

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2019, in terms of Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

### 1. Company's Philosophy on code of Corporate Governance:

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

### 2. Board of Directors:

#### a) Composition of the Board:

As on 31<sup>st</sup> March, 2019, The Board of Director comprises of 5 Directors including woman director with optimum combination of Executive and Non-Executive Directors in which two Directors are Executive Directors and three Directors are Non-Executive Directors, of which three are independent directors.

The composition of the Board and other relevant details relating to Directors are given below:

Name of Director & DIN	Category	No. of Board meetings attended during the year	Whether previous AGM attended	No. of other entity			
				Director-ships in Public company	Director-ships*	Committee Memberships <sup>#</sup>	Committee Chairmanship <sup>5</sup>
Mr. Brijmohan D Chiripal DIN: 00290426	Managing Director, Promoter, Executive;	4	Yes	1	0	0	0
Mrs. Dhara Shah DIN: 06983857	Non-Executive; Independent	4	No	3	1. ACE Software Exports Limited 2. Toyam Industries Limited 3. Mayur Floorings Limited	1	1
Mr. Amit Kadmawala DIN: 07016454	Whole-Time director, Executive; Non-Independent	4	Yes	0	0	0	0
Mr. Shubhankar Jha DIN: 07208823	Non-Executive; Independent	3	Yes	0	0	0	0
Mr. Chitranjan Singh DIN: 07300731	Non-Executive; Independent	2	No	1	1. Shanti Educational Initiatives limited	0	2
Mr. Ponnusamy Shanmugraja* DIN:08013737	Whole Time Director Executive; Non-Independent	1	No	0	0	0	0

Note:

# \$ Memberships and Chairmanships of Audit Committee and Stakeholders Relationship Committee in Public Company have been considered.

\*Mr. Ponnusmay Shanmugraja – Whole Time Director of Company has resigned w.e.f. March 20, 2019.

#### b) Board Meetings:

During the year under review, 4 (Four) Meetings of the Board of Directors of the Company were convened on 29<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 13<sup>th</sup> February, 2019. The previous Annual General Meeting of the Company was conveyed on 20<sup>th</sup> September, 2018.



**c) Appointment / re-appointment of Directors:**

Details of appointments and re-appointments of Directors is provided in the notice of Annual General Meeting

**d) Relation between Directors: No relationships between directors.****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, 2019 holding of Non-Executive Directors in Equity Shares and convertible instruments are Nil in the Company.

**f) Familiarization Programme for Directors:**

The company explained the role, function, duties and responsibilities at the time of Appointment of Director and in addition the above the company also conducts to 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) The following skills/expertise/competencies available with the Board to function effectively:**

The following skills/expertise/competencies required in the contest of company's businesses have been identified by the Board for it to function effectively viz.:

- Accounting and Financial Skills
- Legal and Risk Management
- Corporate Governance
- Marketing
- Communication

**h) Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management:**

Board of Directors has confirmed that the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

**i) Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided: N.A.****3. Audit Committee:****a. Brief Description of Audit Committee:**

The Board has constituted a qualified and independent audit committee in accordance with the

terms of reference as prescribed in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. All members of audit committee are financially literate and bring the expertise in the fields of Finance, Taxations, Economics and Risk.

**b. Terms of Reference of the Audit Committee:**

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.
- The Audit Committee shall mandatorily review the following information:
- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - Statement of deviations:
    - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) SEBI (LODR) Regulations, 2015.
    - Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) SEBI (LODR) Regulations, 2015.
- C. Composition of Audit Committee and Number of Meetings Attended:**
- In Financial Year 2018-2019 four meetings of the Audit Committee were held on 29<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 13<sup>th</sup> February, 2019. The attendance each of the Committee Member is under:

Sr. No.	Name of the Committee Members	Designation	No. of meeting held during the year	No. of meetings attended
1.	Mr. Chitranjan Singh	Chairman	4	2
2.	Mrs. Dhara Shah	Member	4	4
3.	Mr. Shubhankar Jha	Member	4	3
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 2018-19.

#### 4. Nomination and Remuneration Committee ("NRC"):

##### a) Brief description of Terms of reference:

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

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 abovementioned purpose and may have requisite parameters as it may deem fit.

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

- I. To formulate criteria for determining qualifications, positive attributes and independence of a Director and oversee the

succession management process for the Board and senior management employees;

- II. To recommend the Board a policy relating to the remuneration of the Directors, KMPs and other employees of the Company;
  - III. To formulate criteria for evaluation of Independent Directors and the Board;
  - IV. To devise a policy on Board Diversity;
  - V. To carry out evaluation of every Director's performance;
  - VI. To identify persons who are qualified to become Director and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
  - VII. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  - VIII. To recommend to the board, all remuneration, in whatever form, payable to senior management.
- b) Composition of Nomination and Remuneration Committee and the number of meetings attended:
- During the financial year ended 31<sup>st</sup> March, 2019, 3 (Three) meeting held on 29<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018 and 13<sup>th</sup> February, 2019 in which following members of the committee were present :

Sr. No.	Name of the Committee Member	Designation	No. of meeting held during the year	No. of meetings attended
1.	Mrs. Dhara Shah	Chairman	3	3
2.	Mr. Chitranjan Singh	Member	3	2
3.	Mr. Shubhankar Jha	Member	3	2

##### c) Performance Evaluation Criteria for Independent Directors:

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

As required under Section 149 of the Companies Act, 2013 read with Schedule IV to the Act and Regulation 25 of

SEBI(LODR) Regulations, 2015 the Meeting of Independent Directors of the Company was held on 13<sup>th</sup> February, 2019 inter-alia to review the performance of non-independent Directors, the Chairperson of the Company and Board as a whole and to assess the quality, quantity and flow of information between the management and the Board. The said meeting was attended by all the Independent Directors of the Company.

##### d) Remuneration of Director:

- i. Remuneration to Non-Executive Directors:

There are no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company, except otherwise stated



in the Report;

All the Non-executive Directors receive sitting fees for attending Board Meetings, Audit Committee Meetings and Nomination and Remuneration Committee Meetings.

The sitting fees paid to Non-Executive Directors are within the limits prescribed under the Companies Act, 2013 read with the relevant Rules. The non-executive directors, have been paid sitting Fees per the limit prescribed in the Act.

Details of the sitting fees paid during the financial year 2018-19 are as under:

Name of the Director	Sitting fees paid (Amount in Rs.)
	Board/Committee Meeting
Mrs. Dhara Shah	40000
Mr. Chitranjan Singh	20000
Mr. Shubhankar Jha	60000

**ii. Remuneration to Executive Directors:**

Mr. Amit Kadmawala - Whole - time Director, Mr. Brijmohan Chiripal - Managing Director, Mr. Ponnusamy Shanmugraja -Whole Time Director are the Executive Directors of the Company.

Details of remuneration paid to the Executive Directors of the Company during the year ended March 31, 2019 are as under:

Name of the Executive Directors	Designation	Salary & Allowances	Contribution to PF	Total
Mr. Brijmohan Chiripal	Managing Director	59,06,952	7,07,142	66,14,094
Mr. Amit Kadmawala	Whole-time Director	7,83,000	Nil	7,83,000

\*Mr. Ponnusmay Raja has resigned as Whole Time Director w.e.f. March 20, 2019.

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 transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services. The Committee is headed by Mr. Chitranjan Singh, Chairman of the Committee who oversees the redressal of investor grievances.

During the financial year ended 31<sup>st</sup> March, 2019, this Committee had 4 (Four) meetings i.e. 29<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 13<sup>th</sup> February, 2019 in which following members of the Committee has attended the meetings:-

Name of Committee Members	Designation	No. of meetings held during the year	No. of meetings attended
Mr. Chitranjan Singh	Chairman	4	2
Mr. Shubhankar Jha	Member	4	3
Mrs. Dhara Shah	Member	4	4



Details of Investors' Grievances received, solved and pending during the year.

Quarter Ended	Pending at the beginning of the quarter	Received during the quarter	Disposed of during the quarter	Remaining during the quarter
30 <sup>th</sup> June, 2018	Nil	Nil	Nil	Nil
30 <sup>th</sup> September, 2018	Nil	Nil	Nil	Nil
31 <sup>st</sup> December, 2018	Nil	Nil	Nil	Nil
31 <sup>st</sup> March, 2019	Nil	Nil	Nil	Nil

#### 6. Risk management policy:

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

#### 7. General Body Meetings:

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

Financial Year	Date, Time and Venue of AGM	Special Resolutions passed
2017-18	20 <sup>th</sup> September, 2018 - 03.00 p.m 'Chiripal Bungalow, Beside Hitarupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad - 380058	a. Increase in NRI investment limit from 10% to 24% of the paid-up capital of the company b. Increase in the limit of Foreign Institutional Investors from 24% to 49% of the paid-up capital of the company
2016-17	28 <sup>th</sup> September, 2017 - 03.00 p.m 'Chiripal House', Near Shivranjani Cross Roads, Satellite ,Ahmedabad-380015	Appointment of Mr. Brijmohan D Chiripal (DIN:00290426) as Managing Director of the Company.
2015-16	20 <sup>th</sup> September, 2016 - 03.30 p.m. 'Chiripal House', Near Shivranjani Cross Roads, Satellite ,Ahmedabad-380015	Approval for offer, Issue and allot equity shares by way of Right issue to existing equity shareholders.

#### Postal Ballot and procedure:

Postal Ballot Resolution is not passed during the last year.

#### 8. Means of Communication

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings and published in newspapers like Financial Express (English & Gujarati edition) and same available on the website of the company at <https://vishalfabricsltd.com/>

#### 9. General Shareholder Information:



**9. General Shareholder Information:**

## a. Annual General Meeting

Date	28 <sup>th</sup> , September 2019
Time	03.00P.M.
Venue	Shanti Corporate House, Beside Hilarupa Hall, Opposite Landmark Hotel, Bopal, Ambli Road, Ahmedabad - 380058.
Financial Year ended	1 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
Dividend	The Board has not recommended any dividend for the financial year under review.
Registered Office	Ranipur Narol Road, Ahmedabad-382405 E-mail: cs.vfl@chiripalgroup.com Web-site: www.vishalfabricsltd.com Tel No.: 091-7925353981
List of Stock Exchanges	1) BSE Limited Address: Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001
Listing Fees	The Company has paid Annual Listing Fees to the Stock Exchange.
Custodian Fees to Depositories	The Company has paid fees for the Financial Year 2018-19 of Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).
Stock Code	BSE: 538598
ISIN of Company' Equity Shares:	INE755Q01025
Corporate Identification Number (CIN)	L17110GJ1985PLC008206

## b. Share Transfer System:

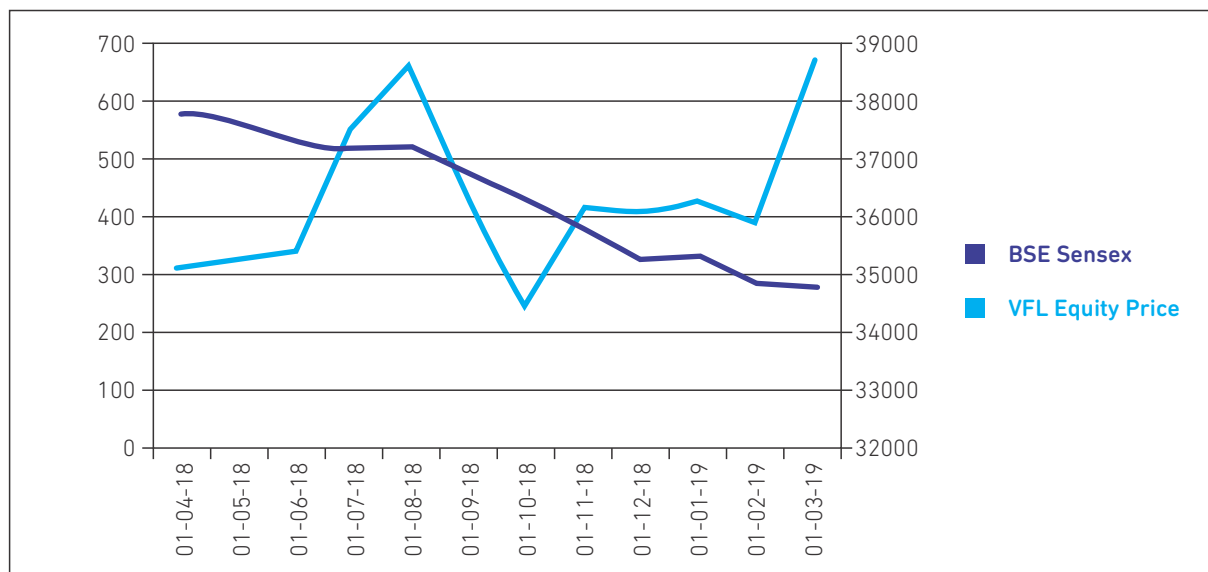
The Company has appointed M/s. Link Intime India Private Limited for dealing with the Shares of the Company in physical and electronic mode, they seek to complete the process of transfers at the earliest, subject to the documents being valid.

## c. Stock Market Price Data:

Monthly high and low prices of the Company's Equity Shares on BSE Sensex for the F.Y. 2018 - 2019 are noted herein below:

Month	High Price	Low Price	Close Price	Volume No. of Shares
Apr-18	690	573	579	307292
May-18	596	476	564	492762
Jun-18	568	533	536	755280
Jul-18	556	504	515	1133985
Aug-18	530	503	520	732952
Sep-18	527.9	421.6	475.8	759715
Oct-18	590	426	434	269201
Nov-18	434	365	373.5	508212
Dec-18	381	287.2	328.6	1085997
Jan-19	378	304	332.5	1314383
Feb-19	355	253.95	289	847549
Mar-19	344.9	230	280.2	908063



**Performance in comparison to broad-based indices viz. BSE Sensex****d. Registrar and Share Transfer Agent:**

For Demat Securities:

LinkIn time India Private Limited

5th Floor, 506-508 Amarnath Business Center -1, St Xaviers Corner, Chimanlal Girdharlal Rd,  
Sardar Patel Nagar, Ellisbridge, Ahmedabad, Gujarat 380009

Phone: 079 2646 5179

Website: www.linkintime.co.in

E-mail: ahmedabad@linkintime.co.in

**e. Share Transfer System:**

All matters pertaining to Share Transfer are being handled by LinkIn time India Private Ltd (Registrar and Share Transfer Agent of the Company).

**f. Distribution of Shareholding:**

- Distribution of Shareholding as on March 31, 2019:

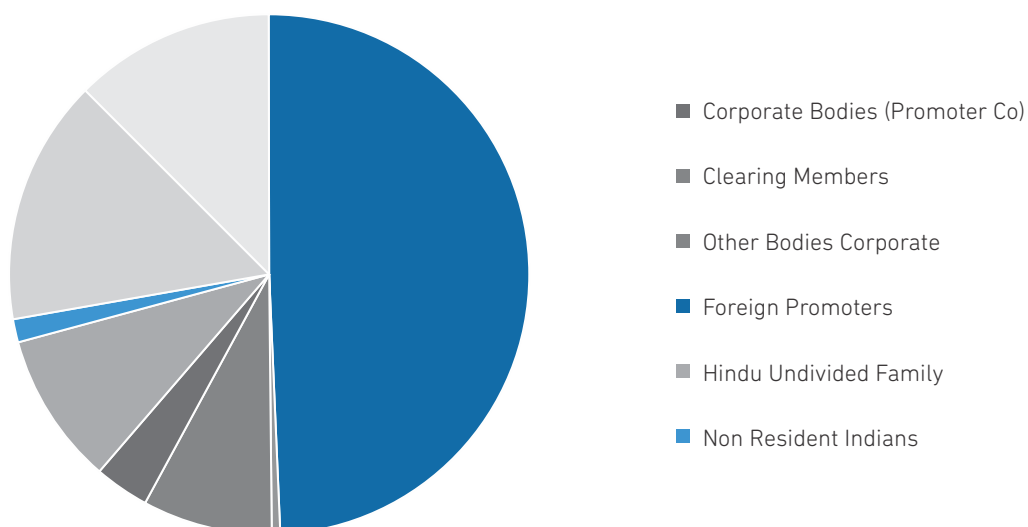
No. of Equity Shares held	Shareholders		Shares	
	Number	%	Number	%
1- 500	764	88.9406	7797	0.0178
501-1000	6	0.6985	5522	0.0126
1001-2000	6	0.6985	9990	0.0227
2001-3000	2	0.2328	4679	0.0107
3001-4000	5	0.5821	19223	0.0438
4001-5000	2	0.2328	9000	0.0205
5001-10000	9	1.0477	71907	0.1637
100001 and above	65	7.5669	43785216	99.7082
<b>TOTAL</b>	<b>859</b>	<b>100</b>	<b>43913334</b>	<b>100</b>





- Category wise Shareholding as on March 31, 2019:

Category of Shareholder	No. of Shares	% of Total Share Capital
Corporate Bodies (Promoter Co)	21637554	49.2733
Clearing Members	209777	0.4777
Other Bodies Corporate	3530092	8.0388
Foreign Promoters	1477133	3.3637
Hindu Undivided Family	67342	0.1534
Non Resident Indians	4093640	9.3221
Public	639163	1.4555
Promoters	6806298	15.4994
Foreign Portfolio Investors (Corporate)	5452335	12.4161
<b>TOTAL</b>	<b>43913334</b>	<b>100</b>



**g. Dematerialization of Shares and Liquidity:**

Entire equity share capital is held in the demat form with NSDL and CDSL.

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

There are no GDRs/ADRs/Warrants or any Convertible Instruments pending conversion or any other instrument likely to impact the equity share capital of the Company.

**i. Plant Locations:**

1. Dholi
2. Narol

**j. Address for Correspondence:**

For any other query relating to shares: For general correspondence:



Link Intime India Pvt Ltd	Registered Office
5 <sup>th</sup> Floor, 506-508, Amarnath Business Center -1, St Xaviers Corner, Chimanlal Girdharlal Rd, Sardar Patel Nagar, Ellisbridge, Ahmedabad, Gujarat 380009 Phone: 079- 2646 5179 Website: www.linkintime.co.in E-mail:ahmedabad@linkintime.co.in	Vishal Fabrics Limited, Ranipur Narol Road Ahmedabad- 382405. Tel: 9099952542 Fax: 091-7925353981 Website: www.vishalfabricsltd.com E-mail: cs.vfl@chiripalgroup.com

- k. list of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad: N.A

## 10. 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, Management, Subsidiaries and other Related Parties. None of the contracts/transactions with Related Parties had a potential conflict with the interest of the Company at large. The interest of Director, if any, in the transactions are disclosed at Board Meetings and the interested Director does not participate in the discussion or vote on such transactions. Details of transactions with related parties are placed before the Audit Committee on a quarterly basis. All transactions entered into between the Company and Related Parties were in the ordinary course of business and at arm's length price.

- ii. Compliances by the Company:

The Company has complied with the requirements of the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets.

- 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. The Company's personnel have access to the Chairman of the Audit Committee in exceptional circumstances. No person of the Company has been denied access to the Audit Committee and there are no instances of any such access.

- iv. Website:

The Company's Website [www.vishalfabricsltd.com](http://www.vishalfabricsltd.com) contains a special dedicated section 'Investor Relations' where the information pertaining to the Financial Results, Shareholding Pattern, Annual Reports, Listing Information, policies etc, are available and can be downloaded.

- v. Web Links for Policies:

All policies required under Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 are available at Company's web link as <https://www.vishalfabricsltd.com/policies-codes/>

- vi. Commodity price risk/ foreign Exchange Risk and Hedging:

The Company is not dealing in commodities and hence disclosure relating to Commodity price risks and commodity hedging activities is not required.

- vii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) : N.A.

- viii. a certificate from a company secretary:

The Company has taken certificate from Mr. Jatin Kapadia, Practicing Company Secretary, Membership No. 26725 and CP No.12043, that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

- ix. 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 2018-2019.

- x. total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part – Total Fees of Rs. 7,50,000/- p.a.



- xi. disclosures 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
- xii. Non-Compliance :
- There is no Non-compliance of any requirement of corporate governance report as required under SEBI (LODR) Regulations, 2015.
- xiii. Discretionary Requirements:
- Shareholders' Rights  
As 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 to the shareholders of the company.
  - Reporting of Internal Auditor  
Internal Auditors are invited to the meetings of Audit Committee wherein they report directly to the Committee.
  - Detail of shares lying in Suspense account: Not Applicable

#### 11. Compliance with Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the 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.

#### 12 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 31<sup>st</sup> March, 2019 and a declaration to that effect signed by the Chief Executive Officer is enclosed of this report.

The code of conduct has been hosted on the website of the Company at <https://vishalfabricsltd.com/wp-content/uploads/2019/04/Code-of-Conduct-for-BOARD-AND-SENIOR-MANAGEMENT.pdf>.

#### DECLARATION BY THE CHIEF EXECUTIVE DIRECTOR

I, Tanuj Agarwal, 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 31<sup>st</sup> March, 2019.

Place: Ahmedabad

Date: 13<sup>th</sup> August, 2019

Tanuj Agarwal

Chief Executive Officer

