ID is Event No. + Folio no. registered with the Company   |

Post successful registration, click on "**Login**" under 'SHARE HOLDER' tab & follow steps given above in points (a-b).

### STEP 2: Steps to cast vote for Resolutions through InstaVote

- A. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".
- B. Select 'View' icon. E-voting page will appear.
- C. 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).
- D. After selecting the desired option i.e. Favour / Against, click on 'Submit'.
- E. 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.

NOTE: Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

### Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

#### STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration

- A. Visit URL: <https://instavote.linkintime.co.in>
- B. Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"
- C. Fill up your entity details and submit the form.
- D. A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

#### STEP 2 – Investor Mapping

- A. Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- B. Click on "Investor Mapping" tab under the Menu Section
- C. Map the Investor with the following details:
  - 1) 'Investor ID' – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.
  - 2) 'Investor's Name - Enter Investor's Name as updated with DP.
  - 3) 'Investor PAN' - Enter your 10-digit PAN.
  - 4) 'Power of Attorney' - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.



Remote E-Voting Instructions  
 Classification: Public

Further, Custodians and Mutual Funds shall also upload specimen signatures.

- D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report Section".

### STEP 3 – Steps to cast vote for Resolutions through InstaVote

The corporate shareholder can vote by two methods, during the remote e-voting period.

#### METHOD 1 - VOTES ENTRY

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- Click on "Votes Entry" tab under the Menu section.
- Enter the "Event No." for which you want to cast vote.  
Event No. can be viewed on the home page of InstaVote under "On-going Events".
- Enter "16-digit Demat Account No."
- Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour / Against, click on 'Submit'.
- A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.  
(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

#### METHOD 2 - VOTES UPLOAD

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- After successful login, you will see "Notification for e-voting".
- Select "View" icon for "Company's Name / Event number".
- E-voting page will appear.
- Download sample vote file from "Download Sample Vote File" tab.
- Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.
- Click on 'Submit'. 'Data uploaded successfully' message will be displayed.  
(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

#### Helpdesk:

##### Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at [enotices@in.mpms.mufg.com](mailto:enotices@in.mpms.mufg.com) or contact on: - Tel: 022 – 4918 6000.

##### Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

| 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 request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022 - 4886 7000                                       |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |

#### Forgot Password:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: <https://instavote.linkintime.co.in>

## Remote E-Voting Instructions

Classification: Public

- Click on “Login” under ‘SHARE HOLDER’ tab.
- Click “forgot password?”
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- Click “forgot password?”
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- Click on “SUBMIT”.

*In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

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

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

### General Instructions - Shareholders

- ❖ 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”.

# InstaVOTE

Team InstaVote  
MUFG Intime India Private Limited  
Formerly Link Intime India Private Limited



# InstaVOTE

Steps for remote e-voting  
Individual shareholders holding securities in Demat mode

NSDL

**METHOD 1 :  
NSDL iDeAS facility**

**METHOD 2 :  
NSDL e-voting website**

CDSL

**METHOD 1 :  
CDSL Easi/Easiest facility**

**METHOD 2 :  
CDSL e-voting website**

## STEP 1 : LOGIN to e-voting System

- A. Shareholders registered for iDeAS facility**
1. [Click here](#) to visit website & click on "Log-in" tab under 'Shareholder/Member' section.
  2. Enter existing User ID, Password, Verification code & click on "Log-in".
  3. Post successful authentication, Click on "Access to e-Voting" under e-Voting services section.
  4. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website.

- B. Shareholders not registered for iDeAS facility**
1. [Click here](#) to visit website & Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".
  2. Enter last 4 digits of your bank account / generate 'OTP'
  3. Post successful registration, follow step 1 to 4 from (A above)

**METHOD 3 :  
OTP based login**

1. [Click here](#) to visit website & Enter 8-character DP ID, 8-digit Client ID, PAN, Verification code & click on "Generate OTP".
2. Enter OTP & click on "Log-in"
3. Post successful authentication, follow step 4 from (A above)



Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

**Depository Participant**

1. Login to DP website
2. After Successful login, navigate through "e-voting" section.
3. Post successful authentication, you will be redirected to NSDL / CDSL Depository website wherein user can see e-voting feature.
4. Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website.

- A. Shareholders registered for Easi/Easiest facility**
1. [Click here](#) to visit website.
  2. Enter existing username, Password & click on "Login".
  3. Post successful authentication, Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website.

- B. Shareholders not registered for Easi/Easiest facility**
1. [Click here](#) to visit website & Click on registration option "Easi/Easiest".
  2. Post successful registration, follow step 1 to 3 from (A above)

1. [Click here](#) to visit website & click on "Log-in" tab under 'Shareholder/Member' section.
2. Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
3. Enter OTP received on registered Mobile No. & e-mail id
4. Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website.

## STEP 2 : VOTE through e-voting System - InstaVOTE

1. Post successful authentication and redirection to InstaVote website, you will be able to see the "Notification for e-voting". Select 'View' icon. (E-voting page will appear.)
2. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against'.
3. After selecting the desired option i.e., Favour / Against, click on 'Submit'.
4. 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.

HELPDESK

| ESPs  | INSTAVOTE                  | NSDL               | CDSL                           |
|---|----------------------------|--------------------|--------------------------------|
|  | 022 - 49186000             | 022 - 4886 7000    | 1800 22 55 33                  |
|  | enotices@in.mpmms.mufg.com | evoting@nsdl.co.in | helpdesk.evoting@cdslindia.com |



**MUFG Intime India Private Limited**  
A part of MUFG Corporate Markets, a division of MUFG Pension & Market Services  
(Formerly LJM Intime India Private Limited)

## STEP 1 : SIGNUP / LOGIN to InstaVote

### InstaVote

Shareholders not-registered  
for InstaVote facility

Shareholders registered for  
InstaVote facility

1. [Click here](#) to visit website & click on "Signup" tab under 'Shareholder' section.
  - A. Enter User ID
  - B. Enter PAN. Shareholders who have not updated their PAN with the DP/ Company shall use the sequence number as provided.
  - C. DOB/DOI
  - D. Bank Account No. (Last 4 digits)
  - Shareholders holding shares in NSDL, shall provide 'D' above.
  - Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.
2. 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.
3. Enter Image Verification (CAPTCHA) Code & click on "Submit".  
You have now registered on InstaVote Post successful registration, follow step 1 to 5 from (B above)

1. [Click here](#) to visit website & click on "Login" tab under 'Shareholder' section.
2. Enter User ID
3. Enter Password
4. Enter Image Verification (CAPTCHA) Code & click on "Submit".
5. Post successful authentication you will be re-directed to InstaVote inbox page.

## STEP 2 : VOTE through InstaVote

1. Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting". Select 'View' icon. (E-voting page will appear.)
2. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against'.
3. After selecting the desired option i.e., Favour / Against, click on 'Submit'.
4. 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. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
5. The message "Vote cast successfully" will be displayed and Email /SMS confirmation will be received on your registered email id and mobile no.

InstaVote USER ID

NSDL

CDSL

Shares held in  
physical form

User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g. IN123456) and 8 digit Client ID (eg.12345678).

User ID is 16 Digit Beneficiary ID.

User ID is Event No + Folio no. registered with the Company

### General Instructions - Shareholders

1. Do not share your password with with any other person & keep it confidential.
2. For members holding shares in physical form, the evoting details can be used only for a particular "Event".
3. Members can login any number of time on InstaVote till they have voted on the resolution(s) for a particular "Event".

### InstaVOTE HELPDESK



022 - 49186000

enotices@in.mpmms.mufg.com



**MUFG Intime India Private Limited**  
A part of MUFG Corporate Markets, a division of MUFG Pension & Market Services  
(Formerly Link Intime India Private Limited)



Classification: Public



## InstaMeet VC Instructions

URL: <https://instameet.in.mpms.mufg.com>  
Version V 1.6

InstaMeet VC Instructions  
Classification: Public

### INSTAMEET VC INSTRUCTIONS:

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19.09.2024, the Companies can conduct their AGMs/ EGMs on or before 30 September 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

*Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.*

### Login method for shareholders to attend the General Meeting through InstaMeet:

- a) Visit URL: <https://instameet.in.mpms.mufg.com> & click on “Login”.
- b) Select the “Company Name” and register with your following details:
- c) Select Check Box - **Demat Account No.** / **Folio No.** / **PAN**
  - Shareholders holding shares in NSDL/ CDSL demat account shall select check box - **Demat Account No.** and enter the **16-digit demat account number**.
  - Shareholders holding shares in physical form shall select check box – **Folio No.** and enter the **Folio Number registered with the company**.
  - Shareholders shall select check box – **PAN** and enter 10-digit Permanent Account Number (PAN). Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the **sequence number** provided by MUFG Intime, if applicable.
  - **Mobile No.**: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
  - **Email ID**: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- d) Click “Go to Meeting”  
You are now registered for InstaMeet, and your attendance is marked for the meeting.

### Instructions for shareholders to Speak during the General Meeting through InstaMeet:

- a) Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on [cs.vfl@vishalfabrics.co.in](mailto:cs.vfl@vishalfabrics.co.in).
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- d) Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting.

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

### Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

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

- a) On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- b) 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



InstaMeet VC Instructions  
Classification: Public

- c) Click on 'Submit'.
- d) After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
- e) 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'.
- f) 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. 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 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 General Meeting will be eligible to attend/ participate in the 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.*

**Helpdesk:**

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at [instameet@in.mpms.mufg.com](mailto:instameet@in.mpms.mufg.com) or contact on: - Tel: 022 – 4918 6000 / 4918 6175.



Team InstaMeet  
MUFG Intime India Private Limited  
Formerly Link Intime India Private Limited

# Directors' Report

To,  
The Members,  
Vishal Fabrics Limited

Your directors are pleased to present the 40th Annual Report along with Audited Financial Statements for the Financial Year ended 31st March, 2025.

## 1. FINANCIAL RESULTS

The Audited Financial Statements of your Company as on 31st March, 2025 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 2024-2025 is given below:

| (₹ in Crores)   |                |                |
|---|----------------|----------------|
| Particulars   | 2024-25        | 2023-24        |
| Net Revenue from Operations                           | 1519.83        | 1450.13        |
| Other Income  | 1.600          | 1.17           |
| <b>Total Revenue</b>                                  | <b>1521.14</b> | <b>1451.30</b> |
| Less: Expenses excluding Depreciation                 | 1443.33        | 1387.66        |
| <b>Profit before Depreciation &amp; Tax</b>           | <b>78.10</b>   | <b>63.64</b>   |
| Less: Depreciation                                    | 33.20          | 32.70          |
| <b>Profit Before Tax</b>                              | <b>44.90</b>   | <b>30.94</b>   |
| Less: Provision for Taxation (Including Deferred Tax) | 21.07          | 9.80           |
| <b>Profit After Tax</b>                               | <b>23.83</b>   | <b>21.13</b>   |
| <b>Earnings Per Share (in ₹)</b>                      | <b>1.21</b>    | <b>1.07</b>    |

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

During the year under review, your Company has achieved a Turnover of ₹ 1519.83 Crore as compared to Previous Year ₹ 1450.13 Crore. The Profit before depreciation and tax was ₹ 77.10 Crore as compared to ₹ 63.64 Crore in the Previous Year. The profit after tax for the year ₹ 23.83 Crore as compared to Profit ₹ 21.13 Crore reported in the Previous Year.

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. RAISING OF FUNDS BY ISSUANCE OF WARRANTS CONVERTIBLE INTO EQUITY SHARES ON A PREFERENTIAL BASIS

Pursuant to the shareholders' approval received at the Annual General Meeting held on August 27, 2024, your Company has issued 5,00,00,000 warrants at a price of INR 30.60 per warrant, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of INR 5/- each to Elysian Wealth Fund, Vikasa India EIF I Fund, North Star Opportunities Fund, Multitude Growth Funds, Eminence Global Fund and Nexapt Ltd by way of preferential issue basis for an aggregate

consideration of up to 153.00 crore. Your Company had received minimum 25% of the funds towards warrant subscription and the remaining 75% funds yet to be received from proceeds of warrants as on 31st March, 2025

## 4. 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

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.

## 5. 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 as: [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com)



There is Rs. 216769 unpaid balance available in the unpaid dividend account as the same is unclaimed dividends by shareholders.

## 6. 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.

## 7. SHARE CAPITAL

The paid-up equity shares capital of the Company as on 31st March, 2025 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 increase the Authorized Share Capital of the Company from ₹100,00,00,000/- (Rupees One Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores Only) Equity Shares of ₹ 5/- 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 consequent amendment in the Capital Clause (Clause V) of Memorandum of Association of the Company in the board meeting held on 27th July, 2025, and the same has been approved in the Annual General Meeting held on 27th August, 2024 by shareholders.

Further the board of director has also approved raising of funds ₹ 153,00,00,000 through Issue of Compulsorily Convertible Equity Warrants ("Warrants") to the "Non-Promoter, Public Category" Investors on preferential basis by issuing up to 5,00,00,000 (Five Crores only) Warrants, convertible in one or more tranches to equity shares of ₹ 5/- each of the Company at an issue price of ₹ 30.60/- each Warrant and the same has been approved in the Annual General Meeting held on 27th August, 2024 by shareholders.

None of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

## 8. INFORMATION OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company has no subsidiaries and joint ventures.

A list of associates of your Company is provided as part of the notes to the consolidated financial statements.

## 9. CHANGE IN NATURE OF BUSINESS, IF ANY

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

## 10. ALTERATION IN THE CONSTITUTIONAL DOCUMENT

During the year your company has altered Articles of Association of the Company with respect to deletion of the common seal clause vide shareholder approval through postal ballot dated 18th December, 2024.

## 11. 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.

## 12. 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 2024-2025 in the prescribed format in Form MGT-7 is available on the website of the Company at: [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com)

## 13. 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](http://www.vishalfabricsltd.com)

## 14. 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 during the year :-

| Sr. No | NAME OF DIRECTOR         | DESIGNATION          | DATE OF APPOINTMENT/RESIGNATION  | DIN/PAN    |
|--------|--------------------------|----------------------|--|------------|
| 1.     | Arvind Pandey            | Director             | 29/05/2024<br>(the same confirmed in the AGM held on 27/08/2024)                       | 10637419   |
| 2.     | Roma Siddharth Sanghani  | Independent Director | 01/10/2024<br>(the same confirmed by shareholders Through Postal Ballot on 18/12/2024) | 10791529   |
| 3.     | Ram Krishna Dash         | Independent Director | 01/10/2024<br>(the same confirmed by shareholders Through Postal Ballot on 18/12/2024) | 08175156   |
| 4.     | Suketu Narendrabhai Shah | CEO                  | 05/02/2025 (Appointed)   | AHEPS2635N |
| 5.     | VINAY THADANI            | CEO                  | 04/02/2025<br>(Resigned)   | AEGPT2713K |
| 6.     | Pooja Dhruve             | Company Secretary    | 24/04/2025<br>(Resigned)   | BWUPM3865J |
| 7.     | Dilip Nikhare            | Company Secretary    | 11/07/2025<br>(Appointed)  | ATRPN9424D |

The following are the Key Managerial Personnel of the Company as on 31st March, 2025:

- Mr. Brijmohan Chiripal: Managing Director
- Mr. Arvind Pandey: Whole-time Director
- Mr. Suketu Narendrabhai Shah: Chief Executive Officer w.e.f. 05/02/2025
- Mr. Ravindrakumar Bajranglal Bajaj : Whole-time Director
- Mr. Dharmesh Dattani: Chief Financial Officer
- Mrs. Pooja Dhruve : Company Secretary ( upto 24/04/25)
- Mr. Dilip Nikhare : Company Secretary ( Appointed w.e.f 11/07/25)

#### DIRECTORS RETIRING BY ROTATION

Mr. Ravindra Bajaj (DIN: 08243855), Whole Time Director of the Company, retires by rotation as a Director at the conclusion of this Annual General Meeting pursuant to the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible have offered himself for reappointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM.

The 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**.

#### 15. 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.

#### 16. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 04/02/2025 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.



## 17. 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.

## 18. 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, 2025 except for payment of sitting fees.

## 19. 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](http://www.vishalfabricsltd.com)

## 20. 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](http://www.vishalfabricsltd.com)

## 21. 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](http://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.

## 22. 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.

## 23. AUDITORS AND AUDITORS' REPORT

### A. STATUTORY AUDITORS

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, 2024 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 to be held on 2027-28 of the Company.

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

The Secretarial Audit Report for the Financial Year ended 31st March 2025, 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](http://www.vishalfabricsltd.com).

Pursuant to Regulations 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Schedule III Part A Para A, we would like to inform that on the recommendation of the Audit Committee, the Board of Directors in their meeting held on, 21st May, 2025 approved the appointment of M/s. Chirag Shah & Associates (CoP: 3498), Practicing Company Secretary, Ahmedabad as the Secretarial Auditor of the Company for five consecutive years commencing from F.Y. 2025-26 till F.Y. 2029-30, subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.

#### C. COST AUDITORS

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 2025-26. 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 40th 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.

#### D. INTERNAL AUDITORS

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 2025-2026 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.

### 24. 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 2025-26. The said Code of Conduct has been posted on the website of the Company at link: [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com)

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

### 25. 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.

### 26. 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.

### 27. 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](http://www.vishalfabricsltd.com)

### 28. 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](http://www.vishalfabricsltd.com)

### 29. 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](http://www.vishalfabricsltd.com)

### **30. 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](http://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 2024-25.

### **31. PUBLIC DEPOSITS**

The Company has not accepted any Deposits from the public during the Financial Year 2024-25.

### **32. 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](http://www.vishalfabricsltd.com)

### **33. 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.

### **34. 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, 2025, 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, 2025 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.

### **35. 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 2024-25. 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.

### 36. 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.

### 37. 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.

### 38. 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.

### 39. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended March 31, 2025 as stipulated under Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable for financial year 2024-25 as your Company is not falling in the list of top 1000 Companies as per the Market Capitalization as on March 31, 2025.

### 40. 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.

### 41. 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.

### 42. REPORTING OF FRAUDS

There was no instance of fraud during the Financial Year 2024-25, 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.

### 43. 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.

### 44. 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. STATEMENT INDICATING DEVIATION IN THE USE OF PROCEEDS FROM THE STATED OBJECTS AND CATEGORY-WISE VARIATION BETWEEN PROJECTED AND ACTUAL FUND UTILISATION.

There is no Deviation in the use of Proceeds of Preferential Allotment during the year.

### 44. INSURANCE

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

### 45. 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.



#### 46. 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.

Date: 08.08.2025  
Place: Ahmedabad

**Brijmohan D. Chiripal**  
Managing Director  
DIN: 00290426

#### 47. 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.

**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](http://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, 2025 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. Brijmohan Devkinandan Chiripal | 00290426 | 01-06-2017                     |
| 2.      | Mr. Ravindrakumar Bajranglal Bajaj | 08243855 | 25-05-2019                     |
| 3.      | Mrs. Roma Siddharth Sanghani       | 10791529 | 01-10-2024                     |
| 4.      | Mr. Ram Krishna dash               | 08175156 | 01-10-2024                     |
| 5.      | Ms. Susanta Kumar Panda            | 07917003 | 01-10-2024                     |
| 6.      | Mr. Arvind Pandey                  | 10637419 | 29-05-2024                     |

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: F005545G000999087

Peer Review Cer. No. 5543/2025

Date: 08.08.2025

Place: Ahmedabad



# Annexure-II

## FORM NO. MR-3

### DRAFT SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2025

[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, 2025**, 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, 2025 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 December 20, 2024:

1. To Regularization of additional director, Mr. Ram Krishna Dash (DIN: 08175156) by appointing him as an Independent Director of the Company.
2. To Regularization of additional director, Ms. Roma Sanghani (DIN: 10791529) by appointing her as a Women Independent Director of the Company.
3. Amendment to the existing Articles of Association ("AOA") of the company by deletion 'Common Seal' clause.

**We further report that** During the year under review, following special resolutions have been passed on Annual General Meeting dated August 27, 2024:

1. Issuance of upto 5,00,00,000 (Five Crores only) Compulsorily Convertible Equity Warrants ("Warrants") on a preferential basis to the persons belonging to "NonPromoter, Public Category".
2. To Raise Capital by way of "Qualified Institutions Placement" to eligible investors through an issuance of equity shares and/or other eligible securities.

**Chirag Shah**

Partner

Chirag Shah and Associates

FCS No. 5545

C P No.: 3498

Place: Ahmedabad

UDIN: F005545G000756053

Date: 11.07.2025

Peer Review Cert. No. 6543/2025

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: 11.07.2025

**Chirag Shah**  
Partner  
Chirag Shah and Associates  
FCS No. 5545  
C P No.: 3498  
UDIN: F005545G000756053  
Peer Review Cert. No. 6543/2025

# Annexure-III

## Corporate Social Responsibility (CSR)

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR THE FINANCIAL YEAR 2024-25.

#### 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, Arya Foundation 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. Ram Krishna Dash      | Member      | 1   | 1  |
| 4.     | Mrs. Roma Sanghani        | 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](http://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: 0.175 Crore



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

(₹ In Crores)

| Particulars | 2021-22      | 2022-23      | 2023-24     |
|-------------|--------------|--------------|-------------|
| Net Profit  | 96.45 Crores | 69.28 Crores | 33.57 Crore |

Average net profit of the Company for last three financial year is at ₹ 66.43 Crores

8. (a) Two percent of average net profit of the company as per section 135(5): ₹ 1.33 Crores
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: 0.175 Crore
- (d) Total CSR obligation for the financial year (8a+8b-8c): ₹ 1.16 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 |
| 1.16 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.     | Providing food items, plantation medical and other social activities under Swachh Bharat Abhiyan (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 | 0.75 Crores                                | No                                       | Arya Foundation                                      | CSR00032202          |
|        |  |   |                     |                         |           | 0.15 Crores                                | No                                       | Happiness Reserve Foundation                         | CSR00015212          |
|        |  |   |                     |                         |           | 0.05 Crores                                | No                                       | Chiripal Charitable Trust                            | CSR00016151          |
|        |  |   |                     |                         |           | 0.21 Crores                                | No                                       | Aggrasain Trust                                      | 2585                 |
|        |  |   |                     |                         |           | <b>TOTAL</b>                               |  |  |                      |
|        |  |   |                     |                         |           | <b>1.495 Crores</b>                        |  |  |                      |

- (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): ₹ 1.16 Crores

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

| Sr. No | Particulars   | Amount<br>(In ₹ Crores) |
|--------|---|-------------------------|
| i      | Two percent of average net profit of the company as per section 135(5)                                      | ₹ 1.33 Crores           |
| ii     | Total amount spent for the Financial Year   | ₹ 1.16Crores            |
| iii    | Excess amount spent for the financial year [(ii)-(i)]   | ₹ Nil                   |
| 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)]                                     | ₹ Nil                   |

**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: 08/08/2025  
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 FRP fans instead of metal fans at our all H plants to save the power.
- Other necessary energy conservation measures are taken on day to day basis.

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

- The company has started to use liquid indigo color instead of powder for the betterment of fabrics quality and also cost effective.
- The company has done hood fixing at plant above machineries which will stop the damage of fabrics and shed also.

##### 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
- We bought hydro jet cleaning machine for regularly cleaning of compressors and mee tubes
- We have increased the quality of finished goods by commencing the stenter machine (fabric hitsets) at plant.
- As the company has installed 0.999 MW Solar Rooftop plant at the Dholi unit due to which the electricity bill is reducing constantly.

##### ii. the benefits derived as a result of above efforts

- Quality of fabric processed improved by adoption of new machines.
- Cost Efficient Use
- 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 2024-2025.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE FINANCIAL YEAR 01/04/2024 TO 31/03/2025:

##### EXPORT DETAILS

| PARTICULARS       | AMOUNT | CURRENCY |
|-------------------|--------|----------|
| TOTAL EXPORT MADE | 182057 | USD      |

##### IMPORT DETAILS

| PARTICULARS       | AMOUNT | CURRENCY |
|-------------------|--------|----------|
| TOTAL IMPORT MADE | 514460 | USD      |
| TOTAL IMPORT MADE | 22,896 | 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 2024-25:

| Sr. No | Name                   | Category            | Ratio    |
|--------|------------------------|---------------------|----------|
| 1.     | Mr. Brijmohan Chiripal | Managing Director   | 51.82: 1 |
| 2.     | Mr. Ravindra Bajaj     | Whole time Director | 14: 1    |
| 3.     | Mr. Arvind Pandey      | Director            | 7.90: 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 2024-25:

| Sr. No | Name                   | Category                | %   |
|--------|------------------------|-------------------------|-----|
| 1.     | Mr. Brijmohan Chiripal | Managing Director       | Nil |
| 2.     | Mr. Arvind Pandey      | Director                | Nil |
| 3.     | Mr. Ravindra Bajaj     | Whole time Director     | Nil |
| 4.     | Mr. Vinay Thadani      | Chief Executive Officer | 150 |
| 5.     | Mr. Dharmesh Dattani   | Chief Financial Officer | Nil |
| 6.     | Ms. Pooja Dhruve       | Company Secretary       | Nil |

The median remuneration of the employees of the Company as on 31st March, 2025 was Rs 300000 per year.

- iii. During FY 2025, the percentage increased in the median remuneration of employees of the Company as compared to previous year was 0%.
- iv. No. of permanent employees on the rolls of the Company: 434
- 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

## 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 at least half of the Board of the Company comprising Non – Executive Directors. As on March 31, 2025, the Board consists of 6 (Six) Directors out of which 1 (One) is Managing Director and 2 (Two) are Whole time Directors. Further, 3 (Three) are Non-Executive Independent Directors which includes 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 at least 50% (Fifty percent) of it as Non – Executive Directors as on March 31, 2025, 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. Ravindra Bajaj DIN: 08243855        | Whole Time Director, Executive; Non- Independent |
| 3.     | Mr. Arvind Pandey DIN: 10637419         | Whole Time Director, Executive; Non- Independent |
| 4.     | Mr. Susanta Kumar Panda DIN: 07917003   | Non-Executive Independent Director               |
| 5.     | Mr. Ram Krishna Dash DIN: 08175156      | Non-Executive Independent Director               |
| 6.     | Mrs. Roma Sanghani DIN: 10791529        | Non-Executive, Woman 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 29th May, 2024, 27th July, 2024, 25th October, 2024 and 4th February, 2025. 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. Ravindra Bajaj        | 4   | 4                                 | Yes  |
| 3.     | Mr. Arvind Pandey         | 3   | 3                                 | Yes  |
| 4.     | Mr. Susanta Kumar Panda   | 4   | 4                                 | Yes  |
| 5.     | Mr. Ram Krishna Das       | 2   | 2                                 | NA   |
| 6.     | Mrs. Roma Sanghani        | 2   | 2                                 | NA   |

- 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, 2025 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<br>DIN: 00290426 | Managing Director, Executive;<br>Non-Independent    | 1  | 0   | 2  | 0  |
| Mr. Ravindra Bajaj<br>DIN: 08243855        | Whole Time Director, Executive;<br>Non- Independent | 1  | 0   | 0  | 0  |
| Mr. Arvind Pandey<br>DIN: 10637419         | Whole Time Director, Executive;<br>Non- Independent | 1  | 0   | 0  | 0  |
| Mr. Susanta Kumar Panda<br>DIN: 07917003   | Non-Executive Independent Director                  | 4  | 4   | 9  | 2  |
| Mr. Ram Krishna Dash<br>DIN: 08175156      | Non-Executive Independent Director                  | 1  | 1   | 2  | 2  |
| Mrs. Roma Sanghani<br>DIN: 10791529        | Non-Executive, Woman Independent Director,          | 1  | 1   | 2  | 0  |

\*\*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, 2025 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      | Mr. Susanta Kumar Panda<br>DIN:07917003 | Shanti Educational Initiatives Limited<br>Zee Media Corporation Limited<br>Tiger Logistics (India) Limited | Non-Executive Independent<br>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, 2025 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 to that 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, 2025:

| Skills and its description   | Mr. Brijmohan Chiripal | Mr. Parmod Kumar | Mr. Ravindra Bajaj | Mrs. Dhara Shah | Mr. Susanta Kumar Panda | Mr. Shubhankar Jha |
|--|------------------------|------------------|--------------------|-----------------|-------------------------|--------------------|
| <b>Leadership/Operational Experience</b><br>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, driving change and long-term growth. | ✓                      | ✓                | ✓                  | ✓               | ✓                       | ✓                  |
| <b>Accounting and Financial Skills</b><br>Leadership experience in handling financial management of a large organization along with an understanding of accounting and financial statements.   | ✓                      | ✓                |                    | ✓               | ✓                       | ✓                  |
| <b>Strategic Planning</b><br>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.  | ✓                      | ✓                | ✓                  | ✓               | ✓                       | ✓                  |
| <b>Legal and Risk Management</b><br>Knowledge and experience in regulatory and governance requirements and ability to identify key risks affecting the governance of the Company.  | ✓                      | ✓                |                    | ✓               | ✓                       | ✓                  |
| <b>Corporate Governance</b><br>Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.  | ✓                      | ✓                | ✓                  | ✓               | ✓                       | ✓                  |
| <b>Marketing</b><br>Experience in developing strategies to grow sales and market share, build brand awareness and equity, and enhance enterprise reputation  | ✓                      | ✓                | ✓                  |                 |                         |                    |
| <b>Sustainability and Environment</b><br>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, 2025.

However, 2 (Two) independent directors had vacated their directorship during the FY. 2024-25 due to the completion of their two tenure.

### 3. AUDIT COMMITTEE:

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

**a. Brief Description of terms of reference:**

The role of the Audit Committee includes the following:

- I. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- II. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- III. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- IV. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Modified opinion(s) in the draft audit report;
- V. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- VI. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- VII. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- VIII. Approval or any subsequent modification of transactions of the listed entity with related parties;
- IX. Scrutiny of inter-corporate loans and investments;
- X. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- XI. Evaluation of internal financial controls and risk management systems;
- XII. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- XIII. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- XIV. Discussion with internal auditors of any significant findings and follow up there on;
- XV. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- XVI. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- XVII. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- XVIII. To review the functioning of the whistle blower mechanism;
- XIX. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- XX. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- XXI. Consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- The Audit Committee shall mandatorily review the following information:**
- i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses; and
  - v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

vi. Statement of deviations:

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

b. Composition:

As on 31st March 2025, the Audit Committee of the Company comprised of three Independent Directors viz. Mr. Ram Krishna Dash (Chairman), Mr. Susanta Kumar Panda (Member), Mrs. Roma Sanghani (Member) and one Executive Director – Mr. Brijmohan Chiripal (Member).

c. Meetings and Attendance:

During the Financial Year 2024-25, 4 Audit Committee Meetings were held on 29th May, 2024, 27th July, 2024, 25th October, 2024 and 4th February, 2025. The attendance of Members at meetings was as under:

| Sr. No | Name of members           | Position | Number of Committee Meetings held during the tenure of Membership | Number of Committee Meetings attended |
|--------|---------------------------|----------|---|---------------------------------------|
| 1.     | Mr. Ram Krishna Dash      | Chairman | 2   | 2                                     |
| 2.     | Mr. Susanta Kumar Panda   | Member   | 4   | 4                                     |
| 3.     | Mrs. Roma Sanghani        | Member   | 2   | 2                                     |
| 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 2024-25.

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

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

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

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

a. Brief description of Terms of reference:

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



viii. To recommend to the board, all remuneration, in whatever form, payable to senior management.

**b. Composition and Meetings**

As on 31st March 2025, the Nomination and Remuneration Committee of the Company comprised of three Independent Directors viz. Mr.

Susanta Kumar Panda, Mr. Ram Krishna Dash and Mrs. Roma Sanghani.

During the Financial Year 2024-25, 2 (Two) Nomination and Remuneration Committee Meetings were held on 29th May, 2024 and 4th February, 2025. The Attendance of Members at meeting was as under:

| Sr. No | Name of members         | Position | Number of Committee Meetings held during the tenure of Membership | Number of Committee Meetings attended |
|--------|-------------------------|----------|---|---------------------------------------|
| 1.     | Mr. Susanta Kumar Panda | Chairman | 2   | 2                                     |
| 2.     | Mr. Ram Krishna Dash    | Member   | 1   | 1                                     |
| 4.     | Mrs. Roma Sanghani      | 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.

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 2024-25 are as under:

| Sr. No | Name of the Directors | Sitting Fees paid (Amount in Crores.) Board/Committee Meeting |
|--------|-----------------------|---|
| 1.     | Mr. Shubhankar Jha    | 0.00  |
| 2.     | Mrs. Dhara Shah       | 0.004   |
| 3.     | Ms. Roma Sanghani     | 0.002   |
| 4.     | Mr. Ram Krishna Dash  | 0.01  |
| 5.     | Susanta Kumar Panda   | 0.01  |

**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

**ii. Remuneration to Executive Directors:**

Details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2025 are as under:

| Sr. No | Name of members           | Designation         | Salary & Allowances (Amt. in ₹) | Contribution to PF (Amt. in ₹) | Total (Amt. in ₹) |
|--------|---------------------------|---------------------|---------------------------------|--------------------------------|-------------------|
| 1.     | Mr. Brijmohan D. Chiripal | Managing Director   | 1,55,00,000                     | NIL                            | 1,55,00,000       |
| 2.     | Mr. Ravindra Bajaj        | Whole Time Director | 42,00,000                       | NIL                            | 42,00,000         |
| 3.     | Mr. Arvind Pandey         | Whole Time Director | 14,00,000                       | NIL                            | 14,00,000         |

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 as provided in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

- a. As on 31st March 2025, the Stakeholders Relationship Committee of the Company comprised of three Independent Directors viz. Mr. Ram Krishna Dash, Mr. Susanta Kumar Panda and Mrs. Roma Sanghani.

During the Financial Year 2024-25, 4 Stakeholders Relationship Committee meetings were held on 29th May, 2024, 27th July, 2024, 25th October, 2024 and 4th February, 2025. The attendance of Members at meetings was as under:

| Sr. No | Name of members         | Position | Number of Committee Meetings held during the tenure of Membership | Number of Committee Meetings attended |
|--------|-------------------------|----------|---|---------------------------------------|
| 1.     | Mr. Ram Krishna Dash    | Chairman | 2   | 2                                     |
| 2.     | Mr. Susanta Kumar Panda | Member   | 4   | 4                                     |
| 3.     | Mrs. Roma Sanghani      | Member   | 2   | 2                                     |

- b. **Name and Designation of Compliance Officer:**

Pooja Dhruve – Company Secretary & Compliance Officer.

- c. **Details of Complaints/ Queries received and redressed during 1st April 2024 to 31st March 2025 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   | 0   | 0  | 0   |

## 6 A. 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.

## 6 B. SENIOR MANAGEMENT:

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

| Sr. No | Name of Senior Management Personnel | Designation                            |
|--------|-------------------------------------|--|
| 1.     | Ashish Bansal                       | Deputy Manager<br>(Finance & Accounts) |
| 2.     | Dipex Modi                          | Executive<br>(Finance & Accounts)      |
| 3.     | Monika Bhandari                     | Head<br>(Finance & Accounts)           |
| 4.     | Rajneesh Garg                       | General Manager (Marketing)            |
| 4.     | Maresh Kawat                        | Senior Manager<br>(Finance & Accounts) |
| 5.     | Jyotender Tiwari                    | Manager (Marketing)                    |
| 6.     | Dharmesh Dattani                    | Chief Financial Officer                |
| 7.     | Dilip Nikhare                       | Company Secretary & Compliance Officer |
| 8.     | Suketu Narendrabhai Shah            | Chief Executive Officer                |

## 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  |
|----------------|-------------------------------|--|
| 2023-24        | August 27, 2024 02:00 P.M.    | Meeting through Video Conferencing/ Other Audio-Visual Means facility. |
| 2022-23        | September 29, 2023 02:00 P.M. |  |
| 2021-22        | September 30, 2022 02:00 P.M. |  |

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

### 2023-24

- a. Issuance of upto 5,00,00,000 (five crores only) compulsorily convertible equity warrants on a preferential basis to the persons belonging to "Non-Promoter, Public Category".
- b. To raise capital by way of Qualified Institutions Placement to eligible investors through an issuance of equity shares and/or other eligible securities.

- b) Regularization of additional director, Ms. Roma Sanghani (DIN: 10791529) by appointing her as a Woman Independent Director of the Company.

|   |           |
|---|-----------|
| Votes in favour of resolution               | 130881250 |
| Votes against the resolution                | 8539      |
| Percentage of votes in favour of resolution | 99.9935%  |

### 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.

- c) Amendment to the existing Articles of Association ("AOA") of the company by deletion of 'Common Seal' clause.

|   |           |
|---|-----------|
| Votes in favour of resolution               | 130888289 |
| Votes against the resolution                | 1501      |
| Percentage of votes in favour of resolution | 99.9989%  |

### 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.

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.

- 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 2024-25 and details of the voting pattern:

The following resolutions were passed through Postal Ballot (including electronic voting) as on 18th December, 2024:

- a) Regularization of additional director, Mr. Ram Krishna Dash (DIN: 08175156) by appointing him as an Independent Director of the Company.

|   |           |
|---|-----------|
| Votes in favour of resolution               | 130888336 |
| Votes against the resolution                | 1452      |
| Percentage of votes in favour of resolution | 99.9989%  |

## 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](http://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, Whole Time 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:

|              |   |
|--------------|---|
| <b>Date</b>  | 19th, September, 2025   |
| <b>Time</b>  | 11:30 AM  |
| <b>Venue</b> | Meeting through Video Conferencing/<br>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](mailto: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. 2024-2025 are noted herein below:

All Prices in ₹

| Month        | High Price | Low Price | Close Price | Volume of Shares |
|--------------|------------|-----------|-------------|------------------|
| April 24     | 22.50      | 18.50     | 21.92       | 34,45,975        |
| May 24       | 23.15      | 20.12     | 20.28       | 37,92,199        |
| June 24      | 23.87      | 18.00     | 21.97       | 54,33,788        |
| July 24      | 40.25      | 22.00     | 37.80       | 3,43,53,244      |
| August 24    | 42.88      | 30.35     | 36.36       | 1,72,29,374      |
| September 24 | 36.36      | 30.51     | 32.38       | 34,77,280        |
| October 24   | 32.90      | 27.00     | 28.43       | 22,92,015        |
| November 24  | 34.00      | 26.85     | 29.60       | 31,19,757        |
| December 24  | 35.65      | 30.17     | 33.39       | 39,10,257        |
| January 25   | 40.33      | 29.55     | 31.60       | 77,55,879        |
| February 25  | 32.85      | 22.70     | 24.07       | 25,34,606        |
| March 25     | 34.47      | 21.05     | 28.56       | 47,78,495        |

### xi. Registrar and Share Transfer Agent:

For Demat Securities:

**MUFG Intime India Pvt. Ltd.**

**(Formerly known as Link Intime India Private Limited)**

5th Floor, 506-508 Amarnath Business Centre -1,

St. Xavier's Corner, Chimanlal Girdharlal Road,

Sardar Patel Nagar, Ellis Bridge, Ahmedabad-380009.

Phone: 079 2646 5179

Website: [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com)

E-mail: [ahmedabad@in.mpms.mufg.com](mailto:ahmedabad@in.mpms.mufg.com)

### xii. Share Transfer System:

Entire holding of the Company is in dematerialized form and matters pertaining to Share Transfer are being handled by MUFG Intime India Pvt. Ltd. (Formerly known as Link Intime India Private Limited).

### v. Listing on Stock exchanges:

| S. no | Name of Stock Exchange | Code/ Symbol | Address   |
|-------|------------------------|--------------|---|
| 1.    | BSE Limited            | 538598       | Phiroze<br>Jeejeebhoy<br>Tower, Dalal<br>Street Mumbai -<br>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 2024-25 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, 2025:

| S. no | Shares Range     | No. of Shareholders | Total Shares | % of issued capital |
|-------|------------------|---------------------|--------------|---------------------|
| 1.    | 1- 500           | 32681               | 3399543      | 1.7203              |
| 2.    | 501-1000         | 3022                | 2421487      | 1.2254              |
| 3.    | 1001-2000        | 1680                | 2512693      | 1.2715              |
| 4.    | 2001-3000        | 694                 | 1779378      | 0.9004              |
| 5.    | 3001-4000        | 304                 | 1085076      | 0.5491              |
| 6.    | 4001-5000        | 311                 | 1465552      | 0.7416              |
| 7.    | 5001-10000       | 505                 | 3772086      | 1.9089              |
| 8.    | 100001 and above | 542                 | 181174188    | 91.6827             |

- Category wise Shareholding as on March 31, 2025:

| S.No | Category of Shareholders  | No. of Shareholders | Number of equity shares held | Percentage of holding |
|------|---|---------------------|------------------------------|-----------------------|
| 1    | Individual Promoters  | 16                  | 32561304                     | 16.48                 |
| 2    | Promoter Body Corporate   | 13                  | 96400496                     | 48.78                 |
| 3    | Foreign Promoters   | 1                   | 7386177                      | 3.74                  |
| 4    | Individual Shareholders holding nominal capital up to ₹ 2 lacs        | 38250               | 21202535                     | 10.73                 |
| 5    | Individual Shareholders holding nominal capital in excess of ₹ 2 lacs | 126                 | 13820392                     | 6.99                  |
| 6    | Non Resident Indians (NRIs)   | 220                 | 842715                       | 0.43                  |
| 7    | Bodies Corporate  | 79                  | 10822117                     | 5.48                  |
|      | Foreign Portfolio Investors (Corporate)                               | 3                   | 6350770                      | 3.21                  |
| 8    | Body Corp-Ltd Liability Partnership                                   | 7                   | 6857650                      | 3.47                  |
| 9    | HUF   | 366                 | 1365847                      | 0.69                  |
|      | <b>GRAND TOTAL</b>  | <b>39081</b>        | <b>197610003</b>             | <b>100</b>            |

**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 to impact on equity: - NA****xvi. Plant Locations:**

- Narol, Ahmedabad
- Dholi, Ahmedabad

**xvii. Address for Correspondence:**

- For any query relating to shares:

**MUFG Intime India Pvt. Ltd.**  
**(Formerly known as Link Intime India Private Limited)**  
5th Floor, 506-508 Amarnath Business Centre -1,  
St. Xavier's Corner, Chimanlal Girdharlal Road,  
Sardar Patel Nagar, Ellis Bridge, Ahmedabad-380009.  
Phone: 079 2646 5179  
Website: [www.in.mpms.mufg.com](http://www.in.mpms.mufg.com)  
E-mail: [ahmedabad@in.mpms.mufg.com](mailto:ahmedabad@in.mpms.mufg.com)

• **For General Correspondence:**

**Registered Office**

**Company Secretary**

Vishal Fabrics Limited, Shanti Corporate House,  
Near Hira Rupa Hall, Bopal - Ambli Road, Bopal,  
Ahmedabad – 380058, Gujarat, India.  
Tel: 9099952542, 02717 -466959, Fax: 091-7925353981  
Website: [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com)  
E-mail: [cs.vfl@vishalfabrics.co.in](mailto:cs.vfl@vishalfabrics.co.in)

**xviii. Credit Rating obtained in the Financial Year 2024-25:**

During the financial year 2024-25, 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                            | INR 926.5               | IND A- /Negative         | Affirmed; Outlook revised to Negative from Stable |
| Fund-based working capital limits     | INR 2,000               | IND A- /Negative/IND A2+ | Affirmed; Outlook revised to Negative from Stable |
| Non-fund-based working capital limits | INR 400                 | IND A2+                  | Affirmed  |

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.

**10. Other Disclosures:**

**i. Related Party Transactions:**

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

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

**ii. Details of Non- Compliance:**

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

**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 for 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, 2025. The Company does not use any derivative contracts to hedge exposure to fluctuate in commodity prices.

**viii. Details of utilization of funds raised through preferential allotment**

The Company discloses to the Audit Committee, the uses/application of proceeds/funds raised from preferential issues as part of the quarterly review of financial results.

During the Financial Year 2023-24, the Company had issued 5,00,00,000 (Five Crore Only) warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company of face value of ₹ 5/- each at a price of ₹ 30.60/- (Rupees Thirty decimal Sixty Paise Only) each payable in cash, aggregating up to ₹ 153 Cr, (Rupees One Hundred Fifty Three Crores Only).

Further the company has received the 25% amount aggregating of ₹ 38.25 Cr at the time of warrant application till 31st March, 2025 and the same has been used as per explanatory statement given in shareholders meeting August 27, 2024 i.e. working capital and general corporate purpose, repayment of unsecured loan/secured loan respectively.

The issuance was approved by the shareholders in their meeting held on August 27, 2024.

**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 2024-2025.

**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 ₹ 14,00,000/- p.a. during FY 2024-25

**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, 2025 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 [Code-of-Conduct-for-BOARD-AND-SENIOR-MANAGEMENT.pdf](#).

## DECLARATION BY THE CHIEF EXECUTIVE OFFICER

I, Suketu Shah, 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, 2025.

Place: Ahmedabad  
Date: 21.05.2025

**Suketu Shah,**  
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 2025, 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 of 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, 2025.

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  
M.No. 193591

Date: 31.07.2025  
Place: Ahmedabad  
UDIN:25193591BMJGKX9318



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

**“Pursuant to Regulation 17(8) of 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 (Standalone and Consolidated) for the quarter and year ended March 31, 2025 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 quarter 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 quarter;
  - ii. Significant changes, if any, in the accounting policies made during the quarter 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.

**Suketu Shah**  
Chief Executive Officer

**Dharmesh Dattani**  
Chief Financial Officer

Date: 21.05.2025  
Place: Ahmedabad

# 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, 2025, 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 2025 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.

## Responsibility of Management for the Standalone Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by 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.

Place: Ahmedabad  
Date: 21st May 2025  
UDIN: 25193591BMJGJ09249

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

**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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Place: Ahmedabad  
Date: 21st May 2025  
UDIN: 25193591BMJGJ09249

**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 2025, we report that;

- (i) a) In respect of Property, Plant and Equipment and Intangible Assets:
- 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.
- 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 under section 189 of the Companies Act, 2013:
- (a) As per the information furnished, the company has not granted any loans or advances, secured or unsecured, 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.

| Particulars  | Guarantees  | Loans | Advances |
|--|-------------|-------|----------|
| Aggregate amount of granted/provided during the year                   |             |       |          |
| others   | -           | -     | -        |
| 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 products 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 2025 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     | 2,020,643  | CPC                            | AY 2020 |
| 2       | Income Tax Act, 1961 | Income Tax     | 5,053,936  | CPC                            | AY 2023 |
| 3       | Income Tax Act, 1961 | Income Tax     | 3,462,251  | CPC                            | AY 2016 |
| 4       | Income Tax Act, 1961 | Income Tax     | 14,241,425 | CPC                            | AY 2021 |

- (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 whistleblower 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: 21st May 2025  
UDIN: 25193591BMJGJ09249

**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, 2025, 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 2025, 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 of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

### Meaning of Internal Financial Controls over Financial 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: 21st May 2025  
UDIN: 25193591BMJGJ09249

#### Reeturaj Verma

Partner  
M.No. 193591

# Standalone Balance Sheet

as at March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars   | Note No. | As At<br>31/03/2025 | As At<br>31/03/2025 |
|---|----------|---------------------|---------------------|
| <b>ASSETS</b>   |          |                     |                     |
| <b>1 NON-CURRENT ASSETS</b>                               |          |                     |                     |
| (a) Property, Plant and Equipment                         | 2        | 139.65              | 157.74              |
| (b) Capital Work-In-Progress                              | 2A       | -                   | 1.93                |
| (c) Investment Property                                   | 2B       | 56.94               | 59.46               |
| (d) Financial Assets                                      |          |                     |                     |
| (i) Investments   | 3        | 59.75               | 49.86               |
| (ii) Others Financial Assets                              | 4        | 0.65                | 0.64                |
| (e) Other Non-Current Assets                              |          | 0.75                | 2.63                |
| <b>TOTAL NON-CURRENT ASSETS</b>                           |          | <b>257.75</b>       | <b>272.26</b>       |
| <b>2 CURRENT ASSETS</b>                                   |          |                     |                     |
| (a) Inventories   | 6        | 115.08              | 93.97               |
| (b) Financial Assets                                      |          |                     |                     |
| (i) Trade Receivables                                     | 7        | 526.34              | 510.80              |
| (ii) Cash And Cash Equivalents                            | 8        | 0.20                | 0.24                |
| (iii) Bank Balances Other Than (ii) Above                 | 9        | 11.18               | 10.79               |
| (c) Other Current Assets                                  | 10       | 29.88               | 33.57               |
| <b>TOTAL CURRENT ASSETS</b>                               |          | <b>682.68</b>       | <b>649.37</b>       |
| <b>TOTAL ASSETS</b>                                       |          | <b>940.43</b>       | <b>921.63</b>       |
| <b>EQUITY AND LIABILITIES</b>                             |          |                     |                     |
| <b>EQUITY</b>   |          |                     |                     |
| (a) Equity Share Capital                                  | 11       | 98.81               | 98.81               |
| (b) Other Equity  | 12       | 337.05              | 313.21              |
| (c) Money Received Against Share Warrants                 | 12A      | 38.17               | -                   |
| <b>TOTAL EQUITY</b>                                       |          | <b>474.02</b>       | <b>412.02</b>       |
| <b>LIABILITIES</b>  |          |                     |                     |
| <b>1 NON-CURRENT LIABILITIES</b>                          |          |                     |                     |
| (a) Financial Liabilities                                 |          |                     |                     |
| (i) Borrowings  | 13       | 84.51               | 130.39              |
| (ii) Other Financial Liabilities                          | 14       | 10.73               | 10.99               |
| (b) Long Term Provisions                                  | 15       | 1.31                | 1.05                |
| (c) Deferred Tax Liabilities (Net)                        | 16       | 18.17               | 12.68               |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                      |          | <b>115.26</b>       | <b>155.10</b>       |
| <b>2 CURRENT LIABILITIES</b>                              |          |                     |                     |
| (a) Financial Liabilities                                 |          |                     |                     |
| (i) Borrowings  | 17       | 207.89              | 250.40              |
| (ii) Trade Payables                                       | 18       |                     |                     |
| - Due to Micro and Small Enterprises                      |          | 8.75                | 14.28               |
| - Due to Creditors other than Micro and Small Enterprises |          | 116.89              | 79.64               |
| (b) Other Current Liabilities                             | 19       | 2.60                | 2.48                |
| (c) Short Term Provisions                                 | 20       | 2.08                | 2.21                |
| (d) Current Tax Liabilities (Net)                         | 21       | 13.50               | 5.50                |
| <b>TOTAL CURRENT LIABILITIES</b>                          |          | <b>351.15</b>       | <b>354.51</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       |          | <b>940.43</b>       | <b>921.63</b>       |

Material 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

UDIN : 25193591BMJGJ09249

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Suketu Shah**

Chief Executive

Officer

**Dharmesh Dattani**

Chief Financial

Officer

Place: Ahmedabad

Date: 'May 21, 2025

**Ravindrakumar Bajranglal Bajaj**

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: 'May 21, 2025

# Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars  | Note No. | For the year<br>2024-25 | For the year<br>2023-24 |
|--|----------|-------------------------|-------------------------|
| I Revenue From Operations  | 22       | 1,519.83                | 1,450.13                |
| II Other Income  | 23       | 1.60                    | 1.17                    |
| <b>III Total Income (I+II)</b>   |          | <b>1,521.43</b>         | <b>1,451.30</b>         |
| <b>IV EXPENSES</b>   |          |                         |                         |
| (a) Cost of Materials Consumed   | 24       | 1,365.22                | 1,312.28                |
| (b) Purchases of Stock-In-Trade  | 24A      | -                       | 0.01                    |
| (c) Changes in Inventories of Finished Goods   | 25       | (10.36)                 | (12.95)                 |
| (d) Changes in Stock-In-Trade and Work-In-Progress   | 25A      | (3.17)                  | 0.25                    |
| (e) Employee Benefits Expense  | 26       | 30.63                   | 26.88                   |
| (f) Finance Costs  | 27       | 39.65                   | 38.48                   |
| (g) Depreciation and Amortization Expense  | 28       | 33.20                   | 32.70                   |
| (h) Other Expenses   | 29       | 21.36                   | 22.71                   |
| <b>Total Expenses (IV)</b>   |          | <b>1,476.53</b>         | <b>1,420.36</b>         |
| <b>V Profit/(Loss) Before Tax (III-IV)</b>   |          | <b>44.90</b>            | <b>30.94</b>            |
| VI Tax Expense:  | 30       |                         |                         |
| (a) Current Tax  |          | 15.70                   | 8.51                    |
| (b) Deferred Tax (Credit)/charge   |          | 5.49                    | 8.65                    |
| (C) Tax Expense Related to Earlier Year  |          | (0.12)                  | (7.36)                  |
| <b>Total Tax Expenses</b>  |          | <b>21.07</b>            | <b>9.80</b>             |
| <b>VII Profit (Loss) For The Year (V-VI)</b>   |          | <b>23.84</b>            | <b>21.13</b>            |
| VIII Other Comprehensive Income  | 31       |                         |                         |
| (a) Items That Will Not be Reclassified To Profit or Loss  |          | ₹ 26,475                | 0.78                    |
| (b) Income Tax Relating to Items That Will Not be Reclassified to Profit or Loss   |          | ( ₹ 4,318)              | (0.20)                  |
| (c) Items That Will be Reclassified to Profit or Loss  |          | -                       | -                       |
| (d) Income Tax Relating to Items That Will be Reclassified to Profit or Loss   |          | -                       | -                       |
| <b>Total Other Comprehensive Income</b>  |          | <b>₹ 22,157</b>         | <b>0.58</b>             |
| <b>IX Total Comprehensive Income for The Period (VII+VIII)(Comprising Profit (Loss) and Other Comprehensive Income for The period)</b> |          | <b>23.84</b>            | <b>21.71</b>            |
| X Earnings Per Equity Share :  | 44       |                         |                         |
| (a) Basic (in ₹)   |          | 1.21                    | 1.07                    |
| (b) Diluted (in ₹)   |          | 1.06                    | 1.07                    |

Material 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

UDIN : 25193591BMJGJ09249

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Suketu Shah**

Chief Executive

Officer

**Dharmesh Dattani**

Chief Financial

Officer

**Ravindrakumar Bajranglal Bajaj**

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: 'May 21, 2025

Place: Ahmedabad

Date: 'May 21, 2025



# Standalone Cash Flow Statement

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars  | For the year<br>2024-25 | For the year<br>2023-24 |
|--|-------------------------|-------------------------|
| <b>Cash flow from operating activities</b>                                     |                         |                         |
| Net profit before tax  | 44.90                   | 30.94                   |
| Adjustments:   |                         |                         |
| Depreciation and amortisation  | 33.20                   | 32.70                   |
| Finance expense  | 39.65                   | 38.48                   |
| Interest income  | (0.90)                  | (0.55)                  |
| Loss on sale of Property, Plant and Equipment                                  | -                       | 0.14                    |
| Profit on Sale of Property, Plant and Equipment                                | (0.02)                  | -                       |
| Change in Fair Value of Preference Instruments through profit and loss account | (0.48)                  | 0.47                    |
| <b>Operating cash flow before working capital changes</b>                      | <b>116.35</b>           | <b>102.18</b>           |
| <b>Working capital adjustments:</b>  |                         |                         |
| Decrease/ (Increase) in trade receivables                                      | (15.54)                 | (54.38)                 |
| Decrease/ (Increase) in other current assets                                   | 3.69                    | 0.61                    |
| Decrease/ (Increase) in inventories  | (21.11)                 | (14.73)                 |
| Increase/ (Decrease) in trade payables   | 31.71                   | (23.85)                 |
| Increase/ (Decrease) in provisions   | 0.20                    | (0.92)                  |
| Increase/ (Decrease) in current liabilities                                    | 0.12                    | (1.82)                  |
| Increase/ (Decrease) in other financial liabilities                            | (0.25)                  | (0.54)                  |
| <b>Cash generated from operations</b>  | <b>115.17</b>           | <b>6.56</b>             |
| Income tax paid (net of refund)  | (7.58)                  | (12.17)                 |
| <b>Net cash generated from operating activities (a)</b>                        | <b>107.59</b>           | <b>(5.62)</b>           |
| <b>Cash flow from investing activities</b>                                     |                         |                         |
| Purchase of Property Plant & Equipment including Capital Work in Progress      | (10.68)                 | (3.20)                  |
| Proceeds from sales of Property Plant & Equipment                              | 0.04                    | 0.14                    |
| Purchase of Non-current Investment   | (9.48)                  | (17.08)                 |
| Capital advances and other non-current assets                                  | 1.87                    | 1.71                    |
| Interest income  | 0.90                    | 0.55                    |
| <b>Net cash used in investing activities (b)</b>                               | <b>(17.36)</b>          | <b>(17.87)</b>          |

# Standalone Cash Flow Statement

for the year ended March 31,2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars   | For the year<br>2024-25 | For the year<br>2023-24 |
|---|-------------------------|-------------------------|
| <b>Cash flow from financing activities</b>                              |                         |                         |
| Repayment of Long term borrowings                                       | (45.88)                 | (4.03)                  |
| Proceeds from issue of Share Warrant                                    | 38.17                   |                         |
| Short term borrowings (net)   | (42.51)                 | 67.41                   |
| Finance cost paid   | (39.65)                 | (38.48)                 |
| <b>Net cash generated from /(used in) financing activities (c)</b>      | <b>(89.88)</b>          | <b>24.89</b>            |
| <b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b> | <b>0.35</b>             | <b>1.41</b>             |
| Cash and cash equivalents at the beginning of the year                  | 11.03                   | 9.62                    |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>11.38</b>            | <b>11.03</b>            |
| Components of cash and cash equivalents                                 |                         |                         |
| Cash on hand  | 0.09                    | 0.13                    |
| Balances with banks   |                         |                         |
| Current accounts  | 0.12                    | 0.10                    |
| Deposit accounts*   | 11.18                   | 10.79                   |
|   | <b>11.38</b>            | <b>11.03</b>            |

\*Out of Other Current Assets balance ₹ 0.03/- lacs is laying with the income tax department perusing to the search conducted in the month of July - 22.

\* 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).

Material 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

UDIN : 25193591BMJGJ09249

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Suketu Shah**

Chief Executive

Officer

**Dharmesh Dattani**

Chief Financial

Officer

Place: Ahmedabad

Date: 'May 21,2025

**Ravindrakumar Bajranglal Bajaj**

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: 'May 21,2025

# Statement of Changes in Equity

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## A. Equity share capital

Equity shares of ₹ 5 each

| As at 1st April, 2023 | Change in Equity Share Capital due to prior period errors | Restated balance at the beginning of the period 1st April, 2023 | Changes in equity share capital during 2023-2024 | As at 31st March, 2024 | Change in Equity Share Capital due to prior period errors | Restated balance at the beginning of the period 1st April, 2024 | Changes in equity share capital during 2024-2025 | As at 31st March, 2025 |
|-----------------------|---|---|--|------------------------|---|---|--|------------------------|
| 98.81                 | -   | 98.81   | -  | 98.81                  | -   | 98.81   | -  | 98.81                  |

## B. Other equity as at 31st March, 2025

| Particulars                                    | Share Application Money pending allotment | Equity component of compound financial instruments | Security Premium | Retained Earnings | Equity instruments through other comprehensive Income | Remeasurement of defined benefit plans | Money received against Share Warrants | Total    |
|--|---|--|------------------|-------------------|---|--|---------------------------------------|----------|
| <b>Balance at April 1, 2023</b>                | -   | -  | 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     |
| <b>Total comprehensive income for the year</b> | -   | -  | -                | 21.13             | (0.05)  | 0.63                                   | -                                     | 21.71    |
| <b>Balance at March 31, 2024</b>               | -   | -  | 15.22            | 290.04            | 3.37  | 4.58                                   | -                                     | 313.21   |
| <b>Balance at April 1, 2024</b>                | -   | -  | 15.22            | 290.04            | 3.37  | 4.58                                   | -                                     | 313.21   |
| Retained earning during the year               | -   | -  | -                | 23.84             | -   | -                                      | -                                     | 23.84    |
| Other comprehensive income for the year        | -   | -  | -                | -                 | (0.05)  | 0.06                                   | -                                     | ₹ 22,157 |
| Money received against Share Warrants          | -   | -  | -                | -                 | -   | -                                      | 38.17                                 | 38.17    |
| <b>Total comprehensive income for the year</b> | -   | -  | -                | 23.84             | (0.05)  | 0.06                                   | 38.17                                 | 38.17    |
| <b>Balance at March 31, 2025</b>               | -   | -  | 15.22            | 313.88            | 3.32  | 4.63                                   | 38.17                                 | 375.22   |

Material 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

UDIN : 25193591BMJGJ09249

Place: Ahmedabad

Date: 'May 21, 2025

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

CIN : L17110GJ1985PLC008206

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Ravindrakumar Bajranglal Bajaj**

Whole-Time Director

DIN : 08243855

**Suketu Shah**

Chief Executive Officer

Place: Ahmedabad

Date: 'May 21, 2025

**Dharmesh Dattani**

Chief Financial Officer





# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## 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. Material 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, 2025

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, 2025

## 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 capacitation 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 \_\_\_\_\_ 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 credit method. Re-measurements, comprising of



# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

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

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

of the main asset are depreciated over its useful life. However, land is not depreciated. The useful lives so determined are as follows:

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

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

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

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

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, 2025

## 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 which Ind AS103 applies are classified as at FVTPL. For all other equity instruments,





# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

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 life of the trade receivable and is adjusted for forward looking estimates. At every

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

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:

- Financial liabilities at fair value through profit or loss
- Loans and borrowings
- Financial guarantee contracts

### iii. Financial liabilities at FVTPL

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

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

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

### iv. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

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 assets 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 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.



# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

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 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.

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

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
- 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

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

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.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between





# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

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.

# Notes

for the year ended 31st March, 2025

## Notes to Standalone Financial Statements

for the year ended 31st March, 2025

### Note - 2 : PROPERTY, PLANT AND EQUIPMENT

| Particulars             | GROSS BLOCK (At carrying amount) |                              |                             | ACCUMULATED DEPRECIATION |                        |                             | NET BLOCK           |                     |
|-------------------------|----------------------------------|------------------------------|-----------------------------|--------------------------|------------------------|-----------------------------|---------------------|---------------------|
|                         | As at<br>01/04/2024              | Additions<br>during the year | Disposal<br>during the year | As at<br>01/04/2024      | Charge for<br>the year | Disposal<br>during the year | As at<br>31/03/2025 | As at<br>31/03/2024 |
| 1. Freehold land        | -                                | -                            | -                           | -                        | -                      | -                           | -                   | -                   |
| 2. Leasehold land       | 10.98                            | -                            | -                           | 0.82                     | 0.11                   | -                           | 10.04               | 10.15               |
| 3. Building             | 64.08                            | -                            | -                           | 28.53                    | 3.38                   | -                           | 31.91               | 32.17               |
| 4. Plant & Equipments   | 226.61                           | 3.30                         | -                           | 117.61                   | 21.33                  | -                           | 138.94              | 109.93              |
| 5. Furniture & Fittings | 5.35                             | 3.10                         | -                           | 3.80                     | 1.22                   | -                           | 5.02                | 3.43                |
| 6. Office Equipments    | 1.98                             | 0.48                         | -                           | 1.77                     | 0.16                   | -                           | 1.93                | 0.54                |
| 7. Vehicles             | 5.37                             | 1.93                         | (0.11)                      | 4.10                     | 0.69                   | (0.10)                      | 4.68                | 2.51                |
| <b>Total</b>            | <b>314.37</b>                    | <b>8.81</b>                  | <b>(0.11)</b>               | <b>156.62</b>            | <b>26.89</b>           | <b>(0.10)</b>               | <b>183.41</b>       | <b>157.74</b>       |

| Particulars             | GROSS BLOCK (At carrying amount) |                              |                             | ACCUMULATED DEPRECIATION |                        |                             | NET BLOCK           |                     |
|-------------------------|----------------------------------|------------------------------|-----------------------------|--------------------------|------------------------|-----------------------------|---------------------|---------------------|
|                         | As at<br>01/04/2023              | Additions<br>during the year | Disposal<br>during the year | As at<br>01/04/2024      | Charge for<br>the year | Disposal<br>during the year | As at<br>31/03/2024 | As at<br>31/03/2023 |
| 1. Freehold land        | -                                | -                            | -                           | -                        | -                      | -                           | -                   | -                   |
| 2. Leasehold land       | 10.98                            | -                            | -                           | 0.71                     | 0.11                   | -                           | 0.82                | 10.15               |
| 3. Building             | 64.08                            | -                            | -                           | 24.79                    | 3.73                   | -                           | 28.53               | 35.55               |
| 4. Plant & Equipments   | 219.03                           | 7.58                         | -                           | 96.37                    | 21.21                  | -                           | 117.58              | 109.03              |
| 5. Furniture & Fittings | 5.34                             | 0.01                         | -                           | 3.29                     | 0.54                   | -                           | 3.83                | 1.52                |
| 6. Office Equipments    | 2.08                             | 0.05                         | (0.14)                      | 1.77                     | 0.13                   | (0.13)                      | 1.77                | 0.22                |
| 7. Vehicles             | 4.77                             | 0.60                         | -                           | 3.65                     | 0.44                   | -                           | 4.10                | 1.27                |
| <b>Total</b>            | <b>306.26</b>                    | <b>8.25</b>                  | <b>(0.14)</b>               | <b>130.58</b>            | <b>26.17</b>           | <b>(0.13)</b>               | <b>156.62</b>       | <b>175.68</b>       |

### Notes :

- Refer Note no.32 for information on property, plant and equipment hypothecated/mortgaged as security by the Company.
- Refer note no. 33 for disclosure of contractual commitment for the acquisition of property, plant and equipment.
- All assets are in the name of company other than Leasehold Land.

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 2A : CAPITAL WORK-IN-PROGRESS

| Particulars              | As at<br>01/04/2024 | Additions<br>during the year | Transfer<br>during the year | As at<br>31/03/2025 |
|--------------------------|---------------------|------------------------------|-----------------------------|---------------------|
| Capital Work-in-Progress | 1.93                | -                            | (1.93)                      | -                   |

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

### Capital Work-in-Progress Ageing Schedule

#### As at 31st March, 2025

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

#### As at 31st March, 2024

| CWIP                                  | Amount in CWIP for a period |          |          |                     |       |
|---------------------------------------|-----------------------------|----------|----------|---------------------|-------|
|                                       | Less Than<br>1 Year         | 1-2 Year | 2-3 Year | More than<br>3 Year | Total |
| Project in progress - Growth Projects | -                           | 1.93     | -        | -                   | 1.93  |
| 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, 2025

## Note - 2B : INVESTMENT PROPERTY

| Particulars             | GROSS BLOCK (At carrying amount) |                 |                          | ACCUMULATED DEPRECIATION |                     |                          | NET BLOCK        |                  |
|-------------------------|----------------------------------|-----------------|--------------------------|--------------------------|---------------------|--------------------------|------------------|------------------|
|                         | As at 01/04/2024                 | Addition of PPE | Disposal during the year | As at 01/04/2024         | Charge for the year | Disposal during the year | As at 31/03/2025 | As at 31/03/2024 |
| 1. Freehold land        | 6.65                             | -               | -                        | -                        | -                   | -                        | 6.65             | 6.65             |
| 2. Factory Building     | 19.75                            | -               | -                        | 14.75                    | 0.49                | -                        | 4.52             | 4.52             |
| 3. Building             | 0.37                             | -               | -                        | 0.06                     | 0.03                | -                        | 0.29             | 0.29             |
| 4. Plant & Equipments   | 130.32                           | 3.81            | -                        | 83.58                    | 5.71                | -                        | 44.83            | 44.83            |
| 5. Furniture & Fittings | 4.04                             | -               | (0.00)                   | 3.55                     | 0.03                | -                        | 0.45             | 0.45             |
| 6. Office Equipments    | 1.88                             | -               | -                        | 1.76                     | 0.04                | -                        | 0.07             | 0.07             |
| 7. Vehicles             | 2.26                             | -               | (0.14)                   | 2.11                     | 0.01                | (0.13)                   | 0.14             | 0.14             |
| <b>Total</b>            | <b>165.26</b>                    | <b>3.81</b>     | <b>(0.14)</b>            | <b>105.81</b>            | <b>6.31</b>         | <b>(0.13)</b>            | <b>59.46</b>     | <b>59.46</b>     |

| Particulars             | GROSS BLOCK (At carrying amount) |                 |                          | ACCUMULATED DEPRECIATION |                     |                          | NET BLOCK        |                  |
|-------------------------|----------------------------------|-----------------|--------------------------|--------------------------|---------------------|--------------------------|------------------|------------------|
|                         | As at 01/04/2024                 | Addition of PPE | Disposal during the year | As at 01/04/2024         | Charge for the year | Disposal during the year | As at 31/03/2025 | As at 31/03/2024 |
| 1. Freehold land        | 5.26                             | 1.39            | -                        | -                        | -                   | -                        | 6.65             | 6.65             |
| 2. Factory Building     | 19.75                            | -               | -                        | 14.21                    | 0.54                | -                        | 5.01             | 5.01             |
| 3. Building             | 0.37                             | -               | -                        | 0.02                     | 0.03                | -                        | 0.32             | 0.32             |
| 4. Plant & Equipments   | 133.39                           | -               | (3.07)                   | 80.59                    | 5.78                | (2.79)                   | 46.74            | 46.74            |
| 5. Furniture & Fittings | 4.04                             | -               | -                        | 3.46                     | 0.09                | -                        | 0.49             | 0.49             |
| 6. Office Equipments    | 1.88                             | -               | -                        | 1.74                     | 0.02                | -                        | 0.11             | 0.11             |
| 7. Vehicles             | 2.26                             | -               | -                        | 2.05                     | 0.06                | -                        | 0.15             | 0.15             |
| <b>Total</b>            | <b>166.94</b>                    | <b>1.39</b>     | <b>(3.07)</b>            | <b>102.07</b>            | <b>6.53</b>         | <b>(2.79)</b>            | <b>64.87</b>     | <b>64.87</b>     |

### Note :

- Fair value of investment property as on 31st March, 2025 is ₹ 3.78 Cr and 31st March, 2024 is ₹ 3.44 Cr.
- Refer Note no.32 for information on capital work-in progress hypothecated/mortgaged as security by the Company.

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 3 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

| Numbers  |            | Particulars  | As at      | As at      |
|--|------------|--|------------|------------|
| 31-03-2025   | 31-03-2024 |  | 31/03/2025 | 31/03/2024 |
| 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 ₹ 5 Each   | ₹ 10,600   | -          |
| 10000  | 10000      | Equity Shares of True Green Bio Energy Ltd (Previously Known as CIL Nova Petrochemicals Ltd ) of ₹ 10 Each | 0.03       | 0.03       |
| Total : A  |            |  | 0.03       | 0.03       |
| Investment in Un-quoted Equity instruments   |            |  |            |            |
| Investment in equity shares (Fully paid up) accounted through other comprehensive income at Fair Value |            |  |            |            |
| 440000   | 440000     | Equity Shares of Dholi Spintex Pvt Ltd of ₹ 10 Each  | 8.99       | 8.56       |
| 35000  | 35000      | Equity Shares of Prakash Calender Pvt Ltd of ₹ 10 Each   | 0.12       | 0.12       |
| 150  | 150        | Equity Shares of Deepak Impex Pvt Ltd of ₹ 100 Each  | ₹ 9,834    | ₹ 9,222    |
| 20250  | 20250      | Equity Shares of Chiripal Industries Ltd of ₹ 10 Each  | 0.50       | 0.48       |
| 303419   | 210000     | Equity Shares of Grew Energy Pvt. Ltd. of ₹ 10 Each  | 3.29       | 2.82       |
| Investment in equity shares (Fully paid up) (At Cost)  |            |  |            |            |
| 44   | 44         | Equity Shares of Ellisbridge Co-op Bank Ltd of ₹ 25 Each   | ₹ 1,100    | ₹ 1,100    |
| 4  | 4          | Equity Shares of Nutan Nagrik Sahakari Bank Ltd of ₹ 25 Each   | ₹ 100      | ₹ 100      |
| Investment in Un-quoted Preference shares  |            |  |            |            |
| Investment in preference shares (Fully paid up) accounted through Profit & Loss account at Fair Value  |            |  |            |            |
| 500000   | 500000     | 0.01% Non Cumulative Convertible Preference Shares of Dholi Spintex Pvt Ltd of ₹ 125Each                   | 10.21      | 9.73       |
| Total : B  |            |  | 23.11      | 21.71      |
| Investment in Unquoted Equity Instruments Associate Entities (At Cost)                                 |            |  |            |            |
| 1586325  | 1412500    | Equity Shares of Chiripal Textile Mills Pvt. Ltd. of ₹ 10 Each   | 21.27      | 17.77      |
| 1000000  | 1000000    | Equity Shares of Nandan Industries Pvt Ltd of ₹ 70 Each  | 2.50       | 2.50       |
| 736000   | 544000     | Equity Shares of Quality Exim Pvt Ltd of ₹ 125 Each  | 7.10       | 2.11       |
| Investment in Unquoted preference shares (At Cost)   |            |  |            |            |
| 332000   | 332000     | 0.01% Non Cumulative Convertible Preference Shares of Quality Exim Pvt Ltd of ₹ 125 Each                   | 3.95       | 3.95       |
| 275000   | 275000     | 0.01% Non Cumulative Convertible Preference Shares of Nandan Industries Pvt Ltd of ₹ 70 Each               | 1.79       | 1.79       |
| Total : C  |            |  | 36.61      | 28.12      |
| Total : A+B+C  |            |  | 59.75      | 49.86      |
| Aggregate amount of quoted investments   |            |  | 0.03       | 0.03       |
| Aggregate market value of quoted investments   |            |  | 0.03       | 0.03       |
| Aggregate amount of unquoted investments   |            |  | 59.72      | 49.83      |
| 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.
- Refer note no. 51 for Investment in Associates Entities

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 4: NON-CURRENT FINANCIAL ASSETS - OTHERS

| Particulars   | As at<br>31/03/2025 | As at<br>31/03/2024 |
|---|---------------------|---------------------|
| Bank deposit with original maturity more than 12 months | 0.13                | 0.12                |
| Security Deposits                                       | 0.52                | 0.51                |
| <b>Total</b>  | <b>0.65</b>         | <b>0.64</b>         |

### Notes :

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

## Note - 5: OTHER NON-CURRENT ASSETS

| Particulars      | As at<br>31/03/2025 | As at<br>31/03/2024 |
|------------------|---------------------|---------------------|
| Capital advances | 0.75                | 2.63                |
| <b>Total</b>     | <b>0.75</b>         | <b>2.63</b>         |

### Note:

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

## Note - 6: INVENTORIES

| Particulars                         | As at<br>31/03/2025 | As at<br>31/03/2024 |
|-------------------------------------|---------------------|---------------------|
| Raw materials & Packaging materials | 31.51               | 25.03               |
|                                     | <b>31.51</b>        | <b>25.03</b>        |
| Work-in-progress                    | 12.75               | 9.58                |
| Finished goods                      | 67.01               | 56.65               |
|                                     | <b>79.77</b>        | <b>66.23</b>        |
| Stores and spares                   | 3.80                | 2.71                |
|                                     | <b>3.80</b>         | <b>2.71</b>         |
| <b>Total</b>                        | <b>115.08</b>       | <b>93.97</b>        |

### Notes :

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



# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 7: CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

| Particulars  | As at<br>31/03/2025 | As at<br>31/03/2024 |
|--|---------------------|---------------------|
| Trade Receivable Secured, considered good  | -                   | -                   |
| Trade Receivable Unsecured, considered good  | 519.87              | 503.44              |
| Trade Receivable Unsecured, considered good from related parties (Refer note no. 37) | 6.47                | 7.36                |
| Trade Receivable Unsecured, credit impaired  | -                   | -                   |
|  | <b>526.34</b>       | <b>510.80</b>       |
| Less: Allowance for credit impairment  | -                   | -                   |
| <b>Total</b>   | <b>526.34</b>       | <b>510.80</b>       |

### 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, 2025

| Particulars                                      | Outstanding for following periods from due date of payment |                       |                       |              |              |                      | Total         |
|--|--|-----------------------|-----------------------|--------------|--------------|----------------------|---------------|
|  | Not Due  | Less than<br>6 months | 6 months<br>to 1 year | 1-2<br>years | 2-3<br>years | More than<br>3 years |               |
| Undisputed Trade receivables considered good     | 339.07   | 135.03                | 8.55                  | 27.02        | 1.28         | 15.39                | 526.34        |
| Undisputed Trade receivables considered doubtful | -  | -                     | -                     | -            | -            | -                    | -             |
| Disputed Trade receivables considered good       | -  | -                     | -                     | -            | -            | -                    | -             |
| Disputed Trade receivables considered doubtful   | -  | -                     | -                     | -            | -            | -                    | -             |
| <b>Total</b>                                     | <b>339.07</b>  | <b>135.03</b>         | <b>8.55</b>           | <b>27.02</b> | <b>1.28</b>  | <b>15.39</b>         | <b>526.34</b> |

#### As at 31st March, 2024

| Particulars                                      | Outstanding for following periods from due date of payment |                       |                       |              |              |                      | Total         |
|--|--|-----------------------|-----------------------|--------------|--------------|----------------------|---------------|
|  | Not Due  | Less than<br>6 months | 6 months<br>to 1 year | 1-2<br>years | 2-3<br>years | More than<br>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   | -  | -                     | -                     | -            | -            | -                    | -             |
| <b>Total</b>                                     | <b>323.44</b>  | <b>168.29</b>         | <b>2.32</b>           | <b>1.44</b>  | <b>2.92</b>  | <b>12.39</b>         | <b>510.80</b> |

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

| Particulars               | As at<br>31/03/2025 | As at<br>31/03/2024 |
|---------------------------|---------------------|---------------------|
| Cash and cash equivalents |                     |                     |
| Balance with banks        |                     |                     |
| In current accounts       | 0.12                | 0.10                |
| Cash on hand              | 0.09                | 0.13                |
| <b>Total</b>              | <b>0.20</b>         | <b>0.24</b>         |

### 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.

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 9: CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

| Particulars   | As at<br>31/03/2025 | As at<br>31/03/2024 |
|---|---------------------|---------------------|
| Other bank balances   |                     |                     |
| Deposit accounts  | 11.18               | 10.79               |
| (with original maturity more than 3 months but less than 12 months) |                     |                     |
| <b>Total</b>  | <b>11.18</b>        | <b>10.79</b>        |

### Notes:

- 1 Earmarked balances with Banks
- 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

| Particulars                                     | As at<br>31/03/2025 | As at<br>31/03/2024 |
|---|---------------------|---------------------|
| Advances to suppliers                           | 15.02               | 20.08               |
| Balance with statutory authorities              | 5.93                | 4.71                |
| Prepaid expenses                                | 2.43                | 1.72                |
| Others  | -                   | 7.06                |
| Advance against investment (refer note 2 below) | 6.50                | -                   |
| <b>Total</b>                                    | <b>29.88</b>        | <b>33.57</b>        |

### Note:

- 1 Refer note no.32 for Other Current Assets hypothecated as security by the Company.
- 2 During the year, the Company has paid an advance of 6.50 lacs to shareholder of Nandan india Private Ltd. for the proposed acquisition of equity shares. As of the reporting date, the shares have not been transferred, and therefore, the amount has been presented as an advance under Other Current Assets.

The Company yet not exercise significant influence or control over the investee. Upon completion of the share allotment and transfer of ownership, the investment will be classified appropriately in accordance with applicable Ind AS.

## Note - 11: Equity Share Capital

| Particulars                  | As at 31-03-2025    |               | As at 31-03-2024    |               |
|------------------------------|---------------------|---------------|---------------------|---------------|
|                              | Number of<br>shares | Amount        | Number of<br>shares | Amount        |
| <b>AUTHORISED</b>            |                     |               |                     |               |
| Equity Shares of ₹ 5 each    | 300000000           | 150.00        | 200000000           | 100.00        |
|                              | <b>300000000</b>    | <b>150.00</b> | <b>200000000</b>    | <b>100.00</b> |
| <b>ISSUED AND SUBSCRIBED</b> |                     |               |                     |               |
| Equity Shares of ₹ 5 each    | 197610003           | 98.81         | 197610003           | 98.81         |
| <b>FULLY PAID UP</b>         |                     |               |                     |               |
| Equity Shares of ₹ 5 each    | 197610003           | 98.81         | 197610003           | 98.81         |
|                              | <b>197610003</b>    | <b>98.81</b>  | <b>197610003</b>    | <b>98.81</b>  |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

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

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

| Particulars                        | 2024-25          |              | 2023-24          |              |
|------------------------------------|------------------|--------------|------------------|--------------|
|                                    | Number of shares | Amount       | Number of shares | Amount       |
| Opening Balance                    | 197610003        | 98.81        | 197610003        | 98.81        |
| Bonus Share issued during the year | -                | -            | -                | -            |
| <b>Closing Balance</b>             | <b>197610003</b> | <b>98.81</b> | <b>197610003</b> | <b>98.81</b> |

2 The Company has only one class of equity shares having a par value of ₹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 31/03/2025   |   | As at 31/03/2024   |   |
|--------------------------------|--------------------|---|--------------------|---|
|                                | No. of shares held | % of Total paid up Equity Share Capital | No. of shares held | % of Total paid up Equity Share Capital |
| <b>Equity shares</b>           |                    |   |                    |   |
| 1. Chiripal Industries Limited | 57294000           | 28.99%                                  | 57294000           | 28.99%                                  |
| 2. Chiripal Exim LLP           | 12622350           | 6.39%                                   | 12260847           | 6.20%                                   |

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

| Sr. No. | Name of promoter                   | As at 31st March, 2025 |                   |                          | As at 31st March, 2024 |                   |                          |
|---------|------------------------------------|------------------------|-------------------|--------------------------|------------------------|-------------------|--------------------------|
|         |                                    | 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%             | 0.00                     |
| 6       | Vishal V Chiripal                  | 2091996                | 1.06%             | 0.00%                    | 2091996                | 1.06%             | 0.00                     |
| 7       | Urmiladevi Jyotiprasad Chiripal    | 2244000                | 1.14%             | 23.84%                   | 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%             | 0.00                     |
| 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%             | 0.00                     |
| 14      | Shiwani V. Chiripal                | 648000                 | 0.33%             | 0.00%                    | 648000                 | 0.33%             | 0.00                     |
| 15      | Saloo J. Agarwal                   | 0                      | 0.00%             | -100.00%                 | 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%             | 0.00                     |
| 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                     |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

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

| Sr. No.                                  | Name of promoter  | As at 31st March, 2025 |                   |                          | As at 31st March, 2024 |                   |                          |
|--|---|------------------------|-------------------|--------------------------|------------------------|-------------------|--------------------------|
|  |   | No of shares           | % of total shares | % change during the year | No of shares           | % of total shares | % change during the year |
| 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%             | 0.00                     |
| 25                                       | Quality Exim Private Limited                                | 2118686                | 1.07%             | 0.00%                    | 2118686                | 1.07%             | 0.00                     |
| 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%             | 0.00%                    | 100                    | 0.00%             | 100.00                   |
| 29                                       | Jaiprakash Chiripal (On behalf of Jai Trust)                | 100                    | 0.00%             | 0.00%                    | 100                    | 0.00%             | 100.00                   |
| 30                                       | Jyotiprasad Devkinandan Chiripal (On behalf of Jyoti Trust) | 100                    | 0.00%             | 0.00%                    | 100                    | 0.00%             | 100.00                   |
| 31                                       | Vedprakash Devkinandan Chiripal (On behalf of Ved Trust)    | 100                    | 0.00%             | 0.00%                    | 100                    | 0.00%             | 100.00                   |
| <b>Total promoter shares outstanding</b> |   | <b>136347977</b>       | <b>69.00%</b>     |                          | <b>136347977</b>       | <b>69.00%</b>     |                          |

## Note - 12: OTHER EQUITY

| Particulars   | As at<br>31/03/2025 | As at<br>31/03/2024 |
|---|---------------------|---------------------|
| <b>Security Premium</b>                             |                     |                     |
| Opening balance                                     | 15.22               | 15.22               |
| <b>Closing balance</b>                              | <b>15.22</b>        | <b>15.22</b>        |
| <b>Retained Earnings</b>                            |                     |                     |
| Opening balance                                     | 290.04              | 268.91              |
| Add : Retained earnings during the year             | 23.84               | 21.13               |
| <b>Closing Balance</b>                              | <b>313.88</b>       | <b>290.04</b>       |
| <b>Other Comprehensive Income</b>                   |                     |                     |
| Opening balance                                     | 7.95                | 7.37                |
| Add:  |                     |                     |
| Due to increase in Fair Value of Equity Instruments | (0.05)              | (0.05)              |
| Due to Remeasurement of defined benefit plants      | 0.06                | 0.63                |
| <b>Closing balance</b>                              | <b>7.95</b>         | <b>7.95</b>         |
| <b>Total</b>  | <b>337.05</b>       | <b>313.21</b>       |

### 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, 2025

## Note - 12A: Money Received Against Share Warrants

| Particulars   | As at<br>31/03/2025 | As at<br>31/03/2024 |
|---|---------------------|---------------------|
| Money received against Share Warrants (Refer Note no 1 below) | 38.17               | -                   |
| <b>Total</b>  | <b>38.17</b>        | <b>-</b>            |

### Notes:

#### 1 Share Application money received

- The company had issued 5,00,00,000 Compulsorily Convertible equity warrants having Face value of ₹5.00/- Each (warrent) by way of preferential issue for issue price of ₹ 30.60 per warrant including premium of ₹25.60/- per warrant upon receipt of amount aggregating to ₹ 38.25 crore at the rate of ₹7.65/- per warrant.( being 25% of issue price of ₹30.60/-)
- The above warrants entitle the allottee to apply for and be allotted equal number of equity shares for each warrant held by them on payment of balance 75% of the issue price within 18 months from the date of issue of these warrants.

## Note - 13: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

| Particulars   | As at<br>31/03/2025 | As at<br>31/03/2024 |
|---|---------------------|---------------------|
| <b>Secured</b>                                      |                     |                     |
| Term Loans from Banks (Refer note no. 1 to 3 below) | 30.01               | 37.64               |
| <b>Unsecured</b>                                    |                     |                     |
| Inter corporate deposits (Refer note no. 4 below)   | 54.50               | 92.75               |
| <b>Total</b>  | <b>85.51</b>        | <b>130.39</b>       |

### Notes:

| Sr. No. | Particulars  | As at 31/03/2025 |         | As at 31/03/2024 |         |
|---------|--|------------------|---------|------------------|---------|
|         |  | Non Current      | Current | Non Current      | Current |
| 1       | The company has availed Lease Rental Discounting facility of ₹ 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.  | 26.53            | 7.14    | 37.07            | 7.51    |
| 2       | SBI Term Loan (Solar Roof Top )<br><br>Security :- 1) secured against exclusive charge over Machinery & Equipment of Roof Top solar installed on factory premises( hypothecation) .2) Personal Guarantee :- Mr. Ved Prakash Chiripal, Jyotiprasad Chiripal , Brijmohan Chiripal & Jaiprakash Chiripal.<br><br>Repayment Terms :- loan will be repaid in 75 equal Instalment of ₹ 425000/- starting from March 2024 and last installment of ₹225000/- will be paid in June 2030.<br><br>Effective Interest Rate : - 2.50% above MCLR i.e. Effective ROI 9.80% | 2.15             | 0.00    | -                | -       |
| 3       | Vehicles Loans are secured by hypothecation of vehicles in favour of Bank and other terms as prescribe by the respective banks. Effective rate of interest is 8.85 % to 9.53 % p.a   | 1.32             | 0.77    | 0.57             | 0.02    |
| 4       | Unsecured Inter corporate deposit is repayable after more then one year. The said loan is interest free.   | 54.50            | -       | 92.75            | -       |

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

6 The company has complied few covenants for loan.

7 As at March 31, 2025, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified since the inception of the company.

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 14: NON-CURRENT FINANCIAL LIABILITIES - OTHERS

| Particulars                               | As at<br>31/03/2025 | As at<br>31/03/2024 |
|---|---------------------|---------------------|
| Creditors for capital expenditure         | 0.73                | 0.99                |
| Security deposit for Lease Rental Service | 10.00               | 10.00               |
| <b>Total</b>                              | <b>10.73</b>        | <b>10.99</b>        |

## Note - 15: LONG TERM PROVISIONS

| Particulars  | As at<br>31/03/2025 | As at<br>31/03/2024 |
|--|---------------------|---------------------|
| Provision for employee benefits (Refer note no.35) | 1.31                | 1.05                |
| <b>Total</b>                                       | <b>1.31</b>         | <b>1.05</b>         |

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

| Particulars   | As at<br>31/03/2025 | As at<br>31/03/2024 |
|---|---------------------|---------------------|
| <b>Deferred Tax Liability</b>                         |                     |                     |
| Property, plant and equipment and investment property | 17.43               | 11.97               |
| Fair value of investments in equity instruments       | 1.13                | 1.15                |
| Fair value of investments in Preference instruments   | 0.47                | 0.34                |
| Amortisation of borrowing cost                        | 0.02                | 0.43                |
| Others  | -                   | 0.08                |
| <b>Total Deferred Tax Liabilities</b>                 | <b>19.05</b>        | <b>13.97</b>        |
| <b>Deferred Tax Assets</b>                            |                     |                     |
| Leave encashment and gratuity                         | 0.87                | -                   |
| Finance Expenses                                      | 0.01                | -                   |
| Others  | -                   | 1.29                |
| <b>Total Deferred Tax Assets</b>                      | <b>0.88</b>         | <b>1.29</b>         |
| <b>Total</b>  | <b>18.17</b>        | <b>12.68</b>        |

## Note - 17: CURRENT FINANCIAL LIABILITIES - BORROWINGS

| Particulars  | As at<br>31/03/2025 | As at<br>31/03/2024 |
|--|---------------------|---------------------|
| <b>Secured</b>   |                     |                     |
| Cash credit facility (Refer note no. 1 & 2 below)                                | 164.71              | 182.66              |
| ECLGS Facility (Emergency Credit Line Guarantee Scheme) (Refer note no. 3 below) | 34.72               | 60.21               |
| Current Maturity of Term Loans (Refer note no. 13)                               | 8.45                | 7.53                |
| <b>Total</b>   | <b>207.89</b>       | <b>250.40</b>       |

### Notes :

- The Cash Credit facility and packaging credit facility from banks ₹ 164.71 crore ( P.Y 182.66 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 9.50% p.a to 10.00% p.a (P.Y 9.20 % to 10.70%)
- Effective interest rate of ECLGS facility is in range of 8.90% p.a to 9.25% p.a ( P.Y 8.70% 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

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 18: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

| Particulars  | As at<br>31/03/2025 | As at<br>31/03/2024 |
|--|---------------------|---------------------|
| <b>Trade Payables</b>  |                     |                     |
| - For Micro and Small Enterprises for Goods (Refer note no. 36)    | 8.60                | 14.23               |
| - For Micro and Small Enterprises for Services (Refer note no. 36) | 0.15                | 0.05                |
| - Other than Micro and Small Enterprises                           | 116.89              | 79.64               |
| <b>Total</b>   | <b>125.63</b>       | <b>93.92</b>        |

### Note:

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

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

#### As at 31st March, 2025

| Particulars                          | Outstanding for following periods from due date of payment |                     |             |           |                      | Total         |
|--------------------------------------|--|---------------------|-------------|-----------|----------------------|---------------|
|                                      | Not Due  | Less than<br>1 year | 1-2 years   | 2-3 years | More than<br>3 years |               |
| Micro and Small Enterprises          | 5.55   | 3.20                | -           | -         | -                    | 8.75          |
| Others                               | 4.67   | 112.15              | 0.07        | -         | -                    | 116.89        |
| Disputed Micro and Small Enterprises | -  | -                   | -           | -         | -                    | -             |
| Disputed Others                      | -  | -                   | -           | -         | -                    | -             |
| <b>Total</b>                         | <b>10.21</b>   | <b>115.35</b>       | <b>0.07</b> | <b>-</b>  | <b>-</b>             | <b>125.63</b> |

#### As at 31st March, 2024

| Particulars                          | Outstanding for following periods from due date of payment |                     |             |           |                      | Total        |
|--------------------------------------|--|---------------------|-------------|-----------|----------------------|--------------|
|                                      | Not Due  | Less than<br>1 year | 1-2 years   | 2-3 years | More than<br>3 years |              |
| Micro and Small Enterprises          | 13.96  | 0.32                | -           | -         | -                    | 14.28        |
| Others                               | 6.74   | 72.47               | 0.42        | -         | -                    | 79.64        |
| Disputed Micro and Small Enterprises | -  | -                   | -           | -         | -                    | -            |
| Disputed Others                      | -  | -                   | -           | -         | -                    | -            |
| <b>Total</b>                         | <b>20.71</b>   | <b>72.79</b>        | <b>0.42</b> | <b>-</b>  | <b>-</b>             | <b>93.92</b> |

## Note - 19: OTHER CURRENT LIABILITIES

| Particulars                     | As at<br>31/03/2025 | As at<br>31/03/2024 |
|---------------------------------|---------------------|---------------------|
| Advance received from customers | 0.29                | 0.16                |
| Statutory liabilities           | 0.47                | 0.44                |
| Other                           | 1.84                | 1.88                |
| <b>Total</b>                    | <b>2.60</b>         | <b>2.48</b>         |

## Note - 20: SHORT TERM PROVISIONS

| Particulars  | As at<br>31/03/2025 | As at<br>31/03/2024 |
|--|---------------------|---------------------|
| Provision for employee Benefits (Refer note no 35) | 2.08                | 2.21                |
| <b>Total</b>                                       | <b>2.08</b>         | <b>2.21</b>         |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 21: CURRENT TAX LIABILITIES (NET)

| Particulars                | As at<br>31/03/2025 | As at<br>31/03/2024 |
|----------------------------|---------------------|---------------------|
| Income Tax Provision (net) | 13.50               | 5.50                |
| <b>Total</b>               | <b>13.50</b>        | <b>5.50</b>         |

Note:

### A) Disaggregated Revenue Information

Set out below is the disaggregation of the company's revenue from contracts with customers:

| Segment  | Textiles                             |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
| <b>Type of goods or service</b>                    |                                      |                                      |
| <b>Sale of manufactured goods</b>                  |                                      |                                      |
| Textile Products                                   | 1,496.97                             | 1,416.86                             |
| <b>Sale of traded products</b>                     |                                      |                                      |
| Textile Products                                   | -                                    | 0.01                                 |
| <b>Sale of Services</b>                            |                                      |                                      |
| Job Work Charges                                   | 6.30                                 | 13.76                                |
| <b>Other Operating Revenue</b>                     |                                      |                                      |
| Scrap Sale   | 4.40                                 | 3.24                                 |
| Store Sale   | 0.16                                 | 4.26                                 |
| Lease rental                                       | 12.00                                | 12.00                                |
| <b>Total revenue from contracts with customers</b> | <b>1,519.83</b>                      | <b>1,450.13</b>                      |
| India  | 1,518.28                             | 1,449.82                             |
| Outside India                                      | 1.56                                 | 0.31                                 |
| <b>Total revenue from contracts with customers</b> | <b>1,519.83</b>                      | <b>1,450.13</b>                      |
| <b>Timing of revenue recognition</b>               |                                      |                                      |
| Goods transferred at a point in time               | -                                    | -                                    |
| <b>Total revenue from contracts with customers</b> | <b>1,519.83</b>                      | <b>1,450.13</b>                      |

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

| Segment  | Textiles                             |                                      |
|--|--------------------------------------|--------------------------------------|
|  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
| <b>Revenue</b>                                     |                                      |                                      |
| External customer                                  | 1,519.83                             | 1,450.13                             |
| Inter-segment                                      | -                                    | -                                    |
| Inter-segment adjustment and elimination           | -                                    | -                                    |
| <b>Total revenue from contracts with customers</b> | <b>1,519.83</b>                      | <b>1,450.13</b>                      |

### B) Contract balances

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

| Particulars                                 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Trade receivables*                          | 526.34                  | 510.80                  |
| Contract liabilities                        | -                       | -                       |
| Advances from customers (refer note no.19 ) | 0.29                    | 0.16                    |

\*Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.



# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 21: CURRENT TAX LIABILITIES (NET) (Contd..)

### C) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

| Particulars                                 | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| Revenue as per contracted price             | 1,541.01                | 1,471.31                |
| <b>Adjustments</b>                          |                         |                         |
| Discount                                    | 21.17                   | 21.17                   |
| <b>Revenue from contract with customers</b> | <b>1,519.83</b>         | <b>1,450.13</b>         |

### D) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

| Particulars             | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------------|-------------------------|-------------------------|
| Advances from customers | 0.29                    | 0.16                    |
| <b>Total</b>            | <b>0.29</b>             | <b>0.16</b>             |

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 - 22 : REVENUE FROM OPERATIONS

| Particulars                            | 2024-25         | 2023-24         |
|--|-----------------|-----------------|
| <b>A-Revenue from operations</b>       |                 |                 |
| Sale of Products (Excluding all Taxes) |                 |                 |
| - Finished Goods                       | 1,496.97        | 1,416.86        |
| - Traded Goods                         | -               | 0.01            |
|  | <b>1,496.97</b> | <b>1,416.87</b> |
| <b>B-Sale of Services</b>              | 6.30            | 13.76           |
| <b>C-Other operating revenues</b>      |                 |                 |
| - Scrap Sale                           | 4.40            | 3.24            |
| - Store Sale                           | 0.16            | 4.26            |
| - Lease Rental                         | 12.00           | 12.00           |
| <b>Total</b>                           | <b>1,519.83</b> | <b>1,450.13</b> |

## Note - 23 : OTHER INCOME

| Particulars  | 2024-25     | 2023-24     |
|--|-------------|-------------|
| a- Interest income                                       | 0.90        | 0.55        |
| b- Others  | 0.20        | 0.61        |
| c- Gain on fair value of investment in preference shares | 0.48        | -           |
| d-Profit on sale of Asset                                | 0.02        | -           |
| <b>Total</b>   | <b>1.60</b> | <b>1.17</b> |

## Note - 24 : COST OF MATERIALS CONSUMED

| Particulars  | 2024-25         | 2023-24         |
|--|-----------------|-----------------|
| Stock of Raw material and Packing material at the beginning of the year  | 27.74           | 25.72           |
| Add: Purchases (net)   | 1,372.79        | 1,314.31        |
| Less : Stock of Raw material and Packing material at the end of the year | 35.31           | 27.74           |
| <b>Cost of Raw material Consumed (Including Packaging Materials)</b>     | <b>1,365.22</b> | <b>1,312.28</b> |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 24A: PURCHASE OF STOCK IN TRADE

| Particulars     | 2024-25  | 2023-24     |
|-----------------|----------|-------------|
| Stock in trade: |          |             |
| Chemical        | -        | 0.01        |
| <b>Total</b>    | <b>-</b> | <b>0.01</b> |

## Note - 25: CHANGES IN INVENTORIES OF FINISHED GOODS

| Particulars                                      | 2024-25        | 2023-24        |
|--|----------------|----------------|
| <b>Inventories at the beginning of the year:</b> |                |                |
| Finished goods                                   | 56.65          | 43.70          |
| <b>Total</b>                                     | <b>56.65</b>   | <b>43.70</b>   |
| <b>Inventories at the end of the year:</b>       |                |                |
| Finished goods                                   | 67.01          | 56.65          |
| <b>Total</b>                                     | <b>67.01</b>   | <b>56.65</b>   |
| <b>Changes in inventories of finished goods</b>  | <b>(10.36)</b> | <b>(12.95)</b> |

## Note - 25A: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND WORK-IN-PROGRESS

| Particulars  | 2024-25       | 2023-24     |
|--|---------------|-------------|
| <b>Inventories at the beginning of the year:</b>                     |               |             |
| Work-in-progress   | 9.58          | 9.83        |
| <b>Total</b>   | <b>9.58</b>   | <b>9.83</b> |
| <b>Inventories at the end of the year:</b>                           |               |             |
| Work-in-progress   | 12.75         | 9.58        |
| <b>Total</b>   | <b>12.75</b>  | <b>9.58</b> |
| <b>Changes in inventories of stock-in-trade and work-in-progress</b> | <b>(3.17)</b> | <b>0.25</b> |

## Note - 26: EMPLOYEE BENEFITS EXPENSE

| Particulars   | 2024-25      | 2023-24      |
|---|--------------|--------------|
| Salaries and wages  | 29.72        | 25.49        |
| Contributions to provident and other funds (Refer note no.35) | 0.53         | 0.52         |
| Gratuity (Refer note no.35)                                   | 0.28         | 0.77         |
| Leave Encashment (Refer note no.35)                           | 0.01         | -            |
| Staff welfare expense   | 0.09         | 0.10         |
| <b>Total</b>  | <b>30.63</b> | <b>26.88</b> |

## Note - 27: FINANCE COSTS

| Particulars  | 2024-25      | 2023-24      |
|--|--------------|--------------|
| Interest and finance charges on financial liabilities not at fair value through profit or loss | 26.43        | 27.50        |
| Others   | 13.22        | 10.99        |
| <b>Total</b>   | <b>39.65</b> | <b>38.48</b> |

## Note - 28: DEPRECIATION AND AMORTISATION EXPENSES

| Particulars   | 2024-25      | 2023-24      |
|---|--------------|--------------|
| Depreciation on property, plant and equipment (Refer note no.2) | 26.89        | 26.17        |
| Depreciation on Investment Property (Refer note no.2B)          | 6.31         | 6.53         |
| <b>Total</b>  | <b>33.20</b> | <b>32.70</b> |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 29: OTHER EXPENSES

| Particulars                          | 2024-25      | 2023-24      |
|--------------------------------------|--------------|--------------|
| <b>Power and Fuel Expenses</b>       | 2.63         | 2.74         |
| <b>Repairs and Maintenance</b>       |              |              |
| To Building                          | 0.01         | 0.00         |
| To Machinery                         | 1.54         | 1.03         |
| To Others                            | 1.66         | 1.33         |
|                                      | <b>3.21</b>  | <b>2.36</b>  |
| Insurance Expenses                   | 0.87         | 1.31         |
| Rates and taxes                      | 0.90         | 0.49         |
| Payments to auditors                 | 0.14         | 0.14         |
| Freight and transportation expenses  | 4.58         | 5.45         |
| Donation                             | ₹ 36,000     | 0.05         |
| C S R Expenses (Refer note no. 45)   | 1.33         | 1.32         |
| Dalali and commission                | 0.01         | 0.71         |
| Loss on Preference Shares Investment | -            | 0.47         |
| Loss on Sale of Assets               | -            | 0.14         |
| Other expenses                       | 7.68         | 7.54         |
| <b>Total</b>                         | <b>21.36</b> | <b>22.71</b> |

### Details of Payment to Auditors

| Particulars             | 2024-25     | 2023-24     |
|-------------------------|-------------|-------------|
| a) Auditor Remuneration |             |             |
| I) Statutory Audit Fees | 0.10        | 0.08        |
| II) Tax Audit fees      | 0.03        | 0.05        |
| III) For Other Services | ₹ 20,000    | 0.01        |
| b) Cost Audit Fees      | 0.01        | 0.01        |
| <b>Total</b>            | <b>0.14</b> | <b>0.14</b> |

## Note - 30 : TAX EXPENSES

| Particulars  | 2024-25          | 2023-24      |
|--|------------------|--------------|
| Current tax  | 15.70            | 8.51         |
| Tax Expense related to Prior Year/paid/written back                        | (0.12)           | (7.36)       |
| Deferred tax   | 5.49             | 8.65         |
| <b>Total</b>   | <b>21.07</b>     | <b>9.80</b>  |
| Income tax relating to items that will not be classified to profit or loss | (₹ 4,318)        | 0.20         |
| <b>Income Tax recognized in OCI (B)</b>                                    | <b>(₹ 4,318)</b> | <b>0.20</b>  |
| <b>Total (A+B)</b>   | <b>21.07</b>     | <b>10.00</b> |

### A) 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   | 2024-25      | 2023-24     |
|---|--------------|-------------|
| Enacted income tax rate in India applicable to the Company                                  | 25.62%       | 25.62%      |
| Profit before tax   | 44.90        | 30.94       |
| Current tax expenses on Profit before tax expenses at the enacted income tax rate in India  | 11.50        | 7.93        |
| Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income |              |             |
| Other deductible expenses   | 4.20         | 0.58        |
| Deferred tax Expense (net)  | 5.49         | 8.65        |
| Tax Expense related to Prior Year/paid/written back   | (0.12)       | (7.36)      |
| <b>Total tax expenses</b>   | <b>21.07</b> | <b>9.80</b> |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 30 : TAX EXPENSES (Contd..)

| Particulars   | 2024-25       | 2023-24       |
|---|---------------|---------------|
| Tax Expense related to Prior Year/paid/written back | -             | -             |
| Current year tax expense                            | 21.07         | 9.80          |
| <b>Effective tax rate</b>                           | <b>46.93%</b> | <b>31.67%</b> |

### 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.

## B) Movement of Deferred tax assets and Liabilities

### Deferred tax assets/(liabilities)

| Particulars  | As at<br>31st March 2025 | As at<br>31st March 2024 |
|--|--------------------------|--------------------------|
| <b>Tax Liabilities due to temporary timing difference in respect of:</b> |                          |                          |
| Property, plant and equipment and investment property                    | 17.43                    | 11.97                    |
| Fair value of investments in equity instruments                          | 1.13                     | 1.15                     |
| Fair value of investments in Preference instruments                      | 0.47                     | 0.34                     |
| Amortisation of borrowing cost   | 0.02                     | 0.43                     |
| Others   | -                        | 0.08                     |
| <b>Deferred tax liabilities</b>  | <b>19.05</b>             | <b>13.97</b>             |
| <b>Tax Assets due to temporary timing difference in respect of:</b>      |                          |                          |
| Leave encashment and gratuity  | 0.87                     | -                        |
| Finance Expenses   | 0.01                     | -                        |
| Others   | -                        | 1.29                     |
| <b>Deferred tax Assets</b>   | <b>0.88</b>              | <b>1.29</b>              |
| <b>Net deferred tax assets/(Liabilities)</b>                             | <b>18.17</b>             | <b>12.68</b>             |
| Less : Opening Deferred Tax Liability                                    | 12.68                    | -                        |
| <b>Deferred tax credit / (expense) for the year</b>                      | <b>5.49</b>              | <b>12.68</b>             |
| Carried to statement of Profit and Loss                                  | 5.49                     | 8.65                     |
| Carried to Other Comprehensive Income                                    | ( ₹ 4,318)               | 0.20                     |

### As at March 31, 2025

| Movement during the year ended March 31, 2025         | As at<br>April 1, 2024 | Credit/(Charge) in<br>the statement of<br>profit and loss |
|---|------------------------|---|
| Property, plant and equipment and investment property | 11.97                  | 5.46  |
| Fair value of investments in equity instruments       | 1.15                   |   |
| Fair value of investments in Preference instruments   | 0.34                   | 0.12  |
| Amortisation of borrowing cost                        | 0.43                   | (0.41)  |
| Leave encashment and gratuity                         | -                      | (0.85)  |
| Finance Expenses                                      | -                      | (0.01)  |
| Others  | (1.21)                 | 1.21  |
| <b>Net deferred tax assets/(liabilities)</b>          | <b>12.68</b>           | <b>5.53</b>   |



# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note - 30 : TAX EXPENSES (Contd..)

As at March 31, 2024

| Movement during the year ended March 31, 2024         | As at<br>April 1, 2023 | Credit/(Charge) in<br>the statement of<br>profit and loss |
|---|------------------------|---|
| Property, plant and equipment and investment property | 3.04                   | 8.93  |
| Fair value of investments in equity instruments       | 1.16                   |   |
| Fair value of investments in Preference instruments   | 0.46                   | (0.12)  |
| Amortisation of borrowing cost                        | -                      | 0.43  |
| Others  | (0.84)                 | (0.59)  |
| <b>Net deferred tax assets/(liabilities)</b>          | <b>3.83</b>            | <b>8.65</b>   |

## Note - 31: STATEMENT OF OTHER COMPREHENSIVE INCOME

| Particulars  | 2024-25           | 2023-24       |
|--|-------------------|---------------|
| <b>(i) Items that will not be reclassified to profit or loss</b>                               |                   |               |
| 1. Equity Instruments through Other Comprehensive Income                                       | (0.07)            | (0.07)        |
| 2. Remeasurement of defined benefit plans  |                   |               |
| Actuarial gains and losses   | 0.07              | 0.85          |
|  | <b>₹ 26,475</b>   | <b>0.78</b>   |
| <b>(ii) Income tax relating to these items that will not be reclassified to profit or loss</b> |                   |               |
| Deferred Tax impact on equity instruments through other comprehensive income                   | 0.02              | 0.02          |
| Deferred Tax impact on actuarial gains and losses  | (0.02)            | (0.22)        |
|  | <b>( ₹ 4,318)</b> | <b>(0.20)</b> |
| <b>Total</b>   | <b>₹ 22,157</b>   | <b>0.58</b>   |

## Note 32

### Assets Mortgage/Hypothecated as security

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

| Assets description                                       | 31/03/2025    | 31/03/2024    |
|--|---------------|---------------|
| <b>First and / or Second charge</b>                      |               |               |
| <b>I. Current Financial Assets</b>                       |               |               |
| Trade receivables  | 526.34        | 510.80        |
| Current Financial Assets - Cash And Cash Equivalents     | 0.20          | 0.24          |
| Current Financial Assets - Other Bank Balances           | 11.18         | 10.79         |
| <b>II. Current Assets</b>                                |               |               |
| Inventories  | 115.08        | 93.97         |
| Other Current Assets                                     | 29.88         | 33.57         |
| <b>Total current assets hypothecated as security</b>     | <b>682.68</b> | <b>649.37</b> |
| <b>First and / or Second charge</b>                      |               |               |
| <b>III Property, Plant and Equipment</b>                 |               |               |
| A. Plant and equipments                                  | 90.96         | 109.03        |
| B. Freehold land   | -             | -             |
| C. Buildings   | 32.17         | 35.55         |
| D. Lease Hold Improvements                               | 10.04         | 10.15         |
| E. Furniture & Fittings                                  | 3.43          | 1.52          |
| F. Office Equipments                                     | 0.54          | 0.22          |
| G. Vehicles  | 2.51          | 1.27          |
| <b>IV. Capital work in progress</b>                      | -             | 1.93          |
| <b>V. Investment Property (Refer Note No. 2B)</b>        | 56.66         | 59.14         |
| <b>VI. Non Current Financial Assets</b>                  |               |               |
| Investment   | 59.75         | 49.86         |
| Other Financial Assets                                   | 0.65          | 0.64          |
| <b>VII. Other Non Current Assets</b>                     | 0.75          | 2.63          |
| <b>Total non-current assets hypothecated as security</b> | <b>257.46</b> | <b>271.94</b> |
| <b>Total Assets hypothecated as Security</b>             | <b>940.15</b> | <b>921.31</b> |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 33

Contingent assets / liabilities not provided for in accounts :

Contingent liabilities :

| Sr. No.  | Particulars   | As at       |             |
|----------|---|-------------|-------------|
|          |   | 31/03/2025  | 31/03/2024  |
| <b>A</b> | <b>Claims against the company not acknowledged as debt</b>                                    |             |             |
| 1        | Estimated amount of contracts, remaining to be executed, on capital account (net off payment) | -           | 2.32        |
| 2        | For letters of credit (net off Margin)  | 14.82       | 2.04        |
| 3        | For bank guarantee (net off Margin)   | 1.55        | 1.57        |
| 4        | Corporate Guarantee Given   | 3.58        | 3.58        |
| <b>B</b> | <b>Others</b>   | <b>2.48</b> | <b>1.51</b> |

### 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, 2025 all customer collectively has outstanding of ₹ 10.26 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.

|                                 | As at 31/03/2025 |               |          | As at 31/03/2024 |               |          |
|---------------------------------|------------------|---------------|----------|------------------|---------------|----------|
|                                 | India            | Outside India | Total    | India            | Outside India | Total    |
| <b>Revenue from operations*</b> |                  |               |          |                  |               |          |
| External                        | 1,518.28         | 1.56          | 1,519.83 | 1,449.82         | 0.31          | 1,450.13 |
| Internal Segment                | -                | -             | -        | -                | -             | -        |
| Total Revenue                   | 1,518.28         | 1.56          | 1,519.83 | 1,449.82         | 0.31          | 1,450.13 |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 34 (Contd..)

|  | As at 31/03/2025 |               |        | As at 31/03/2024 |               |        |
|--|------------------|---------------|--------|------------------|---------------|--------|
|  | India            | Outside India | Total  | India            | Outside India | Total  |
| <b>Other Information**</b>   |                  |               |        |                  |               |        |
| Carrying cost of segment non current assets@                         | 257.75           | -             | 257.75 | 272.26           | -             | 272.26 |
| carrying cost of segment assets                                      | 940.43           | -             | 940.43 | 921.63           | -             | 921.63 |
| Addition to property plant and equipment including intangible assets | 12.36            | -             | 12.36  | 6.42             | -             | 6.42   |

### Note:

\* Based on location of customer

\*\*Based on location of assets

@ Excluding financial assets, and deferred tax assets

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

## Note 35

### Employment Benefit Plans

The company operates post employment and other long term employee benefits defined plans as follows:

#### I. Defined Contribution plan

Contribution to Defined Contribution Plan, recognised as expenses for the year are as under:

| Particulars                               | 2024-25 | 2023-24 |
|---|---------|---------|
| Employer's Contribution to Provident Fund | 0.53    | 0.52    |

#### 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  | 31/03/2025 |                  | 31/03/2024 |                  |
|--|------------|------------------|------------|------------------|
|  | Gratuity   | Leave Encashment | Gratuity   | Leave Encashment |
| <b>A. Reconciliation of opening and closing balances of Defined Benefit obligation</b> |            |                  |            |                  |
| a. Obligation as at the beginning of the year  | 4.12       | 1.75             | 4.23       | 1.81             |
| b. Current Service Cost  | 0.26       | 0.03             | 0.59       | 0.03             |
| c. Interest Cost   | 0.09       | 0.01             | 0.25       | 0.01             |
| d. Actuarial Gain/(Loss)   | (0.07)     | (0.06)           | (0.85)     | (0.12)           |
| e. Benefits Paid   | (0.33)     | (0.01)           | (0.10)     | (0.00)           |
| f. Past Service Cost   | -          | -                | -          | -                |
| g. Obligation as at the end of the year  | 4.06       | 1.71             | 4.12       | 1.75             |
| <b>B. Reconciliation of opening and closing balances of fair value of plan assets</b>  |            |                  |            |                  |
| a. Fair Value of Plan Assets as at the beginning of the year                           | 0.99       | -                | 1.02       | -                |
| b. Expected return on Plan Assets  | 0.07       | -                | 0.07       | -                |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 35 (Contd..)

| Description   | 31/03/2025     |                  | 31/03/2024     |                  |
|---|----------------|------------------|----------------|------------------|
|   | Gratuity       | Leave Encashment | Gratuity       | Leave Encashment |
| c. Actuarial Gain/(Loss)  | 0.00           | -                | 0.00           | -                |
| d. Employer's Contributions                                     | -              | -                | -              | -                |
| e. Benefits Paid  | (0.33)         | -                | (0.10)         | -                |
| f. Fair Value of Plan Assets as at the end of the year          | 0.73           | -                | 0.99           | -                |
| <b>C. Reconciliation of fair value of assets and obligation</b> |                |                  |                |                  |
| a. Fair Value of Plan Assets as at the end of the year          | 0.73           | -                | 0.99           | -                |
| b. Present Value of Obligation as at the end of the year        | 4.06           | 1.71             | 4.12           | 1.75             |
| c. Amount recognised in the Balance Sheet                       | 3.33           | 1.71             | 3.13           | 1.75             |
| <b>D. Investment Details of Plan Assets</b>                     |                |                  |                |                  |
| Bank balance  | -              | -                | -              | -                |
| Invested with Life Insurance Corporation of India               | 0.73           | -                | 0.99           | -                |
| <b>E. Actuarial Assumptions</b>                                 |                |                  |                |                  |
| a. Discount Rate (per annum)                                    | 6.55% to 7.00% | 7.00%            | 7.15% to 7.25% | 7.25%            |
| 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%            |
| <b>F. Expenses recognised during the year</b>                   |                |                  |                |                  |
| <b>Expenses recognised during the year</b>                      |                |                  |                |                  |
| (i). Current Service Cost                                       | 0.26           | 0.03             | 0.59           | 0.03             |
| (ii). Interest Cost   | 0.09           | 0.01             | 0.25           | 0.01             |
| (iii). Expected return on Plan Assets                           | 0.07           | -                | (0.07)         | -                |
| (vi). Actuarial Gain/(Loss)                                     | (0.07)         | (0.06)           | (0.85)         | (0.12)           |
| (v). Past Service Cost  | -              | -                | -              | -                |
| <b>(vi). Expense recognised during the year</b>                 | 0.34           | (0.02)           | (0.08)         | (0.07)           |

### Notes:

- The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for management of plan assets.

### 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                        | 31/03/2025 |                  |          |                  |
|------------------------------------|------------|------------------|----------|------------------|
|                                    | Increase   |                  | Decrease |                  |
|                                    | Gratuity   | Leave Encashment | Gratuity | Leave Encashment |
| Discount rate (0.5% movement)      | 1.12       | 0.12             | 1.30     | 0.13             |
| Salary growth rate (0.5% movement) | 1.30       | 0.12             | 1.12     | 0.13             |



# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 35 (Contd..)

| Particulars                        | 31/03/2024 |                  |          |                  |
|------------------------------------|------------|------------------|----------|------------------|
|                                    | Increase   |                  | Decrease |                  |
|                                    | Gratuity   | Leave Encashment | Gratuity | Leave Encashment |
| Discount rate (0.5% movement)      | 1.17       | 0.12             | 1.37     | 0.13             |
| Salary growth rate (0.5% movement) | 1.37       | 0.12             | 1.17     | 0.13             |

### 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      |            |
|---|------------|------------|
|   | 31/03/2025 | 31/03/2024 |
| Principal amount remaining unpaid to any supplier as at the year end  | 8.75       | 14.28      |
| 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   | -          | -          |

## 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  |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 37 (Contd..)

### 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        |
| 12      | Shanti Shirting Private Limited        |
| 13      | Chiripal Industries Limited            |
| 14      | Nandan Corporation LLP                 |
| 15      | Srikunj Weaving Private Limited        |
| 16      | Grew Energy Private Limited            |

### C. Entities over which Promoter has Significant Influence

| Sr. No. | Name of the entity                               |
|---------|--|
| 1       | Chiripal Chartable Trust                         |
| 2       | Dholi Integrated Spinning Park Limited           |
| 3       | Vraj Integrated Textile Park Limited             |
| 4       | Nandan Denim Limited                             |
| 5       | Narol Textile Infrastructure & Inviro Management |
| 6       | Prakash Calender Private Limited                 |
| 7       | Shree Maharaja Agrasen Seva Sansthan             |
| 8       | Chiripal Foundation                              |
| 9       | Milestone Educom Trust                           |
| 10      | Happiness Reserves Foundation                    |
| 11      | Shanti Exports Private Limited                   |
| 12      | Hexa Biochem Private Limited                     |

### D. Key Management Personnel:

| Sr. No. | Particulars          | Designation                                       |
|---------|----------------------|---|
| 1       | Brijmohan D Chiripal | Managing Director                                 |
| 2       | Pramodkumar Sharma   | Whole Time Director (Till 29th May, 2024)         |
| 3       | Arvind Pandey        | Whole Time Director (From 29th May, 2024)         |
| 4       | Ravindrakumar Bajaj  | Whole Time Director                               |
| 5       | Sushanta Kumar Panda | Independent Director                              |
| 6       | Shubhkar Jha         | Independent Director (Till 30th September, 2024)  |
| 7       | Dhara Shah           | Independent Director (Till 30th September, 2024)  |
| 8       | Ramkrishna Dash      | Independent Director (From 1st October, 2024)     |
| 9       | Roma Sanghani        | Independent Director (From 1st October, 2024)     |
| 10      | Vinay Thadani        | Chief Executive Officer (Till 4th February, 2025) |
| 11      | Suketu Shah          | Chief Executive Officer (From 5th February, 2025) |
| 12      | Dharmesh Dattani     | Chief Financial Officer                           |
| 13      | Pooja Dhruve         | Company Secretary (Till 24th April, 2025)         |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 37 (Contd..)

### E Key Management Personnel compensation:

| Particulars                        | 2024-25     | 2023-24     |
|------------------------------------|-------------|-------------|
| Short-term employee benefits       | 0.02        | 0.16        |
| Long-term post employment benefits | 0.01        | 0.02        |
| <b>Total compensation</b>          | <b>0.03</b> | <b>0.18</b> |

## 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                             | 2024-25      | 2023-24      |
|---|--------------|--------------|
| <b>1 Sale of goods/services</b>         | <b>3.66</b>  | <b>17.35</b> |
| Nandan Terry Limited                    | 2.32         | 2.73         |
| Nova Textile Private Limited            | -            | 0.60         |
| Bhavana Textiles Private Limited        | -            | 7.94         |
| Dholi Spintex Private Limited           | 1.32         | 1.83         |
| Quality Exim Private Limited            | -            | 4.18         |
| Shanti Shirting Private Limited         | -            | 0.07         |
| Chiripal Industries Limited             | 0.02         | -            |
| <b>2 Purchase of materials/services</b> | <b>30.95</b> | <b>81.35</b> |
| Dholi Spintex Private Limited           | -            | 0.15         |
| Hunky Dory Travel Private Limited       | 0.01         | -            |
| Shanti Education Initiatives Limited    | -            | 0.07         |
| Nandan Terry Limited                    | -            | 0.01         |
| Quality Exim Private Limited            | 0.06         | 0.25         |
| Nova Textile Private Limited            | 18.91        | 29.37        |
| Deepak Impex Private Limited            | 6.02         | 33.86        |
| Grew Renewables Private Limited         | 0.04         | -            |
| Shanti Shirting Private Limited         | -            | 6.94         |
| Srikunj Weaving Private Limited         | 4.05         | 10.59        |
| Brijmohan D Chiripal                    | 0.30         | 0.06         |
| Pritidevi B Chiripal                    | 0.30         | 0.06         |
| Nandan Corporation LLP                  | 1.25         | -            |
| <b>3 Investments</b>                    | <b>9.48</b>  | <b>17.08</b> |
| Chiripal Textile Mills Private Limited  | 3.49         | 15.92        |
| Nandan Industries Private Limited       | -            | 0.75         |
| Quality Exim Private Limited            | 4.99         | 0.41         |
| Grew Energy Private Limited             | 0.99         | -            |
| <b>4 Net closing balance - debit</b>    | <b>10.22</b> | <b>6.12</b>  |
| <b>5 Net closing balance - credit</b>   | <b>-</b>     | <b>-</b>     |

### C. Entities over which Promoter has Significant Influence

| Particulars                                      | 2024-25     | 2023-24     |
|--|-------------|-------------|
| <b>1 Purchase of materials</b>                   | <b>3.98</b> | <b>7.72</b> |
| Dholi Integrated Spinning Park Limited           | 0.60        | 0.69        |
| Nandan Denim Limited                             | 0.02        | 3.56        |
| Shanti Exports Private Limited                   | 0.10        | 0.54        |
| Hexa Biochem Private Limited                     | 0.07        | -           |
| Narol Textile Infrastructure & Inviro Management | 3.19        | 2.92        |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 37 (Contd..)

| Particulars                           | 2024-25     | 2023-24     |
|---------------------------------------|-------------|-------------|
| <b>2 Guarantee Commission</b>         | <b>0.01</b> | <b>0.01</b> |
| Prakash Calender Private Limited      | 0.01        | 0.01        |
| <b>3 Donation</b>                     | <b>0.41</b> | <b>1.50</b> |
| Chiripal Charitable Trust             | -           | 0.74        |
| Milestone Educom Trust                | -           | 0.30        |
| Happiness Reserves Foundation         | 0.15        | 0.46        |
| Chiripal Foundation                   | 0.05        | -           |
| Shree Maharaja Agrasen Seva Sansthan  | 0.21        | -           |
| <b>4 Net closing balance - debit</b>  | <b>-</b>    | <b>-</b>    |
| <b>5 Net closing balance - credit</b> | <b>1.24</b> | <b>0.89</b> |

### D. Key Management Personnel

| Particulars                  | 2024-25     | 2023-24     |
|------------------------------|-------------|-------------|
| <b>1 Remuneration</b>        |             |             |
| <b>Salary and Allowances</b> | <b>3.97</b> | <b>3.31</b> |
| Brijmohan D Chiripal         | 1.55        | 1.72        |
| Shubhankar Jha               | -           | 0.01        |
| Dhara Shah                   | ₹ 40,000    | 0.08        |
| Susanta Kumar Panda          | 0.01        | 0.01        |
| Ramkrishna Dash              | 0.01        | -           |
| Roma Sanghani                | ₹ 20,000    | -           |
| Ravindrakumar Bajaj          | 0.42        | 0.42        |
| Pramodkumar Sharma           | 0.03        | 0.08        |
| Arvind Pandey                | 0.14        | -           |
| Vinay Thadani                | 1.27        | 0.59        |
| Suketu Shah                  | 0.16        | -           |
| Dharmesh Dattani             | 0.27        | 0.34        |
| Pooja Dhruve                 | 0.09        | 0.07        |

### 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.

## Note 38

### Financial instruments – Fair values and risk management

#### I. Accounting classification and fair values

| 31/03/2025  | Carrying amount |        |                |       | Carrying amount                                 |  |  |       |
|---|-----------------|--------|----------------|-------|---|--|--|-------|
|   | FVTPL           | FVTOCI | Amortised Cost | Total | Level 1<br>Quoted price<br>in active<br>markets | Level 2<br>Significant<br>observable<br>inputs | Level 3<br>Significant<br>unobservable<br>inputs | Total |
| <b>Financial assets measured at each reporting date</b> |                 |        |                |       |   |  |  |       |
| <b>Investments</b>                                      |                 |        |                |       |   |  |  |       |
| Listed equity instruments                               | -               | 0.03   | -              | 0.03  | 0.03  | -  | -  | 0.03  |
| Unquoted equity instruments                             | -               | 12.90  | 30.87          | 43.77 | -   | -  | 12.90  | 12.90 |
| Unquoted preference instruments                         | 10.21           | -      | 5.74           | 15.96 | -   | -  | 15.96  | 15.96 |



# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 38 (Contd..)

| 31/03/2025  | Carrying amount |              |                |               | Carrying amount                                 |  |  |               |
|---|-----------------|--------------|----------------|---------------|---|--|--|---------------|
|   | FVTPL           | FVTOCI       | Amortised Cost | Total         | Level 1<br>Quoted price<br>in active<br>markets | Level 2<br>Significant<br>observable<br>inputs | Level 3<br>Significant<br>unobservable<br>inputs | Total         |
| <b>Financial assets measured at amortised cost</b>      |                 |              |                |               |   |  |  |               |
| Other non current financial assets                      | -               | -            | 0.65           | 0.65          | -   | -  | 0.65   | 0.65          |
| Trade receivables                                       | -               | -            | 526.34         | 526.34        | -   | -  | 526.34   | 526.34        |
| Cash and cash equivalents                               | -               | -            | 0.20           | 0.20          | -   | -  | 0.20   | 0.20          |
| Other bank balances                                     | -               | -            | 11.18          | 11.18         | -   | -  | 11.18  | 11.18         |
| <b>Total Financial Assets</b>                           | <b>10.21</b>    | <b>12.93</b> | <b>574.98</b>  | <b>598.12</b> | <b>0.03</b>                                     | <b>-</b>                                       | <b>567.22</b>                                    | <b>567.26</b> |
| <b>Financial liabilities measured at amortised cost</b> |                 |              |                |               |   |  |  |               |
| Non current borrowings                                  | -               | -            | 85.05          | 85.05         | -   | -  | 85.05  | 85.05         |
| Current borrowings                                      | -               | -            | 207.35         | 207.35        | -   | -  | 207.35   | 207.35        |
| Trade payables  | -               | -            | 125.63         | 125.63        | -   | -  | 125.63   | 125.63        |
| Other Non Current Financial Liability                   | -               | -            | 10.73          | 10.73         | -   | -  | 10.73  | 10.73         |
| <b>Total Financial Liabilities</b>                      | <b>-</b>        | <b>-</b>     | <b>428.76</b>  | <b>428.76</b> | <b>-</b>  | <b>-</b>                                       | <b>428.76</b>                                    | <b>428.76</b> |

| 31/03/2024  | Carrying amount |              |                |               | Carrying amount                                 |  |  |               |
|---|-----------------|--------------|----------------|---------------|---|--|--|---------------|
|   | FVTPL           | FVTOCI       | Amortised Cost | Total         | Level 1<br>Quoted price<br>in active<br>markets | Level 2<br>Significant<br>observable<br>inputs | Level 3<br>Significant<br>unobservable<br>inputs | Total         |
| <b>Financial assets measured at each reporting date</b> |                 |              |                |               |   |  |  |               |
| Investments   |                 |              |                |               |   |  |  |               |
| Listed equity instruments                               | -               | 0.03         | -              | 0.03          | 0.03  | -  | -  | 0.03          |
| Unquoted equity instruments                             | -               | 11.97        | 22.38          | 34.36         | -   | -  | 34.36  | 34.36         |
| Unquoted preference instruments                         | 9.73            | -            | 5.74           | 15.47         | -   | -  | 15.47  | 15.47         |
| <b>Financial assets measured at amortised cost</b>      |                 |              |                |               |   |  |  |               |
| Other non current financial assets                      | -               | -            | 0.64           | 0.64          | -   | -  | 0.64   | 0.64          |
| Trade receivables                                       | -               | -            | 510.80         | 510.80        | -   | -  | 510.80   | 510.80        |
| Cash and cash equivalents                               | -               | -            | 0.24           | 0.24          | -   | -  | 0.24   | 0.24          |
| Other bank balances                                     | -               | -            | 10.79          | 10.79         | -   | -  | 10.79  | 10.79         |
| <b>Total Financial Assets</b>                           | <b>9.73</b>     | <b>12.01</b> | <b>550.59</b>  | <b>572.33</b> | <b>0.03</b>                                     | <b>-</b>                                       | <b>572.29</b>                                    | <b>572.33</b> |
| <b>Financial liabilities measured at amortised cost</b> |                 |              |                |               |   |  |  |               |
| Non current borrowings                                  | -               | -            | 130.39         | 130.39        | -   | -  | 130.39   | 130.39        |
| Current borrowings                                      | -               | -            | 250.40         | 250.40        | -   | -  | 250.40   | 250.40        |
| Trade payables  | -               | -            | 93.92          | 93.92         | -   | -  | 93.92  | 93.92         |
| Other Non Current Financial Liability                   | -               | -            | 10.99          | 10.99         | -   | -  | 10.99  | 10.99         |
| <b>Total Financial Liabilities</b>                      | <b>-</b>        | <b>-</b>     | <b>485.69</b>  | <b>485.69</b> | <b>-</b>  | <b>-</b>                                       | <b>485.69</b>                                    | <b>485.69</b> |

### Notes:

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements described below:

**Level 1 :** Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

**Level 2 :** Inputs other than the quoted prices included withing Level 1 that are observable for the asset or liability, either directly or indirectly.

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 38 (Contd..)

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

|                                    | 31/03/2025      |              | 31/03/2024      |               |
|------------------------------------|-----------------|--------------|-----------------|---------------|
|                                    | Carrying amount | Fair value   | Carrying amount | Fair value    |
| <b>Financial assets</b>            |                 |              |                 |               |
| <b>Investments</b>                 |                 |              |                 |               |
| Other non current financial assets | 59.75           | 59.75        | 49.86           | 49.86         |
| <b>Total financial assets</b>      | <b>59.75</b>    | <b>59.75</b> | <b>49.86</b>    | <b>49.86</b>  |
| <b>Financial liabilities</b>       |                 |              |                 |               |
| Non current borrowings             | 84.51           | 84.51        | 130.39          | 130.39        |
| Other non current financial assets | 10.73           | 10.73        | 10.99           | 10.99         |
| <b>Total financial liabilities</b> | <b>95.24</b>    | <b>95.24</b> | <b>141.37</b>   | <b>141.37</b> |

#### 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 :<br><b>1. Asset approach</b> - seek to determine the business value based on the value of it's assets. The aim is to determine the business value based on the fair market value of its assets less its liabilities. The asset approach is based on the economic principle of substitution which adopts the approach of cost to create another business similar to one under consideration that will produce the same economic benefits for its owners. | Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares | The estimated fair value would increase (decrease) if:<br>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, 2025

## Note 38 (Contd..)

| Type | Valuation technique   | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|------|---|---------------------------------|---|
|      | <p><b>2. Market approach</b> - 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:<br/>           Asset approach : 70%<br/>           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                           | 31/03/2025                 |          | 31/03/2024                 |          |
|---|----------------------------|----------|----------------------------|----------|
|   | Other Comprehensive Income |          | Other Comprehensive Income |          |
|   | Increase                   | Decrease | Increase                   | Decrease |
| <b>Unquoted equity instruments measured through OCI</b> |                            |          |                            |          |
| 5% movement   | 0.64                       | 0.64     | 0.60                       | 0.60     |

| Significant observable inputs   | 31/03/2025            |          | 31/03/2024            |          |
|---|-----------------------|----------|-----------------------|----------|
|   | Profit & Loss Account |          | Profit & Loss Account |          |
|   | Increase              | Decrease | Increase              | Decrease |
| <b>Unquoted preference instruments measured through profit and Loss account</b> |                       |          |                       |          |
| 5% movement   | 0.80                  | 0.80     | 0.77                  | 0.77     |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## 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.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company,

#### 2. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

The maximum exposure to credit risk for trade and other receivables are as follows:

##### A. Trade receivables

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

##### *Other financial assets*

This balance primarily constitute of Bank fixed deposits having maturity of more than 12 months.

##### *Cash and cash equivalents*

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.



# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 39 (Contd..)

### A.1. Impairment

At March 31, 2025, the ageing of trade and other receivables that were not impaired was as follows.

(₹ in Crore)

| Particulars   | Carrying amount |           |               |               |           |               |
|---|-----------------|-----------|---------------|---------------|-----------|---------------|
|   | 31/03/2025      |           |               | 31/03/2024    |           |               |
|   | Gross           | Provision | Net           | Gross         | Provision | Net           |
| Not Due   | 339.07          | -         | 339.07        | 323.44        | -         | 323.44        |
| Less than 6 months                                      | 135.03          | -         | 135.03        | 168.29        | -         | 168.29        |
| 6months to 1 year                                       | 8.55            | -         | 8.55          | 2.32          | -         | 2.32          |
| 1-2 years   | 27.02           | -         | 27.02         | 1.44          | -         | 1.44          |
| 2-3 years   | 1.28            | -         | 1.28          | 2.92          | -         | 2.92          |
| More than 3 years                                       | 15.39           | -         | 15.39         | 12.39         | -         | 12.39         |
|   | <b>526.34</b>   | <b>-</b>  | <b>526.34</b> | <b>510.80</b> | <b>-</b>  | <b>510.80</b> |
| <b>% of expected credit losses (More than 365 days)</b> |                 |           | -             |               |           | -             |

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 31.03.2025 and 31.03.2024

## 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:

| Particulars  | As at      |            |
|--|------------|------------|
|  | 31/03/2025 | 31/03/2024 |
| <b>Floating rate</b>   |            |            |
| <b>Fund Base</b>   | 35.29      | 17.34      |
| Expiring within one year (bank overdraft and other facilities) |            |            |
| <b>Non Fund Base</b>   | 29.11      | 27.44      |
| Expiring within one year                                       |            |            |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 40 (contd..)

### 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.

| 31/03/2025                          | Carrying amount | Less than 12 months | 1-2 years | 3-5 years | More than 5 years | Total  |
|-------------------------------------|-----------------|---------------------|-----------|-----------|-------------------|--------|
| <b>Financial liabilities</b>        |                 |                     |           |           |                   |        |
| Non current borrowings              | 92.96           | 7.91                | 15.07     | 67.35     | -                 | 90.33  |
| Current borrowing                   | 164.71          | 164.71              | -         | -         | -                 | 164.71 |
| ECLGS Facility                      | 34.72           | 14.91               | 13.47     | 0.48      | -                 | 28.86  |
| Trade payable                       | 125.63          | 482.65              | 27.02     | 16.67     | -                 | 526.34 |
| Other current financial liabilities | 10.73           | -                   | -         | -         | 10.73             | 10.73  |

| 31/03/2024                          | Carrying amount | Less than 12 months | 1-2 years | 3-5 years | More than 5 years | Total  |
|-------------------------------------|-----------------|---------------------|-----------|-----------|-------------------|--------|
| <b>Financial liabilities</b>        |                 |                     |           |           |                   |        |
| 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  |

## 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 | 31/03/2025 | 31/03/2024 |
|--|----------|------------|------------|
| a) Against export                      | USD      | -          | -          |
|  | INR      | -          | -          |
| b) Net statement of financial exposure | USD      | -          | -          |
|  | INR      | -          | -          |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 41 (contd..)

### 2. Sensitivity

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

| As on 31.03.2025                       | Impact on profit before tax |          |
|--|-----------------------------|----------|
| Particulars                            | Increase                    | Decrease |
| Currency rates (5% increase/ decrease) | -                           | -        |
| USD                                    |                             |          |

| As on 31.03.2024                       | Impact on profit before tax |          |
|--|-----------------------------|----------|
| Particulars                            | Increase                    | Decrease |
| Currency rates (5% increase/ decrease) | -                           | -        |
| USD                                    |                             |          |

### B. Interest rate risk

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

#### 1. Exposure to interest rate risk

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars                      | 31/03/2025    | 31/03/2024    |
|----------------------------------|---------------|---------------|
| <b>Fixed-rate instruments</b>    |               |               |
| Financial assets                 | 11.82         | 11.43         |
| Financial liabilities            | -             | -             |
| <b>Total</b>                     | <b>11.82</b>  | <b>11.43</b>  |
| <b>Variable-rate instruments</b> |               |               |
| Financial liabilities            | 292.39        | 380.79        |
| <b>Total</b>                     | <b>292.39</b> | <b>380.79</b> |

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

| As on 31.03.2025               | Bank loans |
|--------------------------------|------------|
| Weighted average interest rate | 10.00%     |
| Balance (₹ in crore)           | 292.39     |
| % of total loans               | 100.00%    |

| As on 31.03.2024               | Bank loans |
|--------------------------------|------------|
| Weighted average interest rate | 10.00%     |
| Balance (₹ in crore)           | 380.79     |
| % of total loans               | 100.00%    |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 41 (contd..)

### 2. Sensitivity

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

| As on 31.03.2025                          |  | Impact on profit before tax |          |
|---|--|-----------------------------|----------|
| Particulars                               |  | Decrease                    | Increase |
| Interest rates (0.50% increase/ decrease) |  | 1.46                        | 1.46     |

| As on 31.03.2024                          |  | Impact on profit before tax |          |
|---|--|-----------------------------|----------|
| Particulars                               |  | Decrease                    | Increase |
| Interest rates (0.50% increase/ decrease) |  | 1.90                        | 1.90     |

### 3. Fair value sensitivity analysis for fixed-rate instruments

The company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not have any designate derivatives (interest rate swaps). Therefore, a change in interest rates at the reporting date would not affect profit or loss.

## Note 42

### Disclosure relating to various ratios

| Sr. No. | Ratio Name                                    | Particulars                                | Ratio 2024-25 | Ratio 2023-24 | % of Variance | Reason for Variance                        |
|---------|---|--|---------------|---------------|---------------|--|
| 1       | Current Ratio<br>(In times)                   | Current Assets<br>Current Liability        | 1.94          | 1.83          | 6.14          | NA   |
| 2       | Debt Service Coverage Ratio<br>(In times)     | EBIDTA<br>(Interest+Repayment)             | 3.36          | 3.44          | -2.32         | NA   |
| 3       | Inventory Turnover Ratio<br>(In times)        | Sales<br>Average Inventory                 | 14.54         | 16.74         | -13.16        | NA   |
| 4       | Trade Payable Turnover Ratio<br>(In times)    | Net Purchase<br>Average Trade Payable      | 12.53         | 12.42         | 0.88          | NA   |
| 5       | Net Profit Ratio<br>(In %)                    | Net Profit<br>Net Sales                    | 1.57          | 1.46          | 7.62          | NA   |
| 6       | Debt-Equity Ratio<br>(In times)               | Total Debt<br>Total Shareholder Equity     | 0.62          | 0.92          | -33.26        | Due to decrease in debt                    |
| 7       | Return on Equity ratio<br>(In %)              | Net Income<br>Average Shareholder's Equity | 5.38          | 5.27          | 2.14          | NA   |
| 8       | Trade Receivable Turnover Ratio<br>(In times) | Net Sales<br>Average Trade Receivable      | 2.93          | 3.00          | -2.26         | NA   |
| 9       | Net Capital Turnover Ratio<br>(In times)      | Net Sales<br>Working Capital               | 4.58          | 4.92          | -6.79         | NA   |
| 10      | Return on Capital Employed<br>Ratio<br>(In %) | EBIT<br>Capital Employed                   | 10.78         | 8.62          | 25.05         | Due to increase in net income              |
| 11      | Return on Investment<br>(In %)                | Refer Note no. 1 below                     | 19.84         | 49.65         | -60.04        | Due to increase in Non Current Investments |

### Note:

- Return on Investment  

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



# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 42 (Contd..)

Where,

T1 = End of time period

T2 = Beginning of time period

T = Specific date falling between T1 and T0

MV(T1) = Market value at T1

MV(T0) = Market value at T0

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

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

## Note 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

| Particulars                                | As at         |               |
|--|---------------|---------------|
|  | 31/03/2025    | 31/03/2024    |
| <b>Total Liabilities</b>                   | <b>466.41</b> | <b>509.61</b> |
| Less : Cash and bank balances              | 11.38         | 11.03         |
| <b>Adjusted net debt</b>                   | <b>455.03</b> | <b>498.58</b> |
| Total equity                               | 474.02        | 412.02        |
| Adjusted net debt to adjusted equity ratio | 0.96          | 1.21          |

"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 2025 and 31 March 2024.

## Note 44

### Earnings per share

| Particulars                                       | [Number of shares] |            |
|---|--------------------|------------|
|   | 31/03/2025         | 31/03/2024 |
| Issued equity shares                              | 197610003          | 197610003  |
| Weighted average shares outstanding - Basic - A   | 197610003          | 197610003  |
| Weighted average shares outstanding - Diluted - B | 225281236          | 197610003  |

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 44 (Contd..)

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

| Particulars                                   | 31/03/2025 | 31/03/2024 |
|---|------------|------------|
| Profit and loss after tax for Basic EPS - C   | 23.84      | 21.13      |
| Profit and loss after tax for Diluted EPS - D | 23.84      | 21.13      |
| Basic Earnings per share [C/A] [₹]            | 1.21       | 1.07       |
| Diluted Earnings per share [D/B] [₹]          | 1.06       | 1.07       |

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

## Note 45

### Expenditure on corporate social responsibility activities

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

| Particulars   | Year ended 31st March, 2025 | Year ended 31st March, 2024 |
|---|-----------------------------|-----------------------------|
| I. Amount required to be spent by the company during the year | 1.33                        | 1.32                        |
| II. Amount spent by the company during the year on:           |                             |                             |
| a) Construction/acquisition of any assets                     | -                           | -                           |
| b) For purpose other then (a) above                           | 1.33                        | 1.50                        |
| 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.

## 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.

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 46 (Contd..)

- f. 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;
- (1) 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
  - (2) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- g. 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).
- h. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

## Note 47

The financial statements are approved by the audit committee and Board of Directors at its meeting held on 21st May, 2025. The said financial statements are subject to approval of Share Holders in Annual General Meeting.

## Note 48

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  | 2024-25 | 2023-24 |
|--|---------|---------|
| Corporate guarantee given to Narol Textile Infrastructure & Inviro Management for Common Effluent Treatment Plant (CETP) and balance at the year end | 3.58    | 3.58    |
| Investment during the year in Unquoted Equity Instruments Associate Entities (At Cost)   |         |         |
| Chiripal Textile Mills Private Limited   | 3.49    | 15.92   |
| Nandan Industries Private Limited  | -       | 0.75    |
| Quality Exim Private Limited   | 4.99    | 0.41    |
| Investment as on date in Unquoted Equity Instruments Associate Entities (At Cost)  |         |         |
| Chiripal Textile Mills Private Limited   | 21.27   | 15.92   |
| Nandan Industries Private Limited  | 2.50    | 0.75    |
| Quality Exim Private Limited   | 7.10    | 0.41    |
| Investment as on date in Unquoted preference shares (At Cost)  |         |         |
| Quality Exim Private Limited   | 3.95    | 3.95    |
| Nandan Industries Private Limited  | 1.79    | 1.79    |

## Note 49

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

## Note 50 : Events occurring after the reporting period

1. Allotment of Shares in Associate Company

The Company had advanced 6.50 Crores for the proposed acquisition of equity shares in Nandan Industries Private Limited prior to the balance sheet date. After the reporting date, but before approval of the financial statements, the Company was allotted 5,28,100 equity shares, thereby establishing or increasing its stake in the associate. This transaction is a non-adjusting event under Ind AS 10.

2. No Other Material Events

Based on management's evaluation, there have been no other material events occurring after the balance sheet date that would require adjustment to or disclosure in the financial statements for the year ended 31st March, 2025.

# Notes to Standalone Financial Statements

for the year ended 31st March, 2025

## Note 51

### Disclosure pursuant to Ind AS 27 "Separate Financial Statements"

Investment in following Associates Companies is accounted at cost.

| Name of Associates                          | Principal Place of Business | As at 31/03/2025                   |   |
|---|-----------------------------|------------------------------------|---|
|   |                             | Proportion of direct ownership (%) | Proportion of Effective ownership interest / Voting Power (%) |
| 1. Chiripal Textiles Mills Private Limited. | India                       | 42.36%                             | 42.36%  |
| 2. Nandan Industries Private Limited.       | India                       | 37.92%                             | 37.92%  |
| 3. Quality Exim Private Limited.            | India                       | 23.17%                             | 23.17%  |

Material 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

UDIN : 25193591BMJGJ09249

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Suketu Shah**

Chief Executive

Officer

**Dharmesh Dattani**

Chief Financial

Officer

Place: Ahmedabad

Date: 'May 21, 2025

**Ravindrakumar Bajranglal Bajaj**

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: 'May 21, 2025





# Independent Auditors' Report

To  
The Members of  
**M/S. VISHAL FABRICS LIMITED**

## Report on the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **M/S. VISHAL FABRICS LIMITED** ("the Parent") and its associate (the parents and associates together referred as a group") companies which comprises the Balance Sheet as at March 31, 2025, 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 "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 2025 and its consolidated 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 of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### 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 Consolidated 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 consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

## Responsibility of Management and Board of Directors for the Consolidated Financial Statements

The Parent company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of Consolidated Financial Statement**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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.

### **Other Matters**

The Consolidated Financial Statements include the Group's share of net profit of ₹ 517.28 lakhs for the year ended 31st March, 2025, as considered in the Consolidated Financial Statements, in respect of 3 associates. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### **Report on Other Legal and Regulatory Requirements**

1. With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for Parent Company and by other auditors for associates companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
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 purposes of our audit of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law maintained by the Group and its associates including relevant records relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance sheet, the statement of Consolidated Profit and loss, other comprehensive Income, Statement of changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid consolidated 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 B**". 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note \_\_\_ to the consolidated financial statements;
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv) (a) The Management of the parent 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 of the parent 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: 21st May 2025  
UDIN: 25193591BMJGJN1234

**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 consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Place: Ahmedabad  
Date: 21st May 2025  
UDIN: 25193591BMJGJN1234

**Reeturaj Verma**  
Partner  
M.No. 193591





## Annexure "B" 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, 2025, in conjunction with our audit of the consolidated 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 consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to consolidated 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 of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### Meaning of Internal Financial Controls over Financial 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: 21st May 2025  
UDIN: 25193591BMJGJN1234

**Reeturaj Verma**  
Partner  
M.No. 193591

# Consolidated Balance Sheet

as at March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars   | Note No. | As At 31/03/2025 |
|---|----------|------------------|
| <b>ASSETS</b>   |          |                  |
| <b>1 NON-CURRENT ASSETS</b>                               |          |                  |
| (a) Property, Plant and Equipment                         | 2        | 139.65           |
| (b) Capital Work-In-Progress                              | 2A       | -                |
| (c) Investment Property                                   | 2B       | 56.94            |
| (d) Financial Assets                                      |          |                  |
| (i) Investments   | 3        | 64.93            |
| (ii) Others Financial Assets                              | 4        | 0.65             |
| (e) Other Non-Current Assets                              | 5        | 0.75             |
| <b>TOTAL NON-CURRENT ASSETS</b>                           |          | <b>262.92</b>    |
| <b>2 CURRENT ASSETS</b>                                   |          |                  |
| (a) Inventories   | 6        | 115.08           |
| (b) Financial Assets                                      |          |                  |
| (i) Trade Receivables                                     | 7        | 526.34           |
| (ii) Cash And Cash Equivalents                            | 8        | 0.20             |
| (iii) Bank Balances Other Than (ii) Above                 | 9        | 11.18            |
| (c) Other Current Assets                                  | 10       | 29.88            |
| <b>TOTAL CURRENT ASSETS</b>                               |          | <b>682.68</b>    |
| <b>TOTAL ASSETS</b>                                       |          | <b>945.61</b>    |
| <b>EQUITY AND LIABILITIES</b>                             |          |                  |
| <b>EQUITY</b>   |          |                  |
| (a) Equity Share Capital                                  | 11       | 98.81            |
| (b) Other Equity  | 12       | 342.22           |
| (c) Money Received Against Share Warrants                 | 12A      | 38.17            |
| <b>TOTAL EQUITY</b>                                       |          | <b>479.20</b>    |
| <b>LIABILITIES</b>  |          |                  |
| <b>1 NON-CURRENT LIABILITIES</b>                          |          |                  |
| (a) Financial Liabilities                                 |          |                  |
| (i) Borrowings  | 13       | 84.51            |
| (ii) Other Financial Liabilities                          | 14       | 10.73            |
| (b) Long Term Provisions                                  | 15       | 1.31             |
| (c) Deferred Tax Liabilities (Net)                        | 16       | 18.17            |
| <b>TOTAL NON-CURRENT LIABILITIES</b>                      |          | <b>114.72</b>    |
| <b>2 CURRENT LIABILITIES</b>                              |          |                  |
| (a) Financial Liabilities                                 |          |                  |
| (i) Borrowings  | 17       | 207.89           |
| (ii) Trade Payables                                       | 18       |                  |
| - Due to Micro and Small Enterprises                      |          | 8.75             |
| - Due to Creditors other than Micro and Small Enterprises |          | 116.89           |
| (b) Other Current Liabilities                             | 19       | 2.60             |
| (c) Short Term Provisions                                 | 20       | 2.08             |
| (d) Current Tax Liabilities (Net)                         | 21       | 13.50            |
| <b>TOTAL CURRENT LIABILITIES</b>                          |          | <b>351.69</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>                       |          | <b>945.61</b>    |

## Note :

- 1) The parent company has acquired more than 20% equity shares in three companies namely Chiripal Textile Mills Private Limited, Nandan Industries Private Limited and Quality Exim Private Limited. Hence as per Ind AS 110 "Consolidated Financial Statements" read with Ind AS 28 "Investments in Associates and Joint Ventures" proportionate profit after tax of the said companies are consolidated with effect from 01-04-2024. Being the first year after consolidation previous period information are not provided.

Material 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

UDIN: 25193591BMJGJN1234

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Suketu Shah**

Chief Executive

Officer

**Dharmesh Dattani**

Chief Financial

Officer

Place: Ahmedabad

Date: May 21, 2025

**Ravindrakumar Bajranglal Bajaj**

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: May 21, 2025

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars  | Note No. | For the year 2024-25 |
|--|----------|----------------------|
| I Revenue From Operations  | 22       | 1,519.83             |
| II Other Income  | 23       | 1.60                 |
| <b>III Total Income (I+II)</b>   |          | <b>1,521.43</b>      |
| <b>IV EXPENSES</b>   |          |                      |
| (a) Cost of Materials Consumed   | 24       | 1,365.22             |
| (b) Changes in Inventories of Finished Goods   | 25       | (10.36)              |
| (c) Changes in Stock-In-Trade and Work-In-Progress   | 25A      | (3.17)               |
| (d) Employee Benefits Expense  | 26       | 30.63                |
| (e) Finance Costs  | 27       | 39.65                |
| (f) Depreciation and Amortization Expense  | 28       | 33.20                |
| (g) Other Expenses   | 29       | 21.36                |
| <b>Total Expenses (IV)</b>   |          | <b>1,476.53</b>      |
| <b>VI Profit/(Loss) Before Share of Associates Tax (III-IV)</b>  |          | <b>44.90</b>         |
| VII Share of Profit/(Loss) of Associates accounted for using the Equity Method   |          | 5.17                 |
| <b>VI Profit/(Loss) Before Tax (IV+VII)</b>  |          | <b>50.08</b>         |
| <b>VIII Tax Expense:</b>   | 30       |                      |
| (a) Current Tax  |          | 15.70                |
| (b) Deferred Tax (Credit)/charge   |          | 5.49                 |
| (C) Tax Expense Related to Earlier Year  |          | (0.12)               |
| <b>Total Tax Expenses</b>  |          | <b>21.07</b>         |
| <b>IX Profit (Loss) For The Year (VI-VIII)</b>   |          | <b>29.01</b>         |
| <b>X Other Comprehensive Income</b>  | 31       |                      |
| (a) Items That Will Not be Reclassified To Profit or Loss  |          | ₹ 26,475             |
| (b) Income Tax Relating to Items That Will Not be Reclassified to Profit or Loss   |          | ( ₹ 4,318)           |
| (c) Items That Will be Reclassified to Profit or Loss  |          | -                    |
| (d) Income Tax Relating to Items That Will be Reclassified to Profit or Loss   |          | -                    |
| <b>Total Other Comprehensive Income</b>  |          | <b>₹ 22,157</b>      |
| <b>XI Total Comprehensive Income for The Period (IX+X)(Comprising Profit (Loss) and Other Comprehensive Income for The period)</b> |          | <b>29.01</b>         |
| <b>XII Earnings Per Equity Share :</b>   | 44       |                      |
| (a) Basic (in ₹)   |          | 1.47                 |
| (b) Diluted (in ₹)   |          | 1.29                 |

**Note :**

- 1) The parent company has acquired more than 20% equity shares in three companies namely Chiripal Textile Mills Private Limited, Nandan Industries Private Limited and Quality Exim Private Limited. Hence as per Ind AS 110 " Consolidated Financial Statements" read with Ind As 28 "Investments in Associates and Joint Ventures" proportionate profit after tax of the said companies are consolidated with effect from 01-04-2024. Being the first year after consolidation previous period information are not provided.

Material 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

UDIN: 25193591BMJGJN1234

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Suketu Shah**

Chief Executive

Officer

**Dharmesh Dattani**

Chief Financial

Officer

**Ravindrakumar Bajranglal Bajaj**

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: May 21, 2025

Place: Ahmedabad

Date: May 21, 2025

# Consolidated Cash Flow Statement

for the year ended March 31,2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars  | For the year<br>2024-25 |
|--|-------------------------|
| <b>Cash flow from operating activities</b>                                     |                         |
| Net profit before tax  | 50.08                   |
| Adjustments:   |                         |
| Depreciation and amortisation  | 33.20                   |
| Finance expense  | 39.65                   |
| Interest income  | (0.90)                  |
| Loss on sale of Property, Plant and Equipment                                  | -                       |
| Profit on Sale of Property, Plant and Equipment                                | (0.02)                  |
| Change in Fair Value of Preference Instruments through profit and loss account | (0.48)                  |
| Profit Share in Associates   | (5.17)                  |
| <b>Operating cash flow before working capital changes</b>                      | <b>116.35</b>           |
| <b>Working capital adjustments:</b>  |                         |
| Decrease/ (Increase) in trade receivables                                      | (15.54)                 |
| Decrease/ (Increase) in other current assets                                   | 3.69                    |
| Decrease/ (Increase) in inventories  | (21.11)                 |
| Increase/ (Decrease) in trade payables   | 31.71                   |
| Increase/ (Decrease) in provisions   | 0.20                    |
| Increase/ (Decrease) in current liabilities                                    | 0.12                    |
| Increase/ (Decrease) in other financial liabilities                            | (0.25)                  |
| <b>Cash generated from operations</b>  | <b>115.17</b>           |
| Income tax paid (net of refund)  | (7.58)                  |
| <b>Net cash generated from operating activities (a)</b>                        | <b>107.59</b>           |
| <b>Cash flow from investing activities</b>                                     |                         |
| Purchase of Property Plant & Equipment including Capital Work in Progress      | (10.68)                 |
| Proceeds from sales of Property Plant & Equipment                              | 0.04                    |
| Purchase of Non-current Investment   | (9.48)                  |
| Capital advances and other non-current assets                                  | 1.87                    |
| Interest income  | 0.90                    |
| <b>Net cash used in investing activities (b)</b>                               | <b>(17.36)</b>          |



# Consolidated Cash Flow Statement

for the year ended March 31, 2025

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars   | For the year<br>2024-25 |
|---|-------------------------|
| <b>Cash flow from financing activities</b>                              |                         |
| Repayment of Long term borrowings                                       | (45.88)                 |
| Proceeds from issue of Share Warrant                                    | 38.17                   |
| Short term borrowings (net)   | (42.51)                 |
| Finance cost paid   | (39.65)                 |
| <b>Net cash generated from /(used in) financing activities (c)</b>      | <b>(89.88)</b>          |
| <b>Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)</b> | <b>0.35</b>             |
| Cash and cash equivalents at the beginning of the year                  | 11.03                   |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>11.38</b>            |
| <b>Components of cash and cash equivalents</b>                          |                         |
| Cash on hand  | 0.09                    |
| Balances with banks   |                         |
| Current accounts  | 0.12                    |
| Deposit accounts*   | 11.18                   |
|   | <b>11.38</b>            |

Out of Other Current Assets balance ₹ 0.03/- lacs is laying with the income tax department perusing to the search conducted in the month of July - 22.

\* 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).
- The parent company has acquired more than 20% equity shares in three companies namely Chiripal Textile Mills Private Limited, Nandan Industries Private Limited and Quality Exim Private Limited. Hence as per Ind AS 110 "Consolidated Financial Statements" read with Ind As 28 "Investments in Associates and Joint Ventures" proportionate profit after tax of the said companies are consolidated with effect from 01-04-2024. Being the first year after consolidation previous period information are not provided.

Material 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

UDIN: 25193591BMJGJN1234

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Suketu Shah**

Chief Executive

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**Dharmesh Dattani**

Chief Financial

Officer

**Ravindrakumar Bajranglal Bajaj**

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: 'May 21, 2025

Place: Ahmedabad

Date: 'May 21, 2025

# Statement of Changes in Equity

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## A. Equity share capital Equity shares of ₹ 5 each

| As at 1st April, 2024 | Change in Equity Share Capital due to prior period errors | Restated balance at the beginning of the period 1st April, 2024 | Changes in equity share capital during 2024-2025 | As at 31st March, 2025 |
|-----------------------|---|---|--|------------------------|
| 98.81                 | -   | 98.81   | -  | 98.81                  |

## B. Other equity as at 31st March, 2025

| Particulars                             | Share Application Money pending allotment | Equity component of compound financial instruments | Reserves & Surplus | Items of other comprehensive income | Remeasurement of defined benefit plans                | Money received against Share Warrants | Total    |
|---|---|--|--------------------|-------------------------------------|---|---------------------------------------|----------|
|   |   |  | Security Premium   | Retained Earnings                   | Equity instruments through other comprehensive Income |                                       |          |
| <b>Balance at April 1, 2024</b>         | -   | -  | 15.22              | 290.04                              | 3.37  | 4.58                                  | 313.21   |
| Retained earning during the year        | -   | -  | -                  | 29.01                               | -   | -                                     | 29.01    |
| Other comprehensive income for the year | -   | -  | -                  | -                                   | (0.05)  | 0.06                                  | ₹ 22,157 |
| Money received against Share Warrants   | -   | -  | -                  | -                                   | -   | 38.17                                 | 38.17    |
| Total comprehensive income for the year | -   | -  | -                  | 29.01                               | (0.05)  | 38.17                                 | 67.18    |
| <b>Balance at March 31, 2025</b>        | -   | -  | 15.22              | 319.05                              | 3.32  | 38.17                                 | 380.39   |

Material Accounting Policies

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

UDIN: 25193591BMJGJN1234

Place: Ahmedabad

Date: 'May 21, 2025

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Suketu Shah**

Chief Executive

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**Dharmesh Dattani**

Chief Financial

Officer

**Ravindrakumar Bajranglal Bajaj**

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: 'May 21, 2025

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

CIN : L17110GJ1985PLC008206

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 1:-

### I. Company Information

Vishal Fabrics Ltd. (the Parent 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 Parent 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 Parent 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

#### **C. Investment in Associates Companies.**

Associates companies are all entities over which the Parent Company has significant influence but not control or joint control. This is generally the case where the Parent company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting after initially being recognized at cost.

### III. Material 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 Parent Company expect to be entitled for those goods/ products. To recognize revenues, the Parent 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 Parent 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## 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 the parent Company incurs in connection with the borrowing of funds.

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

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

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



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## F. Leases

### Company as a lessee

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

#### 1) *Right-of-use assets*

- The Parent 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 Parent 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 Parent 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 Parent company and payments of penalties for terminating the lease, if the lease term reflects the Parent

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 Parent 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 Parent 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 Parent 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 Parent Company contributes Gratuity liabilities to the Insurance company.

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.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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

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

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

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

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

The Parent 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 Parent company pays provident fund contributions to publicly administered provident funds as per local regulations. The Parent

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 Parent 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## *Depreciation methods, estimated useful lives and residual value*

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

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

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

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

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

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 Parent 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 Parent 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 Parent 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## L. 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:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- 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:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 Parent 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 Parent 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 Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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 parent 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 Parent's balance sheet) when:

- a. The rights to receive cash flows from the asset have expired, or
- b. The Parent 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 Parent company has transferred substantially all the risks and rewards of the asset, or
  - b) the Parent Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Parent 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 Parent company continues to recognize the transferred asset to the extent of the The Parent company's continuing involvement. In that case, the Parent 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 Parent company has retained.

## viii. *Impairment of financial assets*

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

- a. Trade receivables or contract revenue receivables; and

Under the simplified approach, the Parent 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 Parent company uses a provision matrix to determine impairment loss allowance on the portfolio of trade

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Parent 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 Parent company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Parent 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 Parent 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 Parent 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:

- Financial liabilities at fair value through profit or loss
- Loans and borrowings
- 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 Parent

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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 Parent Company has not designated any financial liability as at fair value through profit and loss.

#### iv. *Loans and borrowings*

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

#### v. *Financial guarantee contracts*

Financial guarantee contracts issued by the Parent 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.

### M. *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 assets 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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

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

I mpairment 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.

## N. 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.

## O. 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.

## P. Provisions, Contingent liabilities, Contingent assets and Commitments

### General

Provisions are recognized when the Parent 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 Parent 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.



# Notes to Consolidated Financial Statements

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(All amounts in ₹ Crores, unless otherwise stated)

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

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

## Q. 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 Parent company recognizes a liability to make cash distributions to equity holders of the Parent Company when the distribution is authorized, and the distribution is no longer at the discretion of the Parent 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 Parent Company's Board of Directors. The interim dividends declared during the year are approved by the Board of Directors.

## R. 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 Parent 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.

## S. 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**

## T. 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 Parent company are segregated.

## U. Current and non-current classification

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

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

## Operating Cycle

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

## V. 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 Parent company's functional and presentation currency.

## Transactions and balances

Transactions in foreign currencies are initially recorded by the Parent 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).

## W. Fair value measurement

The Parent 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 Parent 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 Parent 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

- iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent company's external valuers present the valuation results to the Audit Committee and the Parent Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Parent 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).

## X. Exceptional items

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

## Y. 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.

## Z. 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Parent company.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 2 : PROPERTY, PLANT AND EQUIPMENT

| Particulars             | GROSS BLOCK (At carrying amount) |                                 |                                | ACCUMULATED DEPRECIATION |                     |                        |                                | NET BLOCK           |                     |
|-------------------------|----------------------------------|---------------------------------|--------------------------------|--------------------------|---------------------|------------------------|--------------------------------|---------------------|---------------------|
|                         | As at<br>01/04/2024              | Additions<br>during the<br>year | Disposal<br>during the<br>year | As at<br>31/03/2025      | As at<br>01/04/2024 | Charge for<br>the year | Disposal<br>during the<br>year | As at<br>31/03/2025 | As at<br>31/03/2024 |
| 1. Freehold land        | -                                | -                               | -                              | -                        | -                   | -                      | -                              | -                   | -                   |
| 2. Leasehold land       | 10.98                            | -                               | -                              | 10.98                    | 0.82                | 0.11                   | -                              | 10.04               | 10.15               |
| 3. Building             | 64.08                            | -                               | -                              | 64.08                    | 28.53               | 3.38                   | -                              | 31.91               | 35.55               |
| 4. Plant & Equipments   | 226.61                           | 3.30                            | -                              | 229.90                   | 117.61              | 21.33                  | -                              | 138.94              | 109.03              |
| 5. Furniture & Fittings | 5.35                             | 3.10                            | -                              | 8.45                     | 3.80                | 1.22                   | -                              | 5.02                | 1.52                |
| 6. Office Equipments    | 1.98                             | 0.48                            | -                              | 2.47                     | 1.77                | 0.16                   | -                              | 1.93                | 0.22                |
| 7. Vehicles             | 5.37                             | 1.93                            | (0.11)                         | 7.18                     | 4.10                | 0.69                   | (0.10)                         | 4.68                | 2.51                |
| Total                   | 314.37                           | 8.81                            | (0.11)                         | 323.06                   | 156.62              | 26.89                  | (0.10)                         | 183.41              | 157.74              |

### Notes :

1. Refer Note no.32 for information on property, plant and equipment hypothecated/mortgaged as security by the Parent Company.
2. Refer note no. 33 for disclosure of contractual commitment for the acquisition of property, plant and equipment.
3. All assets are in the name of Parent company other than Leasehold Land.

## Note - 2A : CAPITAL WORK-IN-PROGRESS

| Particulars              | As at<br>01/04/2024 | Additions during<br>the year | Transfer during<br>the year | As at<br>31/03/2025 |
|--------------------------|---------------------|------------------------------|-----------------------------|---------------------|
| Capital Work-in-Progress | 1.93                | -                            | (1.93)                      | -                   |

### Capital Work-in-Progress Ageing Schedule

As at 31st March, 2025

| 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 | -                           | -        | -        | -                | -     |
| Project temporarily suspended         | -                           | -        | -        | -                | -     |

### Note :

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



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 2B : INVESTMENT PROPERTY

| Particulars             | GROSS BLOCK (At carrying amount) |                    |                                | ACCUMULATED DEPRECIATION |                     |                        | NET BLOCK                      |                     |
|-------------------------|----------------------------------|--------------------|--------------------------------|--------------------------|---------------------|------------------------|--------------------------------|---------------------|
|                         | As at<br>01/04/2024              | Addition of<br>PPE | Disposal<br>during the<br>year | As at<br>31/03/2025      | As at<br>01/04/2024 | Charge for<br>the year | Disposal<br>during the<br>year | As at<br>31/03/2025 |
| 1. Freehold land        | 6.65                             | -                  | -                              | 6.65                     | -                   | -                      | -                              | 6.65                |
| 2. Factory Building     | 19.75                            | -                  | -                              | 19.75                    | 14.75               | 0.49                   | -                              | 4.52                |
| 3. Building             | 0.37                             | -                  | -                              | 0.37                     | 0.06                | 0.03                   | -                              | 0.29                |
| 4. Plant & Equipments   | 130.32                           | 3.81               | -                              | 134.13                   | 83.58               | 5.71                   | -                              | 44.83               |
| 5. Furniture & Fittings | 4.04                             | -                  | (0.00)                         | 4.04                     | 3.55                | 0.03                   | -                              | 0.45                |
| 6. Office Equipments    | 1.88                             | -                  | -                              | 1.88                     | 1.76                | 0.04                   | -                              | 0.07                |
| 7. Vehicles             | 2.26                             | -                  | (0.14)                         | 2.12                     | 2.11                | 0.01                   | (0.13)                         | 0.14                |
| <b>Total</b>            | <b>165.26</b>                    | <b>3.81</b>        | <b>(0.14)</b>                  | <b>168.93</b>            | <b>105.81</b>       | <b>6.31</b>            | <b>(0.13)</b>                  | <b>56.94</b>        |
|                         |                                  |                    |                                |                          |                     |                        |                                | <b>59.46</b>        |

### Note :

1. Fair value of investment property as on 31st March, 2025 is ₹ 3.78 Cr.
2. Refer Note no.32 for information on capital work-in progress hypothecated/mortgaged as security by the Parent Company.



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 3 : NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

| Numbers<br>31-03-2025  | Particulars  | As At<br>31/03/2025 |
|--|--|---------------------|
| <b>Investment in quoted Equity instruments</b>   |  |                     |
| <b>Investment in equity shares (Fully paid up) accounted through other comprehensive income</b>                  |  |                     |
| 20000  | Equity Shares of GSL Nova Petrochemicals Ltd of ₹ 5 Each   | ₹ 10,600            |
| 10000  | Equity Shares of True Green Bio Energy Ltd (Previously Known as CIL Nova Petrochemicals Ltd ) of ₹ 10 Each | 0.03                |
| <b>Total : A</b>   |  | 0.03                |
| <b>Investment in Un-quoted Equity instruments</b>  |  |                     |
| <b>Investment in equity shares (Fully paid up) accounted through other comprehensive income at Fair Value</b>    |  |                     |
| 440000   | Equity Shares of Dholi Spintex Pvt Ltd of ₹10 Each   | 8.99                |
| 35000  | Equity Shares of Prakash Calender Pvt Ltd of ₹10 Each  | 0.12                |
| 150  | Equity Shares of Deepak Impex Pvt Ltd of ₹100 Each   | ₹ 9,834             |
| 20250  | Equity Shares of Chiripal Industries Ltd of ₹10 Each   | 0.50                |
| 303419   | Equity Shares of Grew Energy Pvt. Ltd. of ₹10 Each   | 3.29                |
| <b>Investment in equity shares (Fully paid up) (At Cost)</b>   |  |                     |
| 44   | Equity Shares of Ellisbridge Co-op Bank Ltd of ₹25 Each  | ₹ 1,100             |
| 4  | Equity Shares of Nutan Nagrik Sahakari Bank Ltd of ₹25 Each  | ₹ 100               |
| <b>Investment in Un-quoted Preference shares</b>   |  |                     |
| <b>Investment in preference shares (Fully paid up) accounted through Profit &amp; Loss account at Fair Value</b> |  |                     |
| 500000   | 0.01% Non Cumulative Convertible Preference Shares of Dholi Spintex Pvt Ltd of ₹ 125Each                   | 10.21               |
| <b>Total : B</b>   |  | <b>23.11</b>        |
| <b>Investment in Unquoted Equity Instruments Associate Entities at Equity Method (Refer Note no. 51)</b>         |  |                     |
| 1586325  | Equity Shares of Chiripal Textile Mills Pvt. Ltd. of ₹10 Each  | 24.56               |
| 1000000  | Equity Shares of Nandan Industries Pvt Ltd of ₹70 Each   | 3.34                |
| 736000   | Equity Shares of Quality Exim Pvt Ltd of ₹125 Each   | 8.15                |
| <b>Investment in Unquoted preference shares (At Cost)</b>  |  |                     |
| 332000   | 0.01% Non Cumulative Convertible Preference Shares of Quality Exim Pvt Ltd of ₹ 125 Each                   | 3.95                |
| 275000   | 0.01% Non Cumulative Convertible Preference Shares of Nandan Industries Pvt Ltd of ₹ 70 Each               | 1.79                |
| <b>Total : C</b>   |  | <b>41.78</b>        |
| <b>Total : A+B+C</b>   |  | <b>64.93</b>        |
| Aggregate amount of quoted investments   |  | 0.03                |
| Aggregate market value of quoted investments   |  | 0.03                |
| Aggregate amount of unquoted investments   |  | 64.89               |
| 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 4: NON-CURRENT FINANCIAL ASSETS - OTHERS

| Particulars   | As At<br>31/03/2025 |
|---|---------------------|
| Bank deposit with original maturity more than 12 months | 0.13                |
| Security Deposits                                       | 0.52                |
| <b>Total</b>  | <b>0.65</b>         |

### Notes :

- Earmarked balances with Banks 0.13
- 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 hypothecated as security by the Parent Company.

## Note - 5: OTHER NON-CURRENT ASSETS

| Particulars      | As At<br>31/03/2025 |
|------------------|---------------------|
| Capital advances | 0.75                |
| <b>Total</b>     | <b>0.75</b>         |

### Note:

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

## Note - 6: INVENTORIES

| Particulars                         | As At<br>31/03/2025 |
|-------------------------------------|---------------------|
| Raw materials & Packaging materials | 31.51               |
|                                     | <b>31.51</b>        |
| Work-in-progress                    | 12.75               |
| Finished goods                      | 67.01               |
|                                     | <b>79.77</b>        |
| Stores and spares                   | 3.80                |
|                                     | <b>3.80</b>         |
| <b>Total</b>                        | <b>115.08</b>       |

### Notes :

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

## Note - 7: CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

| Particulars  | As At<br>31/03/2025 |
|--|---------------------|
| Trade Receivable Secured, considered good  | -                   |
| Trade Receivable Unsecured, considered good  | 519.87              |
| Trade Receivable Unsecured, considered good from related parties (Refer note no. 37) | 6.47                |
| Trade Receivable Unsecured, credit impaired  | -                   |
|  | <b>526.34</b>       |
| Less: Allowance for credit impairment  | -                   |
| <b>Total</b>   | <b>526.34</b>       |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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

### 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 Parent Company.

### Trade receivables ageing schedule for current year and previous year

As at 31st March, 2025

| Particulars                                      | Outstanding for following periods from due date of payment |                    |                   |              |             |                   | Total         |
|--|--|--------------------|-------------------|--------------|-------------|-------------------|---------------|
|  | Not Due  | Less than 6 months | 6months to 1 year | 1-2 years    | 2-3 years   | More than 3 years |               |
| Undisputed Trade receivables considered good     | 339.07   | 135.03             | 8.55              | 27.02        | 1.28        | 15.39             | 526.34        |
| Undisputed Trade receivables considered doubtful | -  | -                  | -                 | -            | -           | -                 | -             |
| Disputed Trade receivables considered good       | -  | -                  | -                 | -            | -           | -                 | -             |
| Disputed Trade receivables considered doubtful   | -  | -                  | -                 | -            | -           | -                 | -             |
| <b>Total</b>                                     | <b>339.07</b>  | <b>135.03</b>      | <b>8.55</b>       | <b>27.02</b> | <b>1.28</b> | <b>15.39</b>      | <b>526.34</b> |

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

| Particulars                      | As At<br>31/03/2025 |
|----------------------------------|---------------------|
| <b>Cash and cash equivalents</b> |                     |
| Balance with banks               |                     |
| In current accounts              | 0.12                |
| Cash on hand                     | 0.09                |
| <b>Total</b>                     | <b>0.20</b>         |

### 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 Parent Company.

## Note - 9: CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

| Particulars   | As At<br>31/03/2025 |
|---|---------------------|
| <b>Other bank balances</b>  |                     |
| Deposit accounts  | 11.18               |
| (with original maturity more than 3 months but less than 12 months) |                     |
| <b>Total</b>  | <b>11.18</b>        |

### Notes:

- 1 Earmarked balances with Banks
- 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 Parent Company.



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 10: OTHER CURRENT ASSETS

| Particulars                                     | As At<br>31/03/2025 |
|---|---------------------|
| Advances to suppliers                           | 15.02               |
| Balance with statutory authorities              | 5.93                |
| Prepaid expenses                                | 2.43                |
| Advance against investment (refer note 2 below) | 6.50                |
| <b>Total</b>                                    | <b>29.88</b>        |

### Note:

- Refer note no.32 for Other Current Assets hypothecated as security by the Parent Company.
- During the year, the Parent Company has paid an advance of 6.50 lacs to shareholder of Nandan india Private Ltd. for the proposed acquisition of equity shares. As of the reporting date, the shares have not been transferred, and therefore, the amount has been presented as an advance under Other Current Assets.

The Parent Company yet not exercise significant influence or control over the investee. Upon completion of the share allotment and transfer of ownership, the investment will be classified appropriately in accordance with applicable Ind AS.

## Note - 11: Equity Share Capital

| Particulars                  | As at 31/03/2025 |               |
|------------------------------|------------------|---------------|
|                              | Number of shares | Amount        |
| <b>AUTHORISED</b>            |                  |               |
| Equity Shares of ₹ 5 each    | 300000000        | 150.00        |
|                              | <b>300000000</b> | <b>150.00</b> |
| <b>ISSUED AND SUBSCRIBED</b> |                  |               |
| Equity Shares of ₹ 5 each    | 197610003        | 98.81         |
| <b>FULLY PAID UP</b>         |                  |               |
| Equity Shares of ₹ 5 each    | 197610003        | 98.81         |
|                              | <b>197610003</b> | <b>98.81</b>  |

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

| Particulars                        | 2024-25          |              |
|------------------------------------|------------------|--------------|
|                                    | Number of shares | Amount       |
| Opening Balance                    | 197610003        | 98.81        |
| Bonus Share issued during the year | -                | -            |
| <b>Closing Balance</b>             | <b>197610003</b> | <b>98.81</b> |

- The Parent Company has only one class of equity shares having a par value of ₹5 per share
- The Parent company does not have any holding company
- Each shareholder of equity shares is entitled to one vote per share.
- In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

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

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

| Particulars                    | As at 31/03/2025 |        |
|--------------------------------|------------------|--------|
|                                | Number of shares | Amount |
| Equity shares                  |                  |        |
| 1. Chiripal Industries Limited | 57294000         | 28.99% |
| 2. Chiripal Exim LLP           | 12622350         | 6.39%  |

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

| Sr. No.                           | Name of promoter  | As at 31st March, 2025 |                   |                          |
|-----------------------------------|---|------------------------|-------------------|--------------------------|
|                                   |   | No of shares           | % of total shares | % change during the year |
| 1                                 | Brijmohan D Chiripal  | 7483500                | 3.79%             | 0.00%                    |
| 2                                 | Savitridevi V Chiripal                                      | 4067226                | 2.06%             | 0.00%                    |
| 3                                 | Pritidevi B Chiripal  | 3413997                | 1.73%             | 0.00%                    |
| 4                                 | Manjudevi Jaiprakash Chiripal                               | 2358000                | 1.19%             | 0.00%                    |
| 5                                 | Vineeta Chiripal  | 2169300                | 1.10%             | 0.00%                    |
| 6                                 | Vishal V Chiripal   | 2091996                | 1.06%             | 0.00%                    |
| 7                                 | Urmiladevi Jyotiprasad Chiripal                             | 2244000                | 1.14%             | 23.84%                   |
| 8                                 | Deepak J Chiripal   | 1512000                | 0.77%             | 0.00%                    |
| 9                                 | Aayushi Jaiprakash Agarwal                                  | 1338746                | 0.68%             | 0.00%                    |
| 10                                | Jaiprakash D Chiripal                                       | 1332000                | 0.67%             | 0.00%                    |
| 11                                | Jyotiprasad D Chiripal                                      | 1332000                | 0.67%             | 0.00%                    |
| 12                                | Nitika Deepak Chiripal                                      | 1332000                | 0.67%             | 0.00%                    |
| 13                                | Nishi J Agarwal   | 664000                 | 0.34%             | 0.00%                    |
| 14                                | Shiwani V. Chiripal   | 648000                 | 0.33%             | 0.00%                    |
| 15                                | Saloo J. Agarwal  | 0                      | 0.00%             | -100.00%                 |
| 16                                | Ronak B Agarwal   | 316689                 | 0.16%             | 0.00%                    |
| 17                                | Priyanka Brijmohan Chiripal                                 | 257850                 | 0.13%             | 0.00%                    |
| 18                                | Jaiprakash Chiripal - UNITY TRUST                           | 100                    | 0.00%             | 0.00%                    |
| 19                                | Chiripal Industries Limited                                 | 57294000               | 28.99%            | 0.00%                    |
| 20                                | Chiripal Exim Llp   | 12622350               | 6.39%             | 0.00%                    |
| 21                                | Tripoli Management Private Limited                          | 8082225                | 4.09%             | 0.00%                    |
| 22                                | Devkinandan Corporation Llp                                 | 7074000                | 3.58%             | 0.00%                    |
| 23                                | Nandan Corporation Llp                                      | 5711235                | 2.89%             | 0.00%                    |
| 24                                | Chiripal Textile Mills Private Limited                      | 2200000                | 1.11%             | 0.00%                    |
| 25                                | Quality Exim Private Limited                                | 2118686                | 1.07%             | 0.00%                    |
| 26                                | Nandan Industries Private Limited                           | 1297500                | 0.66%             | 0.00%                    |
| 27                                | Vedprakash Chiripal   | 7386177                | 3.74%             | 0.00%                    |
| 28                                | Brijmohan Devkinandan Chiripal (On behalf of Brij Trust)    | 100                    | 0.00%             | 0.00%                    |
| 29                                | Jaiprakash Chiripal (On behalf of Jai Trust)                | 100                    | 0.00%             | 0.00%                    |
| 30                                | Jyotiprasad Devkinandan Chiripal (On behalf of Jyoti Trust) | 100                    | 0.00%             | 0.00%                    |
| 31                                | Vedprakash Devkinandan Chiripal (On behalf of Ved Trust)    | 100                    | 0.00%             | 0.00%                    |
| Total promoter shares outstanding |   | 136347977              | 69.00%            |                          |

## Note - 12: OTHER EQUITY

| Particulars      | As At<br>31/03/2025 |
|------------------|---------------------|
| Security Premium |                     |
| Opening balance  | 15.22               |
| Closing balance  | 15.22               |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 12: OTHER EQUITY (Contd..)

| Particulars   | As At<br>31/03/2025 |
|---|---------------------|
| <b>Retained Earnings</b>                            |                     |
| Opening balance                                     | 290.04              |
| Add : Retained earnings during the year             | 29.01               |
| <b>Closing Balance</b>                              | <b>319.05</b>       |
| <b>Other Comprehensive Income</b>                   |                     |
| Opening balance                                     | 7.95                |
| Add:  |                     |
| Due to increase in Fair Value of Equity Instruments | (0.05)              |
| Due to Remeasurement of defined benefit plants      | 0.06                |
| <b>Closing balance</b>                              | <b>7.95</b>         |
| <b>Total</b>  | <b>342.22</b>       |

### 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 Group 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.

## Note - 12A: Money Received Against Share Warrants

| Particulars                           | As At<br>31/03/2025 |
|---------------------------------------|---------------------|
| Money received against Share Warrants | 38.17               |
| <b>Total</b>                          | <b>38.17</b>        |

### Notes:

##### 1 Money Received against Share Warrant

- The Parent company had issued 5,00,00,000 Compulsorily Convertible equity warrants having Face value of ₹ 5.00/- Each (warrant) by way of preferential issue for issue price of ₹ 30.60 per warrant including premium of ₹ 25.60/- per warrant upon receipt of amount aggregating to ₹ 38.25 crore at the rate of ₹ 7.65/- per warrant. (being 25% of issue price of ₹ 30.60/-)
- The above warrants entitle the allottee to apply for and be allotted equal number of equity shares for each warrant held by them on payment of balance 75% of the issue price within 18 months from the date of issue of these warrants.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 13: NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

| Particulars   | As At<br>31/03/2025 |
|---|---------------------|
| <b>Secured</b>                                      |                     |
| Term Loans from Banks (Refer note no. 1 to 3 below) | 30.01               |
| <b>Unsecured</b>                                    |                     |
| Inter corporate deposits (Refer note no. 4 below)   | 54.50               |
| <b>Total</b>  | <b>84.51</b>        |

### Notes:

| Sr.<br>No. | Particulars   | As at 31/03/2025 |         |
|------------|---|------------------|---------|
|            |   | Non Current      | Current |
| 1          | The Parent company has availed Lease Rental Discounting facility of ₹ 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.  | 26.53            | 7.14    |
| 2          | SBI Term Loan (Solar Roof Top )<br><br>Security :- 1) secured against exclusive charge over Machinery & Equipment of Roof Top solar installed on factory premises( hypothecation) .2) Personal Guarantee :- Mr. Ved Prakash Chiripal, Jyotiprasad Chiripal , Brijmohan Chiripal & Jaiprakash Chiripal.<br><br>Repayment Terms :- loan will be repaid in 75 equal Instalment of ₹ 425000/- starting from March 2024 and last installment of ₹ 225000/- will be paid in June 2030.<br><br>Effective Interest Rate : - 2.50% above MCLR i.e. Effective ROI 9.80% | 2.15             | 0.54    |
| 3          | Vehicles Loans are secured by hypothecation of vehicles in favour of Bank and other terms as prescribe by the respective banks. Effective rate of interest is 8.85 % to 9.53 % p.a  | 1.32             | 0.77    |
| 4          | Unsecured Inter corporate deposit is repayable after more then one year. The said loan is interest free.  | 54.50            | 0.00    |

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

6 The Parent company has complied few covenants for loan.

7 As at March 31, 2025, the register of charges of the Parent Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified since the inception of the Parent company.

## Note - 14: NON-CURRENT FINANCIAL LIABILITIES - OTHERS

| Particulars                               | As At<br>31/03/2025 |
|---|---------------------|
| Creditors for capital expenditure         | 0.73                |
| Security deposit for Lease Rental Service | 10.00               |
| <b>Total</b>                              | <b>10.73</b>        |



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 15: LONG TERM PROVISIONS

| Particulars  | As At<br>31/03/2025 |
|--|---------------------|
| Provision for employee benefits (Refer note no.35) | 1.31                |
| <b>Total</b>                                       | <b>1.31</b>         |

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

| Particulars   | As At<br>31/03/2025 |
|---|---------------------|
| <b>Deferred Tax Liability</b>                         |                     |
| Property, plant and equipment and investment property | 17.43               |
| Fair value of investments in equity instruments       | 1.13                |
| Fair value of investments in Preference instruments   | 0.47                |
| Amortisation of borrowing cost                        | 0.02                |
| <b>Total Deferred Tax Liabilities</b>                 | <b>19.05</b>        |
| <b>Deferred Tax Assets</b>                            |                     |
| Leave encashment and gratuity                         | 0.87                |
| Finance Expenses                                      | 0.01                |
| <b>Total Deferred Tax Assets</b>                      | <b>0.88</b>         |
| <b>Total</b>  | <b>18.17</b>        |

## Note - 17: CURRENT FINANCIAL LIABILITIES - BORROWINGS

| Particulars  | As At<br>31/03/2025 |
|--|---------------------|
| <b>Secured</b>   |                     |
| Cash credit facility (Refer note no. 1 & 2 below)                                | 164.71              |
| ECLGS Facility (Emergency Credit Line Guarantee Scheme) (Refer note no. 3 below) | 34.72               |
| Current Maturity of Term Loans (Refer note no. 13)                               | 8.45                |
| <b>Total</b>   | <b>207.89</b>       |

### Notes :

- The Cash Credit facility and packaging credit facility from banks ₹ 164.71 crore ( P.Y 182.66 crore) is secured against first paripasu charge on entire current assets of the Parent company present and future. Second paripasu charge on entire fixed assets of the Parent 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 Parent company, As on date 1,34,64,444 equity shares of the promoter.
- Effective interest rate of cash credit facility is in range of 9.50% p.a to 10.00% p.a (P.Y 9.20 % to 10.70%)
- Effective interest rate of ECLGS facility is in range of 8.90% p.a to 9.25% p.a ( P.Y 8.70% 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

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 18: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

| Particulars  | As At<br>31/03/2025 |
|--|---------------------|
| Trade Payables   |                     |
| - For Micro and Small Enterprises for Goods (Refer note no. 36)    | 8.60                |
| - For Micro and Small Enterprises for Services (Refer note no. 36) | 0.15                |
| - Other than Micro and Small Enterprises                           | 116.89              |
| <b>Total</b>   | <b>125.63</b>       |

### Note:

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

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

As at 31st March, 2025

| Particulars                          | Outstanding for following periods from due date of payment |                     |             |           |                      |               |
|--------------------------------------|--|---------------------|-------------|-----------|----------------------|---------------|
|                                      | Not due  | Less than<br>1 year | 1-2 years   | 2-3 years | More than<br>3 years | Total         |
| Micro and Small Enterprises          | 5.55   | 3.20                | -           | -         | -                    | 8.75          |
| Others                               | 4.67   | 112.15              | 0.07        | -         | -                    | 116.89        |
| Disputed Micro and Small Enterprises | -  | -                   | -           | -         | -                    | -             |
| Disputed Others                      | -  | -                   | -           | -         | -                    | -             |
| <b>Total</b>                         | <b>10.21</b>   | <b>115.35</b>       | <b>0.07</b> | <b>-</b>  | <b>-</b>             | <b>125.63</b> |

## Note - 19: OTHER CURRENT LIABILITIES

| Particulars                     | As At<br>31/03/2025 |
|---------------------------------|---------------------|
| Advance received from customers | 0.29                |
| Statutory liabilities           | 0.47                |
| Other                           | 1.84                |
| <b>Total</b>                    | <b>2.60</b>         |

## Note - 20: SHORT TERM PROVISIONS

| Particulars  | As At<br>31/03/2025 |
|--|---------------------|
| Provision for employee Benefits (Refer note no 35) | 2.08                |
| <b>Total</b>                                       | <b>2.08</b>         |

## Note - 21: CURRENT TAX LIABILITIES (NET)

| Particulars                | As At<br>31/03/2025 |
|----------------------------|---------------------|
| Income Tax Provision (net) | 13.50               |
| <b>Total</b>               | <b>13.50</b>        |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 22 : REVENUE FROM OPERATIONS

| Particulars                            | 2024-25         |
|--|-----------------|
| <b>A-Revenue from operations</b>       |                 |
| Sale of Products (Excluding all Taxes) |                 |
| - Finished Goods                       | 1,496.97        |
| - Traded Goods                         | -               |
|  | <b>1,496.97</b> |
| <b>B-Sale of Services</b>              | 6.30            |
| <b>C-Other operating revenues</b>      |                 |
| - Scrap Sale                           | 4.40            |
| - Store Sale                           | 0.16            |
| - Lease Rental                         | 12.00           |
| <b>Total</b>                           | <b>1,519.83</b> |

## Note - 23 : OTHER INCOME

| Particulars  | 2024-25     |
|--|-------------|
| a- Interest income                                       | 0.90        |
| b- Others  | 0.20        |
| c- Gain on fair value of investment in preference shares | 0.48        |
| d- Profit on sale of Asset                               | 0.02        |
| <b>Total</b>   | <b>1.60</b> |

## Note - 24 : COST OF MATERIALS CONSUMED

| Particulars  | 2024-25         |
|--|-----------------|
| Stock of Raw material and Packing material at the beginning of the year  | 27.74           |
| Add: Purchases (net)   | 1,372.79        |
| Less : Stock of Raw material and Packing material at the end of the year | 35.31           |
| <b>Cost of Raw material Consumed (Including Packaging Materials)</b>     | <b>1,365.22</b> |

## Note - 25: CHANGES IN INVENTORIES OF FINISHED GOODS

| Particulars                                      | 2024-25        |
|--|----------------|
| <b>Inventories at the beginning of the year:</b> |                |
| Finished goods                                   | 56.65          |
| <b>Total</b>                                     | <b>56.65</b>   |
| <b>Inventories at the end of the year:</b>       |                |
| Finished goods                                   | 67.01          |
| <b>Total</b>                                     | <b>67.01</b>   |
| <b>Changes in inventories of finished goods</b>  | <b>(10.36)</b> |

## Note - 25A: CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND WORK-IN-PROGRESS

| Particulars  | 2024-25       |
|--|---------------|
| <b>Inventories at the beginning of the year:</b>                     |               |
| Work-in-progress   | 9.58          |
| <b>Total</b>   | <b>9.58</b>   |
| <b>Inventories at the end of the year:</b>                           |               |
| Work-in-progress   | 12.75         |
| <b>Total</b>   | <b>12.75</b>  |
| <b>Changes in inventories of stock-in-trade and work-in-progress</b> | <b>(3.17)</b> |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 26: EMPLOYEE BENEFITS EXPENSE

| Particulars   | 2024-25      |
|---|--------------|
| Salaries and wages  | 29.72        |
| Contributions to provident and other funds (Refer note no.35) | 0.53         |
| Gratuity (Refer note no.35)                                   | 0.28         |
| Leave Encashment (Refer note no.35)                           | 0.01         |
| Staff welfare expense   | 0.09         |
| <b>Total</b>  | <b>30.63</b> |

## Note - 27: FINANCE COSTS

| Particulars  | 2024-25 |
|--|---------|
| Interest and finance charges on financial liabilities not at fair value through profit or loss | 26.43   |
| Others   | 13.22   |

## Note - 28: DEPRECIATION AND AMORTISATION EXPENSES

| Particulars   | 2024-25      |
|---|--------------|
| Depreciation on property, plant and equipment (Refer note no.2) | 26.89        |
| Depreciation on Investment Property (Refer note no.2B)          | 6.31         |
| <b>Total</b>  | <b>33.20</b> |

## Note - 29: OTHER EXPENSES

| Particulars                         | 2024-25      |
|-------------------------------------|--------------|
| <b>Power and Fuel Expenses</b>      | 2.63         |
| <b>Repairs and Maintenance</b>      |              |
| To Building                         | 0.01         |
| To Machinery                        | 1.54         |
| To Others                           | 1.66         |
|                                     | <b>3.21</b>  |
| Insurance Expenses                  | 0.87         |
| Rates and taxes                     | 0.90         |
| Payments to auditors                | 0.14         |
| Freight and transportation expenses | 4.58         |
| Donation                            | ₹ 36,000     |
| C S R Expenses (Refer note no. 45)  | 1.33         |
| Dalali and commission               | 0.01         |
| Other expenses                      | 7.68         |
| <b>Total</b>                        | <b>21.36</b> |

## Details of Payment to Auditors

| Particulars             | 2024-25     |
|-------------------------|-------------|
| a) Auditor Remuneration |             |
| I) Statutory Audit Fees | 0.10        |
| II) Tax Audit fees      | 0.03        |
| III) For Other Services | ₹ 20,000    |
| b) Cost Audit Fees      | 0.01        |
| <b>Total</b>            | <b>0.14</b> |



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 30 : TAX EXPENSES

| Particulars  | 2024-25           |
|--|-------------------|
| Current tax  | 15.70             |
| Tax Expense related to Prior Year/paid/written back                        | (0.12)            |
| Deferred tax   | 5.49              |
| <b>Total</b>   | <b>21.07</b>      |
| Income tax relating to items that will not be classified to profit or loss | ( ₹ 4,318)        |
| <b>Income Tax recognized in OCI (B)</b>                                    | <b>( ₹ 4,318)</b> |
| <b>Total (A+B)</b>   | <b>21.07</b>      |

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   | 2024-25       |
|---|---------------|
| Enacted income tax rate in India applicable to the Parent Company                           | 25.62%        |
| Profit before tax   | 44.90         |
| Current tax expenses on Profit before tax expenses at the enacted income tax rate in India  | 11.50         |
| Tax effect of the amounts which are not deductible/ (taxable) in calculating taxable income |               |
| Other deductible expenses   | 4.20          |
| Deferred tax Expense (net)  | 5.49          |
| Tax Expense related to Prior Year/paid/written back   | (0.12)        |
| <b>Total tax expenses</b>   | <b>21.07</b>  |
| Tax Expense related to Prior Year/paid/written back   | -             |
| Current year tax expense  | 21.07         |
| <b>Effective tax rate</b>   | <b>46.93%</b> |

### Note:

- In calculation of tax expense for the current year and earlier years, the Parent 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.
- Movement of Deferred tax assets and Liabilities

### Deferred tax assets/(liabilities)

| Particulars  | As at<br>31st March 2025 |
|--|--------------------------|
| <b>Tax Liabilities due to temporary timing difference in respect of:</b> |                          |
| Property, plant and equipment and investment property                    | 17.43                    |
| Fair value of investments in equity instruments                          | 1.13                     |
| Fair value of investments in Preference instruments                      | 0.47                     |
| Amortisation of borrowing cost   | 0.02                     |
| <b>Deferred tax liabilities</b>  | <b>19.05</b>             |
| <b>Tax Assets due to temporary timing difference in respect of:</b>      |                          |
| Leave encashment and gratuity  | 0.87                     |
| Finance Expenses   | 0.01                     |
| <b>Deferred tax Assets</b>   | <b>0.88</b>              |
| <b>Net deferred tax assets/(Liabilities)</b>                             | <b>18.17</b>             |
| Less : Opening Deferred Tax Liability                                    | 12.68                    |
| <b>Deferred tax credit / (expense) for the year</b>                      | <b>5.49</b>              |
| Carried to statement of Profit and Loss                                  | 5.49                     |
| Carried to Other Comprehensive Income                                    | ( ₹ 4,318)               |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 30 : TAX EXPENSES (Contd..)

As at March 31, 2025

| Movement during the year ended March 31, 2025         | As at<br>April 1, 2024 | Credit/(Charge)<br>in the statement<br>of profit and loss | Credit/<br>(Charge) in<br>OCI | As at<br>March 31, 2025 |
|---|------------------------|---|-------------------------------|-------------------------|
| Property, plant and equipment and investment property | 11.97                  | 5.46  |                               | 17.43                   |
| Fair value of investments in equity instruments       | 1.15                   |   | (0.02)                        | 1.13                    |
| Fair value of investments in Preference instruments   | 0.34                   | 0.12  |                               | 0.47                    |
| Amortisation of borrowing cost                        | 0.43                   | (0.41)  |                               | 0.02                    |
| Leave encashment and gratuity                         | -                      | (0.85)  | (0.02)                        | (0.87)                  |
| Finance Expenses                                      | -                      | (0.01)  |                               | (0.01)                  |
| Others  | (1.21)                 | 1.21  | -                             | -                       |
| <b>Net deferred tax assets/(liabilities)</b>          | <b>12.68</b>           | <b>5.53</b>   | <b>(0.04)</b>                 | <b>18.17</b>            |

## Note - 31: STATEMENT OF OTHER COMPREHENSIVE INCOME

| Particulars  | 2024-25           |
|--|-------------------|
| <b>(i) Items that will not be reclassified to profit or loss</b>                               |                   |
| 1. Equity Instruments through Other Comprehensive Income                                       | (0.07)            |
| 2. Remeasurement of defined benefit plans  |                   |
| Actuarial gains and losses   | 0.07              |
|  | <b>₹ 26,475</b>   |
| <b>(ii) Income tax relating to these items that will not be reclassified to profit or loss</b> |                   |
| Deferred Tax impact on equity instruments through other comprehensive income                   | 0.02              |
| Deferred Tax impact on actuarial gains and losses  | (0.02)            |
|  | <b>( ₹ 4,318)</b> |
| <b>Total</b>   | <b>₹ 22,157</b>   |

Note:

### A) Disaggregated Revenue Information

Set out below is the disaggregation of the company's revenue from contracts with customers:

| Segment  | For the year ended<br>March 31, 2025<br>Textiles |
|--|--|
| <b>Type of goods or service</b>                    |  |
| <b>Sale of manufactured goods</b>                  |  |
| Textile Products                                   | 1,496.97   |
| <b>Sale of traded products</b>                     |  |
| Textile Products                                   | -  |
| <b>Sale of Services</b>                            |  |
| Job Work Charges                                   | 6.30   |
| <b>Other Operating Revenue</b>                     |  |
| Scrap Sale   | 4.40   |
| Store Sale   | 0.16   |
| Lease rental                                       | 12.00  |
| <b>Total revenue from contracts with customers</b> | <b>1,519.83</b>                                  |
| India  | 1,518.28   |
| Outside India                                      | 1.56   |
| <b>Total revenue from contracts with customers</b> | <b>1,519.83</b>                                  |
| <b>Timing of revenue recognition</b>               |  |
| Goods transferred at a point in time               | -  |
| <b>Total revenue from contracts with customers</b> | <b>1,519.83</b>                                  |

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

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note - 31: STATEMENT OF OTHER COMPREHENSIVE INCOME (Contd..)

| Segment  | For the year ended<br>March 31, 2025 |
|--|--------------------------------------|
|  | Textiles                             |
| <b>Revenue</b>                                     |                                      |
| External customer                                  | 1,519.83                             |
| Inter-segment                                      | -                                    |
| Inter-segment adjustment and elimination           | -                                    |
| <b>Total revenue from contracts with customers</b> | <b>1,519.83</b>                      |

### B) Contract balances

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

| Particulars                                 | As at<br>March 31, 2025 |
|---|-------------------------|
| Trade receivables*                          | 526.34                  |
| Contract liabilities                        | -                       |
| Advances from customers (refer note no.19 ) | 0.29                    |

\*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                                 | As at<br>March 31, 2025 |
|---|-------------------------|
| Revenue as per contracted price             | 1,541.01                |
| <b>Adjustments</b>                          | -                       |
| Discount                                    | 21.17                   |
| <b>Revenue from contract with customers</b> | <b>1,519.83</b>         |

### D) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

| Particulars             | As at<br>March 31, 2025 |
|-------------------------|-------------------------|
| Advances from customers | 0.29                    |
| <b>Total</b>            | <b>0.29</b>             |

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 32 Assets Mortgage/Hypothecated as security

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

| Assets description                                   | 31/03/2025 |
|--|------------|
| <b>First and / or Second charge</b>                  |            |
| <b>I. Current Financial Assets</b>                   |            |
| Trade receivables                                    | 526.34     |
| Current Financial Assets - Cash And Cash Equivalents | 0.20       |
| Current Financial Assets - Other Bank Balances       | 11.18      |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 32 Assets Mortgage/Hypothecated as security (Contd..)

| Assets description                                       | 31/03/2025    |
|--|---------------|
| <b>II. Current Assets</b>                                |               |
| Inventories  | 115.08        |
| Other Current Assets                                     | 29.88         |
| Investments  | -             |
| <b>Total current assets hypothecated as security</b>     | <b>682.68</b> |
| <b>First and / or Second charge</b>                      |               |
| <b>III. Property, Plant and Equipment</b>                |               |
| A. Plant and equipments                                  | 90.96         |
| B. Freehold land   | -             |
| C. Buildings   | 32.17         |
| D. Lease Hold Improvements                               | 10.04         |
| E. Furniture & Fittings                                  | 3.43          |
| F. Office Equipments                                     | 0.54          |
| G. Vehicles  | 2.51          |
| <b>IV. Capital work in progress</b>                      | -             |
| <b>V. Investment Property (Refer Note No. 2B)</b>        | 56.66         |
| <b>VI. Non Current Financial Assets</b>                  |               |
| Investment   | 59.75         |
| Other Financial Assets                                   | 0.65          |
| <b>VII. Other Non Current Assets</b>                     | 0.75          |
| <b>Total non-current assets hypothecated as security</b> | <b>257.46</b> |
| <b>Total Assets hypothecated as Security</b>             | <b>940.15</b> |

## Note 33 Contingent assets / liabilities not provided for in accounts :

Contingent liabilities :

| Sr. No.  | Particulars  | As At<br>31/03/2025 |
|----------|--|---------------------|
| <b>A</b> | <b>Claims against the company not acknowledged as debt</b> |                     |
| 1        | For letters of credit (net off Margin)                     | 14.82               |
| 2        | For bank guarantee (net off Margin)                        | 1.55                |
| 3        | Corporate Guarantee Given                                  | 3.58                |
| <b>B</b> | <b>Others</b>  | <b>2.48</b>         |

### Notes:

- The Parent 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 Parent company does not expect the outcome of these proceedings to have materially adverse effect on its financial position. The Parent company does not expect any reimbursement in respect of the above contingent liabilities.
- The Parent 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 Parent company will arise only when customers make default in repayment of EDFs facility provided by bank. Outstanding as on 31st March, 2025 all customer collectively has outstanding of ₹ 10.26 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 Parent Company has provided all support and cooperation and the necessary documents and data to the Department, as requested by the Department. The Parent 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 Parent 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.



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 34

An operating segment is a component of the Parent 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 Parent Company's Managing Director (MD). The Parent 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.

|  | As at 31/03/2025 |               |                 |
|--|------------------|---------------|-----------------|
|  | India            | Outside India | Total           |
| <b>Revenue from operations*</b>                                      |                  |               |                 |
| External   | 1,518.28         | 1.56          | 1,519.83        |
| Internal Segment   | -                | -             | -               |
| <b>Total Revenue</b>   | <b>1,518.28</b>  | <b>1.56</b>   | <b>1,519.83</b> |
| <b>Other Information**</b>   |                  |               |                 |
| Carrying cost of segment non current assets <sup>a</sup>             | 257.75           | -             | 257.75          |
| carrying cost of segment assets                                      | 940.43           | -             | 940.43          |
| Addition to property plant and equipment including intangible assets | 12.36            | -             | 12.36           |

### Note:

\* Based on location of customer

\*\*Based on location of assets

<sup>a</sup> Excluding financial assets, and deferred tax assets

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

## Note 35 Employment Benefit Plans

The Parent company operates post employment and other long term employee benefits defined plans as follows:

### I. Defined Contribution plan

Contribution to Defined Contribution Plan, recognised as expenses for the year are as under:

| Particulars                               | 2024-25 |
|---|---------|
| Employer's Contribution to Provident Fund | 0.53    |

### 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  | 31/03/2025 |                  |
|--|------------|------------------|
|  | Gratuity   | Leave Encashment |
| <b>A. Reconciliation of opening and closing balances of Defined Benefit obligation</b> |            |                  |
| a. Obligation as at the beginning of the year  | 4.12       | 1.75             |
| b. Current Service Cost  | 0.26       | 0.03             |
| c. Interest Cost   | 0.09       | 0.01             |
| d. Actuarial Gain/(Loss)   | (0.07)     | (0.06)           |
| e. Benefits Paid   | (0.33)     | (0.01)           |
| f. Past Service Cost   | -          | -                |
| g. Obligation as at the end of the year  | 4.06       | 1.71             |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 35 Employment Benefit Plans (Contd..)

| Description   | 31/03/2025     |                  |
|---|----------------|------------------|
|   | Gratuity       | Leave Encashment |
| <b>B. Reconciliation of opening and closing balances of fair value of plan assets</b> |                |                  |
| a. Fair Value of Plan Assets as at the beginning of the year                          | 0.99           | -                |
| b. Expected return on Plan Assets   | 0.07           | -                |
| c. Actuarial Gain/(Loss)  | 0.00           | -                |
| d. Employer's Contributions   | -              | -                |
| e. Benefits Paid  | (0.33)         | -                |
| f. Fair Value of Plan Assets as at the end of the year                                | 0.73           | -                |
| <b>C. Reconciliation of fair value of assets and obligation</b>                       |                |                  |
| a. Fair Value of Plan Assets as at the end of the year                                | 0.73           | -                |
| b. Present Value of Obligation as at the end of the year                              | 4.06           | 1.71             |
| c. Amount recognised in the Balance Sheet   | 3.33           | 1.71             |
| <b>D. Investment Details of Plan Assets</b>   |                |                  |
| Bank balance  | -              | -                |
| Invested with Life Insurance Corporation of India                                     | 0.73           | -                |
| <b>E. Actuarial Assumptions</b>   |                |                  |
| a. Discount Rate (per annum)  | 6.55% to 7.00% | 0.07             |
| b. Estimated Rate of return on Plan Assets (per annum)                                | Not Applicable | Not Applicable   |
| c. Rate of escalation in salary (per annum)   | 6.00%          | 6.00%            |
| <b>F. Expenses recognised during the year</b>   |                |                  |
| <b>Expenses recognised during the year</b>  |                |                  |
| (i). Current Service Cost   | 0.26           | 0.03             |
| (ii). Interest Cost   | 0.09           | 0.01             |
| (iii). Expected return on Plan Assets   | 0.07           | -                |
| (vi). Actuarial Gain/(Loss)   | (0.07)         | (0.06)           |
| (v). Past Service Cost  | -              | -                |
| (vi). Expense recognised during the year  | 0.34           | (0.02)           |

### Notes:

- The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.
- The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Parent 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                        | 31/03/2025 |                  |          |                  |
|------------------------------------|------------|------------------|----------|------------------|
|                                    | Increase   |                  | Decrease |                  |
|                                    | Gratuity   | Leave Encashment | Gratuity | Leave Encashment |
| Discount rate (0.5% movement)      | 1.12       | 0.12             | 1.30     | 0.13             |
| Salary growth rate (0.5% movement) | 1.30       | 0.12             | 1.12     | 0.13             |

### 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.

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## 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<br>31/03/2025 |
|---|---------------------|
| Principal amount remaining unpaid to any supplier as at the year end  | 8.75                |
| Interest due thereon  | -                   |
| Amount of interest paid by the Parent 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   | -                   |

## 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 Parent 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        |
| 12      | Shanti Shirting Private Limited        |
| 13      | Chiripal Industries Limited            |
| 14      | Nandan Corporation LLP                 |
| 15      | Srikunj Weaving Private Limited        |
| 16      | Grew Energy Private Limited            |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 37 Related party disclosures as per Ind AS 24 (Contd...)

### C. Entities over which Promoter has Significant Influence

| Sr. no. | Name of the entity                               |
|---------|--|
| 1       | Chiripal Chartable Trust                         |
| 2       | Dholi Integrated Spinning Park Limited           |
| 3       | Vraj Integrated Textile Park Limited             |
| 4       | Nandan Denim Limited                             |
| 5       | Narol Textile Infrastructure & Inviro Management |
| 6       | Prakash Calender Private Limited                 |
| 7       | Shree Maharaja Agrasen Seva Sansthan             |
| 8       | Chiripal Foundation                              |
| 9       | Milestone Educom Trust                           |
| 10      | Happiness Reserves Foundation                    |
| 11      | Shanti Exports Private Limited                   |
| 12      | Hexa Biochem Private Limited                     |

### D. Key Management Personnel:

| Sr. no. | Particulars          | Designation                                       |
|---------|----------------------|---|
| 1       | Brijmohan D Chiripal | Managing Director                                 |
| 2       | Pramodkumar Sharma   | Whole Time Director (Till 29th May, 2024)         |
| 3       | Arvind Pandey        | Whole Time Director (From 29th May, 2024)         |
| 4       | Ravindrakumar Bajaj  | Whole Time Director                               |
| 5       | Sushanta Kumar Panda | Independent Director                              |
| 6       | Shubhnkar Jha        | Independent Director (Till 30th September, 2024)  |
| 7       | Dhara Shah           | Independent Director (Till 30th September, 2024)  |
| 8       | Ramkrishna Dash      | Independent Director (From 1st October, 2024)     |
| 9       | Roma Sanghani        | Independent Director (From 1st October, 2024)     |
| 10      | Vinay Thadani        | Chief Executive Officer (Till 4th February, 2025) |
| 11      | Suketu Shah          | Chief Executive Officer (From 5th February, 2025) |
| 12      | Dharmesh Dattani     | Chief Financial Officer                           |
| 13      | Pooja Dhruve         | Company Secretary (Till 24th April, 2025)         |

### E. Key Management Personnel compensation:

| Particulars                        | 2024-25     |
|------------------------------------|-------------|
| Short-term employee benefits       | 0.02        |
| Long-term post employment benefits | 0.01        |
| <b>Total compensation</b>          | <b>0.03</b> |

## 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 | 2024-25 |
|----|---|---------|
| 1  | <b>Sale of goods/services</b>                 | 3.66    |
|    | Nandan Terry Limited                          | 2.32    |
|    | Dholi Spintex Private Limited                 | 1.32    |
|    | Chiripal Industries Limited                   | 0.02    |



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 37 Related party disclosures as per Ind AS 24 (Contd...)

| B.       | Entities over which Promoter exercise control | 2024-25      |
|----------|---|--------------|
| <b>2</b> | <b>Purchase of materials/services</b>         | <b>30.95</b> |
|          | Dholi Spintex Private Limited                 | -            |
|          | Hunky Dory Travel Private Limited             | 0.01         |
|          | Quality Exim Private Limited                  | 0.06         |
|          | Nova Textile Private Limited                  | 18.91        |
|          | Deepak Impex Private Limited                  | 6.02         |
|          | Grew Renewables Private Limited               | 0.04         |
|          | Srikunj Weaving Private Limited               | 4.05         |
|          | Brijmohan D Chiripal                          | 0.30         |
|          | Pritidevi B Chiripal                          | 0.30         |
|          | Nandan Corporation LLP                        | 1.25         |
| <b>3</b> | <b>Investments</b>                            | <b>9.48</b>  |
|          | Chiripal Textile Mills Private Limited        | 3.49         |
|          | Quality Exim Private Limited                  | 4.99         |
|          | Grew Energy Private Limited                   | 0.99         |
| <b>4</b> | <b>Net closing balance - debit</b>            | <b>10.22</b> |
| <b>5</b> | <b>Net closing balance - credit</b>           | <b>-</b>     |

| C.       | Entities over which Promoter has Significant Influence | 2024-25     |
|----------|--|-------------|
| <b>1</b> | <b>Purchase of materials</b>                           | <b>3.98</b> |
|          | Dholi Integrated Spinning Park Limited                 | 0.60        |
|          | Nandan Denim Limited                                   | 0.02        |
|          | Shanti Exports Private Limited                         | 0.10        |
|          | Hexa Biochem Private Limited                           | 0.07        |
|          | Narol Textile Infrastructure & Inviro Management       | 3.19        |
| <b>2</b> | <b>Guarantee Commission</b>                            | <b>0.01</b> |
|          | Prakash Calender Private Limited                       | 0.01        |
| <b>3</b> | <b>Donation</b>  | <b>0.41</b> |
|          | Happiness Reserves Foundation                          | 0.15        |
|          | Chiripal Foundation                                    | 0.05        |
|          | Shree Maharaja Agrasen Seva Sansthan                   | 0.21        |
| <b>4</b> | <b>Net closing balance - debit</b>                     | <b>-</b>    |
| <b>5</b> | <b>Net closing balance - credit</b>                    | <b>1.24</b> |

| D.       | Key Management Personnel     | 2024-25     |
|----------|------------------------------|-------------|
| <b>1</b> | <b>Remuneration</b>          |             |
|          | <b>Salary and Allowances</b> | <b>3.97</b> |
|          | Brijmohan D Chiripal         | 1.55        |
|          | Dhara Shah                   | ₹ 40,000    |
|          | Susanta Kumar Panda          | 0.01        |
|          | Ramkrishna Dash              | 0.01        |
|          | Roma Sanghani                | ₹ 20,000    |
|          | Ravindrakumar Bajaj          | 0.42        |
|          | Pramodkumar Sharma           | 0.03        |
|          | Arvind Pandey                | 0.14        |
|          | Vinay Thadani                | 1.27        |
|          | Suketu Shah                  | 0.16        |
|          | Dharmesh Dattani             | 0.27        |
|          | Pooja Dhruve                 | 0.09        |

### 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 Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 38 Financial instruments – Fair values and risk management

### I. Accounting classification and fair values

| 31/03/2025  | Carrying amount |              |                |               | Carrying amount                           |  |  |               |
|---|-----------------|--------------|----------------|---------------|---|--|--|---------------|
|   | FVTPL           | FVTOCI       | Amortised Cost | Total         | Level 1<br>Quoted price in active markets | Level 2<br>Significant observable inputs | Level 3<br>Significant unobservable inputs | Total         |
| <b>Financial assets measured at each reporting date</b> |                 |              |                |               |   |  |  |               |
| Investments   |                 |              |                |               |   |  |  |               |
| Listed equity instruments                               | -               | 0.03         | -              | 0.03          | 0.03                                      | -  | -  | 0.03          |
| Unquoted equity instruments                             | -               | 12.90        | 30.87          | 43.77         | -   | -  | 12.90                                      | 12.90         |
| Unquoted preference instruments                         | 10.21           | -            | 5.74           | 15.96         | -   | -  | 15.96                                      | 15.96         |
| <b>Financial assets measured at amortised cost</b>      |                 |              |                |               |   |  |  |               |
| Other non current financial assets                      | -               | -            | 0.65           | 0.65          | -   | -  | 0.65                                       | 0.65          |
| Trade receivables                                       | -               | -            | 526.34         | 526.34        | -   | -  | 526.34                                     | 526.34        |
| Cash and cash equivalents                               | -               | -            | 0.20           | 0.20          | -   | -  | 0.20                                       | 0.20          |
| Other bank balances                                     | -               | -            | 11.18          | 11.18         | -   | -  | 11.18                                      | 11.18         |
| <b>Total Financial Assets</b>                           | <b>10.21</b>    | <b>12.93</b> | <b>574.98</b>  | <b>598.12</b> | <b>0.03</b>                               | <b>-</b>                                 | <b>567.22</b>                              | <b>567.26</b> |
| <b>Financial liabilities measured at amortised cost</b> |                 |              |                |               |   |  |  |               |
| Non current borrowings                                  | -               | -            | 84.51          | 84.51         | -   | -  | 84.51                                      | 84.51         |
| Current Borrowings                                      | -               | -            | 207.35         | 207.35        | -   | -  | 207.35                                     | 207.35        |
| Trade payables  | -               | -            | 125.63         | 125.63        | -   | -  | 125.63                                     | 125.63        |
| Other Non Current Financial Liability                   | -               | -            | 10.73          | 10.73         | -   | -  | 10.73                                      | 10.73         |
| <b>Total Financial Liabilities</b>                      | <b>-</b>        | <b>-</b>     | <b>428.76</b>  | <b>428.76</b> | <b>-</b>                                  | <b>-</b>                                 | <b>428.76</b>                              | <b>428.76</b> |

#### 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

|                                    | 31/03/2025      |              |
|------------------------------------|-----------------|--------------|
|                                    | Carrying amount | Fair value   |
| <b>Financial assets</b>            |                 |              |
| <b>Investments</b>                 |                 |              |
| Other non current financial assets | 59.75           | 59.75        |
| <b>Total financial assets</b>      | <b>59.75</b>    | <b>59.75</b> |
| <b>Financial liabilities</b>       |                 |              |
| Non current borrowings             | 84.51           | 84.51        |
| Other non current financial assets | 10.73           | 10.73        |
| <b>Total financial liabilities</b> | <b>95.24</b>    | <b>95.24</b> |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 38 Financial instruments – Fair values and risk management (Contd..)

### 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 | <p>Market comparison technique: The valuation model is based on two approaches :</p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Market approach - relies on signs from the real market place to determine what a business is worth. The market approach based valuation methods establish the business value in comparison to similar businesses. The methods rely on the pricing multiples which determine a relationship between the business economic performance, such as its revenues or profits, and its potential selling price. The valuation has been made considering the following weightage to the above approaches:<br/>Asset approach : 70%<br/>Market approach : 30%</li> </ol> | Comparable unobservable entity has been taken as a base for the valuation of unquoted equity shares | <p>The estimated fair value would increase (decrease) if:</p> <p>There is a change in pricing multiple owing to change in earnings of the entity.</p> |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 38 Financial instruments – Fair values and risk management (Contd..)

### 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                    | 31/03/2025                 |          |
|--|----------------------------|----------|
|  | Other Comprehensive Income |          |
|  | Increase                   | Decrease |
| Unquoted equity instruments measured through OCI |                            |          |
| 5% movement                                      | 0.64                       | 0.64     |

| Significant observable inputs  | 31/03/2024                 |          |
|--|----------------------------|----------|
|  | Other Comprehensive Income |          |
|  | Increase                   | Decrease |
| Unquoted preference instruments measured through profit and Loss account |                            |          |
| 5% movement  | 0.80                       | 0.80     |

## Note 39 Financial risk management

The parent company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

### 1. Risk management framework

The parent Company's board of directors has overall responsibility for the establishment and oversight of the parent Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the parent Company's risk management policies.

The parent Company's risk management policies are established to identify and analyse the risks faced by the parent 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 Parent 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 Parent Company's audit committee oversees how management monitors compliance with the parent Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the parent Company,

### 2. Credit risk

Credit risk is the risk of financial loss to the parent Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the parent 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:

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 39 Financial risk management (Contd..)

### A. Trade receivables

The parent company has developed guidelines for the management of credit risk from trade receivables. The parent 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 parent 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 parent company have not undergone any substantial change, the parent 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 parent 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, 2025, the ageing of trade and other receivables that were not impaired was as follows.

| Particulars   | Carrying amount |           |               |
|---|-----------------|-----------|---------------|
|   | 31/03/2025      |           |               |
|   | Gross           | Provision | Net           |
| Not Due   | 339.07          | -         | 339.07        |
| Less than 6 months                                      | 135.03          | -         | 135.03        |
| 6months to 1 year                                       | 8.55            | -         | 8.55          |
| 1-2 years   | 27.02           | -         | 27.02         |
| 2-3 years   | 1.28            | -         | 1.28          |
| More than 3 years                                       | 15.39           | -         | 15.39         |
|   | <b>526.34</b>   | <b>-</b>  | <b>526.34</b> |
| <b>% of expected credit losses (More than 365 days)</b> |                 |           |               |

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 31.03.2025.

## Note 40 Financial instruments – Fair values and risk management

### Liquidity risk

Liquidity risk is the risk that the Parent Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Parent 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 Parent company's reputation.



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 40 Financial instruments – Fair values and risk management (Contd..)

The Parent 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 Parent company had access to the following undrawn borrowing facilities at the end of the reporting period:

| Particulars  | As At      |
|--|------------|
| Floating rate  | 31/03/2025 |
| <b>Fund Base</b>   | 35.29      |
| Expiring within one year (bank overdraft and other facilities) |            |
| <b>Non Fund Base</b>   | 29.11      |
| 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.

| 31/03/2025                          | Carrying amount | Less than 12 months | 1-2 years | 3-5 years | More than 5 years | Total  |
|-------------------------------------|-----------------|---------------------|-----------|-----------|-------------------|--------|
| <b>Financial liabilities</b>        |                 |                     |           |           |                   |        |
| Non current borrowings*             | 92.96           | 8.45                | 16.15     | 68.35     | -                 | 92.96  |
| Current borrowing                   | 164.71          | 164.71              | -         | -         | -                 | 164.71 |
| ECLGS Facility*                     | 34.72           | 18.17               | 16.06     | 0.48      | -                 | 34.72  |
| Trade payable                       | 125.63          | 482.65              | 27.02     | 16.67     | -                 | 526.34 |
| Other current financial liabilities | 10.73           | -                   | -         | -         | 10.73             | 10.73  |

## 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 Parent 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 Parent Company is Indian Rupee. The Parent Company is exposed to currency risk on account of payables and receivables in foreign currency. The Parent has formulated policy to meet the currency risk.

Parent company does not use derivative financial instruments for trading or speculative purposes.

#### 1. Foreign Currency Exposure

| Particulars                            | Currency | 31/03/2025 |
|--|----------|------------|
| a) Against export                      | USD      | -          |
|  | INR      | -          |
| b) Net statement of financial exposure | USD      | -          |
|  | INR      | -          |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 41 Financial instruments – Fair values and risk management (Contd..)

### 2. Sensitivity

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

| As on 31.03.2025<br>Particulars        | Impact on profit before tax |          |
|--|-----------------------------|----------|
|  | Increase                    | Decrease |
| Currency rates (5% increase/ decrease) | -                           | -        |
| USD                                    |                             |          |

### B. Interest rate risk

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

#### 1. Exposure to interest rate risk

The exposure of the Parent company's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars                      | 31/03/2025    |
|----------------------------------|---------------|
| <b>Fixed-rate instruments</b>    |               |
| Financial assets                 | 11.82         |
| Financial liabilities            | -             |
| <b>Total</b>                     | <b>11.82</b>  |
| <b>Variable-rate instruments</b> |               |
| Financial liabilities            | 292.39        |
| <b>Total</b>                     | <b>292.39</b> |

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

| As on 31.03.2025               | Bank loans |
|--------------------------------|------------|
| Weighted average interest rate | 10.00%     |
| Balance (₹ in crore)           | 292.39     |
| % 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 31.03.2025<br>Particulars           | Impact on profit before tax |          |
|---|-----------------------------|----------|
|   | Increase                    | Decrease |
| Interest rates (0.50% increase/ decrease) | 1.46                        | 1.46     |

### 3. Fair value sensitivity analysis for fixed-rate instruments

The Parent company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group 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 Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 42 Disclosure relating to various ratios

| Sr. No. | Ratio Name                                    | Particulars                                | Ratio 2024-25 | % of Variance | Reason for Variance |
|---------|---|--|---------------|---------------|---------------------|
| 1       | Current Ratio<br>(In times)                   | Current Assets<br>Current Liability        | 1.94          | NA            | NA                  |
| 2       | Debt Service Coverage Ratio<br>(In times)     | EBIDTA<br>(Interest+Repayment)             | 3.05          | NA            | NA                  |
| 3       | Inventory Turnover Ratio<br>(In times)        | Sales<br>Average Inventory                 | 14.54         | NA            | NA                  |
| 4       | Trade Payable Turnover Ratio<br>(In times)    | Net Purchase<br>Average Trade Payable      | 12.53         | NA            | NA                  |
| 5       | Net Profit Ratio<br>(In %)                    | Net Profit<br>Net Sales                    | 1.91          | NA            | NA                  |
| 6       | Debt-Equity Ratio<br>(In times)               | Total Debt<br>Total Shareholder Equity     | 0.61          | NA            | NA                  |
| 7       | Return on Equity ratio<br>(In %)              | Net Income<br>Average Shareholder's Equity | 6.51          | NA            | NA                  |
| 8       | Trade Receivable Turnover Ratio<br>(In times) | Net Sales<br>Average Trade Receivable      | 2.93          | NA            | NA                  |
| 9       | Net Capital Turnover Ratio<br>(In times)      | Net Sales<br>Working Capital               | 4.59          | NA            | NA                  |
| 10      | Return on Capital Employed Ratio<br>(In %)    | EBIT<br>Capital Employed                   | 11.36         | NA            | NA                  |
| 11      | Return on Investment<br>(In %)                | Refer Note no. 1 below                     | 30.21         | NA            | NA                  |

### Note:

#### 1 Return on Investment

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

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

Where,

T1 = End of time period

T2 = Beginning of time period

T = Specific date falling between T1 and T0

MV(T1) = Market value at T1

MV(T0) = Market value at T0

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

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

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 43 Capital management

For the purpose of the Parent 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 Parent company's capital management is to maximise the shareholder value.

The Parent 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 Parent company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Parent company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Parent company includes within net debt, borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

| Particulars                                | As At<br>31/03/2025 |
|--|---------------------|
| Total Liabilities                          | 466.41              |
| Less : Cash and bank balances              | 11.38               |
| <b>Adjusted net debt</b>                   | <b>455.03</b>       |
| Total equity                               | 479.20              |
| Adjusted net debt to adjusted equity ratio | 0.95                |

In order to achieve this overall objective, the Parent 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 2025 and 31 March 2024.

## Note 44 Earnings per share

| Particulars                                       | [Number of shares]<br>31/03/2025 |
|---|----------------------------------|
| Issued equity shares                              | 197610003                        |
| Weighted average shares outstanding - Basic - A   | 197610003                        |
| Weighted average shares outstanding - Diluted - B | 225281236                        |

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

| Particulars                                   | 31/03/2025 |
|---|------------|
| Profit and loss after tax for Basic EPS - C   | 29.01      |
| Profit and loss after tax for Diluted EPS - D | 29.01      |
| Basic Earnings per share [C/A] [₹]            | 1.47       |
| Diluted Earnings per share [D/B] [₹]          | 1.29       |

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 Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## 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:

| Particulars  | Year ended 31st March, 2025 |
|--|-----------------------------|
| I. Amount required to be spent by the Parent company during the year | 1.33                        |
| II. Amount spent by the Parent company during the year on:           |                             |
| a) Construction/acquisition of any assets                            | -                           |
| b) For purpose other than (a) above                                  | 1.33                        |
| III. Shortfall at the end of the year                                | -                           |
| IV. Total of previous year shortfall                                 | -                           |
| V. Reason of Shortfall   | NA                          |
| VI. Amount carried forward at the end of the year                    | -                           |

VI. Nature of CSR activities - To promoting education, employment enhancing vocation skills especially among children and women.

## 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 Parent company does not have any Benami property, where any proceeding has been initiated or pending against the Parent company for holding any Benami property.
- The Parent company has a Fund-based and Non-fund-based limits of Working Capital from Banks and Financial institutions. For the said facility, the Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 47

The financial statements are approved by the audit committee and Board of Directors at its meeting held on 21st May, 2025. The said financial statements are subject to approval of Share Holders in Annual General Meeting.

## Note 48

Parent 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  | 2024-25 |
|--|---------|
| Corporate guarantee given to Narol Textile Infrastructure & Inviro Management for Common Effluent Treatment Plant (CETP) and balance at the year end | 3.58    |
| Investment during the year in Unquoted Equity Instruments Associate Entities (At Cost)   |         |
| Chiripal Textile Mills Private Limited   | 3.49    |
| Nandan Industries Private Limited  | -       |
| Quality Exim Private Limited   | 4.99    |
| Investment as on date in Unquoted Equity Instruments Associate Entities (At Cost)  |         |
| Chiripal Textile Mills Private Limited   | 21.27   |
| Nandan Industries Private Limited  | 2.50    |
| Quality Exim Private Limited   | 7.10    |
| Investment as on date in Unquoted preference shares (At Cost)  |         |
| Quality Exim Private Limited   | 3.95    |
| Nandan Industries Private Limited  | 1.79    |

## Note 49

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

## Note 50 : Events occurring after the reporting period

### 1. Allotment of Shares in Associate Company

The Parent Company had advanced 6.50 Crores for the proposed acquisition of equity shares in Nandan Industries Private Limited prior to the balance sheet date. After the reporting date, but before approval of the financial statements, the Parent Company was allotted 5,28,100 equity shares, thereby establishing or increasing its stake in the associate. This transaction is a non-adjusting event under Ind AS 10.

### 2. No Other Material Events

Based on management's evaluation, there have been no other material events occurring after the balance sheet date that would require adjustment to or disclosure in the financial statements for the year ended 31st March, 2025.

## Note 51 Interest in Other Entities

Disclosures pursuant to Ind AS 112 "Disclosure of interest in other entities" : Associates companies

### a) Summarised Balance Sheet of Associates Companies

As at 31/03/2025

| Particulars                     | Associates Companies                   |                                   |                              |
|---------------------------------|--|-----------------------------------|------------------------------|
|                                 | Chiripal Textile Mills Private Limited | Nandan Industries Private Limited | Quality Exim Private Limited |
| <b>Current Assets</b>           |  |                                   |                              |
| Cash and bank balances          | 3.82                                   | 3.74                              | 4.07                         |
| Other Assets                    | 175.03                                 | 102.80                            | 107.74                       |
| <b>Total Current Assets (A)</b> | <b>178.85</b>                          | <b>106.54</b>                     | <b>111.81</b>                |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 51 Interest in Other Entities (Contd..)

| Particulars   | Associates Companies                   |                                   |                              |
|---|--|-----------------------------------|------------------------------|
|   | Chiripal Textile Mills Private Limited | Nandan Industries Private Limited | Quality Exim Private Limited |
| <b>Total Non Current Assets</b> (B)                     | 69.65                                  | 47.47                             | 58.61                        |
| <b>Current Liabilities</b>                              |  |                                   |                              |
| Financial Liabilities (Excluding Trade Payable)         | (54.79)                                | (39.46)                           | (26.29)                      |
| Other Current Liabilities (Including Trade payable)     | (60.14)                                | (32.79)                           | (57.29)                      |
| <b>Total Current Liabilities</b> (C)                    | <b>(114.93)</b>                        | <b>(72.25)</b>                    | <b>(83.58)</b>               |
| <b>Non Current Liabilities</b>                          |  |                                   |                              |
| Financial Liabilities (Excluding Trade Payable)         | (44.92)                                | (24.46)                           | (23.76)                      |
| Other Non current Liabilities (Including Trade Payable) | (11.96)                                | (5.80)                            | (12.37)                      |
| <b>Total Current Liabilities</b> (D)                    | <b>(56.88)</b>                         | <b>(30.26)</b>                    | <b>(36.13)</b>               |
| <b>Net Assets</b> (A+B+C+D)                             | <b>76.69</b>                           | <b>51.50</b>                      | <b>50.71</b>                 |

### b) Reconciliation of carrying amounts of Associates entities :

| Particulars   | Associates Companies                   |                                   |                              |
|---|--|-----------------------------------|------------------------------|
|   | Chiripal Textile Mills Private Limited | Nandan Industries Private Limited | Quality Exim Private Limited |
| Opening Net Assets                                  | 66.91                                  | 46.84                             | 45.29                        |
| Profit/ (Loss) for the year                         | 8.68                                   | 3.61                              | 3.74                         |
| Other Comprehensive income for the year             | 1.11                                   | 1.06                              | 1.67                         |
| <b>Closing Net assets</b>                           | <b>76.69</b>                           | <b>51.50</b>                      | <b>50.71</b>                 |
| Group's share % (Refer Note 1 & 2 below)            | 42.36%                                 | 23.17%                            | 37.92%                       |
|   | <b>32.49</b>                           | <b>11.94</b>                      | <b>19.23</b>                 |
| Other Adjustments                                   | (7.93)                                 | (8.60)                            | (11.08)                      |
| Group's share                                       | 24.56                                  | 3.34                              | 8.15                         |
| Carrying Amount of Investment in Associates Company | 24.56                                  | 3.34                              | 8.15                         |

### Notes

- On 24th March,2025, the Parent company acquired an additional 4.64% equity interest in Chiripal Textile Mills Private Limited , an existing associate. The acquisition increased the Parent company's ownership interest from 37,72% to 42.36%. The total consideration paid for the additional shares was 3.49 crore.
- On 19th March,2025, the Parent company acquired an additional 9.89% equity interest in Quality Exim Private Limited , an existing associate. The acquisition increased the Parent company's ownership interest from 28.03% to 37.92%. The total consideration paid for the additional shares was 4.99 crore.

### C) Summarised Statement of Profit and Loss of Associates Companies:

| Particulars                             | Associates Companies                   |                                   |                              |
|---|--|-----------------------------------|------------------------------|
|   | Chiripal Textile Mills Private Limited | Nandan Industries Private Limited | Quality Exim Private Limited |
| Revenue                                 | 607.14                                 | 268.80                            | 260.12                       |
| Other Income                            | 0.59                                   | 0.37                              | 0.57                         |
| Expenses                                | (595.92)                               | (263.51)                          | (255.74)                     |
| Tax Expenses                            | (3.14)                                 | (2.05)                            | (1.20)                       |
| Profit/(Loss) for the year (A)          | 8.68                                   | 3.61                              | 3.74                         |
| Other Comprehensive income (B)          | 1.11                                   | 1.06                              | 1.67                         |
| <b>Total Comprehensive income (A+B)</b> | <b>9.79</b>                            | <b>4.66</b>                       | <b>5.41</b>                  |

# Notes to Consolidated Financial Statements

for the year ended 31st March, 2025

(All amounts in ₹ Crores, unless otherwise stated)

## Note 51 Interest in Other Entities (Contd..)

### D) Carrying amount of investments in Associates entities

| Name of Associates                     | As at<br>31/03/2025 |
|--|---------------------|
| Chiripal Textile Mills Private Limited | 24.56               |
| Nandan Industries Private Limited      | 3.34                |
| Quality Exim Private Limited           | 8.15                |
| <b>Total</b>                           | <b>36.04</b>        |

### E) Share in profit/(loss) of associates (net):

| Name of Associates                     | As at<br>31/03/2025 |
|--|---------------------|
| Chiripal Textile Mills Private Limited | 3.29                |
| Nandan Industries Private Limited      | 0.84                |
| Quality Exim Private Limited           | 1.05                |
| <b>Total</b>                           | <b>5.17</b>         |

Material 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

UDIN: 25193591BMJGJN1234

**Brijmohan Chiripal**

Managing Director

DIN : 00290426

**Suketu Shah**

Chief Executive

Officer

**Dharmesh Dattani**

Chief Financial

Officer

Place: Ahmedabad

Date: 'May 21,2025

**Ravindrakumar Bajranglal Bajaj**

Whole-Time Director

DIN : 08243855

Place: Ahmedabad

Date: 'May 21,2025

## Notes







**CIN: L17110GJ1985PLCOO8206**

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