

September 9, 2015

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**Scrip Code: 532641**

To,  
National Stock Exchange of India Limited  
Exchange Plaza,  
Plot No. C/1, G – Block,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400 051.

**Scrip Code: NDL**

Dear Sir,

**Sub.: Submission of the revised Annual Report for the year 2014-15**

We wish to inform you that we had submitted the Annual Report of Nandan Denim Limited for the year 2014-15 pursuant to Clause 31 of the Listing Agreement. Further, on page no. 67 of the Report, under the heading 'Change in Promoters Shareholding', the figure under Cumulative Shareholding during the year is '6.52' in place of '5.62' as is mentioned in the Annual Report sent to the exchanges. Also, in the column related to 'Unsecured Loans' on page 69 under the heading 'Indebtedness', the figure of '85850000' will be in the row opposite to 'reduction' which is mistakenly mentioned in the row opposite to 'addition' and hence the total of indebtedness will change from '105937450' to '191787450' and from '(20087450)' to '(191787450)' accordingly in the last column. Except for this, all other data remains unchanged.

Please note that the copy of Annual Reports which has already been sent to the shareholders, both by email and physical dispatch, is after incorporating the aforesaid changes. The above errors were inadvertent and due to oversight, the wrong copy of the Annual Report was sent to the exchanges. We are therefore submitting the Annual Report for the year 2014-15 once again after considering the necessary corrections.

You are requested to kindly take the above on record.

Thanking You,

Yours sincerely,  
**For NANDAN DENIM LIMITED**

  
**PURVEE ROY**  
**COMPANY SECRETARY**  
**MEM. NO. A26925**



**Nandan Denim Limited**  
(Formerly known as Nandan Exim Limited)  
(CIN:L51909GJ1994PLC022719)

**Plant & Regd. Office:**

Survey No. 198/1, 203/2, Sajipur-Gopalpur, Pirana Road, Piplej, Ahmedabad - 382 405  
Ph.: +91 9879200199 Website: www.nandanandnim.com Email: info@nandanandnim.com

**Corporate House:**

Chiripal House, Shivranjani Cross Roads, Satellite, Ahmedabad - 380 015  
Ph.: 079-26734660/2/3 Fax: 079-26768656

## FORM A

### Covering Letter of the Annual Audit Report to be filed with Stock Exchanges

|    |                                                  |                                                                                                                                                                          |
|----|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Name of the Company:                             | Nandan Denim Limited<br>(formerly known as Nandan Exim Limited)                                                                                                          |
| 2. | Annual Financial Statements for the year ended:  | 31 <sup>st</sup> March, 2015                                                                                                                                             |
| 3. | Type of Audit Observation:                       | Unqualified                                                                                                                                                              |
| 4. | Frequency of Observation:                        | N.A.                                                                                                                                                                     |
| 5. | Signed by:                                       |                                                                                                                                                                          |
|    | Shri. Deepak Chiripal,<br>C.E.O.                 | For, NANDAN DENIM LIMITED<br><br>CHIEF EXECUTIVE OFFICER                             |
|    | Shri. Sanjay Agrawal,<br>C.F.O.                  | For, NANDAN DENIM LIMITED<br><br>CHIEF FINANCIAL OFFICER                             |
|    | Shri. Ambalal Patel,<br>Audit Committee Chairman |                                                                                      |
|    | Auditor of the Company                           | For J. T. SHAH & CO.<br><br>PARTNER<br>( J. T. Shah )<br>M. no. 3983<br>- 7 SEP 2015 |





# One World With Denim

ANNUAL REPORT 2014 - 15

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# One World with Denim

Denim is a religion, at the cutting edge of fashion. Denim is the connection between cultures, lifestyles fashion and generations. Denim has evolved from casual street wear to haute couture. Denim is available in multiple trends and styles and is *sine qua non* for almost every facet of fashion. Denim is truly a universal fabric.

We are the global denim fabric suppliers, catering to requirements across the globe. Denim is the fabric of our lives, our social phenomenon. Denim unites us.

We weave our worlds with denim. Undying imaginations of the creative designers converted into innovation is woven into the denim fabric at Nandan Denim Limited (NDL).

Denim has been perfected over the last couple of centuries across the cultures and political boundaries. We are attempting to build what others could be eyeing after a generation. We are bringing the future today. We are creating an endless world where imaginations are boundless, where the traditions are basics and rules are being written every day, where change is constant and defining any one method of doing the things is wrong. We are uniting generations with a different philosophy. We are building a lifestyle that is unpredictable, unchallengeable and unshakable.

We are creating ONE WORLD WITH DENIM.



# Nandan Denim Limited - At a Glance

We are the global denim fabric suppliers, catering to requirements across the globe. Denim is the fabric of our lives, our social phenomenon. Denim unites us.

We are the denim arm of the diversified conglomerate, the Chiripal Group. We are currently the second-largest denim manufacturer in India and the 5<sup>th</sup> largest in the world. While fashion continues to evolve, our vision remains the same. "To be a Global Leader in denim - a position that we sustain by producing denim that is ahead of the fashion curve – and is the first choice of discerning customers across the spectrum of brands all over the world."

Our denim manufacturing process consists of multi-stages of quality control preceded by in-depth study of market trends and customer expectations to provide quality denim solutions. Our manufacturing capabilities are equipped with ultra-modern machinery and equipment to test yarn and fabric on all parameters, aimed at achieving the promised performance at the customer's end. The cornerstone of our supply chain strength is "Know the customer, Know the fashion" and our efforts are targeted towards

achieving the maximum score on this parameter. Denim is not just a commodity, it is the lifeline of fashion.

We are well placed to capitalise on the soaring demand for denim apparel. Post-commissioning of the expansion project, our installed capacity will stand at 110 MMPA for denim fabric, 10 MMPA for yarn dyed shirting, and 124 TPD for yarn manufacturing.

WOVEN  
FABRICS

DENIM



**We are the second-largest denim manufacturer in India and the 5<sup>th</sup> largest in the world.**

## REVENUE GROWTH

# 160X

from ₹ 69 Mn in FY2004 to  
₹ 10,965 Mn in FY2015

## GROWTH IN PAT

# 500X

from ₹ 1 Mn in FY2004 to  
₹ 514 Mn in FY2015

## PAT MARGINS

# 4.7%

in FY2015

## INCREASE IN DENIM CAPACITY

# ~15 FOLD

from 6 MMPA in FY2004 to  
99 MMPA in FY2015

## GROWTH IN MARKET CAPITALISATION

# ~16% CAGR

From ₹ 865 Mn in FY2007  
to ₹ 2,817 Mn in FY2015

## EXPANSION OF SPINNING CAPACITY

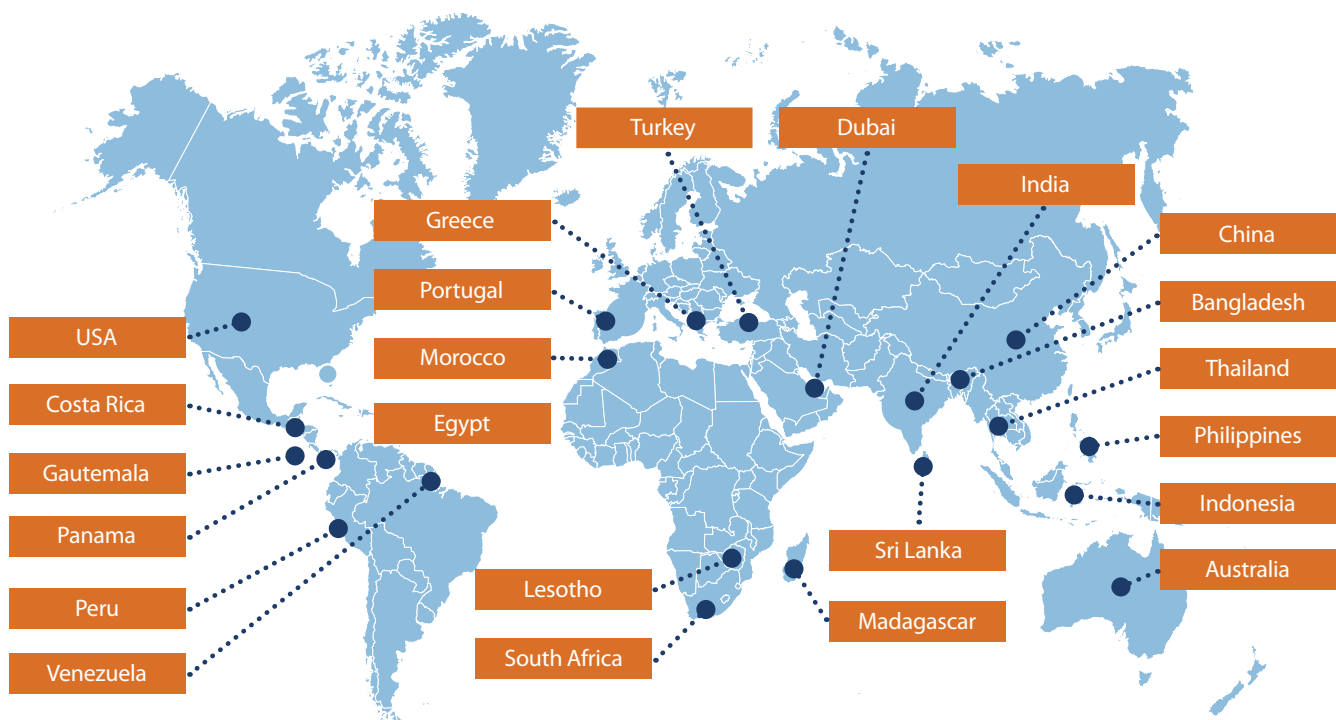
# 3.2X

from 20 Tonnes Per Day in FY2007  
to 64 Tonnes Per Day in FY2015

## Global Presence

Denim fabric is consumed by users for conversion into apparels. From the Indian perspective, Bangladesh is the biggest importer of denim fabric, accounting for more than 50% of total exports from India, followed by Turkey and over 50 other countries. With the emergence of select markets, NDL has established and strengthened its distribution channel across the globe by securing locations with high traffic, excellent visibility and easy access. Currently, it exports to more than 27 countries with a gradual and selective addition to the list.

Nandan Denim exports its denim to more than 27 countries across the globe through its strong global dealer-distribution network.



# Our Product Portfolio

We supply our products through an unmatched portfolio of customers across the globe. The reach of our distribution network motivates us to continuously explore and innovate the products that are forward looking and binding us to different apparel brands. Our strategy is to have a portfolio of hybrid brands, straddling across consumer segments and price points.

## Our Product Range:

- Basic denim in all weights
- Basic cotton stretch
- Basic poly stretch
- Ring denim- rigid
- Ring denim - stretch, flat finish and regular finish
- Poly sateen denim
- Dobby structure denims
- Woven knitted denim
- Duel core stretch denim
- Yarn dyed colour denim
- Over dyed denims in any fabric
- Coated denims in any fabric
- Over dyed and coated
- Peach finish
- Print denim
- RFD denim
- Pre-wash denim
- Fancy fibre blend
- Re-cycle denim
- Light weight shirting
- Indigo dyed circular knitted denim
- ECO denim
- All kinds of special finishes
- Specialty yarn denim
- All kinds of Indigo shades

India

10% share in  
Global  
Denim Market

Nandan Denim  
Limited

10% share in  
Indian  
Denim Market

Nandan Denim  
Limited

1% share in  
Global Denim Market

One out of every  
100 persons in the  
world use fabric of  
Nandan Denim Limited

## Board of Directors



**Mr. Vedprakash D. Chiripal**

*Chairman*

Mr. Vedprakash Chiripal is the Chairman of the Company and the Chiripal Group of Industries and has single-mindedly steered the Group. He is widely recognised for his path breaking and visionary contribution to the denim sector in India. He has three decades of vast experience, expertise and technical know-how in the field of manufacturing, trading and export of various textiles products. Having started his textile business with 12 looms in 1974, he subsequently set up various processing and manufacturing units of textile products. Under his visionary leadership, the Group's business and revenues have grown manifold and it emerged as a large conglomerate with diversified interests.



**Mr. Brijmohan D. Chiripal**

*Managing Director*

Mr. Brijmohan Chiripal is the Managing Director of the Company and the younger brother of Vedprakash Chiripal. He is a Chemical Engineer, with nearly 20 years of business experience in Textile Processing. Along with Vedprakash Chiripal, he spearheaded and promoted Nandan Denim Limited. Driven by strategic global thinking on a global scale, he achieved experience in the export and domestic market. His astute leadership has resulted in the Company emerging as a leading denim manufacturer.



**Mr. T. S. Bhattacharya**

*Independent Director*

Mr. T. S. Bhattacharya is the Independent Director of the Company. He has done his MBA and Master of Science in Nuclear Physics. He is the retired Managing Director of State Bank of India. He has over 35 years of experience in the Banking industry. He is also the Director on the Boards of other major companies such as Jindal Stainless Limited, IDFC Securities Limited, IDFC AMC Trustee Company Limited, among others.



**Mr. Ambalal C. Patel**

*Independent Director*

Mr. Ambalal Patel is the Independent Director of the Company and has done his Bachelor of Engineering in Metallurgy and Bachelor of Science in Chemistry. He is retired from Gujarat Industrial & Investment Corporation Limited (GIIC) as Deputy General Manager and has vast experience in project evaluation and finance. He is also the Director in other major companies such as Jindal Hotels Limited, SAL Steel Limited, and Sumeru Industries Limited.



**Mr. Giraj Mohan Sharma**

*Independent Director*

Mr. Giraj Mohan Sharma is the Founder-Director of a Brand & Strategic Consulting boutique – BehindTheMoon Consultants, which facilitates companies strengthen their Brands by working strategically around their Brand's Identity and Values. He is a Mathematics Graduate from University of Delhi. He spent fifteen years in the marketing industry, twelve of these with Onida (a leading Indian Brand for consumer durables) where he was the Head of Marketing & Sales before he quit.



**Ms. Pratima Ram**

*Independent Director*

Ms. Pratima Ram is an experienced banker with three decades in Corporate, International and Investment Banking. She has worked in India, USA and South Africa. She held the position of Chief General Manager and Country Head of United States operations of State Bank of India. Prior to this, she was the CEO of the South African operations of the Bank. At SBI Capital Markets, she led the Corporate Advisory, M&A, & Project Appraisal businesses. She has graduated from University of Virginia, USA and Bangalore University.



**Dr. Yasho. V. Verma\***

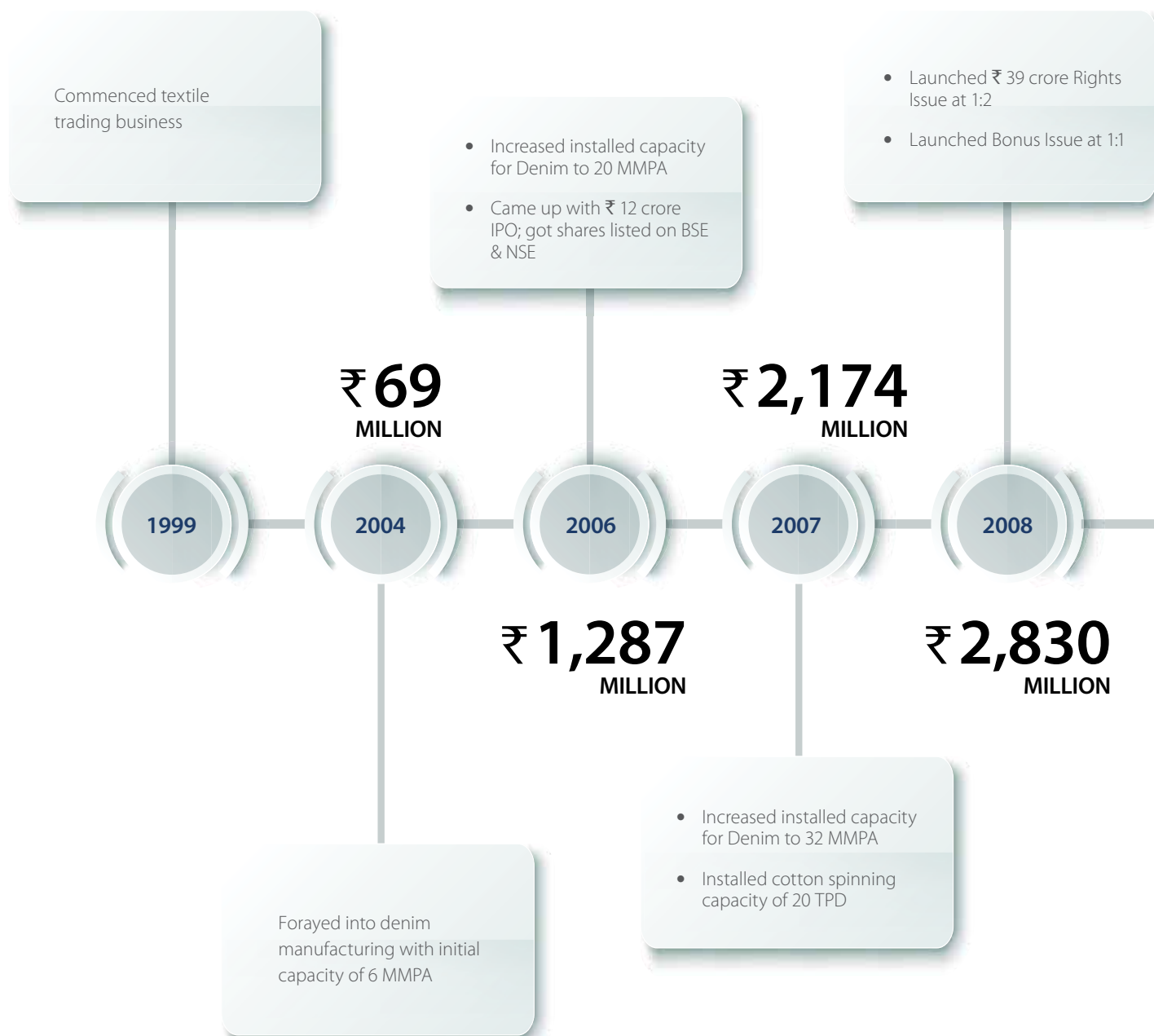
*Independent Director*

Dr. Yasho V. Verma has a rich experience of over 30 years in Man Management. He served as the Chief Operating Officer of LG Electronics India Pvt. Ltd. until June 2013. He has given Guest Lectures in London Business School, Seoul University, and Wharton Management School, Philadelphia in addition to premier Management Institutes in India. He has also been conferred with an Honorary Fellowship by All India Management Association for significant contribution towards Professional Management. He is an engineering graduate with Post Graduation in Business Administration and Ph.D. in area of Organizational Behavior from Indian Institute of Technology, Kharagpur.

*\* Appointed w.e.f. April 29, 2015*

## Our Key Milestones

FY2015 was all about honouring our key commitments. Our guiding philosophy has been to create timeless, classic, comfortable, yet stylish denim that is easily wearable, irrespective of the gender, age and race, with denim being a global fabric. To enable this, we are constantly expanding our capacities not only to become cost competitive, but to cater to rising domestic and global demand.



**₹ 3,179**  
MILLION

2009

- Doubled installed capacity for Spinning to 40 TPD
- Set up captive power plant of 15 MW

Increased installed capacity for Denim to 57 MMPA

2012

**₹ 5,738**  
MILLION

- Increased installed Denim capacity to 71 MMPA
- Increased installed Spinning capacity to 54 TPD

**₹ 7,031**  
MILLION

2013

- Increased Spinning capacity to 64 TPD
- Installed Yarn Dyed Shirting capacity of 10 MMPA
- Installed Yarn Dyeing capacity of 6 TPD

2014

**₹ 8,938**  
MILLION

In the process of expanding Denim capacity to 110 MMPA by FY2016-17

**₹ 10,965**  
MILLION

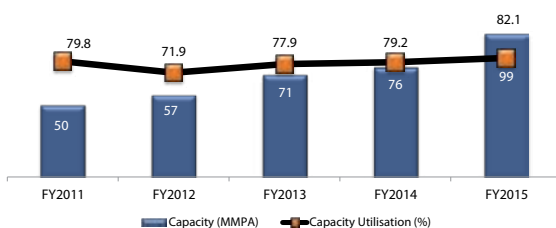
2015

# Operational Highlights in FY2015

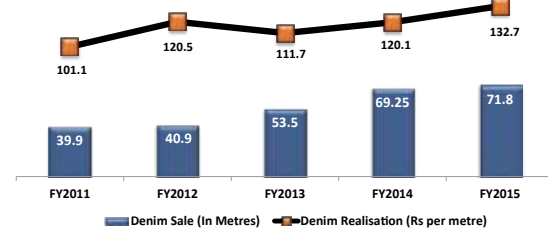
FY2015 has been a year of a meaningful progression towards our objective of being the best denim manufacturing company from India. During the year, we focussed on enhancing our productivity initiatives and implementing our long-term growth strategies.

- Work commenced on creating Yarn Dyed Shirting capacity of 10 MMPA; added Yarn Dyeing capacity
- Work in Progress on expanding denim fabric capacity from 71 MMPA to 110 MMPA
- Work in Progress on doubling Spinning capacity to 124 TPD
- Existing set-up of captive power plant with 15 MW generation capacity was further strengthened
- Improved efficiencies leading to higher capacity utilisation
- Increased share of exports through a larger customer base
- Increased share of value-added products through continuous product development and designing

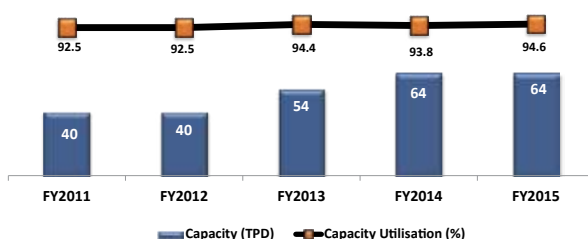
### Denim Fabric Capacity



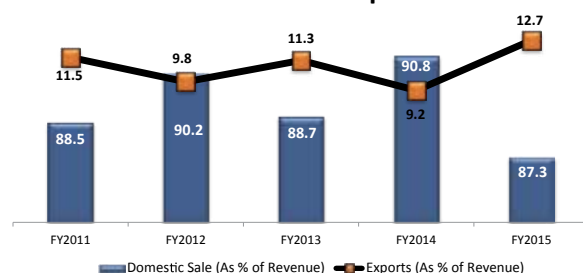
### Denim Realisation



### Spinning Capacity



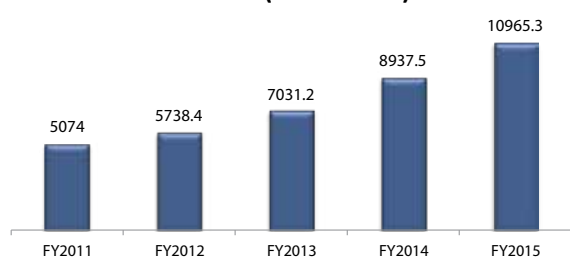
### Sales Break-Up



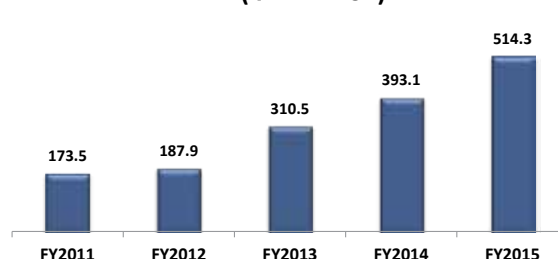
## Our Financial Performance

The evolving economic landscape and the aspirations of youthful people drove us to deliver improved financial performance and sustain the growth momentum, placing us ahead in the marketplace. Over the years, we have developed the competencies to focus on business activities that enable us provide higher returns to our shareholders.

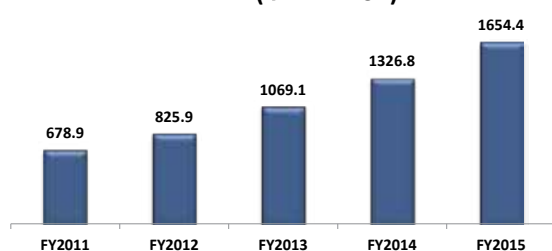
Revenue (₹ In Million)



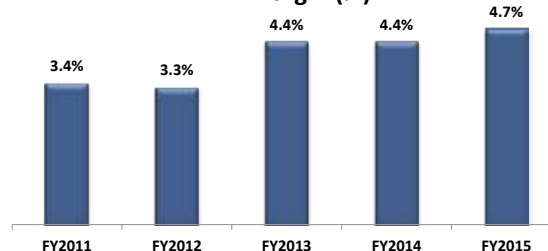
PAT (₹ In Million)



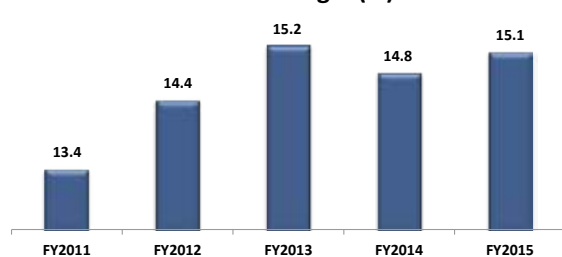
EBITDA (₹ In Million)



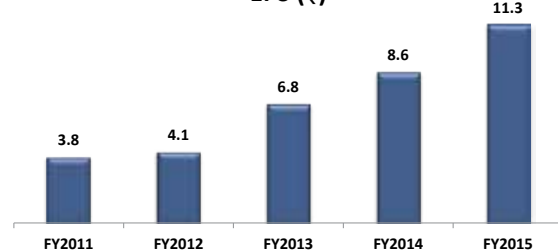
PAT Margin (%)



EBITDA Margin (%)



EPS (₹)



# Chairman's Statement

During the year under review, we maintained focus on two long-term growth strategies – enhance our core business and expand the reach of our products, which has resulted in strong value creation over the last few years. We are doing all of this while upholding our unwavering commitment to deliver profits.



**Vedprakash Chiripal**

*Chairman*

"We are fairly optimistic about the prospects of the domestic denim industry, which has prompted us to initiate a huge expansion in our denim capacity".

## Dear Shareholders,

It is indeed my pleasure to reach you through this Annual Report and share with you the highlights of your Company's performance for financial year 2014-15 and the beliefs that drive the Company.

FY2015 has been another year of meaningful progress against our objective of being the best denim manufacturing company in India. During the year under review, we maintained focus on two long-term growth strategies – enhance our core business and expand the reach of our products, which has

resulted in strong value creation over the last few years. We are doing all of this while upholding our unwavering commitment to deliver profits.

## The Existing Landscape

Retail revolution in India is helping growth of the denim fabric in India taking it to Tier I, II, III and even Tier IV towns and cities. Consumers have begun to understand that denim offers value for money, fashion and style quotient, while maintaining versatility in the products. Denim is becoming a staple product for each wardrobe despite India having one of the

lowest per capita consumption in the world that offers far more opportunities.

## Our Strategic Initiatives

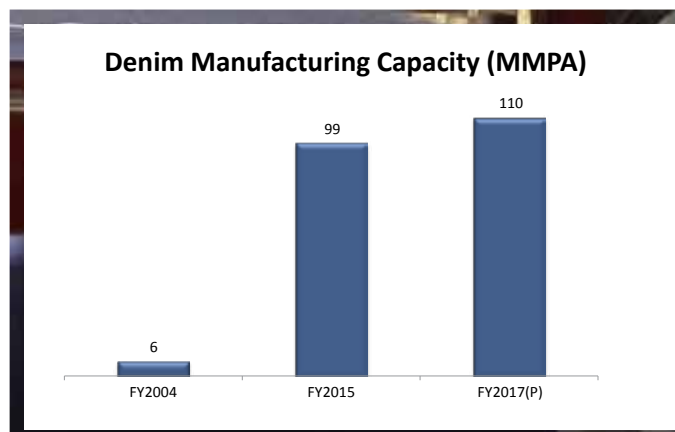
We are fairly optimistic about the prospects of the domestic denim industry, which prompted us to initiate a huge expansion of our denim capacity. We are half way through in implementation of our expansion project and remain confident that our capital expenditure programme shall enable us to take full advantage of our position and achieve our growth ambitions. We are expanding our manufacturing



# [110 MMPA]\*

\*Amongst the Top 5 Denim  
Manufacturing Capacity in  
the World by FY2017

Denim Manufacturing Capacity (MMPA)



capacity which will result in the creation of one of the world's largest integrated denim manufacturing facilities. The expanded facility will enable us absorb increasing market demand with faster delivery and timely execution along the value chain.

The expansion program, when completely executed, will strengthen our cost competence, improve quality of products and open a world of opportunities. With these initiatives, we are driving productivity not only to improve our overall competitiveness, but also generate fuel to invest in core opportunities. These changes will make us more competitive in our cost structure and in the marketplace – improving our agility and enabling us to focus on innovation.

### Strategies Delivering Results

Our focus on delivering against the above strategies was a key driver of growth during FY2015. Despite the global volatile environment, we remain committed to drive the business towards delivering consistent, competitive, profitable and responsible growth. We have been able to sustain operational stability, thanks to our strong market position, geographic spread of reach and low-cost products. We believe in our potential and are committed to profitable growth.

### One World with Denim

Denim is the fabric of our lives. It unites, weaves and binds us all together. Denim is a religion at NDL. We have One World With Denim. Denim is what connects us all at NDL – between our cultures, lifestyles and fashion. Denim is also the universal fabric of the world. It has evolved over tens of decades from tom boy wear to haute couture. It plays a vital role in almost every facet of fashion. We strive to leverage our inherent strengths and capabilities in the denim industry to expand our horizons and capture a larger share of the global denim market.

**Our focus on delivering against the above strategies was a key driver of growth during FY2015. Despite the global volatile environment, we remain committed to drive the business towards delivering consistent, competitive, profitable and responsible growth.**

### Understanding Governance

At NDL, we understand sound corporate governance and its importance in retaining and enhancing investors' trust. At the core of our management is an active, capable and diligent Board, which sets the tone for good corporate governance. Our culture, policies and relationships reflect our strong corporate governance. During the year, we added two new Independent Directors, currently aggregating to five independent board seats, apart from two Promoter Directors, who will help in expanding perspective at the top and focusing on our long-term priorities.

### 2016: Opportunities Ahead

We have some headwinds as we enter FY2016. The year will also be an important one as we will continue to execute our expansion plan and increase our footprint in domestic and international markets. Our aim is to achieve cost rationalisation and optimum efficiency at our manufacturing units to further improve our margins. Another priority for the year is continuous fabric innovation – our key to creating products that stand the test of time.

The evolving economic landscape and the aspirations of people have driven us to aim higher, execute our plans seamlessly and sustain the growth momentum. We strongly believe in doing business with values to support the corporate vision. We will continue to enhance our corporate value by ensuring that all of our business activities are so carried out that we achieve high credibility with our stakeholders across the globe.

Our growth has been possible with the support and encouragement from all our stakeholders, including shareholders, customers, lenders and our committed employees. As we step back and assess what we accomplished during FY2015, we couldn't be more proud of our employees who make it all happen. I would like to express gratitude on behalf of the Board of the Company to our stakeholders, customers and employees for their unstinted support in shaping the performance of the Company.

As we look ahead, we strongly believe the best is yet to come.

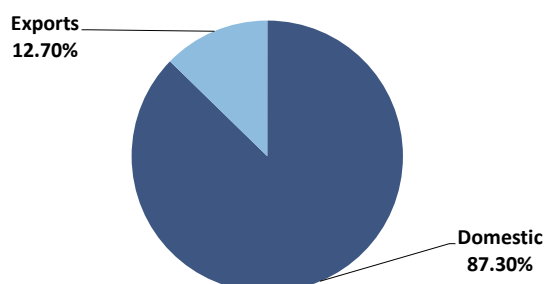
With Best Wishes,

**Vedprakash D. Chiripal**  
*Chairman*

**25%**  
**4-YEAR CAGR OF  
EBITDA**

**₹514.3**  
MILLION  
**PAT IN FY2015**

**Contribution to FY2015 Revenues**



## CEO Speak

“The cost advantage erstwhile available with the other international players is gradually shedding. India’s core strength of having enough raw material, such as cotton, comes in quite handy for us. With higher industrialisation, the easier availability of competent manpower and power has become comparable or disadvantageous to other economies, whereas Indian prices have not gone up proportionately being on a higher base.”



**Deepak Chiripal**  
Chief Executive Officer

### How do you define Denim as a product?

Denim is a fabric manufactured predominantly with cotton material. However, the craft of weaving brings changes to the material, and therefore, over a period of time, it could change its composition. It is a fabric that can be used for bottom weight as well as top weight. Generally, denim is a maintenance free fabric with comfort of cotton, resulting in less friction. It is the most affordable fabric and still a fashionable product, an integral part of the wardrobe of the richest as well as the poorest. It is, perhaps, the only universal fabric that is being used irrespective of gender, creed, age and religion.

### But fabric is usually a commodity? How does the consumer choose your product over your competitors?

The days of Denim being a commodity are long gone. Today, denim is a fashion statement, a style statement, a fashion quotient. The way Nandan Denim Limited (NDL) perceives itself is: “We enable the creativity of the designers”. We think most of the denim players have to align to this thought-process. Yes, a lethargic and convenient approach is to consider it a commodity, like normal yarn, but such an approach has a little too less light at the end of the tunnel.

Denim is in touch with the human skin. The fabric is chosen for the feel, hygiene to the skin, finish and a style that is generated post-washing. It offers longevity and comfort that is casted through spinning excellence, and most importantly, consistent quality delivered for the same product each time. Sometimes, financial affordability of the customer also plays a role, just the way there is delivery scheduling of the manufacturer.

### Why has your Company forayed into the Denim segment?

Our foray into Denim segment driven to capitalise on the opportunity offered by the teeming youth of India, to make them experience an international fabric at local price. We never dreamt of becoming the biggest player in India in a span of 10 years. Yes, as a Group, the Chiripal ecosystem has supported our entry into the textile business and the rest is history. In retrospect, this has been one of our best decisions to get into an industry at a time when the market was booming and getting ready for a leapfrog jump.

### There are reports that indicate oversupply of denim in India. Yet you continue to add to the existing capacities?

The current manufacturing competence in India is around 1.2 billion meters that can physically deliver around a billion meters. Domestic consumption is around 700-800 million meters and that leaves around 200-300 million meters for exports. If considered from the domestic perspective alone, India does have sufficient capacity. But the market has been growing at a whopping 15-18% CAGR, so we have capacities enough for next two years. But in a global economic environment, on the strength of raw materials we have inherited, perhaps no industry can grow or survive if it is focussed on a single geographical market, especially since Indian textiles contribute only 4% of the international textile trade. A company cannot confine itself to the Indian denim market, which barely constitutes 10% to the global market. India has enough manufacturing competence to challenge and acquire international customers.

**We intend to become the largest manufacturer of Denim in the next financial year. We wish to sustain our efforts on our quality and commitment level across the board. Our capacity expansion project calls for a paradigm shift in the way we have been working over the years. Having attained global scales, we now aim to internalise the “global way of doing business”.**

**Are you targeting any specific brand or market where you intend to clinch market share from any of the inefficient players?**

Without being mistaken, we don't intend to grow at the cost of our competition. There is enough room for each one of us to make our effect. The market size is enormous. Each one of our competition is making products that are popular, versatile, and therefore, deserve to grow as they wish.

**Where do you intend to stop the capacity expansion?**

We have created world-class facilities, and now it is time for us to consolidate within ourselves. Post our current expansion, on which we are mid-way through, we intend to build internal competences to exploit wealth of the experience we have acquired in the last decade to take NDL to the next level of offering a product for each of the customer segments. Like any other machine, our team also needs some breathing time before we get on to our next course of action.

**What are the forces that drive the demand for denim in India and abroad?**

We have one of the lowest per capita consumption of pair of jeans at 0.3-0.4. Even a larger economy and nation, such as China, has a corresponding score of 2. We have more than 70% population that ages less than 30. Another 10 years and the proportion isn't going to change. We are at a typical inflexion point where the generation of baby boomers hasn't retired, Generation X and Generation Y are in a dominating position, whereas Generation Z is getting influential in defining lifestyle issues. The per capita income is increasing like never before in India's history and the need for differentiation is fast exploding. In this scenario, Denim is one

such sector that, by virtue of a fashion quotient, is driving the spending pattern of four generations.

And the gender statistics are even more appealing. More than 85% of denim consumption in the domestic market takes place within the masculine segment, with feminine and kids segment accounting for the balance 15%. Geographically, almost 50% of denim gets consumed in top 10 towns of India that represent less than 10% of population. The unattended and unexplored market itself poses a major challenge for manufacturers and marketers to reach a larger population that could require a multi-fold increase in capacities over the period of time.

Easy access to the capital market, establishment of manufacturing shops by international brands in India and a bit of improved economic laws situation makes it possible for everyone to offer their products within the segment. Each manufacturer carves its own share and in turn the market grows.

**Why do you think Indian players can compete with other manufacturers, particularly in China?**

The cost advantage erstwhile available with the other international players is gradually shedding. India's core strength of having enough raw material, such as cotton, comes in quite handy for us. A foreign currency fluctuation that works in favour of Indian manufacturers also comes to the advantage of the Indian industry, as compared to other economies. With higher industrialisation, the easier availability of competent manpower and power has become comparable or disadvantageous to other economies, whereas Indian prices have not gone up

## CEO Speak

proportionately being on a higher base. The cost advantage available to all the economies of scale is good enough for serious players to capitalise on the growth arena offered in the international trade. Companies also benefit from 10% to 12% on interest subsidy, in addition to power and capital subsidy and stamp duty reimbursement on account of Central and State Government incentives.

### **How do you rank NDL as compared to other denim manufacturers in India?**

NDL has established one of the largest and integrated manufacturing scales in the world of Denim. The oldest technology that we use is dating to the current millennium. This drives the point that most of our technology is the latest. This offers larger product flexibility, lower operating costs in terms of energy and water, and highest manpower productivity with added automation. We are better placed to manage the costs in case of any downslide. The technological advantage that we have over other players, who installed machines ages ago, provides us the flexibility to offer products that the older technology didn't permit earlier. This ensures we continue to sell larger quantities. Having secured the revenue growth engine and regulated the costs, we find ourselves on a much better wicket in terms of future growth and highly insulated in case of an unlikely downslide in consumer sentiments.

NDL as a company started on a positive note. We had the rich experience of our senior players for all the mistakes they made. As inventing the wheel was their prerogative, we started in the driver's seat.

### **Where do you see NDL in the Indian Denim industry over the period of next five years?**

We intend to be the largest manufacturer of Denim in the next fiscal. We wish to sustain our efforts on quality and commitment level across the board. Hence, we are initiating a lot of internal projects that would call for a paradigm shift in the way we have worked in the yesteryears and the way we have been perceived. We have just attained global scales and now we need to internalise the "global way of doing business". We intend to have regular Organisational Development initiatives within and outside the organisation to strengthen our position.

### **How can you have a branding of your fabric?**

#### **Normally, the new generation customers are inclined for brands?**

Brand is a perceived value in the eyes of the customer. The fabric that we manufacture doesn't go to the end-customer, but to the garmenting industry who converts it into an apparel. The brand is not a "stamping". The perception is built by consistent quality, promise and performance comparison, timing of delivery and post-sale services, and not merely by packaging. We are taking steps internally so that each of our employees stand with the organisational commitment by imbibing a cultural value, technically called our 'Vision Statement'. We are upgrading the DNA of our team that delivers to the customer, irrespective of the fact that many of them don't ever meet our customers. Once the delivery against the intent starts in spirit, perception changes. Since thoughts need to come from within, which we have in abundance, we already have our branding material available. We just do what we have to.

### **Whom do you consider as your major competitor, nationally and internationally?**

We are not competing with anyone in the world. Our thrust is to build an organisation that does better than what it has done in past. We want to make NDL a "happening place" that brings positive vibes to all those who matter. We wish to compete with ourselves in terms of our development and growth potential. We are not chasing any number. We are chasing the collective dreams of all those who are associated with us.

# Corporate Information

## Board of Directors

Mr. Vedprakash D. Chiripal, Chairman  
Mr. Brijmohan D. Chiripal, Managing Director  
Mr. T.S. Bhattacharya, Independent Director  
Mr. Ambalal C. Patel, Independent Director  
Mr. Gautam C. Gandhi, Independent Director (upto 08.08.2014)  
Mrs. Pratima Ram, Independent Director  
Mr. Giraj Mohan Sharma, Independent Director  
Dr. Yasho Verdhan Verma, Independent Director (w.e.f. 29.04.2015)

## Chief Executive Officer

Mr. Deepak J. Chiripal

## Chief Financial Officer

Mr. Sanjay J. Agrawal

## Company Secretary

Ms. Purvee D. Roy

## Bankers

Bank of Maharashtra  
State Bank of India  
Union Bank of India  
Bank of India  
Oriental Bank of Commerce  
United Bank of India  
Laxmi Vilas Bank  
Dena Bank  
Central Bank of India  
The Saraswat Co-Operative Bank Ltd.  
IDBI Bank  
Karnataka Bank Limited  
Syndicate Bank  
UCO Bank  
State Bank of Hyderabad  
State Bank of Travancore  
Karur Vysya Bank

## Registered Office & Plant

Survey No. 198/1, 203/2,  
Saijpur-Gopalpur, Pirana Road,  
Piplej, Ahmedabad - 382405  
Gujarat.  
Tel: +919879200199

## Corporate Office

"Chiripal House",  
Shivranjani Cross Roads,  
Satellite, Ahmedabad – 380 015  
Gujarat.  
Tel: 91-079-26734660-2-3  
Fax: 91-079-26768656  
Email: cs.ndl@chiripalgroup.com

CIN: L51909GJ1994PLC022719

## Auditors

M/s J. T. Shah & Co.,  
Chartered Accountants,  
201/202, Lalita Complex,  
Nr. Mithakhali Cross Roads,  
Navrangpura, Ahmedabad - 380 009.

## Registrar & Transfer Agent

Datamatics Financial Services Ltd.  
Plot No. B5, Part B Cross Lane,  
MIDC, Andheri (E), Mumbai - 400 093.  
Tel. No.: 022-66712001-06  
Fax No.: 022-66712011  
Email: investorqry@dfssl.com

# Our 4-Point Business Strategy for FY2016

## DEVELOPING A DE-RISKED AND CAPITAL-EFFICIENT BUSINESS MODEL THROUGH AN INTEGRATED OFFERING



We are today at an inflection point of growth. We have transformed ourselves as a large and integrated textile enterprise, driving further growth through capacity expansion. We beat all odds and successfully increased our efficiencies by enhancing in-house manufacturing of cotton yarn and setting up a captive power plant. We aim to combine our technology and human assets to achieve size and scale.

We expanded our verticals, met the most daunting challenges and leveraged opportunities to create world-class processes and become a full-fledged textile player. With a passion for growth and yearning for evolution, we graduated to a new level. We developed solid competencies, operational abilities and skills to execute large-scale projects.

With a long-term focus on sustainable and profitable growth, we have earmarked a capacity expansion plan of ₹ 6,120 million, which will enhance our installed denim capacity from 71 million metres per annum (MMPA) to 110 MMPA. This will lead to the creation of one of the world's largest integrated denim manufacturing facilities. We have recently expanded our capacities to produce 10 MMPA of yarn dyed shirting fabrics. The expansion plan is well on track and is expected to be completed in time.

An integrated manufacturing facility will aid us in improving our overall operational flexibility and leading us to absorb the increasing market demand. The capacity expansion will enable us emerge as the largest denim manufacturer in India and the 4th largest in the world. This favourably places us to tap the growing domestic and international denim demand and be the front-runner in the segment. Our innovative and state-of-the-art machines provide us the technical advantage and help us achieve economies of scale. It grants us the flexibility to have multiple products at a time and enrich the fashion quotient in the market.

With our full capacity in place, the future stream of our cash flows is expected to better our return ratios, where we have been outscoring industry averages year-on-year. With state-of-the-art machinery, we are able to produce a vast range of fabrics, adaptable to changing market requirements.

Going ahead, we stand at the fulcrum of a growth curve, having lined up firm plans to expand our business further. With opportunities abound, we strive to leverage our inherent strengths, expand our horizons to capture a larger share of the opportunity, providing a further impetus across a synergistic span of verticals.

## Key Benefits of Capacity Expansion:

- Faster delivery and timely execution due to limited dependency on external factors along the value chain

- Maintaining consistency and quality standards

- Improved operating margins to result in positive operating leverage and better return ratios

- Expansion of denim fabric capacity to increase domestic market share and diversify operations on a global scale through increasing share of exports
- Addition of new shirting capacity to further diversify operations
- Backward integration through spinning capacity expansion to improve operating flexibility and margins

## Expansion of Capacity

| Particulars               | Pre-Expansion | Post-Expansion |
|---------------------------|---------------|----------------|
| Denim                     | 71 MMPA       | 110 MMPA       |
| Yarn                      | 54 TPD        | 124 TPD        |
| Yarn Dyed Shirting Fabric | -             | 10 MMPA        |
| Yarn Dyeing               | -             | 6 TPD          |

## VALUE CREATION THROUGH BACKWARD INTEGRATION AND CAPTIVE YARN CONSUMPTION



Backward integration, in-house captive yarn manufacturing and efficient utilisation of our capacities place us at a vantage point to increase our market share in the denim fabric business, diversify our operations and absorb rising market demand. Our efforts are aimed towards improving our operating margins and return ratios, by encapsulating better management of working capital and increased operational efficiencies.

We are undergoing backward integration at our plants by enhancing cotton spinning capacity to 124 tonnes per day (TPD) from 64 TPD currently. Subsequently, our captive consumption of yarn is expected to increase to ~80-85% of total requirement from ~50% currently. This will enable our supply chain to ensure deliveries on time and manufacture quality products through efficient controls at every stage.

Our strategy of backward integration process is expected to be margin accretive, while improving the operational efficiencies, execution consistency and quality standards. It will strengthen our cost competence and improve quality right from the input process through the end-usage.

## IMPROVING OPERATING FLEXIBILITY AND LEVERAGING HIGHER EXPORTS TO STRENGTHEN BOTTOM LINE

At NDL, we are taking India to the world, and bringing the world to India. We currently export our denim fabric to over 27 countries across the globe through our strong global distribution network. Having created our own niche in the Indian market, we are continuously embarking on vast opportunities in exports.

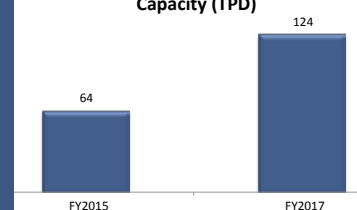


Encouraging Government textile policies and favourable exchange movement have turned Indian denim fabric manufacturers highly competitive in the global market. In recent times, fabrics exported from China have become costlier than those from India owing to multiple reasons, weakening the competitive edge of the Chinese denim fabric manufacturers that existed for some time.

# 75%

YoY Growth in FY2015 Exports

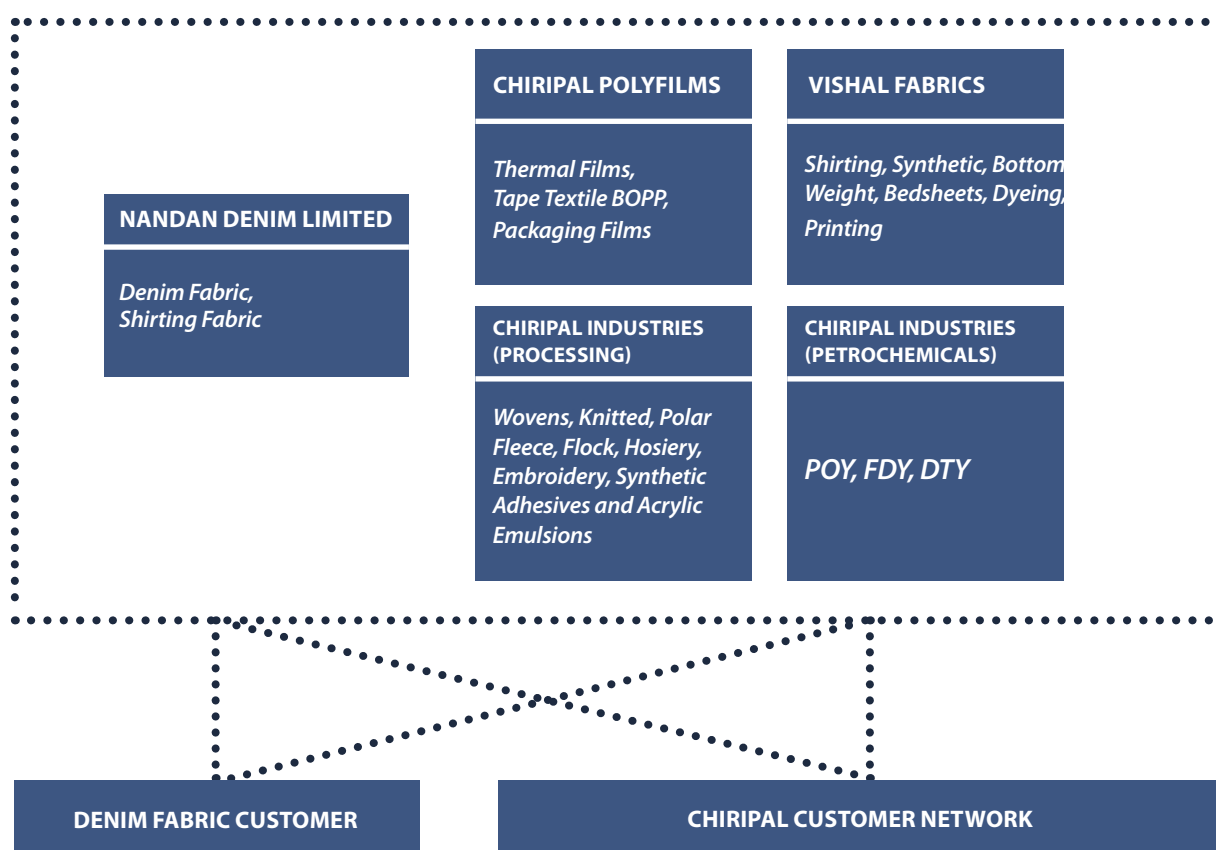
Expected Increase in Spinning Capacity (TPD)



## CAPITALISING ON EXTENSIVE GROUP ECOSYSTEM

Being a part of the Chiripal Group has enabled NDL start with a solid distribution channel across the country. The cross business support extended by a better understanding of the market and finance risks has enabled NDL to carve its production and distribution strategy without inventing the wheel and register phenomenal growth in the shortest possible time. NDL stands to represent the largest selling denim product in Indian territory, while roaring to prey in the international arena.

### THE CHIRIPAL GROUP ECOSYSTEM



#### KEY BENEFITS OF THE ECOSYSTEM

- Access to the large customer network of the Chiripal Group
- Successful customer acquisition and retention through cross-leveraging of Group capabilities and cross-selling of Group offerings
- One of the largest Group-level processing capacity of around 1 MMPD, adding significant value to customers by fulfilling their printing, dyeing, bleaching, synthetic yarn and other processing requirements under a single roof

## Pride of Parentage

The Chiripal Group is a leading conglomerate with a total turnover of ₹ 3,230 crore. Established in 1972, the Group is currently diversified across several businesses. It is widely recognised as the textile house with manufacturing facilities for POY, Texturising, Cotton Spinning, Denim Weaving, Knitting and Processing and Home Furnishing.

### A WELL-DIVERSIFIED GROUP

| Business       | MBU                                                                                                                                                               | Services and Products Offered                                                                                                                                                                                                                                                                                                                                                   |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Textiles       | <ul style="list-style-type: none"> <li>*Nandan Denim Limited</li> <li>*Chiripal Industries (processing division)</li> <li>*Vishal Fabrics Limited</li> </ul>      | <ul style="list-style-type: none"> <li>Fully integrated facilities for manufacturing range of products viz. woven fabrics, circular knitted fabrics, polar fleece fabrics, cotton hosiery, denim, among others</li> </ul>                                                                                                                                                       |
| Petrochemicals | <ul style="list-style-type: none"> <li>*Chiripal Industries Limited (Petrochemicals Division)</li> <li>*CIL Nova Petrochemicals Limited</li> </ul>                | <ul style="list-style-type: none"> <li>Offers integrated range of products ranging from POY – 50-250 denier and FDY – 50-150 denier</li> <li>Employs latest and fully automated machinery operated with Japanese and German technology</li> </ul>                                                                                                                               |
| Chemicals      | Chiripal Industries Limited (Chemicals Division)                                                                                                                  | <ul style="list-style-type: none"> <li>Operates two major divisions – Adhesives &amp; Speciality Performance Chemicals</li> <li>Equipped to provide world class solutions to the paints, paper, leather, packaging &amp; textile industries</li> </ul>                                                                                                                          |
| Packaging      | Chiripal Poly Films Limited                                                                                                                                       | <ul style="list-style-type: none"> <li>World class two imported Biaxial orientation of polypropylene (BOPP) lines from Bruckner, Germany for manufacturing films capacity of 77,550 MTPA</li> <li>In addition, CPFL has two Metalisers for producing metalized films</li> <li>The Company is also implementing BOPET Line to cater to wide demand for BOPET Products</li> </ul> |
| Infrastructure | <ul style="list-style-type: none"> <li>Shanti Developers</li> <li>Dholi Integrated Spinning Park Limited</li> <li>Vraj Integrated Textile Park Limited</li> </ul> | <ul style="list-style-type: none"> <li>Operates a fully equipped industrial park for SME enterprises in the textile sector</li> <li>Has made a successful foray in the area of residential infrastructure as well</li> </ul>                                                                                                                                                    |
| Education      | Shanti Educational Initiatives Limited                                                                                                                            | <ul style="list-style-type: none"> <li>Runs 5 schools under the brand “Shanti Asiatic” located in Ahmedabad, Surat and Jaipur with over 3,000 students</li> <li>Present in the management education space having student strength of 560 students</li> <li>Successfully running over 185 pre-K franchise – Shanti Juniors with over 10,000 students</li> </ul>                  |

# Management Discussion & Analysis

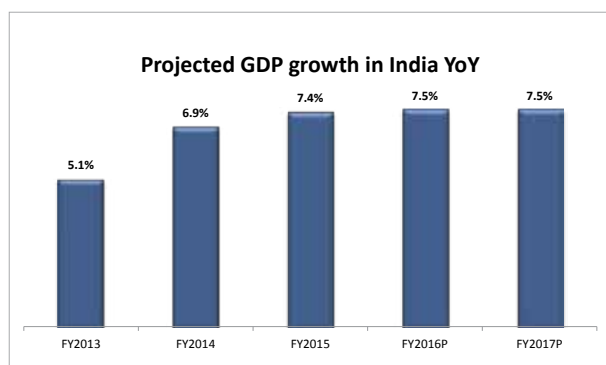
## ECONOMIC OVERVIEW

### Global Economy

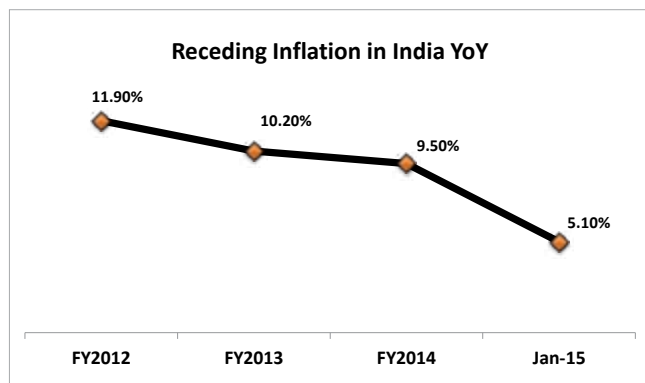
Global growth picked up marginally in 2014 to 2.6%, up from 2.5% in 2013, according to the World Bank. While U.S. and U.K. gathered positive momentum, recovery has been sputtering in the Euro Area and Japan as legacies of the financial crisis linger, intertwined with structural bottlenecks. Several major forces such as soft commodity prices, persistently low interest rates, increasingly divergent monetary policies across major economies, and weak world trade have been driving the global outlook. In particular, the sharp decline in oil prices since mid-2014 is expected to support global activity and help growth prospects in oil-importing developing economies. Overall, global growth is seen rising to 3.0% in 2015, and average at about 3.3% through 2017. (Source: worldbank.org)

### Indian Economy

From a turbulent and challenging environment in FY2013 when the Indian economy grew 5.1%, the pace of growth picked up in FY2014 at 6.9%. The economy stood up to the challenges of consumer inflation, weakening of the Indian rupee, widening twin deficits and an unstable global environment, and is now on a firm path of a revival. Current account and fiscal deficits are now within manageable levels. Post-elections, there is a wave of optimism. India is expected to clock 7.4% growth in FY2015, crossing the \$2.1 trillion mark. The strong uptick in economic growth has been accompanied by receding inflation – at 5.1% in January 2015, considerably lower than double-digit figures in 2013. Current account and fiscal deficits are now within manageable levels.



Source: Asian Development Bank



Source: RBI Website

Growth is expected to be strong in the coming years on the back of reforms, pick-up in investment, rebounding consumer demand and lower prices. The Asian Development Bank (ADB) foresees India's economy to grow by 7.8% in FY2016 and 8.2% in FY2017, making it one of the fastest growing emerging markets in the world, possibly outpacing China. A pro-investment attitude of the new Government, progress in implementing structural reforms and a pick-up in capital expenditure are some key triggers. With a high growth potential, India is seen as a bright spot in the global economic landscape.

## INDUSTRY OVERVIEW

### Global Denim Market

The global denim fabric market is approx. \$17 billion, growing at a modest rate of 3-5% a year. Asia accounts for about 70% of the global production of denim fabric capacities. World trade in denim fabric averaged 670,000 tonnes over the past one decade. In value terms, it fluctuated between \$3 billion and \$3.5 billion. While global growth in jeans is healthy enough, in North America and Western Europe jeans are facing a strong challenge from sportswear and the soft dressing trend.

Europe represents the largest market worldwide. Although developed regions such as the United States and Europe represent mature markets, they are expected to hold a major share of the global market. Asia-Pacific is forecast to emerge as the fastest growing market with a CAGR of 9.4% over the analysis period. Growth in the region is led by rising disposable income, surging GDP rates, rising number of women in the workforce, rapid rates of urbanization, Westernization of lifestyles and rising fashion consciousness.

## Growth Forecast

Global market for Denim Jeans is forecast to reach \$64.1 billion by 2020, driven by increasing disposable income, westernisation of work culture and the ensuing rise in popularity of denim jeans as business casual wear. Denim jeans have presently become a necessity and an essential wardrobe staple, as it provides comfort and has a longer life span, compared to other apparels. Currently, jeans are available in a variety of colours and styles to suit various consumer needs. Denim jeans have also demonstrated their capability to transcend beyond age and gender barriers. It represents an evergreen fashion trend and is widely endorsed by a number of fashion models. Growth in the market is influenced by economic, social and demographic trends. Growing penetration of casual wear in the workplace as a result of the retirement of aging baby boomers, and a parallel rise in young professional workforce is benefitting growth in the market.

| Global Denim Capacities (MMPA) |       |
|--------------------------------|-------|
| China                          | 3,497 |
| India                          | 1,000 |
| Latin Americas                 | 1,082 |
| European Union                 | 698   |
| North Americas                 | 406   |
| Africas                        | 164   |
| Australia                      | 15    |
| Others                         | 880   |

Source: Technopak Analysis (2013-14)

## India's Denim Market

The Indian denim apparel market was valued at ₹ 13,500 crore in 2013, as per a report by management consulting firm Technopak, accounting for 5% of the total apparel market. It has been growing at a CAGR of 14% to 15%, outpacing the global denim apparel market, which is clocking a CAGR of 3% to 5%. The domestic denim market is projected to register a CAGR of 15% to ₹ 27,200 crore by

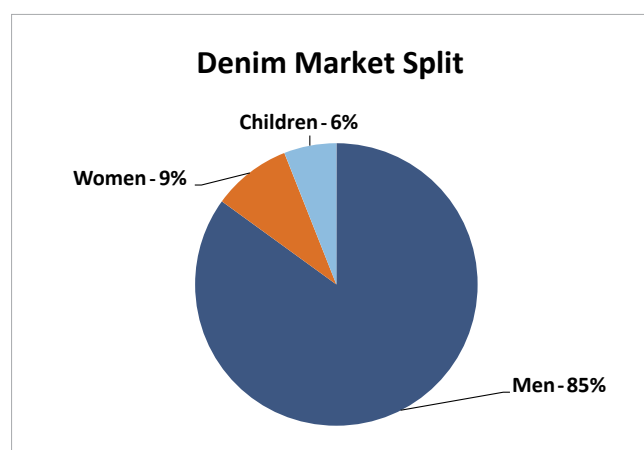
2018. In volume terms, the domestic denim apparel market has witnessed faster growth vis-à-vis exports during the five-year period FY2009-FY2013.

India is the 2nd largest denim manufacturer in the world with 1,000 MMPA capacity, next only to China. The country is the 4th largest exporter of denim fabric in the world after China, Pakistan and Turkey. Asia accounts for about 70% of the global denim fabric production. The Indian denim jeans market is largely unorganised, with branded market accounting for only 30% share. According to a white paper by RNCOS, the ratio of organised and unorganised market will change significantly due to changing consumption patterns. Tier II, III cities and towns have emerged as significant demand drivers for the denim industry. Large players are exploring the uncharted waters through low range products, considering the affordability of consumers.

### Denim Apparel Market in India

|          |                |
|----------|----------------|
| 2013     | ₹ 13,500 crore |
| 2018 (P) | ₹ 27,200 crore |
| 2023 (P) | ₹ 54,600 crore |

Source: Technopak Analysis



### City-wise Distribution of Indian Denim Market

| City type     | Population (%) | % in Market Share |
|---------------|----------------|-------------------|
| Mega metro    | 4              | 37                |
| Metro         | 3              | 12                |
| Tier I        | 3              | 8                 |
| Tier II       | 4              | 8                 |
| Rest of Urban | 18             | 20                |
| Rural         | 68             | 15                |



## The Denim Story

The denim story started elsewhere in the world as work-wear, but for the youth of India it started as a fashion statement and reflected the style quotient and comfort wear. With more than 70% of Indian population under 30 years, there exists a huge potential for denim. India's denim market is skewed towards the men's segment which contributes almost 85% of total denim sales. Women's denim segment contributes 9%, while the remaining 6% is contributed by the kids segment. Currently, India has a capacity to produce 1 billion metres of denim fabric per annum. Metros and mini-metros, with about 7% of the total Indian population, contribute about 50% to the total market share in denim wear. Tier II and III cities, which constitute about 8% of the total population, contribute only 16% of the market share in denim wear, with tremendous scope for expansion.

## Demand for Indian denim

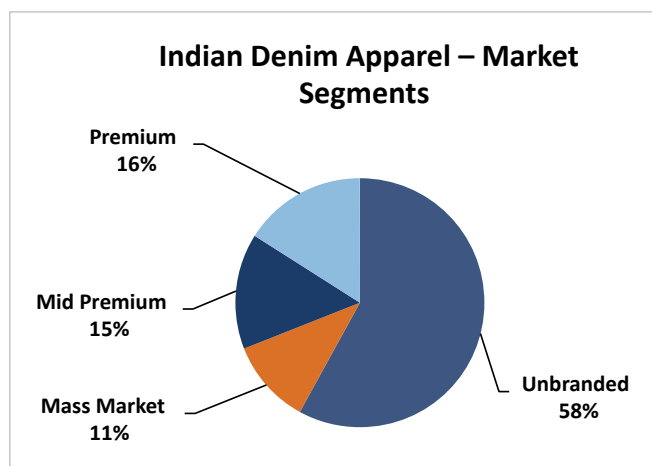
India is the second-largest denim manufacturer in the world with capacity of 1,000 MMPA, second only to China with 3,497 MMPA capacity. The demand for Indian denim has witnessed a robust growth over the past four years, growing at a CAGR of 23.6% during this period. The per capita consumption of denim is the lowest in India – at 0.3 pairs per person, showcasing the vast growth opportunity. Technopak projects the denim market to register a CAGR of 14-15% in the next 5 years, significantly outpacing the global denim apparel market CAGR growth of 3-5%. Denim is of the most promising category in India's apparel market.

### Capacity of Top 5 Denim Manufacturers in India

|                 |      |
|-----------------|------|
| Arvind          | 108  |
| Nandan Denim    | 110* |
| Aarvee Denim    | 84   |
| Sudarshan Jeans | 70   |
| Etco Denim      | 50   |

*Capacity in MMPA*

*\* Post Completion of Ongoing Project*



## Denim's Growing Popularity

In India, most denim manufacturers focus on the domestic market, given the huge market potential on account of a high population base. In recent times, the industry has witnessed the entry of new fabric manufacturers which is making the market more "price competitive". Cotton remains the fibre of choice in denim apparel, while polyester is used as weft threads in blended denim fabrics. The demand for stretch denim is growing at a faster rate in India,

due to its comfort and fit characteristics. Denim fabric has seen a growing popularity as a casual and leisure wear in almost all the large cities in India. The popularity among youth makes the fashion fabric a daily wear for formal and informal occasions. People also use denim for semi-formal occasions. There is an increasing aspiration of the youth to engage with premium denim brands.

## Growth Prospects

The global textile & apparels trade of \$510 billion in 2009 is expected to touch \$800 billion by 2015 and \$1 trillion by 2020, growing at a CAGR of 6.3%. As per the Ministry of Textiles, annual production of textile goods in India is seen touching \$220 billion by 2020, according to the Technopak Report, from the current \$90 billion. China commands a 33% share of the global textile market, compared to India's share of 4.5%. With China diverting its focus to other sectors, there is a tremendous opportunity for India's textile industry to grow. According to the Technopak Report, India possesses the potential to boost its export share in world trade to 8% or \$80 billion by 2020. Its annual denim production capacity of 600 million meters in 2010 has approximately increased to around 1,200 million meters in 2015. Growth in India's overall textile & apparel market will have a percolating down effect on the domestic denim market too. Demand for denim has been growing at a phenomenal pace in India in the recent years. The denim industry has witnessed a capacity increase of about 200-250 million meters in the past two years.

## Triggers for Growth

Acceptance of denim as a fabric has registered perhaps the highest growth over the years in the Indian textile scenario. Currently, the metros and mini metros led the growth and contributed the largest in denim wear. Going forward, a large part of this growth will be through deeper and larger penetration in Tier II & III towns and cities due to an increasing acceptance of the fabric. Some key growth drivers of the domestic denim industry are:

- Domestic denim manufacturing picking up pace, with emergence of large and improved units.
- Fast-growing youth and urban population and more people wearing the fabric to the workplace.
- The young generation, either gender, has accepted denim as "normal" wear rather than a "functional" wear.

- Current domestic market is dominated by metro cities that account for almost two-third of consumption, while having got less than 10% of national population.
- With ever-expanding retail network of distribution and higher per capita income at disposal in Tier II & III towns, the availability of denim will register a requisite improvement, leading to higher penetration.
- The multiple price-point strategy of branded jeans is further fuelling growth. With affordable availability of better fabrics to 90% of the Indian population, the segment is bound to register phenomenal growth.
- The rising number of working women, lifestyle changes and the evolving western culture has driven the demand for western wear, specifically jeans, amongst women in India.
- Growing brand awareness and consciousness has given push to the organised denim market.

## Exports to aid Top-line Growth

Of the total denim fabric produced in India, about 25% to 30% (200 MMPA) is exported. Encouraging Government textile policies and favourable exchange movement have made Indian denim fabric manufacturers highly competitive in the global market. In recent times, fabrics exported from China have become costlier than those from India owing to multiple reasons. Recent Chinese cotton policies and strengthening of Yuan have weakened the competitive edge of the Chinese denim fabric manufacturers, besides the ever-rising cost of power and manpower.

Owing to the above factors, the denim fabric manufactured in China costs \$2.6-\$2.65/metre, higher than production cost of \$2.5/metre in India, as per the Technopak analysis. This has made India a more lucrative destination for international buyers to purchase denim fabric. The geopolitical instability of Pakistan, another major denim fabric exporter, has also worked in India's favour. Additionally, the emergence of Bangladesh, which imports bulk of denim fabric from India as a favoured destination for RMG manufacturing, has also boosted India's exports. Given these factors, India's share in the world trade of denim fabric is expected to improve, benefitting the domestic players. Favourable Indian textile policies and movement of exchange rates both Rupee viz-a-viz USD and Yuan viz-a-viz USD has made Indian denim industry further competitive, as compared to China. Exports currently account for ~40-50% of the top-line of Indian denim manufacturers' domestic sales.

# Management Discussion & Analysis

## Industry Outlook

The Indian denim industry is showing continual growth trends over the years. With newer territories, technologies and trends, the market is only going to see some exciting moments ahead. Considering the demographics of India, the decade ahead offer better prospects for the Indian textile Industry as it is set for strong growth buoyed by rising domestic consumption as well as export demand. Abundant availability of raw materials and a skilled workforce, uncertainties and rising costs in competing neighbouring countries augur well for India becoming a global textile sourcing hub. Looking at this potential of development of the industry, the Government of India has extended the TUF Scheme for continuous growth and upgradation of the textile industry. The State Governments have also launched special schemes to promote investment in textiles.

The Technopak report projects India's denim market to become a ₹ 27,200-crore market by 2018, primarily owing to youngsters' fondness for the cult fabric. The boom will be fuelled by not only an increasing demand from small cities and rural areas, but also acceptance of the denim fabric at workplaces, the study adds. In terms of volumes, the denim market is estimated to rise from the current 300 million pairs of jeans to 550-600 million by the end of 2015.

## COMPANY OVERVIEW

Nandan Denim Limited (NDL) is the second-largest textile company in India. Located in Gujarat, the textile hub of India, the Company is engaged in the manufacture of denims, cotton fabrics and khakis through fully integrated facilities. With a projected denim manufacturing capacity of 110 MMPA, NDL is currently the 2nd largest manufacturing facility in India. It is a part of the Chiripal Group, a leading business conglomerate diversified across several businesses such as Textiles, Petrochemicals, Chemicals, Packaging, Infrastructure and Education.

## Our Competitive Strengths

### A Diversified Conglomerate

NDL is a part of a leading conglomerate, Chiripal Group, with a total turnover in excess of ₹ 3,230 crore. Established in 1972, the Group is currently diversified across several businesses like Textiles, Petrochemicals, Chemicals, Packaging, Infrastructure and Education. The Chiripal Group is widely recognized as the textile house with manufacturing facilities for POY, Texturing,

Cotton Spinning, Denim Weaving, Knitting and Processing, Home Furnishing. The Group's eco-system provides a distinct opportunity for Group companies to extend a large basket of solutions as per the customers' requirements.

### Locational Advantage

Our plant is located in Ahmedabad, the financial capital of Gujarat. The state of Gujarat is the textile hub of India and houses the entire textile value chain. It is the largest producer of denim fabric (65-70%) and cotton in India. The Company enjoys close proximity to machinery vendors, fabric dealers and leading garment manufacturers, resulting in faster delivery and service and lower overheads and lower marketing and transportation overheads. The manufacturing locations are well connected for all sort of transportation of materials – inward and outward – by any mode – rail, road, air and sea – to facilitate a quicker response to the business requirement. Availability of skilled and unskilled workforce in abundance ensures business continuity under the most adverse circumstances.

### Improved Operational Flexibility

NDL is in middle of expansion of its manufacturing capacity. It has installed a captive power plant to meet the captive requirement. Our expanded facility would enable us absorb the increasing market demand with faster delivery and timely execution, owing to limited dependency on external suppliers in the value chain. The integrated facility is set to benefit us by improving operational efficiencies. Also, with backward integration in place, our average cost of raw material is expected to further optimise.

- Capacity expansion from 71 MMPA to 110 MMPA
- Spinning capacity to be increased from 54 TPD to 124 TPD
- Establishing a yarn dyed shirting capacity of 10 MMPA

### Government Benefits

The Gujarat government provides a host of benefits to companies for setting up textile plants over and above the benefits applicable under the Central Government's Textile Upgradation Funds Scheme. The major benefits applicable to the Company are:

### Key Subsidies:

- Interest Subsidy (in addition to Central Government subsidies)
- Power tariff subsidy
- VAT/Entry Tax reimbursement



## Four Pillars of our Strategic Growth Vision

### 1. Rising Demand for Denim

Domestic demand for denim continues to be strong, backed by a majority of the young population 70% < 30 years, rising disposable incomes, fashion consciousness and increasing organised retail industry penetration in Tier II and Tier III cities. This, coupled with rising global denim apparel demand, will lead to improved capacity utilisation, asset turnover and return ratios at NDL. India is on its way to become a global production hub, driven by easy availability of cotton, competitive currency and low-cost labour. It is also set to benefit from China's decreasing competitiveness.

### 2. Increased Share of Value-added Products

We are looking to increase our share of value-added products. Increasing our share of value-added products and adding more processing facilities coupled with innovative / Fashion First products will enable us to manufacture a wide range of denim fabric, fetching higher average realisations and profitability. The Company has set up an in-house creative design studio and product development cell. This Design Studio is managed by a team of designers and technocrats from India's premier art and design, textiles and technology learning and research institutions. The cell's continual focus is on new market trends, fashion and product requirements meeting customers' needs to have a larger share in the sales pie.

### 3. Product Development

The Company has set up an in-house creative design studio and product development cell. This Design Studio is managed by a team of designers and technocrats from India's premier art and design, textiles and technology learning and research institutions.

The cell's continual focus is on new market trends, fashion and product requirements meeting customers' needs to have a larger share in the sales pie.

### 4. Geographical Diversity

The Company intends to geographically diversify in revenue sharing. The current share of export revenues is intended to be ramped up over the period of time. This is keeping in mind the growth in the global market and competitive advantages offered by the expansion project under progress. Optimisation of the market mix will bring forth customer mix changes that are expected to be remunerative in terms of product development and profitability.

## Management Outlook

We have a vision of future growth in order to survive in a highly competitive market environment. The opportunity in the denim market augurs well for our Company. We are also well-positioned to capitalise on the soaring export demand. With our fully integrated manufacturing facility, our objective is to cater to the needs of customers by providing a variety of products under a single roof. We are hoping that the on-going expansion in denim fabric capacity and backward integration will better our operating margins and return ratios.

## Financial Overview

### Income from Operations

Total Income from Operations increased by 22.7% from ₹ 8,938 million in FY2014 to ₹ 10,965 million in FY2015. The rise in revenues was driven by healthy increase in denim volumes and realisations on the back of an improving demand scenario and a favourable product mix. The Company successfully diversified

# Management Discussion & Analysis

into yarn dyed shirting business achieving revenue of ₹ 1,160 million in FY2015, contributing ~11% to FY2015 total revenues. The Company continued to increase its penetration of international markets to drive the exports business forward as revenues from exports grew 75% YoY to reach ₹ 1,363 million in FY2015 from ₹ 777 million in FY2014.

## Gross Profit

Gross Profit increased by 26% from ₹ 2,689 million in FY2014 to ₹ 3,388 million in FY2015 as gross margins improved by 89 basis points to reach 30.9% for FY2015. Improvement in gross margins was driven by a healthy uptick in denim realisations and reduction in the trading business.

## Earnings before Interest Tax Depreciation and Amortisation (EBITDA)

EBITDA grew by 24.7% from ₹ 1,327 million in FY2014 to ₹ 1,654 million in FY2015. EBITDA Margins for the year stood at 15.1% as compared to 14.8% in FY2014, witnessing marginal improvement of 24 basis points. The improvement in EBITDA margins was largely achieved on the back of improved gross margins, partially offset by higher employee expenses and operating expenses on account of expansion in denim and shirting capacities and increase in power cost.

## Interest and Depreciation

Interest Expense increased by 17.7% from ₹ 320 million in FY2014 to ₹ 377 million in FY2015. Depreciation & Amortisation expense increased 19.8% from ₹ 497 million in FY2014 to ₹ 596 million in FY2015.

## Profit after Tax

Profit after Tax continued to grow at a robust pace, growing by 30.7% from ₹ 393 million in FY2014 to ₹ 514 million in FY2015. PAT Margins expanded by 29 basis points to 4.7% in FY2015 from 4.4% in FY2014.

## Leverage

Total debt increased from ₹ 4,517 million in FY2014 to ₹ 4,709 million in FY2015 on account of the on-going capital expenditure. Debt to Equity ratio for the year stood at 1.8:1.

## Cash & Bank Balances

Cash & Bank Balance for the year stood at ₹ 601 million, as compared to ₹ 261 million in FY2014.

## Risk Management

At Nandan Denim Limited, the objective of risk management is to ensure that it is adequately estimated and controlled to enhance shareholder value. Risk is pertinent to virtually all the business activities, though in varying degrees and forms. It is the constant endeavour of NDL to identify, assess, prioritise and manage existing as well as emerging risks in a planned and cohesive manner.

NDL's long-term financial security and success is built on a robust risk management system. Through a pro-active and improved risk management practices, the Company's risk management function continuously works towards achieving financial stability and enhancing shareholder value. Our Internal Risk Monitoring Teams strive to put in place specific policies, frameworks and systems for effectively managing various risks. The policies and procedures are reviewed and updated at regular intervals.

The risk management function at NDL works in close co-ordination with various business operations to periodically review the individual relationships, identify early warning signs and assess the overall health of the business. The Company has implemented a comprehensive risk policy and put in place a framework to identify, assess and monitor risks, and strengthen controls to mitigate the adverse impact, if any.

## Key Risks & Concerns

The textile business, like other businesses, is susceptible to various risks. The primary risk factor is raw material prices, mainly cotton, the biggest component of cost. Since cotton is an agricultural produce, it suffers from climatic and seasonal volatility. Whereas such volatility in case of a product higher in the textile value chain is generally passed through an increase in value added products in the basket provides insulation against such volatilities.

## Significant Decline in the Denim Prices

Denim could have some downside in the demand from the consumer segments that could impact the profitability and business continuity of all denim manufacturers. However, Denim as a universal fabric could never fade out from the life style in the near future, and therefore, companies such as NDL with a widespread distribution channel will be impacted the least.



### Change in Chinese Policy

China has the largest denim fabric capacity (3.5 times the Indian capacity) in the world. Chinese policy will significantly alter the dynamics of the business. However, China has to depend heavily upon the imported cotton stocks that reduces its cost competitiveness, notwithstanding the fact that the cost of power and manpower in China has increased substantially over the period of time to make them lose cost competitiveness that it enjoyed earlier. Unless Chinese players go for a severe dumping of material, the impact whereof could be countered through anti-dumping measures at the Government level, the impact on the overall market demand would be minimal.

### Non-availability, Quality and Price of Power

An important issue is the availability, quality and price of power. With in-house power generation facilities, NDL is reasonably hedged against these issues. It also has back-up arrangements to source power from the State Grid as well as Open Market to make up for the quantity.

### Lack of Skilled Manpower

The non-availability of skilled manpower along with high labour cost prevailing in the country is growing concern area for textile industry. NDL, as part of the group philosophy has always deployed the best automation technology to reduce its reliance on the quality and quantity of manpower required. Apart from the technologic leveraging, it has also initiated in-house training and development for the workers to ensure regular supply of quality manpower.

### Pollution Control Measures

Major threat perceived by the fabric processors include concern for pollution that has led to closure of multiple industrial units across the country. NDL has taken all steps necessary to maintain

the pollution in check as part of its corporate philosophy to ensure uninterrupted business operations without compromising environmental issues.

### Entry of New Manufacturers

With the increase in penetration of denim in smaller towns as routine wear fabric, the Company expects lot of new manufacturers to join the band that may temporarily glut the market. However, in view of one of the largest integrated manufacturing facilities at its disposal and the brand and qualities established by the Company over the period of last one decade, it expects minimal adverse impact on its revenue and profitability. The domestic market is surging at 15-18% per annum that provides adequate space for new capacities being added in the segment by the existing or new players. In the near future, the Company doesn't expect significant consolidation in the industry.

### Natural Disasters

The Company has established all its manufacturing facilities within a radius of 50 kilometers from each other and in the event of any natural calamity in the region, the operations of the Company may be hampered. Looking to the strategic advantage of being closer to the market, port and specific concessions extended by the State Government, it is a trade-off call for the continuing benefits to the organisation. The Company is not ruling out future expansions at geographically different locations to mitigate such risks.

### Currency Volatility

Volatility in the foreign currencies could impact export earnings of the Company. However, as of now, a major part of the revenues is derived from domestic market with no significant imports of inputs. The Company follows prudent financial measures that are subjected to periodic reviews to hedge its revenues in foreign currency.



## Internal Controls

The Company has an adequate internal audit system commensurate with its size and nature of operations. An independent firm of Chartered Accountants carries out regular Internal Audit processes and checks across the organisation. The management too is fully involved in reviewing the internal control systems and procedures to ensure efficient conduct of the business. These Internal Auditors periodically interact with the Audit Committee of Board of Directors to discuss various internal controls / internal audit issues. The business processes in the Company are regularly updated and automated to minimise the risks arising through human intervention.

With a key focus on employee development, we are nurturing our human capital and creating a talent pool to drive business goals. We are also inculcating a culture of high-performance business outcome within the organisation through effective internal communication with stakeholders and making them highly accountable. We are increasingly focusing on attracting corporate and qualified talent with cross-industry experience for creative execution and marketing of our scalable projects. With a scalable business, we are able to showcase the career path and progression to each of our employees. In an endeavour to make the organisation more vibrant, our rules and policies with regards to Human Resources are re-formulated, with the sole aim of enhanced employee satisfaction and to adhere to the best of industry practices.

## Human Resources

Our organisational culture is fully geared to move into a space of growth, culture and strategy. We are encouraging our workforce to innovate and achieve the short-term and long-term objectives. Through our strategised HR processes, our aim is to achieve our business goals. On a ground-level basis, we are working towards a common platform to enable HR to be driven through online systems. In another initiative, we are building an HR ecosystem with department-wise Standard Operating Procedures and also all existing policies and procedures to ensure quality deliverable at each step. Moving forward, the core of our HR strategy is to implement the processes and prepare deliverables and guidelines, focussing on people management.

## Cautionary Statement

Statement made in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied.

Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.

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# STATUTORY REPORTS

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# NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of the Company will be held on Tuesday, September 29, 2015 at 09.30 a.m. at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 to transact the following business:-

## ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss Account for the year ended March 31, 2015 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare a Final Dividend on Equity Shares for the financial year 2014-15.
3. To appoint a Director in place of Mr. Vedprakash Chiripal, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. J.T. Shah & Co., Chartered Accountants (FRN: 109616W) as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

## SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**  
**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Ms. Pratima Ram (DIN: 03518633), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 29, 2015 up to September 28, 2020."
6. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**  
**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Mr. Giraj Mohan Sharma (DIN: 01215950), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 29, 2015 up to September 28, 2020."
7. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**  
**RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Dr. Yasho Verdhan Verma (DIN: 06389278), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from September 29, 2015 up to September 28, 2020."
8. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**  
**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into the related party transactions by the Company with the respective related parties and for the maximum amounts per annum, as mentioned herein below:

| Sr. No. | Nature of the transactions as per section 188 of the Companies Act, 2013. | Name of the Director/KMP who is related and nature of their relationship                                                     | Name of the related party                                                                     | Purchase / Sale (₹ in Crore) |
|---------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|------------------------------|
| 1.      | Sale of goods                                                             | Mr. Vedprakash Chiripal, Chairman of the Company being common Director(s)/ Shareholder(s) of the Company.                    | 1. Chiripal Industries Limited<br>2. Nova Textiles Private Limited                            | 400.00                       |
| 2.      | Purchase of goods                                                         | Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company. | 1. Chiripal Poly Films Limited<br>2. Chiripal Industries Limited<br>3. Vishal Fabrics Limited | 200.00                       |

|    |                               |                                                                                                                              |                                 |        |
|----|-------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------|--------|
| 3. | Rent/ Lease of the Property   | Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company. | Chiripal Industries Limited     | 5.00   |
| 4. | Job work Charges              | Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company. | Chiripal Industries Limited     | 150.00 |
| 5. | Maintenance Expense           | Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company. | Shanti Exports Private Limited  | 1.00   |
| 6. | Electricity Expenses          | Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company. | Shanti Exports Private Limited  | 1.00   |
| 7. | Capital Asset Sales/ Purchase | Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company. | Chiripal Infrastructure Limited | 35.00  |

**RESOLVED FURTHER THAT** the transactions may be entered into subject to the compliance of criteria mentioned under Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013."

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or a committee thereof, be and is hereby, authorized to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

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

**RESOLVED THAT** pursuant to the provisions of section 148(3) 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), the remuneration payable to M/s. A.G. Tulsian & Co., Cost Accountants, Ahmedabad having Firm Registration No. 100629, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of textiles for the financial year ending March 31, 2016, at a remuneration not exceeding to ₹ 50,000 p.a. (Rupees Fifty Thousand Only) as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed."

10. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**  
**RESOLVED THAT** pursuant to provisions of section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, a new set of Articles of Association, placed before the Members, be and is hereby adopted and substituted in place of the existing Articles of Association of the Company."

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto.

11. **To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**  
**RESOLVED THAT** pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members, and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the Corporate Office of the Company viz. 'Chiripal House', Shivrangani Cross Roads, Satellite, Ahmedabad, or its any other office or place within the Ahmedabad city, instead of the Registered Office of the Company.

# NOTICE

**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.

12. **To consider, and if deemed fit, to pass with or without modification(s), the following resolution as a Special Resolution:**  
**RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and pursuant to the applicable Article of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Brijmohan D. Chiripal (DIN: 00290426) as the Managing Director of the Company for a period of five years commencing from 01.10.2014 on the remuneration, terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed in the Notice.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to alter or vary the scope of remuneration of Mr. Brijmohan D. Chiripal, Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.

13. **To consider, and if deemed fit, to pass with or without modification(s), the following resolution as a Special Resolution:**  
**RESOLVED THAT** subject to the provisions of Section 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification or re-enactment thereof for the time being in force and hereinafter collectively referred as "Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI ICDR Regulations") as amended and any other guidelines and clarifications issued by the Securities and Exchange Board of India as also by any other statutory/regulatory authorities, the Listing Agreement entered into between the Company and BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and in accordance with the provisions of the Articles of Association of the Company, and the Foreign Exchange Management Act, 1999 (the "FEMA"), and any other rules, regulations notified under FEMA and circulars issued under FEMA and subject to all necessary statutory or regulatory approvals, consents, permissions and / or sanctions as may be deemed necessary including without limitation approvals from the Government of India, Foreign Investment Promotion Board (FIPB), Reserve Bank of India (RBI) and subject to all such other approvals, permissions, consents and sanctions of any authorities, as may be necessary, and all other relevant third party consents and approvals as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors, consent of the Company be and is hereby given to the Board of Directors of the Company (hereinafter referred to as the Board which term shall be deemed to include duly authorized committee thereof constituted to exercise the powers conferred on the Board by this resolution) to create, offer, issue and allot from time to time in one or more tranches, upto 25,00,000 (Twenty Five Lakh Only) warrants of the Company in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion to the following allottees, provided that each such warrant shall entitle to the holder(s) thereof to subscribe for and be allotted one equity share of face value of ₹ 10/- of the Company ("Equity Share") at an exercise price of ₹ 200/- (including premium of ₹ 190/-, per equity share in accordance with the ICDR Regulations ("Issue Price").

| Sr. No. | Names of the Proposed Allottees | No. of convertible warrants to be allotted | PAN        | Category                       | Allottee is:<br>QIB / MF / FI / Trust / Banks / Limited Liability Partnership |
|---------|---------------------------------|--------------------------------------------|------------|--------------------------------|-------------------------------------------------------------------------------|
| 1.      | Polus Global Fund               | 25,00,000                                  | AAHCP1682K | Foreign Institutional Investor | FII                                                                           |

**RESOLVED FURTHER THAT** the issue and allotment of the warrants to the above referred entity (the "Allottee(s)") shall be on the following terms and conditions:

- the Relevant Date for the preferential issue, as per the SEBI (ICDR) Regulations, as amended from time to time, for the determination of price for the issue of the above mentioned warrants shall be August 28, 2015, being the date 30 days prior to the date of Annual General Meeting (i.e. September 29, 2015) to approve the proposed preferential issue in terms of section 62(1)(c) of the Act.
- The warrants by itself do not give to the warrants holder any rights of the shareholders of the Company.
- the warrants shall be convertible into equity shares, in one or more tranches, within a period of 18 months from the date of their allotment;

4. The warrant holder shall pay an amount equivalent to at least 25% of the consideration determined in terms Regulation 76 of the SEBI (ICDR) Regulations against each warrant, on or before the allotment of warrants. If the option to acquire equity shares pursuant to conversion of warrants is not exercised as per above clause (3), the amount paid under this clause shall be forfeited by the Company.
5. the number of shares that each warrant converts into and the price per share upon conversion of the warrants, shall be appropriately adjusted for the corporate actions such as bonus issues, rights issues, stock split or any capital or corporate restructuring.
6. The allotment of warrants, allotment of equity shares pursuant to conversion of warrants, conditions of payment of consideration and other terms and conditions thereof shall be subject to any statutory amendment and modification, notification, rules, regulations under any applicable law as the case may be for the time being in force.

**RESOLVED FURTHER THAT:**

- i) the requisite number of equity shares against the warrants to be so allotted in favour of the Allottee as aforesaid, be issued in favour of the Allottee upon receipt of the balance 75% of the conversion price from such Allottee, at the time of allotment of equity shares pursuant to exercise of option against each such warrant by the warrant holder;
- ii) the consideration price of the warrants, if paid in cash, shall be received from the Allottee's bank accounts;
- iii) the equity shares allotted pursuant to the conversion of the warrants shall rank pari passu in all respects with the existing fully paid up equity shares of the Company, from the date of their allotment. Such new equity shares when issued and allotted as aforesaid shall also be entitled for dividend as per the regulations/ notifications/ clarifications issued by SEBI in this regard;
- iv) the Equity shares to be issued and allotted on conversion of the warrants shall be listed and traded on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;
- v) the equity shares allotted pursuant to exercise of options attached to the warrants issued on preferential basis to such persons, shall remain locked in as per the provisions of SEBI (ICDR) Regulations viz. for a period of one year for Non Promoter Group, from the date of their trading approval (the date of trading approval shall mean the latest date when trading approval has been granted by recognized stock exchanges viz. BSE and NSE);
- vi) the Board be and is hereby authorized to accept any modification(s) to or to modify the terms of issue of the warrants or equity shares on conversion thereof, subject to the provisions of the Act and SEBI (ICDR) Regulations, without being required to seek any further consent or approval of the members of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized to do all such acts, matters, deeds and things and to take all such steps and give all such directions as the Board may consider necessary, expedient or desirable, including without limitation, to prescribe the forms of application, allotment and by way of further calls, if any, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle all questions, difficulties or doubts that may arise in relation to the proposed issue, offer and allotment of any of the said warrants and the utilization of the issue proceeds and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards to the terms and conditions as may be required by the SEBI, stock exchange, Registrar of Companies or other authorities or agencies involved or concerned with regard to the issue and allotment of warrants and the shares proposed to be allotted pursuant to the conversion thereto.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board be and is hereby authorized to appoint consultants, advisors, manager to the issue and pay their fees, remuneration, charges, etc. as provided under the regulations and as may be warranted.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolutions to any Director or Directors or to any Committee of Directors or any other officer or officers of the Company to give effect to the aforesaid resolutions."

Ahmedabad  
May 29, 2015

By order of the Board of Directors  
For **Nandan Denim Limited**  
Purvee Roy  
Company Secretary  
Mem. No. A26925

# NOTICE

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy of any other person or shareholder.
2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members are requested to bring their copies of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. Members intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
6. The members, holding shares in physical form, are requested to intimate any change in their addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Datamatics Financial Services Limited, Unit: Nandan Denim Limited, Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (East) Mumbai 400 093. Those holding shares in dematerialized form may intimate any change in their addresses or bank details / mandates to their Depository Participants (DP) immediately. Members holding shares in dematerialized form may note that bank details registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request directly received from any member holding shares in dematerialized form for any change in such details. Such changes are to be advised only to the DP of the members.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2015 to Tuesday, September 29, 2015 (both days inclusive).
8. The final dividend on equity shares for the year March 31, 2015, if declared at the meeting, will be paid / dispatched on or after October 10, 2015 to those members whose names appear on the Company's Register of Members on September 22, 2015 or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on September 22, 2015.
9. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day up to and including the date of the Annual General Meeting of the Company.
10. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended March 31, 2015 is uploaded on the Company's website [www.nandandenim.com](http://www.nandandenim.com) and may be accessed by the members.
11. Details under clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
12. Electronic copy of the Annual Report for FY 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2014-15 is being sent in the permitted mode.
13. To support the 'Green Initiative', the members who have not registered their e-mail addresses are requested to register the same with Nandan Denim Limited / Depositories.
14. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the

same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are been sent in permitted mode.

15. Voting through electronic means:

The Company is pleased to offer e-voting facility to all its members to enable them to cast their vote electronically in terms of section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.

## SECTION A : SHAREHOLDER INSTRUCTIONS FOR E-VOTING

Pursuant to provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, the Company is pleased to offer e-voting facility to members to exercise their votes electronically on all resolutions set forth in the postal ballot notice. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.

The Company has appointed Mr. Keyur Shah (Membership Number: ACS 16687; CP No. 8814) of M/s. Keyur J. Shah & Associates, Company Secretaries as the scrutiniser for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders / beneficial owners shall be reckoned on the equity shares held by them as on September 22, 2015 being the cut-off date.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on September 25, 2015 at 9.00 a.m. and ends on September 28, 2015 at 05.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 22, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL : 16 digits beneficiary ID,
  - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN                                                        | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                            | <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB                                                        | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.                                                                                                                                                                                                                                                                                                                                                                                      |
| Dividend Bank Details                                      | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.                                                                                                                                                                                                                                                                                                                                                                                                   |
|                                                            | <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>                                                                                                                                                                                                                                   |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

# NOTICE

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## SECTION B : COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i. The e-voting period commences on September 25, 2015 (9.00 a.m.) and ends on September 28, 2015 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off Date of September 22, 2015 may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- ii. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company.
- iii. CS Keyur Shah, Practising Company Secretary (Membership Number: ACS 16687; CP No. 8814) (Address: HSA, 6-Darpan Society, Above Central Bank, St. Xaviers Loyola Road, Darpan Six Cross Roads, Ahmedabad - 380 013, Gujarat, India) has been appointed as the Scrutinizer to scrutinize the e-voting process.
- iv. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any and submit forth with to the Chairman of the Company.
- v. The results shall be declared on the date of AGM of the Company. The results declared along with the Scrutinizer's Report

shall be placed on the Company's website [www.nandandenim.com](http://www.nandandenim.com) and on the website of CDSL [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) within two days of the passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

- vi. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of sufficient votes.
- vii. For members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions given in the notice.
- viii. Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to log on to [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) and register themselves as Corporates, link their account which they wish to vote on and then cast their vote. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). They should also upload a scanned copy of the Board Resolution/Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in pdf format in the system for the scrutinizer to verify the vote.
- ix. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the member forgets the password and the same needs to be reset.
- x. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### Contact Details

|                                |                                                                                                                              |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Company                        | : Nandan Denim Limited<br>Corporate Office : 'Chiripal House', Near Shivrangani Cross Roads, Satellite, Ahmedabad – 380 015. |
| Phone                          | : +91 79 26734660/2/3                                                                                                        |
| CIN                            | : L51909GJ1994PLC022719                                                                                                      |
| Email ID                       | : <a href="mailto:cs.ndl@chiripalgroup.com">cs.ndl@chiripalgroup.com</a>                                                     |
| Registrar and Transfer Agent : | Datamatics Financial Services Limited<br>Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (east), Mumbai – 400 093            |
| Phone                          | : +91 22 66712151-56                                                                                                         |
| Email ID                       | : <a href="mailto:investorqry@dfssl.com">investorqry@dfssl.com</a>                                                           |
| E-voting Agency                | : Central Depository Services (India) Limited                                                                                |
| Email ID                       | : <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>                                         |
| Scrutinizer                    | : CS Keyur Shah, Practising Company Secretary                                                                                |
| Email ID                       | : <a href="mailto:cs.keyurshah@gmail.com">cs.keyurshah@gmail.com</a>                                                         |

# NOTICE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following information is furnished about the Directors proposed to be re-appointed vide Item No. 3 of the Notice dated May 29, 2015 convening the 21st Annual General Meeting of Nandan Denim Limited:

| Name of Director       | Date of Birth | Qualification                               | Nature of Expertise                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Name of Public Companies in which he holds Directorship                                       | Name of Committees of Companies of which he holds Membership / Chairmanship                                                                                                                                                               |
|------------------------|---------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Vedprakash D. Chiripal | 21/11/1951    | Commerce Graduate from Calcutta University. | He owns more than 3 decades of experience in the textile industry. Under the guidance of Shri. Vedprakash Chiripal, the Company has achieved great heights. A self made Industrialist, he started from a small weaving unit of mere 12 power looms in the year 1974. The saga of his success took its flight from there and he eventually added to his fleet a couple of textile processing units, backwardly integrating manufacturing units, etc. He later lead to horizontal expansion by setting up a fully integrated denim manufacturing unit. With his ever readiness attitude for growth, he further successfully lead the group to diversify and expand into the fields of real estate, infrastructure and education. As Chairman of the company, he has also enabled a potential for growth for his associates and continuously nurtures the talent of individuals. | Chiripal Industries Limited<br>CIL Nova Petrochemicals Limited<br>Chiripal Poly Films Limited | Committee Positions held in Nandan Denim Limited:<br>Member – Audit Committee<br>Member – Nomination & Remuneration Committee<br>Member – Stakeholders relationship Committee<br><br>Committee Positions held in other companies: 2 (two) |

## EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 13 of the accompanying Notice:

### Item No. 5, 6 & 7:

Ms. Pratima Ram, Mr. Giraj Mohan Sharma and Dr. Yasho Verdhan Verma are Independent Directors of the Company.

The Securities and Exchange Board of India (SEBI) has amended clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a Listed Company.

It is proposed to appoint Ms. Pratima Ram, Mr. Giraj Mohan Sharma and Dr. Yasho Verdhan Verma as Independent Directors under section 149 of the Act and clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2020.

Ms. Pratima Ram, Mr. Giraj Mohan Sharma and Dr. Yasho Verdhan Verma are not disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from Ms. Pratima Ram, Mr. Giraj Mohan Sharma and Dr. Yasho Verdhan Verma that they meet with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Act and under clause 49 of the Listing Agreement.

In the opinion of the Board, Ms. Pratima Ram, Mr. Giraj Mohan Sharma and Dr. Yasho Verdhan Verma fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Ms. Pratima Ram, Mr. Giraj Mohan Sharma and Dr. Yasho Verdhan Verma are independent of the management.

Brief profile of the Independent Directors to be appointed is given below:

Ms. Pratima Ram has graduated from the University of Virginia, USA and Bangalore University. She is an experienced banker with three decades in corporate, international and investment banking and has held the position of Chief General Manager and Country Head of United States operations of State Bank of India and prior to this she was the CEO of the South African operations of the Bank. At SBI Capital Markets, she led the Corporate Advisory, M&A, & Project Appraisal businesses. While at SBI, she also headed the Diamond Financing business of the Bank. She later on joined private sector in the infrastructure space as Group President Finance at Punj Lloyd Group having diversified operations in more than 15 countries. Till recently she was CEO of India Infoline Finance Ltd.,

NBFC focused on lending to small businesses, real estate and health care sectors. She is now Advisor to India Infoline Finance Ltd. She has held Board positions in SBI California Ltd, USA and India Infoline Finance Ltd, Mumbai.

Mr. Giraj Mohan Sharma is a Mathematics Graduate from University of Delhi and dropped out of his M.Sc. Maths to get into Marketing. He spent fifteen years in the industry before he set up BehindTheMoon - twelve of these years with Onida (a leading Indian Brand for consumer durables) and was Head of Marketing & Sales before he quit. He also spent a couple of years with Indian Express. Mr. Sharma is the Founder-Director of the Brand & Strategic Consulting boutique – BehindTheMoon Consultants. BehindTheMoon has been working towards facilitating companies to strengthen their Brands by working strategically around their Brand's Identity and Values. BehindTheMoon is a fourteen-year old firm and has done some interesting work for companies such as L&T (IDPL), Star TV, Mother Dairy and Panasonic among others. Other than consulting on Brand Strategy and Distribution – BehindTheMoon offers consulting on Moment of Truth where Giraj is considered an evangelist.

Dr. Yasho Verdhan Verma is a well acclaimed Thought Leader, Mentor, Business Advisor, Speaker and Author. He was earlier Director (Home Appliances) of LG Electronics India. Presently, he is member of Executive Board of FORE School of Management and Association of Independent Directors of India apart from being Director in Dena Bank and Advisor to Videocon Group of Industries. He writes on wide range of subjects related to Business and Management in national magazines and newspapers and is also a visiting faculty in premium management schools in the area of HR &OB and strategy. He was rated as 'HERETIC' by Business Today and Gallup and featured on cover page of Business Today, a prestigious business magazine in India in 1997.

Ms. Pratima Ram, Mr. Giraj Mohan Sharma and Dr. Yasho Verdhan Verma do not hold any equity shares in the Company and are not related to any Director of the Company.

Ms. Pratima Ram, Mr. Giraj Mohan Sharma and Dr. Yasho Verdhan Verma are interested in the resolutions set out respectively at Item No. 5, 6 & 7 of the Notice with regard to their respective appointments.

None of the other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution, same and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 5, 6 & 7 of the Notice for the approval of the members.

#### **Item No. 8:**

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain the prior approval of Board of Directors and prior approval of the shareholders by way of a Special Resolution must be obtained for certain transactions. Further, the revised provisions of Clause 49 of the Listing Agreement, effective from October 1, 2014, require approval of shareholders by way of Special Resolution for material related party transactions. There is no exemption thereunder even if such transaction is in the ordinary course of business of the entity and on arm's length basis.

The Board of Directors of the Company took note that the Company being in existence for last three decades has developed into a financial institution with efficient systems, competent credit management practices and stringent operational control processes, thus, may extend the required support to its Associate Companies.

In the light of the provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013) the name of the related parties, name of the Director or Key Managerial Personnel who is related, if any and nature of relationship is mentioned in the resolution. The amount involved in the related party transactions entered into by the Company are within the limits prescribed and the condition specified by the Act and the Listing Agreement in addition to being in the ordinary course of business and at arms length, but as a good corporate governance practice, the Company desires to pass a Special Resolution for the same.

Therefore, approval for the below mentioned transactions is being taken:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;

The support and services extended by the Company to its Associate Companies in relation to business enhancement and for building up robust practices and processes are towards the benefit of all the Companies. The respective transactions have been carried out on arm's length basis and all factors relevant to the respective transactions have been considered by the Board.

The members are further informed that no member(s) of the Company being a related party or having any interest in the resolution as set out at Item No. 8 shall be entitled to vote on this resolution.

# NOTICE

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 8 of the Notice for the approval of the members.

## **Item No. 9:**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. A.G. Tulsian & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of textiles products for the financial year ending March 31, 2016 at a remuneration not exceeding ₹ 50,000 plus service tax and out of pocket expenses. In accordance with the provisions of Section 148 (3) of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2016.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 9 of the Notice for the approval of the members.

## **Item No. 10:**

The Articles of Association of the Company currently in force were originally adopted when the Company was incorporated under the Companies Act, 1956. The Articles of Association were amended from time to time in accordance with the provisions of the Companies Act, 1956.

With the introduction of the Companies Act, 2013, it is proposed to amend the existing Articles of Association to make it consistent with the provisions of Companies Act, 2013 including the Rules framed thereunder.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection at the Registered Office of the Company during the business hours on any working day, up to the date of the Annual General Meeting and during the Annual General Meeting. The proposed draft Articles of Association is available on the Company's website at [www.nandandenim.com](http://www.nandandenim.com) for perusal by the shareholders.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 10 of the Notice for the approval of the members.

## **Item No. 11:**

As required under the provisions of Section 94 the Companies Act, 2013, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the Registered Office of the Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the Corporate Office of the Company viz. 'Chiripal House', Shivranjani Cross Roads, Satellite, Ahmedabad, or any other its office or place within the Ahmedabad city, instead of the Registered Office of the Company.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Gujarat, Ahmedabad, as required under the said Section 94 (1) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 10 of the Notice for the approval of the members.

## **Item No. 12:**

As per the Articles of Association of the Company, Mr. Brijmohan D. Chiripal, Managing Director, whilst holding office as the Managing Director shall not be subject to retirement by rotation. As per section 6 of the Companies Act, 2013, the provisions of the Act will have effect notwithstanding anything to the contrary contained in the Articles of Association of the Company. For the purpose of compliance with section 152 of the Companies Act, 2013 and for determining the Director liable to retire by rotation, the Board at its meeting held on 08.08.2014, took note of the consent given by Mr. Brijmohan D. Chiripal, being longest in office, to retire by rotation at the previous Annual General Meeting of the Company held on September 15, 2014. Accordingly, the Board noted that Mr. Brijmohan D. Chiripal, Managing Director, shall be the Director liable to retire by rotation and being eligible, had offered himself for re-appointment.

Moreover, the shareholders will recall the appointment of Mr. Brijmohan D. Chiripal as the Managing Director of the Company with effect from 01.10.2009 for a period of five years at their meeting. As the term of appointment of Mr. Brijmohan D. Chiripal has

expired on 30.09.2014, the Board of Directors have, subject to the approval of the shareholders, re-appointed Mr. Brijmohan D. Chiripal as the Managing Director w.e.f. 01.10.2014 on the remuneration, terms and conditions recommended by the Nomination and Remuneration Committee as set out herein.

While re-appointing Mr. Brijmohan D. Chiripal as the Managing Director of the Company, the Board of Directors considered his contribution to the overall progress of the Company. During the year, the Company has achieved remarkable growth with its turnover exceeding ₹ 1000.00 crores. Moreover, the Company is aggressively concentrating on its expansion plan besides exploring opportunities both in India and abroad.

The Board is of the opinion that his services should continue to be available to the Company to achieve still greater heights, by re-appointing him as Managing Director as mentioned in the resolution, subject to the approval of shareholders.

Taking into consideration the duties and responsibilities of the Managing Director, the prevailing managerial remuneration in industry and on the recommendation of the Nomination and Remuneration Committee, the Board at their meeting held on 29.05.2015 approved the remuneration, terms and conditions of the re-appointment of Mr. Brijmohan D. Chiripal, subject to the approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

**Salary:** ₹ 5,00,000/- per month

**Residential accommodation:** Shall be provided free furnished residential accommodation

**Perquisites and Allowances:**

In addition to the above salary and residential accommodation, he shall be entitled to the following perquisites and allowances restricted to an amount equal to two times his annual salary in a financial year:

- i) Gas, electricity, water, furnishing and other amenities, repairs, house maintenance expenses, servant(s), cook(s), security guard(s), etc., at his residence;
- ii) Club Fees: Actual fees of clubs will be reimbursed;
- iii) Leave travel concession: For self and family once in a year incurred in accordance with the rules of the company;
- iv) Facility of car with driver;
- v) Allowances and other perquisites: Special allowance and/ or any other allowances or perquisites as determined by the nomination & remuneration committee.

The above perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax rules, wherever applicable. In the absence of any such rules, these shall be evaluated at actual cost.

**Other Benefits:**

- Contribution to provident fund, pension / superannuation / gratuity fund schemes in accordance with the Company's rules and regulations in force from time to time;
- One month's leave with full salary for every 11 months of service. Leave accumulated but not availed will be allowed to be encashed. Leave encashment at the end of the tenure will be as per the rules of the Company;
- Reimbursement of actual medical expenses incurred in India or abroad for self and family including hospitalization expenses, treatment expenses and in case of medical treatment abroad, the air-fare boarding / lodging, travel, etc. for self and family and attendant;
- Medical / Personal accident / Travel insurance: Actual premium to be paid by the Company for self and family;
- Telephone: Free telephone facility at residence including mobile phone and other suitable communication facilities.

The above benefits will not be included in the computation of the ceiling on perquisites and allowances.

**Commission:**

No commission shall be paid.

**Minimum Remuneration:**

Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Brijmohan D. Chiripal, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in section II of Part II of schedule V to the Companies Act, 2013 as minimum remuneration.

As the terms of re-appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with schedule V to the said Act, Central Government approval is not required for this re-appointment.

Mr. Brijmohan D. Chiripal and his relatives (including Mr. Vedprakash D. Chiripal, Chairman) may be deemed to be concerned or interested in the said resolution.

No other Director and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution, save and except as shareholder and to the extent of their shareholding in the Company.

The Board accordingly recommends the resolution as set out in Item No. 12 of the Notice for the approval of the members.

# NOTICE

## Item No. 13

The growing business of your Company would require infusion of additional funds. In view of the same, the Board of Directors at their meeting held on 29th April, 2015 considered it appropriate that more capital be infused in the Company to add more credibility to the Business.

Your Company thinks that one way of achieving this would be through the preferential allotment of warrants convertible into equity shares, to the Promoter Group and/ or Non Promoter Group. Further, the Board believes that the proposed preferential allotment would allow the Company to raise additional capital as against the alternative of raising additional capital by way of debt financing, which would entail significant interest costs.

Accordingly, it is proposed to offer to the Persons belonging to the Non- Promoter Group, 25,00,000 (Twenty Five Lakh) fully Convertible warrants, each of which would, entitle them to acquire an equivalent number of equity shares of face value ₹ 10/- (Rupees Ten only) each at a conversion price of ₹ 200/- (Rupees Two Hundred only) per equity share as determined in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the "SEBI ICDR Regulations").

Pursuant to provisions of Section 62(1)(c) of Companies Act, 2013, any preferential allotment of securities needs to be approved by the shareholders by way of Special Resolution. The Listing Agreements executed by the Company with the Stock Exchanges also provides that the Company shall, in the first instance, offer all securities for subscription pro- rata to the shareholders unless the shareholders in a general meeting decide otherwise. The proposed issue of warrants is in accordance with the provisions of SEBI (ICDR) Regulations and other applicable regulations. In terms of the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and the aforesaid SEBI (ICDR) Regulations, the relevant disclosures / details are given below:

**i. The Objects of the issue through preferential offer:**

The proceeds will be utilized for any one or in combination with any one or more of the purposes viz. to raise funds for undertaking the expansion project; to augment the net worth and the capital base of the Company required for its business growth; to meet the long term working capital requirement of the Company; to improve the capital structure of the Company; general corporate purposes.

**ii. The intention of the Promoters/Directors/Key Managerial Personnel of the issuer to subscribe to the offer:**

The issue would be subscribed by Non-Promoter entity. None of the Promoters, Directors and Key Managerial Personnel (KMP) would subscribe to the offer.

**iii. Relevant Date:**

The Relevant Date for the preferential issue, as per the SEBI (ICDR) Regulations, as amended from time to time, for the determination of price for the issue of the above mentioned Warrants is fixed as August 28, 2015, being the date 30 days prior to the date of shareholders meeting.

**iv. Pricing of Preferential Issue:**

The equity shares and the Warrants will be allotted in accordance with the price determined in terms of Regulation 76 of the SEBI (ICDR) Regulations. Since the Company is listed on both BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), the trading price of securities of the Company on both the stock exchanges is taken into consideration for determining the pricing of securities allotted on preferential basis.

Accordingly, for the proposed allotment of warrants, the issue price shall be ₹ 200/- (Rupees Two Hundred Only) per security as per the SEBI Pricing Guidelines.

The issue price of ₹ 200/- (Rupees Two Hundred only) per security, is more than price estimated by the management as per the relevant price on the BSE / NSE by taking into consideration the prices quoted on BSE Limited (being higher of (a) the average of the weekly high and low of the volume weighted average prices at the NSE and BSE for 26 weeks prior to the Relevant Date and (b) the average of the weekly high and low of the volume weighted average prices at the NSE and BSE for 2 weeks prior to the Relevant Date). Accordingly, the price per equity share to be issued is fixed at ₹ 200/- per security which is higher of the prices as computed under (a) and (b) above.

**v. Terms of Issue of warrants:**

The proposed Allottee(s) of warrants shall, on or before the date of allotment, pay an amount equivalent to at least 25% of the consideration determined in terms of Regulation 76 of the SEBI, (ICDR) Regulations, 2009 against each warrant;

The holder of each warrant will be entitled to apply for and obtain allotment of one equity share of face value of ₹ 10/- each of the Company against each warrant at any time after the date of allotment but on or before the expiry of 18 months from the date of allotment, in one or more tranches. At the time of exercise of entitlement for the equity shares, the warrant holder(s) shall pay the balance 75% of the consideration towards the price fixed for the warrant;

The consideration price of the warrants shall be received from Allottees' bank accounts;

If the entitlement against the warrants to apply for the equity shares is not exercised within the aforesaid period, the entitlement of the warrant holders to apply for equity shares of the Company along with the rights attached thereto shall expire and any amount paid on such warrants shall stand forfeited;

Upon receipt of the requisite payment as above, the Board (or a Committee thereof) shall allot one equity share per warrant by appropriating ₹ 10/- (Rupees Ten only) towards equity share capital and the balance amount paid against each warrant, towards the securities premium account;

The number of shares that each warrant converts into and the price per share upon conversion of the warrants, shall be appropriately adjusted for the corporate actions such as bonus issues, rights issues, stock split or any capital or corporate restructuring;

1. The warrant(s) by itself until converted into equity shares, does not give to the holder(s) thereof any rights with respect to that of a shareholder of the Company except as specified above;
2. The equity shares allotted pursuant to exercise of options attached to the warrants issued on preferential basis to the person other than Promoter and Promoter Group under SEBI [ICDR] Regulations shall be locked in for a period of one year from the date of Trading Approval to be received from the Stock Exchanges (the date of trading approval shall mean the latest date when trading approval has been granted by recognized stock exchanges viz. BSE and NSE. The entire pre preferential allotment shareholding of the Allottee, if any, shall be locked in from the relevant date up to a period of six months from the date of Trading Approval to be received from the Stock Exchanges.
3. The warrants and the equity shares allotted on conversion of warrants shall not be transferred by the Allottee till the trading approval is granted by recognized stock exchanges viz. BSE and NSE and for a period of one year in respect of Allottee;
4. The equity shares issued as above shall rank pari passu in all respects including with respect to dividend, with the then fully paid up equity shares of the Company, from the date of their allotment. Such new equity shares when issued and allotted as aforesaid shall be entitled for dividend as per the SEBI regulations/ clarifications rules in this regards;
5. The equity shares to be issued and allotted on conversion of the warrants shall be listed and traded on BSE Limited and National Stock Exchange of India Limited (NSE) and shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

**vi. Identity of the proposed Allottee:**

The identity of the proposed Allottee(s), the percentage of post preferential issue capital consequent to the conversion of warrants issued on preferential basis is as under:

| Sr. No. | Identity of the proposed allottee | Category                       | Pre Issue Holding |            | No. of Convertible Warrants to be allotted | Post Issue Holding |            |
|---------|-----------------------------------|--------------------------------|-------------------|------------|--------------------------------------------|--------------------|------------|
|         |                                   |                                | No. of Shares     | Percentage |                                            | No. of Shares      | Percentage |
| 1.      | Polus Global Fund                 | Foreign Institutional Investor | 1,35,000          | 0.30       | 25,00,000                                  | 26,35,000          | 5.48       |

Consequent to the aforesaid preferential issue, there would be no change in the control or management of the Company.

- vii. Particulars of the proposed allottees and the Identity of the natural persons who are the ultimate beneficial owners of the warrants/equity shares proposed to be allotted and / or who ultimately control the proposed allottee:

| Sr. No. | Name of the proposed Allottees | Category                       | Identity of the natural person who are the ultimate beneficial owners                                   |
|---------|--------------------------------|--------------------------------|---------------------------------------------------------------------------------------------------------|
| 1.      | Polus Global Fund              | Foreign Institutional Investor | Mr. Yajjadeo Lotun<br>Address: 16, Heathfield Park Drive,<br>Chadwell Heath, Romford Essex, RM6 4FB, UK |

**viii. Shareholding Pattern pre and post preferential offer:**

The present shareholding pattern and the shareholding pattern assuming full allotment of equity shares on conversion of Warrants to the above mentioned allottees are given below:

- (a) Pre-Issue Shareholding Pattern (as on August 21, 2015, being the latest practicable date on which shareholder data was available prior to the approval and issuance of the notice to shareholders):

# NOTICE

| Sr. No. | Shareholder Category           | No. of Shares | Percentage of Holding |
|---------|--------------------------------|---------------|-----------------------|
| A       | Promoter's Holding             |               |                       |
|         | Individuals / HUF              | 55,34,302     | 12.15                 |
|         | Bodies Corporate               | 2,22,24,418   | 48.79                 |
|         | Total (A)                      | 2,77,58,720   | 60.94                 |
| B       | Public Shareholding            |               |                       |
|         | 1. Institutional Investors     |               |                       |
|         | Mutual Funds & UTI             | 0             | 0.00                  |
|         | Financial Institutions / Banks | 20,651        | 0.04                  |
|         | Government                     | 5,500         | 0.01                  |
|         | FII                            | 15,23,898     | 3.35                  |
|         | Total (B)1                     | 15,50,049     | 3.40                  |
|         | 2. Non – Institutional         |               |                       |
|         | Bodies Corporate               | 36,05,777     | 7.92                  |
|         | NRI                            | 29,59,164     | 6.50                  |
|         | Individuals / HUF              | 96,75,346     | 21.24                 |
|         | Total (B)2                     | 1,62,40,287   | 35.66                 |
|         | Total (A)+(B)                  | 4,55,49,056   | 100.00                |

(b) Post-Issue Shareholding Pattern\*:

| Sr. No. | Shareholder Category           | No. of Shares | Percentage of Holding |
|---------|--------------------------------|---------------|-----------------------|
| A       | Promoter's Holding             |               |                       |
|         | Individuals / HUF              | 55,34,302     | 11.52                 |
|         | Bodies Corporate               | 2,22,24,418   | 46.25                 |
|         | Total (A)                      | 2,77,58,720   | 57.77                 |
| B       | Public Shareholding            |               |                       |
|         | 1. Institutional Investors     |               |                       |
|         | Mutual Funds & UTI             | 0             | 0.00                  |
|         | Financial Institutions / Banks | 20,651        | 0.04                  |
|         | Government                     | 5,500         | 0.01                  |
|         | FII                            | 40,23,898     | 8.37                  |
|         | Total (B)1                     | 40,50,049     | 8.42                  |
|         | 2. Non – Institutional         |               |                       |
|         | Bodies Corporate               | 36,05,777     | 7.50                  |
|         | NRI                            | 29,59,164     | 6.16                  |
|         | Individuals / HUF              | 96,75,346     | 20.15                 |
|         | Total (B)2                     | 1,62,40,287   | 33.81                 |
|         | Total (A)+(B)                  | 4,80,49,056   | 100.00                |

The above shareholding is based on the shareholding pattern as on August 21, 2015 and new issue of Equity Shares on conversion of warrants into equity shares of the face value ₹ 10/- each.

The above post –issue shareholding pattern assumes that the investor (Non-Promoter) will participate in the preferential issue to the full extent proposed in present resolution and entire warrant shall be converted into Equity shares.

The voting rights will change in tandem with the change in shareholding pattern. The above conversion of warrant will be made in one or more tranches in compliance to the SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 2011, Further the Company would comply with the prescribed minimum public shareholding requirements of the listing agreement.

## viii. Requirement as to re-computation of price

As the shares of the Company have been listed for a period of more than twenty six weeks on the both stock exchanges as on relevant date, the price of the warrants has been determined in terms of sub-regulation (1) of Regulation 76 of the SEBI (ICDR) Regulations.

## x. Proposed time within which the allotment shall be completed:

As required under the SEBI (ICDR) Regulations, the allotment of warrants pursuant to the special resolution shall be completed within a period of fifteen days from the date of passing of this special resolution approving allotment.

Provided that where the allotment is pending on account of any approval of such allotment by any regulatory authority including stock exchanges or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

**xi. Change in control, if any, in the Company that would occur consequent to the preferential offer:**

There shall be no change in management or control of the Company pursuant to the issue of the warrants or the resultant conversions.

**xii. Lock in period:**

Warrants as well as the equity shares to be allotted on conversion of warrants into equity on preferential basis shall be subject to lock in as per the applicable SEBI (ICDR) Regulations, 2009.

Warrants as well as the equity shares being allotted on conversion of warrants on preferential basis to the Non-Promoter entity under SEBI [ICDR] Regulations shall be locked in for a period of one year from the date of Trading Approval to be received from the stock exchanges. The entire pre preferential shareholding of the allottee shall be locked in from the Relevant Date up to a period of six months from the date of Trading Approval to be received from the stock exchanges. Details of lock-in of pre preferential holding and post preferential holding are as under

Detail of lock-in for Pre preferential Share holding

| Name of the Investor | Category                      | No. of Equity Shares | Lock In Period                                                                                          |
|----------------------|-------------------------------|----------------------|---------------------------------------------------------------------------------------------------------|
| Polus Global Fund    | Foreign Financial Institution | 1,35,000             | From Relevant date upto a period of six months from trading approval to be receive from stock exchanges |

| Name of the Investor | Category                      | No. of convertible warrants to be allotted | No. Of shares proposed to be issue on conversion | Lock In Period                                                                                          |
|----------------------|-------------------------------|--------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Polus Global Fund    | Foreign Financial Institution | 25,00,000                                  | 25,00,000                                        | From Relevant date upto a period of six months from trading approval to be receive from stock exchanges |

**xiii. Auditors Certificate:**

It is proposed to obtain a certificate from M/s. J.T. Shah & Co., Statutory Auditors of the Company, certifying that the issue of equity shares is being made in accordance with requirements of SEBI (ICDR) Regulations. This certificate will be made available for inspection on any working day between 11.00 a.m. to 01.00 p.m. after the Relevant Date and upto the date of the Annual General Meeting.

**xiv. Others:**

- The holder of the warrants will be entitled to apply for and be allotted in one or more tranches 1 (one) equity share of ₹ 10/- each of the Company per warrant at any time after the date of allotment thereof but within 18 months from the date of allotment;
- If entitlement against the warrants to apply for equity shares were not exercised within the aforesaid period, the entitlement of the warrant holder(s) to apply for the equity shares of the Company along with the rights attached thereto shall expire and any amount paid on warrants shall stand forfeited;
- The equity shares to be issued and allotted by the Company on exercise of the warrant in the manner as aforesaid shall be in dematerialized form and subject to the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividend with the then existing equity shares of the Company and be listed on Stock Exchanges where equity shares of the Company are listed.
- The earlier issue of 80,00,000 Warrants, as approved by the Shareholders through postal ballot, was withdrawn by the Board of Directors by circular resolution dated 16th April, 2015 and necessary intimation to this effect was given to stock exchanges on 17th April, 2015. The present equity structure provided hereinabove is therefore without taking into consideration the said proposed issue of warrants, which stands withdrawn.

As it is proposed to issue and allot the aforesaid securities on preferential allotment basis, Special Resolution is required to be approved by members pursuant to the provisions of Section 62(1)(c) of the Companies Act, 2013 read with Chapter VII of the SEBI (ICDR) Regulations. Your Directors, therefore, recommend the resolution for your approval. None of the Promoters or Directors or Key Managerial Personnel or their relative/s are in any way concerned or interested in the proposed resolution.

The Board accordingly recommends the resolution as set out in Item No. 13 of the Notice for the approval of the members.

Ahmedabad  
May 29, 2015

By order of the Board of Directors  
For **Nandan Denim Limited**  
Purvee Roy  
Company Secretary  
Mem. No. A26925

# DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty First Annual Report together with the Audited Financial Statements of the Company for the period from April 1, 2014 to March 31, 2015.

## THE COMPANIES ACT, 2013

The Ministry of Corporate Affairs (MCA) had partly notified the Companies Act, 2013 in September 2013 and March 2014 with majority of the sections as well as rules being notified in March 2014. With respect to provisions of the Companies Act, 2013, appropriate references have been made in this report to the extent these provisions have become applicable effective from April 1, 2014.

Your Company has been regular in keeping pace with the fast changes introduced by the Companies Act, 2013 and initiated necessary actions accordingly. Some of the important initiatives taken by your Company are as under:

- Re/constitution of the Committees of the Board;
- Designation of Key Managerial Personnel's (KMP);
- Establishment of Vigil Mechanism;
- Recommendation for the appointment of the Independent Directors, not liable to retire by rotation, who satisfy the criteria enumerated in Companies Act, 2013; and
- Providing E-Voting facility to members

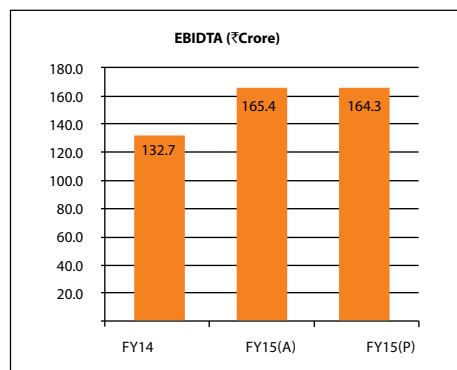
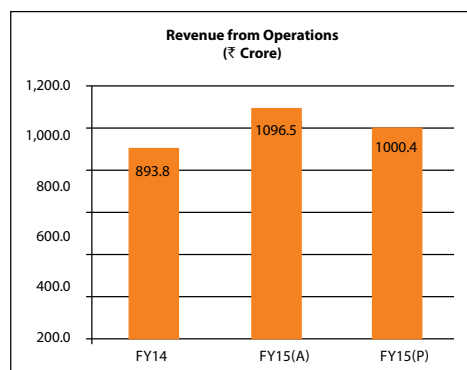
## FINANCIAL PERFORMANCE

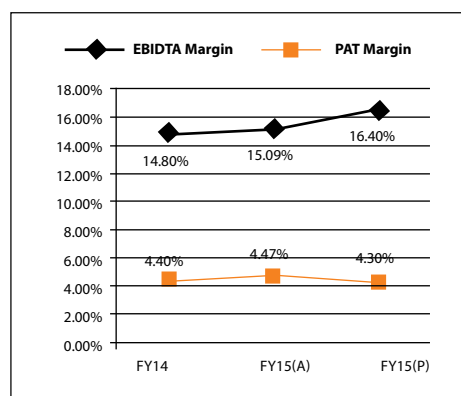
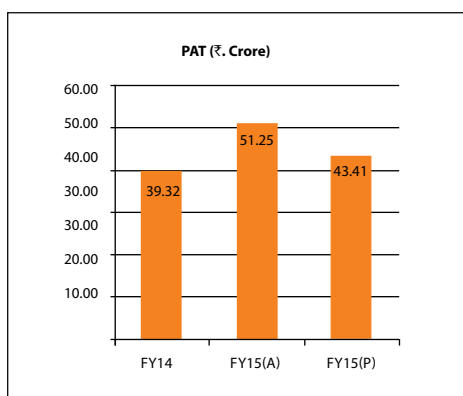
Highlights of Financial Results for the year are as under:

| Particulars                             | For the year ended |            |
|-----------------------------------------|--------------------|------------|
|                                         | 31.03.2015         | 31.03.2014 |
| Revenue from operations                 | 1096.53            | 893.75     |
| EBITDA                                  | 165.44             | 132.68     |
| Less: Finance Costs                     | 37.71              | 32.03      |
| Less: Depreciation                      | 59.55              | 49.73      |
| Profit before exceptional items and tax | 71.23              | 54.91      |
| Exceptional Items                       | 0                  | 0          |
| Profit Before Tax                       | 71.23              | 54.91      |
| Less: Tax expense                       | 19.79              | 15.60      |
| Profit After Tax                        | 51.43              | 39.31      |
| AMOUNT AVAILABLE FOR APPROPRIATION      | 180.78             | 136.74     |
| Dividend: Interim                       | 2.74               | 2.73       |
| Proposed Final                          | 4.55               | 2.73       |
| Tax on Dividend                         | 0.46               | 0.46       |
| Tax on Proposed Final Dividend          | 0.93               | 0.46       |
| Transfer to General Reserve             | 1.30               | 1.00       |

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 1956 / Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). Management evaluates all recently issued or revised accounting standards on an ongoing basis. Apart from this, the Company discloses Audited and Unaudited Financial Results on quarterly and annual basis as per Listing Agreement entered into with the stock exchanges.

## PERFORMANCE OVERVIEW





It is evident from the above graphs that your Company has progressed during the period ended March 31, 2015. It has achieved aggregate sales of ₹ 1096.53 crores and Profit Before Tax of ₹ 71.23 crores.

Barring unforeseen circumstances, the Directors of your Company expect continued growth in turnover and profitability in future also.

A detailed analysis of the financial operations is given in the Management Discussion and Analysis Report which forms part of this Annual Report.

#### SUBSIDIARY COMPANY

Nandan Denim Limited does not have any subsidiary company.

#### DIVIDEND

The Company continues to evaluate and manage its dividend policy to build long term shareholder value. Your Directors are pleased to recommend for your approval a dividend of ₹ 1.00 /- (i.e. 10%) per equity share of ₹ 10/- each fully paid-up for the period ended March 31, 2015. The dividend, subject to the approval of shareholders at the Annual General Meeting to be held on September 29, 2015, will be paid to the eligible members within the stipulated time.

The Board, at its meeting held on February 3, 2015, declared an Interim Dividend of Re. 0.60/- (i.e. 6%) per equity share of face value of ₹ 10/- each. The total dividend for the year works out to ₹ 1.60/- (i.e. 16%) per equity share on a face value of ₹ 10/- per share as against the total dividend of ₹ 1.20/- (i.e. 12%) per equity share on face value of ₹ 10/- per share in the previous year.

The Register of Members and Share Transfer Books will remain closed from September 23, 2015 till September 29, (both days inclusive) 2015 for the purpose of payment of the final dividend for the financial year ended March 31, 2015 and the Annual General Meeting. The Annual General Meeting is scheduled to be held on September 29, 2015.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review, Mr. Gautam Gandhi stepped down as Independent Director from the Board with effect from August 8, 2014. The Board places on record his appreciation and gratitude for his guidance and valuable contribution during their association with the Company.

On the recommendation of the Nomination and Remuneration Committee, at the Board Meeting held on November 11, 2014, Ms. Pratima Ram and Mr. Giraj Mohan Sharma were appointed as Additional Directors with immediate effect. Further, Mr. Yasho Verdhan Verma was appointed as Additional Director at the Board Meeting held on April 29, 2015. All three were appointed in the capacity of Independent Directors. As Additional Directors, they hold office up to the date of forthcoming Annual General Meeting and are eligible for appointment as Directors.

Further, in terms of section 149 read with section 152 of the Companies Act, 2013, an Independent Director is now not required to retire by rotation, and may be appointed on the Board of the Company for maximum two terms of up to five years each. Accordingly, it is proposed to appoint the existing Independent and Non-Executive Directors namely Ms. Pratima Ram, Mr. Giraj Mohan Sharma and Mr. Yasho Verdhan Verma, for an initial term of five years, effective from September 29, 2015. All these Independent Directors have confirmed their independence in terms of the requirements of Companies Act, 2013. The Company has received separate notice(s) together with the requisite amount, as per the provisions of section 160 of the Companies Act, 2013, for the appointment of aforementioned Directors on the Board of the Company.

Mr. Vedprakash Chiripal, Non-Executive Director, is liable to retire by rotation at the ensuing AGM 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 themselves for re-appointment. Appropriate resolutions for their re-appointment are being placed for your approval at the ensuing AGM.

In compliance with requirements of Clause 47 VIII (E) of the Listing Agreement, brief resume, expertise and details of other directorships, memberships in committees of other Companies and shareholding in the Company of persons proposed to be appointed / re-appointed as Directors are as under:

# DIRECTORS' REPORT

| Name of Director                                                                         | Ms. Pratima Ram                                             | Mr. Giraj Mohan Sharma                    | Dr. Yasho Verdhan Verma*                                                                                                              | Mr. Vedprakash Chiripal                    |
|------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| Age in years                                                                             | 65 years                                                    | 54 years                                  | 58 years                                                                                                                              | 64 years                                   |
| Date of Appointment                                                                      | 11.11.2014                                                  | 11.11.2014                                | 29.04.2015                                                                                                                            | 11.08.2003                                 |
| Expertise in Special Functional Areas                                                    | Banking & Finance                                           | Marketing & Sales                         | Human Resource                                                                                                                        | Textiles                                   |
| Qualification                                                                            | Graduate from University of Virginia & Bangalore University | B.Sc. (Mathematics) from Delhi University | Engineering Graduate with Post Graduation in Business administration & Ph. D. in area of Organizational Behaviour from IIT, Kharagpur | Commerce Graduate from Calcutta University |
| Directorships held in other companies in India, as on 31.03.2015                         | 6                                                           | 1                                         | NA*                                                                                                                                   | 9                                          |
| Membership of Committees of other companies, in which he is a Director, as on 31.03.2015 | 2                                                           | Nil                                       | 4                                                                                                                                     | 2                                          |
| No. of Shares held in the Company (including those held by relatives)                    | NIL                                                         | NIL                                       | NIL                                                                                                                                   | NIL                                        |

*None of the Directors of the Company have any inter-se personal relationship.*

\*Dr. Yasho Verdhan Verma was appointed on the Board of the Company w.e.f. April 29, 2015.

Apart from the above, Mr. Brijmohan Chiripal is the Managing Director of the Company. Mr. Sanjay Agrawal has been appointed as the Chief Financial Officer w.e.f. February 3, 2015 and Ms. Purvee Roy is the Company Secretary of the Company, thereby satisfying the requirements of the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to Key Managerial Personnel.

## Annual Evaluation of Board's Performance

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board / Director(s) for the financial year 2014-15.

## Declaration of Independence

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the schedules and rules issued thereunder as well as Clause 49 of the Listing Agreement so as to qualify themselves to be appointed as Independent Directors.

## BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on the Company's policies and strategies apart from other Board matters. The calendar depicting the tentative dates of Board and Committee Meetings is circulated in advance to facilitate the Directors to arrange their schedule and to ensure participation in the meetings.

During the financial year 2014-15, four board meetings were held on May 30, 2014; August 8, 2014; November 11, 2014 and February 3, 2015 respectively. The gap between two Board Meetings did not exceed 120 days.

## BOARD COMMITTEES

Your Company has five Committees of the Board, namely:

- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Details of all the Committees along with their composition, terms of reference and meetings held during the year are provided in detail in the 'Corporate Governance Report' which forms part of the Annual Report.

## EVALUATION OF THE BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting, without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, performance of the Chairman and other Non-independent Directors.

The Board subsequently evaluated its own performance, the working of its Committees (Audit, Nomination and Remuneration and Stakeholders Relationship and Risk Management Committee) and Independent Directors (without participation of the relevant Director). The criteria for performance evaluation have been detailed in the 'Corporate Governance Report' which is attached as part of this Report. The Directors expressed satisfaction over the evaluation process.

## CORPORATE GOVERNANCE

Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence

to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders. Corporate governance is the system by which business organisations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the organisation, such as, the board, managers, shareholders and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance. The concept of corporate governance hinges on total transparency, integrity and accountability of the management and the board of directors.

The Company is committed to maintaining good standards of Corporate Governance and adhering to the Corporate Governance requirements as set out by Securities and Exchange Board of India (SEBI). Several features such as the Whistle Blower Policy, Policy on Related Party Transactions amongst others have been incorporated by the Company. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report. The Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is also published in this Annual Report.

### **DISCLOSURE REQUIREMENTS**

As per Clause 49 of the Listing Agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

Details of the familiarization programme of the independent directors are available on the website of the Company [URL: <http://www.nandandenim.com/downloads/Familiarization%20Policy.pdf>]

Details of policy formulated by the company with regard to related party transactions is available on the website of the Company [URL: <http://www.nandandenim.com/downloads/Related%20Party%20Transaction%20Policy.pdf>]

The Code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for prevention of insider trading have also been uploaded on the Company's website [URL: <http://www.nandandenim.com/downloads/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20UPSI%20.pdf>, <http://www.nandandenim.com/downloads/Code%20of%20Conduct%20for%20Prevention%20of%20Insider%20Trading%20.pdf>]

The Company has a Whistle Blower Policy for the employees to report genuine concerns / grievances to provide vigil mechanism for employees and directors of the Company. The provisions of this policy are in line with the provisions of section 177(9) of the Act and revised clause 49 of the listing agreement entered into with the stock exchanges. The Policy is uploaded on the Company's website [URL: <http://www.nandandenim.com/downloads/Whistle%20Blower%20Policy.pdf>]. The Policy provides a framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted by them.

### **SHARE CAPITAL**

The paid up Equity Share Capital of the Company as on March 31, 2015 was ₹ 45.54 crores. There has been no change in the Equity Share Capital of the Company during the year. Further, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise and does not have any ESOP scheme for its employees or Directors.

The Company had taken shareholders approval via postal ballot for issue of 80,00,000 convertible warrants to specified group of investors (both promoter & non-promoter) but was later on withdrawn by the Company and not acted upon.

### **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:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **DEPOSITS**

The Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out as 'Annexure – A' to this Report.

### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the

# DIRECTORS' REPORT

Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

## AUDITORS

### Statutory Auditor

M/s. J.T. Shah & Co., the Statutory Auditors of the Company, were appointed for a period of five years at the Annual General Meeting of the Company held on September 15, 2014. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. J.T. Shah & Co., Chartered Accountants, as Statutory Auditors of the Company is placed for ratification by the shareholders. In this regard, the Company has received a written consent and certificate stating that they satisfy the criteria provided under section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors), Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued thereunder. As required under Clause 49 of the Listing Agreement, M/s. J.T. Shah & Co., Chartered Accountants, have also confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

### Cost Auditor

The Board of Directors had appointed M/s. A.G. Tulsian & Co., Cost Accountants as the Cost Auditor of your Company for the financial year 2014-15 to conduct the audit of the cost records of your Company. As per section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has appointed M/s. A.G. Tulsian & Co., Cost Accountants as the Cost Auditor for the financial year 2015-16 on the recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditor, subject to the ratification by the members at the ensuing AGM would be not exceeding ₹ 50,000/- (Rupees Fifty Thousand Only) excluding taxes and out of pocket expenses, if any.

Your Company has received consent from M/s. A.G. Tulsian & Co., Cost Accountants, to act as Cost Auditor of your Company for the financial year 2015-16 along with a certificate confirming their independence.

### Secretarial Audit

Ms. Geeta Serwani of M/s. Geeta Serwani & Associates, Practising Company Secretary was appointed to conduct the Secretarial Audit of the Company for the financial year 2014-15, as required under section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor has been attached as an annexure which forms part of this report.

## RELATED PARTY TRANSACTIONS

The Company has entered into transactions with related parties as defined under section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014. The transactions were carried out in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013, rules issued thereunder and Clause 49 of the Listing Agreement.

The details of related party transactions as required under AS-18 are set out in Note 38 of the financial statements forming part of this Annual Report. Form AOC-2 pursuant to section 134 (3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out as 'Annexure – E' to this Report.

Post October 1, 2014, prior omnibus approval of the Audit Committee and the Board has been obtained on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. A statement giving details of all the related party transactions were placed before the Audit Committee for its review on quarterly basis. The Company has developed a Related Party Transaction Policy for identification and monitoring of such transactions. The Policy, as approved by the Board, is uploaded on the Company's website. None of the Directors have any pecuniary relationships or transactions with the Company.

## LOANS AND INVESTMENTS BY THE COMPANY

Details of loans and investments by the Company to other bodies corporate or persons are given in notes to the financial statements.

## DETAILS OF INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

Nandan Denim Limited has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable. These are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors. The senior level management periodically reviews the financial performance of your Company across various parameters and takes necessary actions, wherever necessary.

## RISK MANAGEMENT

The Company has a well-defined risk management framework in place. Further, it has established procedures to periodically place before the Board, the risk assessment and management measures. As such, there are no risks which in the opinion of the Board threatens the existence of the Company. However, the details of the risks faced by the Company which may pose challenges and the mitigation thereof are discussed in detail in the Management Discussion and Analysis Report that forms part of the Annual Report.

## POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Nandan Denim Limited has always believed in providing a safe and harassment free environment for every individual working in the

Company. The Company has in place a well drafted policy specifically in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which has been made applicable both at the corporate office and the plant location. Under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee as there is zero tolerance on such issues. The Company has adopted a policy, in compliance thereof and has also constituted a Committee for its effective implementation, copy of which is also available on the website of the Company.

During the financial year 2014-15, no cases in the nature of sexual harassment were reported at any workplace of Nandan Denim Limited.

#### **EXTRACT OF ANNUAL RETURN**

As provided under section 92(3) of the Act, the extract of annual return is given in 'Annexure – C' in the prescribed Form MGT-9, which forms part of this report.

#### **CEO & CFO CERTIFICATION**

Certification from Mr. Deepak Chiripal, CEO and Mr. Sanjay Agrawal, CFO, pursuant to provisions of Clause 49(V) of the Listing Agreement, for the year under review was placed before the Board of Directors of the Company at its meeting held on May 29, 2015.

A copy of the certificate on the financial statements for the financial year ended March 31, 2015 is annexed along with this Report.

#### **SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant / material orders passed by the regulators or courts or tribunals impacting the going concern status of your Company and its operations in future.

#### **CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the financial year ended March 31, 2015.

#### **CREDIT RATING:**

During FY15, Brickworks has assigned a rating of BWR A-/A2+ to the bank facilities of Nandan Denim Limited. The rating reflect the promoters' strong industry experience, established track record of the Company, fully integrated operations, strong economies of scale with largest installed capacity for denim in India, established customers with strong domestic distribution network, moderate financial profile marked by moderate net worth with adequate debt protection metrics.

#### **RELEASE OF PLEDGED SHARES**

During the year under review, total 89,50,000 pledged shares of Nandan Denim Limited were released. The percentage of pledged shares to the total shareholding held by the Promoter Group was reduced from 73.80 % to 37.97%. Further, the percentage of pledged shares to the total equity shareholding of the Company came down to 23.14% from 42.79%.

#### **GREEN INITIATIVES**

In order to save environment by cutting down the consumption of paper, the Ministry of Corporate Affairs (MCA) has introduced "Green Initiative in Corporate Governance" by allowing paperless compliance by companies under the provisions of the Companies Act. MCA had further announced that the Directors of the Company may participate in a meeting of Board or Committee of Directors, under the provisions of the Companies Act, through electronic mode. Participation of Directors in the Board or its Committee meetings through video conferencing is an approved way of attending the meetings and such participation is considered for the purposes of quorum, authority, etc. The Companies are also mandated to conduct the postal ballot through electronic means only. The facility of electronic voting was offered to the shareholders for the postal ballot process undertaken by the Company for approval of issue of shares on preferential basis, the issue was later on withdrawn. In future, if any requirement of passing resolutions through postal ballot, Nandan Denim Limited will conduct the ballot process in the e-voting mechanism.

NDL started sending documents like notices convening General Meetings, Financial Statements, etc. including Annual Reports in electronic form, to the email addresses made available to us by the depositories from time to time. We appreciate the initiative taken by MCA as it helps in prompt receipt of correspondence and also avoids delay or losses caused through post. Therefore, we are publishing only the statutory disclosures in the print edition of the Annual Report. Annual Report containing additional data is available on our website namely [www.nandandenim.com](http://www.nandandenim.com).

Further, as a member, you will be entitled to be furnished with a copy of the above mentioned documents as required, free of cost, upon receipt of a requisition from you any time. We would appreciate your support on our desire to participate in the green initiative.

#### **ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for co-operation and support received from various Departments of the Government of India, State Governments, banks, financial institutions, Registrar of Companies, suppliers, other regulatory authorities, shareholders, etc. the management would like to express their appreciation for the contribution and dedication of its employees at all levels and collaboration of the workers of the Company as we believe that employees form the pillars on which the success of the organization depends.

For and on behalf of the Board of Directors

Ahmedabad  
May 29, 2015

Vedprakash Chiripal  
Chairman  
DIN: 00290424

Brijmohan Chiripal  
Managing Director  
DIN: 00290426

# ANNEXURE A TO THE DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988

## A. CONSERVATION OF ENERGY:

### (a) ENERGY CONSERVATION:

1. Implementation of Flash Steam heat recovery to heat feed water temperature of boiler.
2. Implementation of Heat recovery of compressor to Heat Boiler feed water.
3. Implementation of Steam main Line condensate recovery.
4. Reduction in compressed air consumption by reducing leakages in plant.
5. Reduction in compressed air consumption on Loom by carrying out maintenance And Standardising the settings of Looms.
6. Reduction in consumption of steam by carrying out automation on machine.

### (b) WATER CONSERVATION:

1. Recycling of ETP treated water for Toilets and Gardening .
2. Recycling finishing water in process.

## B. ADDITIONAL INVESTMENTS AND PROPOSALS-

**We are installing at 10000 compressor with Heat Recovery unit. Hot water generated from compressor will be used in power plant.**

## C. IMPACT OF MEASURES AT (A) AND (B) ABOVE FOR REDUCTION OF ENERGY CONSUMPTION AND CONSEQUENT IMPACT ON THE COSTLY OF PRODUCTION OF GOODS:

1. With implementation of Flash Steam recovery, Condensate recovery from main steam line and reduction in air consumption we have reduced Utility cost by approximately 200 Lacs / Annum .
2. By recycling water, we have reduced ground water consumption by 100 M3/Day.
3. Reduction in water consumption has also reduced quantity of water going to ETP.

## D. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION:

### I. POWER & FUEL CONSUMPTION:

| Power and Fuel Consumption:                      | 31.03.2015 | 31.03.2014 |
|--------------------------------------------------|------------|------------|
| <b>Electricity</b>                               |            |            |
| Purchased                                        | 8720040    | 12681840   |
| Unit (kwh)                                       | 71107877   | 97731433   |
| Total Amount                                     | 8.15       | 7.71       |
| Rate / Unit (₹)                                  |            |            |
| <b>Own Generation:</b>                           |            |            |
| <b>(i) Through Diesel Generator</b>              | NIL        | NIL        |
| Unit (kwh)                                       | NIL        | NIL        |
| Units per ltr of Fuel Oil / Gas                  | NIL        | NIL        |
| Cost / Unit (₹)                                  |            |            |
| <b>(ii) Through Steam Turbine / Generator</b>    |            |            |
| Unit (kwh)                                       | 153045137  | 118773295  |
| Units per ltr of Fuel Oil / Gas                  | 1.44       | 1.63       |
| Cost / Unit (₹)                                  | 5.02       | 4.56       |
| <b>LIGNITE</b>                                   |            |            |
| Quantity (Tones) / Day                           | 368.34     | 221.10     |
| Total Cost (₹)                                   | 434574881  | 262572107  |
| Average Rate (₹)                                 | 3232       | 3254       |
| <b>COAL</b>                                      |            |            |
| Quantity (Tones) / Day                           | 233.48     | 219.45     |
| Total Cost (₹)                                   | 308575363  | 278732458  |
| Average Rate (₹)                                 | 3621       | 3480       |
| <b>FURNACE OIL (Used in Generation of Steam)</b> |            |            |
| Quantity (K. Litres)                             | NIL        | NIL        |
| Total Amount (₹ in Lakhs)                        | NIL        | NIL        |
| Average Rate (₹)                                 | NIL        | NIL        |
| <b>OTHERS LSHS (Low Sulphur High Stock)</b>      |            |            |
| (Used in Generation of Steam)                    |            |            |
| Quantity (Tones)                                 | NIL        | NIL        |

Total Cost (₹ Lakhs)

NIL

NIL

Rate / Unit (₹)

NIL

NIL

## II CONSUMPTION PER METER OF PRODUCTION:

|                             | 31.03.2015 | 31.03.2014 |
|-----------------------------|------------|------------|
| Electricity (KWH) Per Meter | 1.67       | 1.65       |
| Coal (Specified Quality)    | 1.21       | 1.40       |
| Lignite (KG) Per Meter      | 1.90       | 1.41       |

### E. TECHNOLOGY:

#### RESEARCH AND DEVELOPMENT (R & D)

##### 1. Specific Area in which R & D is carried out by the Company

- In the area of new special yarn development
- New dyeing shade development
- Special weave design
- New fabric over dyed shade development
- New finish development
- New mechanical finish development
- Coated denim with different chemicals

##### 2. Benefits derived as a result of the Above R & D

- All the above R & D works are resulting in new innovation products
- Increase in sales volume
- Increase in profitability
- Increase market reputation of the company
- Help to get new customers

##### 3. Future Plan of Action

- More and more work on R&D in the area of
- Yarn development. Injectionslurb/duel core/fiber blends etc.
- Weave design with new types of loom
- Improvement in fabric quality with high width through new dyeing and weaving machine.
- More finish developments

### F. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Added lycra attachment
- Injection slub in yarn
- Added dabbling for TFO capacity at in House
- New color & different color in denim added
- Innovation dobby products
- Added new over dyed product
- Added LIZA finish product

### G. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- The Company has taken various steps to increase exports of products during the year.
- Foreign exchange earning and outgo during the year:

| Particulars                    | 31.03.2015 | 31.03.2014 |
|--------------------------------|------------|------------|
| (a) Foreign Exchange Earnings: | 133.31     | 72.09      |
| (b) Foreign Exchange Outgo:    | 3.94       | 3.53       |

Total Foreign Exchange Used and Earned: As per Notes on Accounts

# ANNEXURE B TO THE DIRECTORS' REPORT

## CORPORATE SOCIAL RESPONSIBILITY

As per the Companies Act, 2013, all companies having Net Worth of ₹ 500 crores or more or turnover of ₹ 1000 crores or more or a net profit of ₹ 5 crores or more during the Financial Year will be required to constitute a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising three or more Directors, at least one of whom shall be an Independent Director.

Aligning with the guidelines of Section 135 of the Companies Act, 2013 and the Rules framed thereunder, we have constituted a Committee, which is responsible for formulating and monitoring the CSR Policy of the Company.

Our vision of CSR is to use our expertise and partnerships to create positive impact around the world. We focus on creating value for society, the environment and our business by investing in people and improving labour standards. There is no particular authority or agency that can solve the challenges alone. It is a combined effort of companies, individuals and government that work together and bring about changes in education and employment standards.

CSR Policy of Nandan Denim Limited:

### 1. Background:

At the outset, CSR activities at Nandan Denim Limited are already in existence for the benefit of the employees and their immediate family members in the areas of extending loan to employees, extending financial help to shareholders, helping pilgrims travelling at Dakor, etc.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of business ensures the long term success, competitiveness and sustainability. Further, CSR makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth.

### 2. Objective:

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. Nandan Denim Limited will act as a good corporate citizen and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

### 3. Undertaking CSR Activities:

The CSR activities shall be undertaken by Nandan Denim Limited, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

Nandan Denim Limited shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities. It will undertake its CSR activities, approved by the CSR Committee, through Chiripal Charitable Trust or such other entity/organization as approved by the CSR Committee. Chiripal Charitable Trust is registered under section 80(c) of the Income Tax Act and is a Public Trust.

### 4. Composition of CSR Committee:

The Companies Act, 2013 provides that the Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee ("CSR Committee") consisting of three or more directors, out of which at least one director shall be an independent director.

Thus, the current CSR Committee of Nandan Denim Limited comprises of:

- Mr. Yasho Verdhan Verma – (Independent Director) - Chairman
- Mr. Giraj Mohan Sharma – (Independent Director) - Member
- Mr. Vedprakash Chiripal – (Promoter) - Member

Mr. Yasho Verdhan Verma was appointed as Chairman of the Committee pursuant to his appointment as an Independent Director on the Board of the Company on April 29, 2015. Before that, Mr. Giraj Mohan Sharma served as the Chairman of the Committee and Mr. Ambalal Patel ceased to be member of the Committee after Mr. Yasho Verdhan Verma became member.

### 5. Functions of the Committee:

The CSR Committee shall –

1. Formulate and recommend to the Board, various rules and activities to be undertaken by the Company as per Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities; and
3. Monitor the Policy of the company from time to time.

The Board of the company shall after taking into account the recommendations made by the CSR Committee, approve the policy for the company and disclose contents of such Policy in its report and also place it on the company's website and ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.

Nandan Denim Limited's CSR Policy provides it's vision under the leadership of its Chairman, Dr. Yasho Verdhan Verma.

### 6. Review and Monitoring Process:

The CSR Committee of Nandan Denim Limited will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary, thereby ensuring compliance with the Companies Act, 2013.

Our Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India.

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

- Brief outline of the Company's CSR Policy, including overview of Projects or Programs undertaken or proposed to be undertaken: The CSR activities and programs are initiated towards the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company towards socio-economic development. The Board of Directors at its meeting held on November 11, 2014 approved the CSR Policy of your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee has identified the following prime focus areas around which your Company shall be focusing its CSR initiatives and channelizing the resources on a sustained basis:

- **AGRICULTURE** – Promoting agricultural activities, providing irrigation facilities in rural areas, organic farming, maintaining lakes near factories and such other activities which promote agriculture.
- **ERADICATING POVERTY** – Eradicating extreme hunger, malnutrition, poverty, promoting preventive healthcare and sanitation, providing mid-day meals schemes in schools.
- **SANITATION** - Strengthening rural areas by improving accessibility, sanitation, drainage connections, drinking water facilities, housing, power and livelihoods, thereby creating sustainable villages.
- **WOMEN EMPOWERMENT** – Adopting measures for empowering women, reducing inequalities faced by socially and economically backward women by providing them facilities to promote dairy business from their homes in order to eradicate the gender differences.
- **EDUCATION** – Promoting special education and vocational skills among children, women, physically disabled children in order to ensure an educational and prosperous society in the near future and facilitating literacy amongst various sections of the society.
- **RURAL DEVELOPMENT** - The Company shall persist to achieve goals of rural development by providing electricity, infrastructure, drainage and such other facilities to achieve the mission of community development.

The CSR Policy of the Company is disclosed on the website of the Company and can be accessed through the following link: <http://www.nandandenim.com/downloads/Corporate%20Social%20Responsibility%20Policy.pdf>

- Composition of the CSR Committee:  
The composition of the CSR Committee as on March 31, 2015 is as follows:

| Name of the Member      | Nature of Directorship |
|-------------------------|------------------------|
| Mr. Giraj Mohan Sharma  | Independent            |
| Mr. Ambalal Patel       | Independent            |
| Mr. Vedprakash Chiripal | Promoter               |

Ms. Purvee Roy, Company Secretary, acts as the Secretary to the Committee.

- Average Net Profit of the Company for the last 3 financial years: ₹ 39,10,08,266/-
- Prescribed CSR expenditure (2% of this amount as in Sr. No. 3 above): ₹ 78,20,165/-
- Details of CSR spend for the financial year:
  - Total amount spent for the financial year: ₹ 78,28,359/-
  - Amount unspent, if any: NIL
  - Manner in which the amount was spent during the financial year is detailed below:

|                                                                                                                                                                                                 |                                        |                                                              |                                               |                                          |                                                  | (Amount in ₹)                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------|-----------------------------------------------|------------------------------------------|--------------------------------------------------|-----------------------------------------------------|
| CSR Projects / Activities                                                                                                                                                                       | Sector in which the project is covered | Location where project is undertaken (Local Area / District) | Amount outlay (budget) Project / Program wise | Amount spent on the Projects or Programs | Cumulative Expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
| Student related activities, computer & study material expenses, medical & laboratory expenses, student stationery, books & periodicals, library & teaching aids, other student welfare expenses | Education                              | Ahmedabad                                                    | 87,51,000                                     | 78,28,359                                | 78,28,359                                        | Direct                                              |
| Total CSR spend                                                                                                                                                                                 |                                        |                                                              | 87,51,000                                     | 78,28,359                                | 78,28,359                                        |                                                     |

- Nandan Denim Limited is committed to focus on inclusive growth and improve lives by contributing towards education. Projects for CSR are aimed to improve the quality of school education through infrastructure improvement, capacity building of all stakeholders and supplementary education.
- The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company. The Company's CSR expenditure is substantially more than the amount statutorily mandated.

# ANNEXURE C TO THE DIRECTORS' REPORT

## SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 09 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,  
**The Member,**  
NANDAN DENIM LIMITED  
Survey No 198/1 203/2 Saijpur Gopalpur  
Pirana Road, Piplej  
Ahmedabad

I, Geeta Serwani, Proprietor of Geeta Serwani and Associates, Practicing Company Secretary have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NANDAN DENIM LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 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 extent, in the manner and subject to the reporting made hereinafter.

I 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, 2015 according to the provisions of;

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956(SCRA) and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed hereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India, 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registration to an Issue and Share Transfers Agents) Regulations, 1993;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I have also examined compliance with the applicable clauses of the following;

- I. The Secretarial Standards issued by the Institute of Company Secretaries of India.
- II. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Ltd.

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

I 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 clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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.

Geeta Serwani & Associates  
**(Practicing Company Secretary)**

**(Geeta Serwani)**

Proprietor  
ACS: 24479  
CP: 8842

Date: May 29, 2015

Note: This report is to be read with letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

## **"ANNEXURE A"**

To,  
**The Member,**  
NANDAN DENIM LIMITED  
Survey No 198/1 203/2 Saijpur Gopalpur  
Pirana Road, Piplej  
Ahmedabad

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

Geeta Serwani & Associates  
**(Practicing Company Secretary)**

**(Geeta Serwani)**

Proprietor  
ACS: 24479  
CP: 8842

Date: May 29, 2015

# ANNEXURE D TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2015

## FORM NO. MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

|                                                                                        |                                                                |             |              |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------|--------------|
| i) CIN                                                                                 | L51909GJ1994PLC022719                                          |             |              |
| ii) Registration Date                                                                  | 09<br>Date                                                     | 08<br>Month | 1994<br>Year |
| iii) Name of the Company                                                               | NANDAN DENIM LIMITED                                           |             |              |
| iv) Category of the Company                                                            |                                                                |             |              |
| 1. Public Company                                                                      | ✓                                                              |             |              |
| 2. Private Company                                                                     |                                                                |             |              |
| Sub Category of the Company                                                            |                                                                |             |              |
| 1. Government Company                                                                  |                                                                |             |              |
| 2. Small Company                                                                       |                                                                |             |              |
| 3. One Person Company                                                                  |                                                                |             |              |
| 4. Subsidiary of Foreign Company                                                       |                                                                |             |              |
| 5. NBFC                                                                                |                                                                |             |              |
| 6. Guarantee Company                                                                   |                                                                |             |              |
| 7. Limited by Shares                                                                   |                                                                |             |              |
| 8. Unlimited Company                                                                   |                                                                |             |              |
| 9. Company having Share Capital                                                        | ✓                                                              |             |              |
| 10. Company not having Share Capital                                                   |                                                                |             |              |
| 11. Company registered under Section 8                                                 |                                                                |             |              |
| v) Address of the Registered Office and Contact Details                                |                                                                |             |              |
| Company Name                                                                           | Nandan Denim Limited                                           |             |              |
| Address                                                                                | Survey No. 198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej |             |              |
| Town / City                                                                            | Ahmedabad                                                      |             |              |
| State                                                                                  | Gujarat                                                        |             |              |
| Pin Code                                                                               | 382 405                                                        |             |              |
| Country Name                                                                           | India                                                          |             |              |
| Country Code                                                                           | IND                                                            |             |              |
| Telephone with STD Area Code Number                                                    | +91 79 9879200199                                              |             |              |
| Fax Number                                                                             | +91 79 26768656                                                |             |              |
| Email Address                                                                          | cs.ndl@chiripalgroup.com                                       |             |              |
| Website, if any                                                                        | www.nandandenim.com                                            |             |              |
| Name of the Police Station having jurisdiction where the Registered Office is situated | Vatva Police Station                                           |             |              |
| vi) whether shares listed on recognized Stock Exchange(s)                              | Yes                                                            |             |              |
| Details of the Stock Exchanges where shares are listed:                                |                                                                |             |              |
| Sr. No.                                                                                | Stock Exchange                                                 | Name Code   |              |
| 1.                                                                                     | BSE Limited (BSE)                                              | 532641      |              |
| 2.                                                                                     | The National Stock Exchange of India Limited (NSE)             | NDL         |              |
| vii) Name and Address of Registrar & Transfer Agents (RTA)                             |                                                                |             |              |
| Name of Registrar & Transfer Agent                                                     | Datamatics Financial Services Limited                          |             |              |
| Address                                                                                | Plot No. B5, Part B Cross Lane, MIDC, Andheri (east)           |             |              |
| Town / City                                                                            | Mumbai                                                         |             |              |
| State                                                                                  | Maharashtra                                                    |             |              |
| Pin Code                                                                               | 400 093                                                        |             |              |
| Telephone with STD Area Code Number                                                    | +91 22 66712151-56                                             |             |              |
| Fax Number                                                                             | +91 22 66712011                                                |             |              |
| Email Address                                                                          | investorqry@dfssl.com                                          |             |              |

## II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of your Company shall be stated:

| Name and Description of main products / services | NIC Code of the Product / Service | % to total turnover of the Company |
|--------------------------------------------------|-----------------------------------|------------------------------------|
| Cotton spinning, weaving and processing in mills | 235                               | 96.67                              |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Nandan Denim Limited does not have any holding, subsidiary or associate company.

## IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE TO TOTAL EQUITY)

### A. Category-wise Shareholding:

| Sr. No.                                  | Category of Shareholders      | No. of Shares held at the beginning of the year<br>(As on 01.04.2014) |          |                 |                      | No. of Shares held at the end of the year<br>(As on 31.03.2015) |          |                 |                      | %<br>Change<br>during<br>the Year |
|------------------------------------------|-------------------------------|-----------------------------------------------------------------------|----------|-----------------|----------------------|-----------------------------------------------------------------|----------|-----------------|----------------------|-----------------------------------|
|                                          |                               | Demat                                                                 | Physical | Total           | % to Total<br>Shares | Demat                                                           | Physical | Total           | % to Total<br>Shares |                                   |
| <b>A</b>                                 | <b>Promoters</b>              |                                                                       |          |                 |                      |                                                                 |          |                 |                      |                                   |
| 1)                                       | Indian                        |                                                                       |          |                 |                      |                                                                 |          |                 |                      |                                   |
| a.                                       | Individuals / HUF             | 5534302                                                               | 0        | 5534302         | 12.15                | 5534302                                                         | 0        | 5534302         | 12.15                | 0                                 |
| b.                                       | Central Govt.                 | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| c.                                       | State Govt.(s)                | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| d.                                       | Bodies Corporate              | 21031644                                                              | 0        | 21031644        | 46.17                | 22224418                                                        | 0        | 22224418        | 48.79                | 2.62                              |
| e.                                       | Banks / FI                    | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| f.                                       | Any other (specify)           | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| i.                                       | Trust                         | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| <b>Sub-Total (A)(1)</b>                  |                               | <b>26565946</b>                                                       | <b>0</b> | <b>26565946</b> | <b>58.32</b>         | <b>27758720</b>                                                 | <b>0</b> | <b>27758720</b> | <b>60.94</b>         | <b>2.62</b>                       |
| <b>2)</b>                                | <b>Foreign</b>                |                                                                       |          |                 |                      |                                                                 |          |                 |                      |                                   |
|                                          | NRI Individuals               | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
|                                          | Other Individuals             | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
|                                          | Bodies Corporate              | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
|                                          | Banks / FI                    | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
|                                          | Any other (specify)           | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| <b>Sub-Total (A)(2)</b>                  |                               | <b>0</b>                                                              | <b>0</b> | <b>0</b>        | <b>0</b>             | <b>0</b>                                                        | <b>0</b> | <b>0</b>        | <b>0</b>             | <b>0</b>                          |
| <b>Total Shareholding of Promoter(s)</b> |                               | <b>26565946</b>                                                       | <b>0</b> | <b>26565946</b> | <b>58.32</b>         | <b>27758720</b>                                                 | <b>0</b> | <b>27758720</b> | <b>60.94</b>         | <b>2.62</b>                       |
| <b>(A)=(A)(1)+(A)(2)</b>                 |                               |                                                                       |          |                 |                      |                                                                 |          |                 |                      |                                   |
| <b>B</b>                                 | <b>Public Shareholding</b>    |                                                                       |          |                 |                      |                                                                 |          |                 |                      |                                   |
| 1)                                       | Institutions                  |                                                                       |          |                 |                      |                                                                 |          |                 |                      |                                   |
| a.                                       | Mutual Funds / UTI            | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| b.                                       | Banks / FI                    | 0                                                                     | 0        | 0               | 0                    | 16253                                                           | 0        | 16253           | 0.04                 | 0.04                              |
| c.                                       | Central Govt.                 | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| d.                                       | State Govt.(s)                | 5500                                                                  | 0        | 5500            | 0.01                 | 5500                                                            | 0        | 5500            | 0.01                 | 0                                 |
| e.                                       | Venture Capital Funds         |                                                                       |          |                 |                      |                                                                 |          |                 |                      |                                   |
|                                          | Insurance Companies           | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| f.                                       | FIs                           | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| g.                                       | Foreign Venture Capital Funds | 2031814                                                               | 0        | 2031814         | 4.46                 | 1409062                                                         | 0        | 1409062         | 3.09                 | -1.37                             |
| h.                                       | Other (specify)               |                                                                       |          |                 |                      |                                                                 |          |                 |                      |                                   |
|                                          |                               | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| i.                                       |                               | 0                                                                     | 0        | 0               | 0                    | 0                                                               | 0        | 0               | 0                    | 0                                 |
| <b>Sub-Total (B)(1)</b>                  |                               | <b>2037314</b>                                                        | <b>0</b> | <b>2037314</b>  | <b>4.47</b>          | <b>1430815</b>                                                  | <b>0</b> | <b>1430815</b>  | <b>3.14</b>          | <b>-1.37</b>                      |

# ANNEXURE D TO THE DIRECTORS' REPORT

|                                                                                 |                 |              |                 |              |                 |              |                 |              |              |
|---------------------------------------------------------------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|--------------|
| 2) Non-Institutions                                                             |                 |              |                 |              |                 |              |                 |              |              |
| a. Body Corporates                                                              | 6069431         | 0            | 6069431         | 13.33        | 3366317         | 0            | 3366317         | 7.39         | -5.94        |
| i. Indian                                                                       |                 |              |                 |              |                 |              |                 |              |              |
| ii. Overseas                                                                    |                 |              |                 |              |                 |              |                 |              |              |
| b. Individuals:                                                                 |                 |              |                 |              |                 |              |                 |              |              |
| i. Individual shareholders holding nominal share capital upto ₹ 1 lakh          | 7963858         | 15602        | 7979460         | 17.52        | 7104767         | 15552        | 7120319         | 15.64        | -1.88        |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 1728285         | 0            | 1728285         | 3.79         | 3407005         | 0            | 3407005         | 7.48         | 3.69         |
| c. Others (specify)                                                             |                 |              |                 |              |                 |              |                 |              |              |
| i. Non-Resident Indian                                                          | 1135447         | 0            | 1135447         | 2.49         | 2465880         | 0            | 2465880         | 5.41         | 2.92         |
| ii. Overseas Corporate Bodies                                                   | 0               | 0            | 0               | 0            | 0               | 0            | 0               | 0            | 0            |
| iii. Foreign Nationals                                                          | 0               | 0            | 0               | 0            | 0               | 0            | 0               | 0            | 0            |
| iv. Clearing Members                                                            | 0               | 0            | 0               | 0            | 0               | 0            | 0               | 0            | 0            |
| v. Trust                                                                        | 0               | 0            | 0               | 0            | 0               | 0            | 0               | 0            | 0            |
| vi. Foreign Bodies                                                              | 0               | 0            | 0               | 0            | 0               | 0            | 0               | 0            | 0            |
| Sub-Total (B)(2)                                                                | 16930194        | 15602        | 18983110        | 37.2         | 16343969        | 15552        | 16359521        | 35.92        | -1.21        |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                              | <b>18967508</b> | <b>15602</b> | <b>18967508</b> | <b>41.68</b> | <b>17774784</b> | <b>15552</b> | <b>17790336</b> | <b>39.06</b> | <b>-2.62</b> |
| <b>C Shares held by Custodian for GDRs &amp; ADRs</b>                           | <b>0</b>        | <b>0</b>     | <b>0</b>        | <b>0</b>     | <b>0</b>        | <b>0</b>     | <b>0</b>        | <b>0</b>     | <b>0</b>     |
| <b>Grand Total (A+B+C)</b>                                                      | <b>45533454</b> | <b>15602</b> | <b>45549056</b> | <b>100</b>   | <b>45533504</b> | <b>15552</b> | <b>45549056</b> | <b>100</b>   | <b>0</b>     |

## B. Shareholding of Promoters:

| Sr. No. | Name of Shareholder                    | Shareholding at the beginning of the year<br>As on 01-04-2014 |                                  |                                                   | Shareholding at the beginning of the year<br>As on 31-03-2015 |                                  |                                                   | % change in the shareholding during the year |
|---------|----------------------------------------|---------------------------------------------------------------|----------------------------------|---------------------------------------------------|---------------------------------------------------------------|----------------------------------|---------------------------------------------------|----------------------------------------------|
|         |                                        | No. of Shares                                                 | % of total shares of the Company | % of shares pledged / encumbered to total shares* | No. of Shares                                                 | % of total shares of the Company | % of shares pledged / encumbered to total shares* |                                              |
| 1       | Chiripal Industries Limited            | 11844270                                                      | 26.00                            | 23.03                                             | 11844270                                                      | 26.00                            | 8.78                                              | 0.00                                         |
| 2       | Chiripal Exim LLP                      | 7165556                                                       | 15.73                            | 14.27                                             | 7165556                                                       | 15.73                            | 8.87                                              | 0.00                                         |
| 3       | Brijmohan D. Chiripal                  | 2780000                                                       | 6.10                             | 0.00                                              | 2780000                                                       | 6.10                             | 0.00                                              | 0.00                                         |
| 4       | Devkinandan Corporation LLP            | 1774818                                                       | 3.90                             | 0.00                                              | 2967592                                                       | 6.52                             | 0.00                                              | 2.62                                         |
| 5       | Urmiladevi J. Agarwal                  | 631802                                                        | 1.39                             | 1.38                                              | 631802                                                        | 1.39                             | 1.38                                              | 0.00                                         |
| 6       | Jyotiprasad D. Agarwal                 | 630000                                                        | 1.38                             | 1.38                                              | 630000                                                        | 1.38                             | 1.38                                              | 0.00                                         |
| 7       | Jayprakash D. Agarwal                  | 630000                                                        | 1.38                             | 1.38                                              | 630000                                                        | 1.38                             | 1.38                                              | 0.00                                         |
| 8       | Nishi J. Agarwal                       | 480000                                                        | 1.05                             | 1.05                                              | 480000                                                        | 1.05                             | 1.05                                              | 0.00                                         |
| 9       | VedprakashDevkinandanChiripal          | 252500                                                        | 0.56                             | 0.00                                              | 252500                                                        | 0.56                             | 0.00                                              | 0.00                                         |
| 10      | Chiripal Textile Mills Private Limited | 247000                                                        | 0.54                             | 0.00                                              | 247000                                                        | 0.54                             | 0.00                                              | 0.00                                         |
| 11      | Deepak J. Agrawal                      | 130000                                                        | 0.29                             | 0.29                                              | 130000                                                        | 0.29                             | 0.29                                              | 0.00                                         |
|         | <b>Total</b>                           | <b>26565946</b>                                               | <b>58.32</b>                     | <b>42.79</b>                                      | <b>27758720</b>                                               | <b>60.94</b>                     | <b>23.14</b>                                      | <b>2.62</b>                                  |

\* The % of shares pledged / encumbered represents % of shares pledged / encumbered as a% of the total shares of the Company.

The term 'encumbered' has the same meaning as assigned to it in regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

C. Change in Promoters Shareholding:

| Sr. No. | Name of Shareholder                          | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---------|----------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|         |                                              | No. of shares                             | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1       | Devkinandan Corporation LLP                  |                                           |                                  |                                         |                                  |
|         | At the beginning of the year                 | 1774818                                   | 3.90                             | 1774818                                 | 3.90                             |
|         | Market Purchase – 25.09.2014 – 95848 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 26.09.2014 – 105459 shares |                                           |                                  |                                         |                                  |
|         | Market Purchase – 01.10.2014 – 50646 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 07.10.2014 – 49993 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 09.10.2014 – 47964 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 10.10.2014 – 50000 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 13.10.2014 – 50000 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 16.10.2014 – 10000 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 02.12.2014 – 49680 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 03.12.2014 – 32000 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 04.12.2014 – 50000 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 11.12.2014 – 25119 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 12.12.2014 – 38900 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 17.12.2014 – 51000 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 18.12.2014 – 65308 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 19.12.2014 – 61300 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 22.12.2014 – 49576 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 31.12.2014 – 98494 shares  |                                           |                                  |                                         |                                  |
|         | Market Purchase – 07.01.2015 – 100967 shares |                                           |                                  |                                         |                                  |
|         | Market Purchase – 08.01.2015 – 110520 shares | 1192774                                   | 2.62                             | 2967592                                 | 6.52                             |
|         | At the end of the year                       | ---                                       | ---                              | 2967592                                 | 6.52                             |

D. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Top 10 Shareholders * |                                                                                                                                       | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-------------------------------------|----------------------------------|
| Sr. No.               | * The shares of the Company are traded on a daily basis and hence the date-wise increase / decrease in shareholding is not indicated. | No. of Shares                             | % of total shares of the Company | No. of Shares                       | % of total shares of the Company |
| 1                     | Monil Chiripal                                                                                                                        | 1044325                                   | 2.29                             | 1623398                             | 3.56                             |
| 2                     | New Leaina Investments Limited                                                                                                        | 0                                         | 0.00                             | 895000                              | 1.96                             |
| 3                     | Hexa International Private Limited                                                                                                    | 984767                                    | 2.16                             | 813041                              | 1.78                             |
| 4                     | Manuj Chiripal                                                                                                                        | 0                                         | 0.00                             | 638820                              | 1.40                             |
| 5                     | Dolly Khanna                                                                                                                          | 0                                         | 0.00                             | 506754                              | 1.11                             |
| 6                     | Orange Mauritius Investments Limited                                                                                                  | 2031814                                   | 4.46                             | 500000                              | 1.10                             |
| 7                     | Bhavana Textiles Private Limited                                                                                                      | 698432                                    | 1.53                             | 488432                              | 1.07                             |
| 8                     | Kautilya Traders Private Limited                                                                                                      | 442431                                    | 0.97                             | 442431                              | 0.97                             |
| 9                     | Rameswar Retailers Private Limited                                                                                                    | 330702                                    | 0.73                             | 330702                              | 0.73                             |
| 10                    | Merit Credit Corporation Limited                                                                                                      | 316514                                    | 0.69                             | 316514                              | 0.69                             |
| 11                    | Tripoli Management Private Limited                                                                                                    | 1233335                                   | 2.71                             | 0                                   | 0.00                             |
| 12                    | Vijay Subham Contrade Private Limited                                                                                                 | 607310                                    | 1.33                             | 14072                               | 0.03                             |
| 13                    | VLS Finance Limited                                                                                                                   | 340199                                    | 0.75                             | 1000                                | 0.01                             |

# ANNEXURE D TO THE DIRECTORS' REPORT

## E. Shareholding of Directors and Key Managerial Personnel:

| Sr. No.   | For each of the Directors and KMP                                                                                                                            | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
|           |                                                                                                                                                              | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| Directors |                                                                                                                                                              |                                           |                                  |                                         |                                  |
| 1         | Mr. Vedprakash Chiripal - Chairman                                                                                                                           |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                 | 0                                         | 0.00                             | 0                                       | 0.00                             |
|           | Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity/etc.) | ---                                       | ---                              | ---                                     | ---                              |
|           | At the end of the year                                                                                                                                       | ---                                       | ---                              | 0                                       | 0.00                             |
| 2         | Mr. Brijmohan Chiripal – Managing Director                                                                                                                   |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                 | 2780000                                   | 6.10                             | 2780000                                 | 6.10                             |
|           | Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity/etc.) | ---                                       | ---                              | ---                                     | ---                              |
|           | At the end of the year                                                                                                                                       | ---                                       | ---                              | 2780000                                 | 6.10                             |
| 3         | Mr. Tara Sankar Bhattacharya – Independent Director                                                                                                          |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                 | ---                                       | 0.00                             | 0                                       | 0.00                             |
|           | Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity/etc.) | ---                                       | ---                              | ---                                     | ---                              |
|           | At the end of the year                                                                                                                                       | ---                                       | ---                              | 0                                       | 0.00                             |
| 4         | Mr. Ambalal Patel – Independent Director                                                                                                                     |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                 | 1000                                      | 0.00                             | 1000                                    | 0.00                             |
|           | Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity/etc.) | ---                                       | ---                              | ---                                     | ---                              |
|           | At the end of the year                                                                                                                                       | ---                                       | ---                              | 1000                                    | 0.00                             |
| 5         | Ms. Pratima Ram – Independent Director                                                                                                                       |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                 | 0                                         | 0.00                             | 0                                       | 0.00                             |
|           | Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity/etc.) | ---                                       | ---                              | ---                                     | ---                              |
|           | At the end of the year                                                                                                                                       | ---                                       | ---                              | 0                                       | 0.00                             |
| 6         | Mr. Giraj Mohan Sharma – Independent Director                                                                                                                |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                 | 0                                         | 0.00                             | 0                                       | 0.00                             |
|           | Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity/etc.) | ---                                       | ---                              | ---                                     | ---                              |
|           | At the end of the year                                                                                                                                       | ---                                       | ---                              | 0                                       | 0.00                             |
| 7         | Mr. Yasho Verdhan Verma – Independent Director *                                                                                                             |                                           |                                  |                                         |                                  |
|           | At the beginning of the year                                                                                                                                 | 0                                         | 0.00                             | 0                                       | 0.00                             |
|           | Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity/etc.) | ---                                       | ---                              | ---                                     | ---                              |
|           | At the end of the year                                                                                                                                       | ---                                       | ---                              | 0                                       | 0.00                             |

| Key Managerial Personnel |                                                                                                                                                              |     |      |     |      |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------|-----|------|
| 1                        | Mr. Sanjay Agrawal – Chief Financial Officer                                                                                                                 |     |      |     |      |
|                          | At the beginning of the year                                                                                                                                 | 0   | 0.00 | 0   | 0.00 |
|                          | Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity/etc.) | --- | ---  | --- | ---  |
|                          | At the end of the year                                                                                                                                       | --- | ---  | 0   | 0.00 |
| 2                        | Ms. Purvee Roy – Company Secretary                                                                                                                           |     |      |     |      |
|                          | At the beginning of the year                                                                                                                                 | 0   | 0.00 | 0   | 0.00 |
|                          | Date wise increase / decrease in shareholding during the year specifying the reasons for increase/ decrease (eg. Allotment/transfer/bonus/sweat equity/etc.) | --- | ---  | --- | ---  |
|                          | At the end of the year                                                                                                                                       | --- | ---  | 0   | 0.00 |

\* Mr. Yasho Verdhan Verma was appointed on the Board w.e.f. April 29, 2015

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

| Particulars                                         | Secured Loans<br>(excluding deposits) | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|-----------------------------------------------------|---------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year |                                       |                    |          |                       |
| Principle Amount                                    | 3352832920                            | 85850000           | 0        | 3438682920            |
| Interest due but not paid                           | 0                                     | 0                  | 0        | 0                     |
| Interest accrued but not due                        | 28845251                              | 0                  | 0        | 28845251              |
| Total (i+ii+iii)                                    | 3381678171                            | 85850000           | 0        | 3467528171            |
| Change in indebtedness during the financial year    |                                       |                    |          |                       |
| Additions                                           | 0                                     | 0                  | 0        | 0                     |
| Reduction                                           | 105937450                             | 85850000           | 0        | 191787450             |
| Net Change                                          | (105937450)                           | (85850000)         | 0        | (191787450)           |
| Indebtedness at the end of the financial year       |                                       |                    |          |                       |
| Principle Amount                                    | 3257094487                            | 0                  | 0        | 3257094487            |
| Interest due but not paid                           | 0                                     | 0                  | 0        | 0                     |
| Interest accrued but not due                        | 18646234                              | 0                  | 0        | 18646234              |
| Total (i+ii+iii)                                    | 3275740721                            | 0                  | 0        | 3275740721            |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director:

| Sr. No. | Particulars of Remuneration                                                      | Name of the Managing Director        | Total Amount |
|---------|----------------------------------------------------------------------------------|--------------------------------------|--------------|
|         | <b>Gross Salary</b>                                                              | <b>Mr. Brijmohan D. Chiripal</b>     |              |
| 1       | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 60,00,000                            | 60,00,000    |
|         | Value of perquisites u/s. 17(2) of the Income Tax Act, 1961                      | 7,20,000                             | 7,20,000     |
|         | Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        | ---                                  | ---          |
| 2       | Stock Option                                                                     | ---                                  | ---          |
| 3       | Sweat Equity                                                                     | ---                                  | ---          |
| 4       | Commission                                                                       | ---                                  | ---          |
| 5       | Other, please specify                                                            | ---                                  | ---          |
|         | Ceiling as per the Act                                                           | 5% of the Net Profits of the Company |              |

# ANNEXURE D TO THE DIRECTORS' REPORT

## A. Remuneration to other Directors:

| Sr. No. | Particulars of Remuneration                     | Name of the Directors# |       |       |       |       | Total Amount                         |
|---------|-------------------------------------------------|------------------------|-------|-------|-------|-------|--------------------------------------|
| 1       | Independent Directors                           | TSB                    | AP    | PR    | GMS   | GG    |                                      |
|         | (a) Fee for attending Board Committee Meetings* | 202248                 | 56180 | 56180 | 56180 | 33708 | 404496                               |
|         | (b) Commission                                  | --                     | --    | --    | --    | --    | --                                   |
|         | (c) Others, please specify                      | --                     | --    | --    | --    | --    | --                                   |
|         | Total (1)                                       | 202248                 | 56180 | 56180 | 56180 | 33708 | 404496                               |
| 2       | Other Non-Executive Directors                   | VDC                    |       |       |       |       |                                      |
|         | (a) Fee for attending Board Committee Meetings  | --                     |       |       |       |       | --                                   |
|         | (b) Commission                                  | --                     |       |       |       |       | --                                   |
|         | (c) Others, please specify                      | --                     |       |       |       |       | --                                   |
|         | Total (2)                                       | --                     |       |       |       |       | --                                   |
|         | Total B (1+2)                                   |                        |       |       |       |       | 404496                               |
|         | Total Managerial Remuneration                   |                        |       |       |       |       | 404496                               |
|         | Ceiling as per the Act                          |                        |       |       |       |       | 1% of the Net Profits of the Company |

# TSB – Mr. Tara Sankar Bhattacharya

AP – Mr. Ambalal Patel

PR – Ms. Pratima Ram

GMS – Mr. Giraj Mohan Sharma

GG – Mr. Gautam Gandhi

VDC – Mr. Vedprakash Chiripal

Note: \* the amount is inclusive of service tax

Mr. Yasho Verdhana Verma was appointed on April 29, 2015, so not included in the aforesaid details.

Mr. Gautam Gandhi ceased to be a Director w.e.f. August 8, 2014 pursuant to resignation tendered by him.

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| Sr. No. | Particulars of Remuneration                                                      | Chief Financial Officer | Company Secretary | Chief Executive Officer | Total   |
|---------|----------------------------------------------------------------------------------|-------------------------|-------------------|-------------------------|---------|
| 1       | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | --                      | 523582            | 4800000                 | 523582  |
|         | Value of perquisites u/s. 17(2) of the Income Tax Act, 1961                      | --                      | --                | --                      | --      |
|         | Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        | --                      | --                | --                      | --      |
| 2       | Stock Option                                                                     | --                      | --                | --                      | --      |
| 3       | Sweat Equity                                                                     | --                      | --                | --                      | --      |
| 4       | Commission                                                                       | --                      | --                | --                      | --      |
| 5       | Other, please specify                                                            | --                      | --                | --                      | --      |
|         | Gratuity                                                                         | --                      | 10274             | 230880                  | 241154  |
|         | TOTAL                                                                            | --                      | 533856            | 5030880                 | 5564736 |

## VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES (UNDER THE COMPANIES ACT, 2013)

| Type                      | Section of the Companies Act | Brief Description | Details of penalty / punishment / compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|---------------------------|------------------------------|-------------------|------------------------------------------------------------|-------------------------------|------------------------------------|
| COMPANY                   |                              |                   |                                                            |                               |                                    |
| Penalty                   |                              |                   | NONE                                                       |                               |                                    |
| Punishment                |                              |                   |                                                            |                               |                                    |
| Compounding               |                              |                   |                                                            |                               |                                    |
| DIRECTORS                 |                              |                   |                                                            |                               |                                    |
| Penalty                   |                              |                   | NONE                                                       |                               |                                    |
| Punishment                |                              |                   |                                                            |                               |                                    |
| Compounding               |                              |                   |                                                            |                               |                                    |
| OTHER OFFICERS IN DEFAULT |                              |                   |                                                            |                               |                                    |
| Penalty                   |                              |                   | NONE                                                       |                               |                                    |
| Punishment                |                              |                   |                                                            |                               |                                    |
| Compounding               |                              |                   |                                                            |                               |                                    |

# ANNEXURE E TO THE DIRECTORS' REPORT

## FORM AOC – 2

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

|                                                                                                                                                      |      |
|------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| (a) Name(s) of the related party and nature of relationship                                                                                          |      |
| (b) Nature of contracts / arrangements / transactions                                                                                                |      |
| (c) Duration of contracts / arrangements / transactions                                                                                              |      |
| (d) Salient terms of the contracts / arrangements / transactions including the value, if any                                                         |      |
| (e) Justification for entering into such contracts / arrangements / transactions                                                                     |      |
| (f) Date(s) of approval by the Board                                                                                                                 | N.A. |
| (g) Amount paid as advances, if any                                                                                                                  |      |
| (h) Date on which the special resolution was passed                                                                                                  |      |
| (i) Amount paid as advances, if any                                                                                                                  |      |
| (j) Date on which (a) the special resolution was passed in general meeting as required under first proviso to section 188 of the Companies Act, 2013 |      |

2. Details of material contracts or arrangements or transactions at arm's length basis:

| Name(s) of the related party and nature of relationship | Nature of contracts / arrangements / transactions                  | Duration of the contracts / arrangements / transactions | Salient terms of the contracts or arrangements or transactions including the value, if any | Date(s) of approval by the Board | Amount paid as advances, if any |
|---------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|
| Chiripal Industries Limited                             | Purchase / Sale of raw materials and goods including capital goods | --                                                      | At market price                                                                            | 30.05.2014                       | --                              |
| Nova Textiles Private Limited                           | Purchase / Sale of goods including capital goods                   | --                                                      | At market price                                                                            | 30.05.2014                       | --                              |
| Vishal Fabrics Limited                                  | Purchase / Sale of goods                                           | --                                                      | At market price                                                                            | 30.05.2014                       | --                              |
| Nova Textiles Private Limited                           | Job work                                                           | --                                                      | At market price                                                                            | 30.05.2014                       | --                              |
| Chiripal Poly Films Limited                             | Purchase / Sale of raw materials / goods                           | --                                                      | At market price                                                                            | 30.05.2014                       | --                              |

# CORPORATE GOVERNANCE REPORT

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Apart from complying with Clause 49 of the Listing Agreement, Nandan Denim Limited has adopted various practices and set responsible standards for business. The Company endeavours to improve upon aspects like transparency, professionalism, accountability and fair disclosures, on an ongoing basis and takes necessary steps towards growth and enhancing values for its shareholders.

Nandan Denim Limited has complied with all the regulations of Securities Exchange Board of India, BSE Limited and National Stock Exchange of India Limited, wherever applicable, as per the Listing Agreements.

## GOVERNANCE FRAMEWORK

The Company's governance structure consists of Board of Directors, Committees formed by them and the Management of the Company.

### Board Structure:

Nandan Denim Limited has a well – balanced Board of Directors with members from diverse backgrounds who have years of experience and expertise in various fields. Out of seven members of the Board, five are Independent Directors with years of experience and high standards of governance. The Managing Director and CEO of our Company are responsible for the overall management of the Company's affairs under the supervision of the Board of Directors.

### Board Committees:

The Board has constituted Committees with specific terms of reference and have an optimum representation of Board members. These Committee members meet at such frequency as is necessary to address the responsibilities and tasks assigned to them. Presently, the Board has the following committees:

| Sr. No. | Name of the Committee |
|---------|-----------------------|
|---------|-----------------------|

- |    |                                           |
|----|-------------------------------------------|
| 1. | Audit Committee                           |
| 2. | Stakeholders Relationship Committee       |
| 3. | Nomination and Remuneration Committee     |
| 4. | Risk Management Committee                 |
| 5. | Corporate Social Responsibility Committee |

### Managing Director & CEO:

Mr. Brijmohan Chiripal, Managing Director and Mr. Deepak Chiripal, CEO of the Company are responsible for the overall management of the affairs of the Company under the supervision of the Board of Directors of the Company. He drives the initiatives as approved by the Board of Directors of the Company and provides direction to achieve the same.

The governance structure enhances the Company's abilities to respond to emerging challenges.

## BOARD OF DIRECTORS

### Composition:

The composition of the Board is in conformity with the Companies Act, 2013 as well as Clause 49 of the Listing Agreement. The Company has a Non-Executive Chairman and an optimum combination of Independent Directors on the Board of the Company. The composition of the Board of Directors of the Company as on March 31, 2015 is as follows:

| Category                               | No. of Directors |
|----------------------------------------|------------------|
| Non-Executive Independent Directors    | 4                |
| Non-Executive Promoter Director        | 1                |
| Executive Director (Managing Director) | 1                |
| Total                                  | 6                |

### Board Meetings, Attendance And Other Directorships

The Company held 4 Board Meetings during the period 01.04.2014 to 31.03.2015. The dates of the meetings are May 30, 2014, August 8, 2014, November 11, 2014 and February 3, 2015. The Company placed before the Board the Unaudited Quarterly Financial Results, Annual Audited Financial Results, Performance of the Company for the year or quarter and other details as required under the Companies Act, 2013 and the Listing Agreement.

The attendance particulars are mentioned below:

| Name of Director             | Date of the Board Meetings and Attendance |            |            |            | Date of the Last AGM & Attendance |
|------------------------------|-------------------------------------------|------------|------------|------------|-----------------------------------|
|                              | 30.05.2014                                | 08.08.2014 | 11.11.2014 | 03.02.2015 | 15.09.2014                        |
| Mr. Vedprakash Chiripal      | ✓                                         | ✓          | ✓          | ✓          | ✓                                 |
| Mr. Brijmohan Chiripal       | ✓                                         | ✓          | ✓          | ✓          | ✓                                 |
| Mr. Tara Sankar Bhattacharya | ✓                                         | LOA        | ✓          | ✓          | LOA                               |
| Mr. Ambalal Patel            | ✓                                         | ✓          | ✓          | ✓          | ✓                                 |
| Mr. Gautam Gandhi*           | ✓                                         | ✓          | NA         | NA         | NA                                |
| Mr. Giraj Mohan Sharma       | NA                                        | NA         | ✓          | ✓          | NA                                |
| Ms. Pratima Ram              | NA                                        | NA         | ✓          | ✓          | NA                                |
| Dr. Yasho Verdhan Verma**    | NA                                        | NA         | NA         | NA         | NA                                |

\* Mr. Gautam Gandhi retired from the Board w.e.f. August 8, 2014

\*\* Dr. Yasho Verdhan Verma was appointed on the Board w.e.f. April 29, 2015

NA – Not Applicable

LOA – Leave of Absence

Video/Teleconferencing Facilities are also used to facilitate Directors travelling/residing abroad or at any other location to participate in the meetings. Details of Other Directorships and Committee Memberships / Chairmanships held are as follows:

| Name of the Director         | No. of Other Directorships & Committee Memberships / Chairmanships |                       |                         |
|------------------------------|--------------------------------------------------------------------|-----------------------|-------------------------|
|                              | Other Directorships                                                | Committee Memberships | Committee Chairmanships |
| Mr. Vedprakash Chiripal      | 3                                                                  | 4                     | 1                       |
| Mr. Brijmohan Chiripal       | 3                                                                  | 0                     | 0                       |
| Mr. Tara Sankar Bhattacharya | 7                                                                  | 4                     | 0                       |
| Mr. Ambalal Patel            | 7                                                                  | 6                     | 2                       |
| Mr. Gautam Gandhi*           | 0                                                                  | 0                     | 0                       |
| Mr. Giraj Mohan Sharma       | 0                                                                  | 0                     | 0                       |
| Ms. Pratima Ram              | 5                                                                  | 1                     | 0                       |
| Dr. Yasho Verdhan Verma**    | 2                                                                  | 4                     | 0                       |

\* Mr. Gautam Gandhi retired from the Board w.e.f. August 8, 2014

\*\* Dr. Yasho Verdhan Verma was appointed on the Board w.e.f. April 29, 2015

Note:

- Other Directorships do not include Private Companies
- None of the Directors is a member of more than 10 Board-level Committees of Public Companies or is Chairman of more than 5 such committees.

#### Separate Meetings of Independent Directors

The Companies Act, 2013 has prescribed a new set of meeting known as exclusive meeting by Independent Directors to assign more responsibility and powers to Independent Directors. As per schedule IV of the Companies Act, 2013, the Independent Directors shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the management and all such directors shall strive to be present at the meeting.

The Independent Directors of Nandan Denim Limited held such meeting on February 3, 2015. Amongst other matters, they reviewed the performance of Non-Independent Directors, and the Board as a whole, the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### Induction and Training of Board Members:

The Company has the following process for induction and training of Board Members:

- Discussing with Independent Directors and ascertaining their further training/updating needs and arranging presentation by consultants in the field.
- A detailed induction programme is in place to familiarize the new Directors of the entire operations of the company. The programme includes introduction to various functional heads.

# CORPORATE GOVERNANCE REPORT

## Evaluation criteria of the Board's Performance:

During the year under review, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest, etc. The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

## Independent Directors:

Nandan Denim Limited has at its last Annual General Meeting (AGM) held on September 15, 2014 appointed Mr. Ambalal Patel and Mr. Tara Sankar Bhattacharya as Independent Directors pursuant to sections 149, 152, schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement for the period of five (5) consecutive years upto September 14, 2019. The Independent Directors have submitted declarations that they meet the criteria of independence as per the provisions of the Companies Act, 2013

## BOARD COMMITTEES

The Committees constituted by the Board play a very important role in the governance structure of the Company. The Board has constituted various committees with specific terms of reference and scope. The Board of Directors has delegated certain areas to Board Committees for proper execution of the duties. The terms of reference of these committees are approved by the Board and are in line with the requirements of Companies Act, 2013 and Clause 49 of the Listing Agreement.

### Audit Committee

The Audit Committee of the Board of Directors meets the criteria laid down under section 177 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement. The terms of reference to the Audit Committee inter alia include:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Review and monitor the auditor's performance and independence and effectiveness of audit process and recommending the appointment, remuneration and terms of appointment of the auditors;
- Approval or preapproval or any subsequent modification of transactions of the Company with related parties;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review the functioning of the Whistle Blower mechanism;
- Scrutiny of inter-corporate loans and investments;
- Reviewing the adequacy of the 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;
- Discussion with the 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;
- To mandatorily review the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions submitted by the management;
  - iii. The appointment, removal and terms of remuneration of the chief internal auditor.
- Reviewing with the management the annual and quarterly financial statements and auditors' report thereon before submission to the board for approval.

The Audit Committee invites executives, as it considers appropriate, particularly the CFO, Managing Director representatives of statutory & internal auditors to be present at its meetings. Ms. Purvee Roy, Company Secretary acts as the Secretary of the Audit Committee.

Four Audit Committee Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

May 30, 2014; August 08, 2014; November 11, 2014 and February 03, 2015.

The necessary quorum was present for all the meetings.

The previous Annual General Meeting (AGM) of the Company was held on September 15, 2014 and was attended by Mr. Ambalal Patel, Chairman of the Audit Committee.

The composition of the Audit Committee and details of meetings attended by its members are given below:

| Name                         | Category | Number of meetings during the financial year 2014-15 |            |            |            |
|------------------------------|----------|------------------------------------------------------|------------|------------|------------|
|                              |          | Date of the Committee Meetings and Attendance        |            |            |            |
|                              |          | 30.05.2014                                           | 08.08.2014 | 11.11.2014 | 03.02.2015 |
| Mr. Ambalal Patel            | NEID     | ✓                                                    | ✓          | ✓          | ✓          |
| Mr. Tara Sankar Bhattacharya | NEID     | ✓                                                    | LOA        | ✓          | ✓          |
| Ms. Pratima Ram              | NEID     | NA                                                   | NA         | ✓          | ✓          |
| Mr. Vedprakash Chiripal      | NEPD     | ✓                                                    | ✓          | ✓          | ✓          |

NEID - Non-Executive Independent Director

NEPD - Non- Executive Promoter Director

NA - Not Applicable

LOA - Leave of Absence

#### Nomination & Remuneration Committee

The Nomination & Remuneration Committee of the Board of Directors meets the criteria laid down under section 178 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement. The terms of reference to the Nomination & Remuneration Committee inter alia include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors, Committees of the Board and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- To develop and review induction procedures for new appointees to the Board to enable them to become aware of and understand the Company's policies and procedures and to effectively discharge their duties;
- To recommend / review remuneration of the Managing Director based on their performance and defined assessment criteria;
- Oversee familiarization programmes for Directors;
- To carry out such other functions as may be mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Company does not have any employee stock option scheme.

Two Nomination & Remuneration Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

November 11, 2014 and February 03, 2015.

The necessary quorum was present for all the meetings.

The composition of the Nomination & Remuneration Committee and details of meetings attended by its members are given below:

| Name                         | Category | Number of meetings during the financial year 2014-15 |            |
|------------------------------|----------|------------------------------------------------------|------------|
|                              |          | Date of the Committee Meetings and Attendance        |            |
|                              |          | 11.11.2014                                           | 03.02.2015 |
| Mr. Tara Sankar Bhattacharya | NEID     | ✓                                                    | ✓          |
| Mr. Ambalal Patel            | NEID     | ✓                                                    | ✓          |
| Mr. Vedprakash Chiripal      | NEPD     | ✓                                                    | ✓          |
| Dr. Yasho Verdhan Verma*     | NEID     | NA                                                   | NA         |

\* Dr. YashoVerdhanVerma was appointed on the Committee w.e.f. April 29, 2015.

NEID - Non-Executive Independent Director

NEPD - Non- Executive Promoter Director

NA - Not Applicable

Ms. Purvee Roy, Company Secretary acts as the Secretary to the Committee. The Managing Director and the CFO are the invitees to the meetings of the Committee.

# CORPORATE GOVERNANCE REPORT

## Remuneration Policy:

The Governance Policies of the Company contains policy on Remuneration to Directors, KMP's, Senior Management Personnel & other employees. It enables the Company to attract, retain and motivate employees to achieve results. The remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the textile industry. The performance of the Company and individual performance as well as employee's potential, criticality and longevity in the grade are considered while determining remuneration to the employees.

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Managing Director. Annual increments are decided by the Nomination & Remuneration Committee within the salary scale provided by the members of the Company.

The Company pays sitting fees to the Independent Directors for their participation in the Board and Committee meetings. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The details of remuneration paid to the Directors are given in Form MGT-9 forming part of the Directors Report.

Details of sitting fees and commission paid to the Non-Executive Directors during the financial year 2014-15 is as under:

(₹ In lakhs)

| Name                         | Commission | Sitting Fees | Total    |
|------------------------------|------------|--------------|----------|
| Mr. Ambalal Patel            | NIL        | 56,180       | 56,180   |
| Mr. Tara Sankar Bhattacharya | NIL        | 2,02,248     | 2,02,248 |
| Ms. Pratima Ram              | NIL        | 56,180       | 56,180   |
| Mr. Giraj Mohan Sharma       | NIL        | 56,180       | 56,180   |
| Mr. Vedprakash Chiripal      | NIL        | NIL          | NIL      |

Since Dr. Yasho Verdhan Verma was appointed on the board on April 29, 2015, his details have not been included in the above table.

There are no other pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company.

## Managing Director

| Name of Director and period of appointment | Salary         | Benefits, perquisites and allowances | Commission | ESPS |
|--------------------------------------------|----------------|--------------------------------------|------------|------|
| Mr. Brijmohan Chiripal                     | 60,00,000 p.a. | 7,20,000 p.a.                        | NIL        | NIL  |

Services of the Managing Director may be terminated by either party, giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of severance fees.

Details of equity shares of the Company held by the Directors as on March 31, 2015 are given below:

| Name                         | Number of Equity Shares |
|------------------------------|-------------------------|
| Mr. Vedprakash Chiripal      | NIL                     |
| Mr. Brijmohan Chiripal       | 27,80,000               |
| Mr. Tara Sankar Bhattacharya | NIL                     |
| Mr. Ambalal Patel            | 1,000                   |
| Ms. Pratima Ram              | NIL                     |
| Mr. Giraj Mohan Verma        | NIL                     |
| Dr. Yasho Verdhan Verma*     | NA                      |

\* Dr. Yasho Verdhan Verma was appointed on the Committee w.e.f. April 29, 2015.

## Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Board of Directors meets the criteria laid down under section 178 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement. The terms of reference to the Stakeholders Relationship Committee inter alia include:

- Redressal of shareholders and investors complaints;
- Issue of duplicate / consolidated share certificates, if required;
- Non-receipt of dividend / notices / annual reports, revalidation of dividend warrant, etc.;
- To approve the register of members as on the record date(s) and / or book closure date(s) for receiving dividend and other corporate benefits;
- Review of cases of refusal to transfer / transmission of shares and reference to statutory and regulatory authorities.

The Committee which was originally constructed as Shareholders Grievance Committee was changed to Stakeholders Relationship Committee in light of the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement.

The composition of the Stakeholders Relationship Committee and details of meetings attended by its members are given below:

| Name                         | Category | Number of meetings during the financial year 2014-15 |            |            |            |
|------------------------------|----------|------------------------------------------------------|------------|------------|------------|
|                              |          | Date of the Committee Meeting and Attendance         |            |            |            |
|                              |          | 30.05.2014                                           | 08.08.2014 | 11.11.2014 | 03.02.2015 |
| Mr. Tara Sankar Bhattacharya | NEID     | ✓                                                    | LOA        | ✓          | ✓          |
| Ms. Pratima Ram              | NEID     | NA                                                   | NA         | ✓          | ✓          |
| Mr. Giraj Mohan Sharma       | NEID     | NA                                                   | NA         | ✓          | ✓          |
| Mr. Ambalal Patel            | NEID     | ✓                                                    | ✓          | ✓          | ✓          |
| Mr. Vedprakash Chiripal      | NEPD     | ✓                                                    | ✓          | ✓          | ✓          |

NEID - Non-Executive Independent Director

NEPD - Non- Executive Promoter Director

NA - Not Applicable

LOA - Leave of Absence

Ms. Purvee Roy, Company Secretary acts as the Secretary to the Committee. The Managing Director and the CFO are the invitees to the meetings of the Committee.

Name, designation and address of Compliance Officer:

Ms. Purvee Roy

Company Secretary

Nandan Denim Limited

Corporate Office:

Chiripal House,

Near Shivrangani Cross Roads,

Satellite, Ahmedabad – 380 015, Gujarat, India

Telephone: +91 79 2673 4660/2/3

Fax: +91 79 2676 8656

Email: cs.ndl@chiripalgroup.com

Details of investor complaints received and redressed during the year 2014-15 are as follows:

| Opening balance | Received during the year | Resolved during the year | Closing balance |
|-----------------|--------------------------|--------------------------|-----------------|
| 0               | 24                       | 24                       | 0               |

#### Risk Management Committee

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan of the Company. The Board approved a detailed framework on Risk Management which inter alia covers the roles and responsibilities of the Risk Management Committee and delegated the monitoring and reviewing of the risk management plan to the Committee. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The risk management function was earlier being taken care of by the Audit Committee.

During the year, one meeting of the Risk Management Committee was held on February 3, 2015.

The composition of the Risk Management Committee and details of meetings attended by its members are given below:

| Name                         | Category | Number of meetings during the financial year 2014-15 |  |
|------------------------------|----------|------------------------------------------------------|--|
|                              |          | Date of the Committee Meeting and Attendance         |  |
|                              |          | 03.02.2015                                           |  |
| Mr. Ambalal Patel            | NEID     | ✓                                                    |  |
| Mr. Tara Sankar Bhattacharya | NEID     | ✓                                                    |  |
| Ms. Pratima Ram              | NEID     | ✓                                                    |  |
| Mr. Vedprakash Chiripal      | NEPD     | ✓                                                    |  |

NEID - Non-Executive Independent Director

NEPD - Non- Executive Promoter Director

NA - Not Applicable

Ms. Purvee Roy, Company Secretary acts as the Secretary to the Committee. The Managing Director and the CFO are the invitees to the meetings of the Committee.

# CORPORATE GOVERNANCE REPORT

## Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board of Directors meets the criteria laid down under section 135 of the Companies Act, 2013, read with the rules made there under. The terms of reference to the Corporate Social Responsibility Committee inter alia include:

- Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy;
- Recommend the amount of expenditure to be incurred on the activities referred to above;
- Monitor the CSR Policy of the Company from time to time;
- Oversee the Company's conduct with regard to its corporate and societal obligations and its reputation as a responsible corporate citizen;
- Oversee activities impacting the quality of life of various stakeholders;
- To carry out such tasks and activities as may be assigned by the Board of Directors from time to time.

During the year, one meeting of the Corporate Social Responsibility Committee was held on November 11, 2014.

The composition of the Corporate Social Responsibility Committee and details of meetings attended by its members are given below:

| Name                     | Category | Number of meetings during the financial year 2014-15<br>Date of the Committee Meeting and Attendance<br>11.11.2014 |
|--------------------------|----------|--------------------------------------------------------------------------------------------------------------------|
| Ms. Pratima Ram          | NEID     | ✓                                                                                                                  |
| Dr. Yasho Verdhan Verma* | NEID     | NA                                                                                                                 |
| Mr. Giraj Mohan Sharma   | NEID     | ✓                                                                                                                  |
| Mr. Vedprakash Chiripal  | NEPD     | ✓                                                                                                                  |

NEID - Non-Executive Independent Director

NEPD - Non- Executive Promoter Director

NA - Not Applicable

\*Dr. Yasho Verdhan Verma was appointed on the Committee w.e.f. April 29, 2015.

Ms. Purvee Roy, Company Secretary acts as the Secretary to the Committee. The Managing Director and the CFO are the invitees to the meetings of the Committee.

## GENERAL BODY MEETINGS

- General meeting
  - Annual General Meeting:

| Financial Year | Date               | Time       | Venue                                                                                 |
|----------------|--------------------|------------|---------------------------------------------------------------------------------------|
| 2013-2014      | September 15, 2014 | 10.00 a.m. | Lions Hall, Mithakhali Six Road, Nr. Nalanda Hotel, Ellisbridge, Ahmedabad-380006     |
| 2012-2013      | August 29, 2013    | 03.00 p.m. | Survey No. 198/1 & 203/2, Saijpur – Gopalpur, PiranaRoad, Piplej, Ahmedabad – 382 405 |
| 2011-2012      | September 26, 2012 | 03.00 p.m. | Survey No. 198/1 & 203/2, Saijpur – Gopalpur, PiranaRoad, Piplej, Ahmedabad – 382 405 |

- Extra-Ordinary General Meeting:  
No Extra-Ordinary General Meeting of the members was held during the year 2014-15.

- Special resolutions:  
Special resolutions passed by the Company in previous three AGMs:-

| Year      | No. of Special Resolutions |
|-----------|----------------------------|
| 2013-2014 | 5                          |
| 2012-2013 | 1                          |
| 2011-2012 | 0                          |

- Details of special resolution passed through postal ballot, the persons who conducted the Postal Ballot exercise and details of the voting pattern:

Pursuant to the provisions of section 110 and applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, shareholders have passed special resolutions relating to issue of 80,00,000 shares on preferential basis to select group of investors (promoters and non-promoters) and it was approved by members through postal ballot conducted on February 03, 2015.

CS Ravi Kapoor, Practicing Company Secretary and Proprietor of M/s. Ravi Kapoor & Associates, Ahmedabad was appointed as Scrutinizer and he conducted the postal ballot and e-voting process. The procedure of the postal ballot and details of voting pattern were submitted to the stock exchanges and posted on the website of the Company [www.nandandenim.com](http://www.nandandenim.com).

The details of the voting pattern in the postal ballot process is given herein below:

| Promoter / Public              | No. of Shares held | No. of votes polled | % of votes polled on outstanding shares | No. of votes - favour | No. of votes – against | % of votes in favour on votes polled | % of votes against on votes polled |
|--------------------------------|--------------------|---------------------|-----------------------------------------|-----------------------|------------------------|--------------------------------------|------------------------------------|
|                                | (1)                | (2)                 | (3)=(2)/(1)*100                         | (4)                   | (5)                    | (6)=(4)/(2)*100%                     | (7)=(5)/(2)* Nil                   |
| Promoter & Promoter Group      | 27758720           | 12699858            | 45.75                                   | 12699858              | 0                      | 100.00                               | 0.00                               |
| Public – Institutional Holders | 1415802            | 0                   | 0                                       | 0                     | 0                      | 0.00                                 | 0.00                               |
| Public – Others                | 16374534           | 4127182             | 25.20                                   | 4126552               | 630                    | 99.98                                | 0.02                               |
| <b>TOTAL</b>                   | <b>45549056</b>    | <b>16827040</b>     | <b>36.94</b>                            | <b>16826410</b>       | <b>630</b>             | <b>100.00</b>                        | <b>0.00</b>                        |

The above special resolution, passed through postal ballot, was later on withdrawn by the Company vide circular resolution dated April 16, 2015 and thus the special resolution was not acted upon.

4. Whether any resolutions are proposed to be conducted through postal ballot:  
No special resolution requiring a postal ballot is being proposed at the ensuing Annual General Meeting of the Company.
5. Procedure for postal ballot:  
Prescribed procedure for postal ballot as per the provisions contained in this behalf in the Companies Act, 2013 read with rules made there under as amended from time to time shall be complied with, whenever necessary.

## DISCLOSURES

- a. There are no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in the financial section of this Annual Report. The Board has approved a policy for Related Party Transactions which is uploaded on the website of the Company at <http://www.nandandenim.com/downloads/Related%20Party%20Transaction%20Policy.pdf>
- b. In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.
- c. Management Discussion and Analysis Report is set out in a separate section included in this Annual Report and forms part of this Report.
- d. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years.
- e. The Chief Executive Officer and the Chief Financial Officer have furnished a certificate to the Board for the year ended March 31, 2015 in compliance with Clause 49 of the Listing Agreement.
- f. A qualified Practising Company Secretary carried out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit confirms that the total issued / paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- g. The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.
- h. Details of the familiarization programme of the Independent Directors are available on the website of the Company at <http://www.nandandenim.com/downloads/Familiarization%20Policy.pdf>
- i. The Company has complied with the mandatory requirements of Clause 49.
- j. The Company established Whistle Blower mechanism in compliance with Clause 49II(F) of the Listing Agreement and no personnel has been denied access to the Audit Committee under Whistle Blower Policy.

## COMMUNICATION OF RESULTS

The website of the Company [www.nandandenim.com](http://www.nandandenim.com) acts as the primary source of information regarding the operations of the Company. The quarterly and annual results of the Company are published in leading newspapers in India which include Business Standard, Economic Times, Mint and Hindu Business Line along with vernacular newspapers. The results are also displayed on the Company's website [www.nandandenim.com](http://www.nandandenim.com). Official press releases made by the Company from time to time are also displayed on the website. Further, the financial results, press releases and various other compliance reports / information in accordance with the provisions of the Listing Agreement are made available on the websites of the Stock Exchanges i.e. on NSE's Electronic Application Processing System (NEAPS) and [listing.bseindia.com](http://listing.bseindia.com) of the BSE.

# CORPORATE GOVERNANCE REPORT

The Annual Report which includes inter alia, the Directors' Report, Management Discussion and Analysis and the Report on Corporate Governance is another channel of communication to the shareholders.

## GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting

|       |                                                                                                                               |
|-------|-------------------------------------------------------------------------------------------------------------------------------|
| Date  | September 29, 2015                                                                                                            |
| Time  | 09.30 a.m.                                                                                                                    |
| Venue | J.B. Auditorium, Ahmedabad Management Association, AMA Complex, Atira, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015, Gujarat |

### Financial Year

The financial year of the Company is from 1st April to 31st March.

### Financial Calendar

| Financial Reporting for                                   | Tentative Board Meeting schedule (subject to change) |
|-----------------------------------------------------------|------------------------------------------------------|
| Quarter ending June 30, 2015                              | On or before August 14, 2015                         |
| Quarter ending September 30, 2015                         | On or before November 14, 2015                       |
| Quarter ending December 31, 2015                          | On or before February 14, 2016                       |
| Year ending March 31, 2015                                | Within sixty days from March 31, 2016                |
| Annual General Meeting for the year ending March 31, 2016 | First week of September 2016                         |

### Book Closure / Record Date

The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, September 23, 2015 to Tuesday, September 29, 2015 (both days inclusive) for the purpose of 21st Annual General Meeting and payment of Dividend

### Date of Dividend Payment

Date of payment of dividend, if declared, would be on or after October 10, 2015.

### Listing on Stock Exchanges

The Company's equity shares are listed on The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
BandraKurla Complex, Bandra (East)  
Mumbai 400 051

BSE Limited  
25th Floor, P.J. Towers,  
Dalal Street,  
Mumbai 400 001

Listing Fee for financial year 2015-16 has been paid to NSE and BSE where the shares of the Company are listed.

### Stock Code

National Stock Exchange of India Limited – NDL  
BSE Limited – 532641

### Corporate Identity Number (CIN) of the Company

L51909GJ1994PLC022719

### Demat International Securities Identification Number (ISIN) in NSDL and CDSL for equity shares

INE875G01030

### Market Price Data

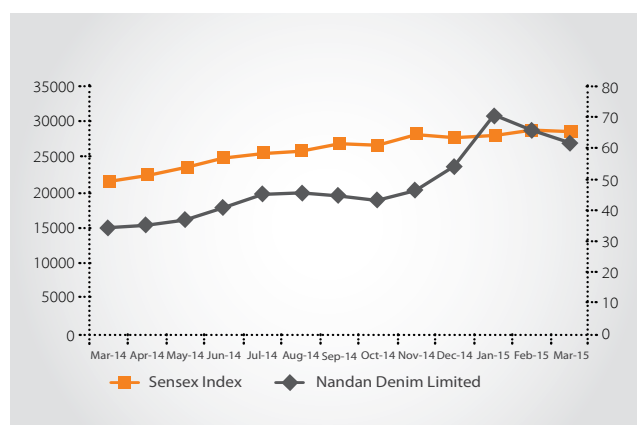
High and low during each month in last financial year is given below:

| Month          | NSE   |       |                                   | BSE   |       |                                   |
|----------------|-------|-------|-----------------------------------|-------|-------|-----------------------------------|
|                | High  | Low   | Total No. of Equity Shares traded | High  | Low   | Total No. of Equity Shares traded |
| April 2014     | 37.95 | 33.30 | 1182952                           | 39.70 | 33.50 | 2865299                           |
| May 2014       | 41.00 | 33.40 | 2079364                           | 40.60 | 32.55 | 3667427                           |
| June 2014      | 47.50 | 35.70 | 3063057                           | 47.35 | 36.00 | 4169770                           |
| July 2014      | 51.60 | 39.85 | 2531599                           | 51.50 | 39.60 | 3917194                           |
| August 2014    | 49.20 | 40.25 | 2178178                           | 49.25 | 40.65 | 3183928                           |
| September 2014 | 50.25 | 40.30 | 2296736                           | 50.00 | 40.00 | 3694856                           |

|               |       |       |         |       |       |         |
|---------------|-------|-------|---------|-------|-------|---------|
| October 2014  | 45.75 | 40.35 | 1578442 | 46.00 | 40.50 | 3463205 |
| November 2014 | 50.60 | 42.50 | 1536332 | 51.00 | 42.30 | 3136031 |
| December 2014 | 72.90 | 45.00 | 4299599 | 72.95 | 44.20 | 5310403 |
| January 2015  | 94.00 | 63.20 | 6910084 | 94.15 | 63.50 | 4572079 |
| February 2015 | 76.00 | 62.25 | 3479349 | 76.35 | 62.15 | 2606682 |
| March 2015    | 67.20 | 56.10 | 2667967 | 68.00 | 54.00 | 2804187 |

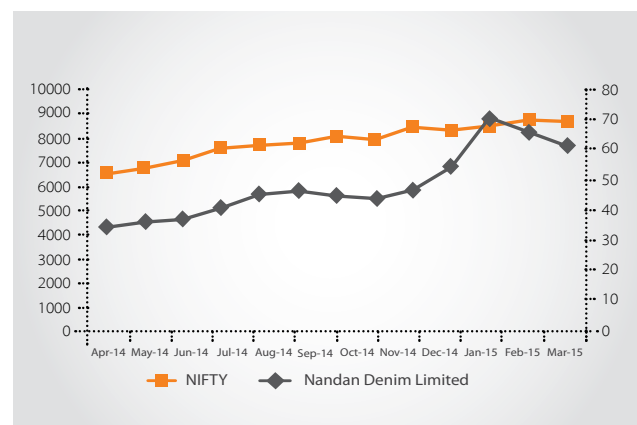
#### Performance in comparison to BSE Sensex Index

The performance of the Company's shares relative to BSE (sensex) is given in the chart below:



#### Performance in comparison to NSE Nifty Index

The performance of the Company's shares relative to NSE (nifty) is given in the chart below:



#### Registrar and Transfer Agents

Share transfer, dividend payment and all other investor related matters are attended to and processed by our Registrar and Transfer Agents i.e. Datamatics Financial Services Limited having their office at:

Datamatics Financial Services Limited  
Plot No. B5, Part B Cross Lane,  
MIDC, Andheri (E),  
Mumbai – 400 093,  
Maharashtra  
Tel. No.: 022-66712001-06  
Fax No.: 022-66712011  
Email: investorqry@dfssl.com

Contact Person: Mr. Satish Patil and Mr. Kamlesh Tiwari

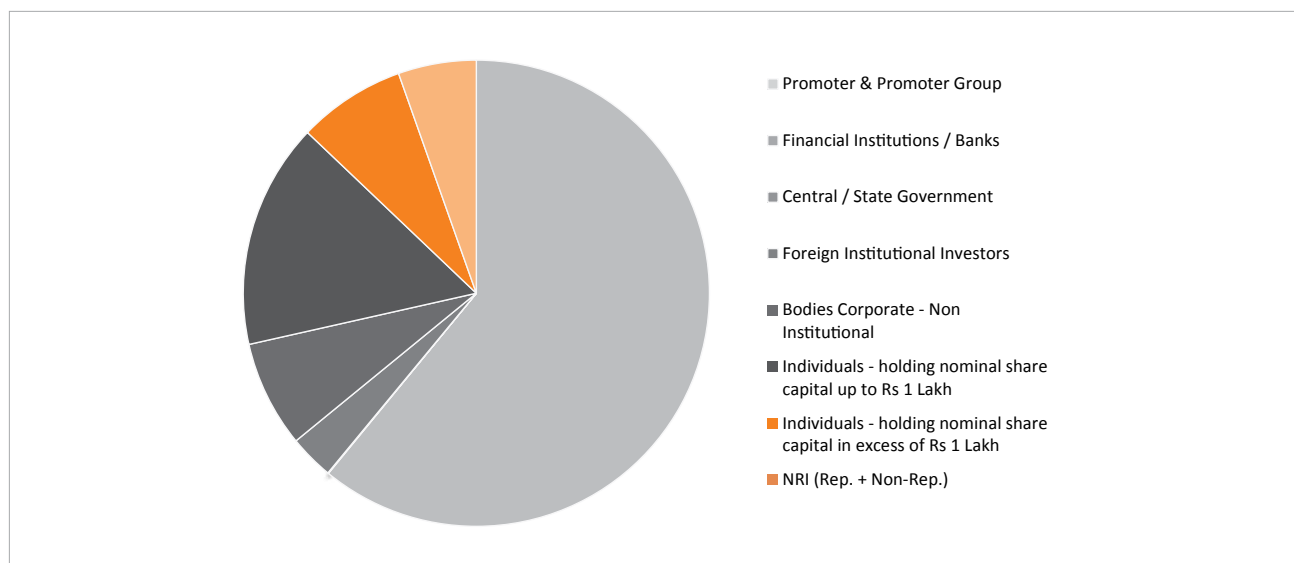
#### SHARE TRANSFER SYSTEM

The Company's shares are covered under the dematerialization list and are transferable through the depository system. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects.

#### CATEGORY OF EQUITY SHAREHOLDERS AS ON MARCH 31, 2015

| Category                                                          | Number of Equity Shares held | Percentage of Holding |
|-------------------------------------------------------------------|------------------------------|-----------------------|
| Promoter & Promoter Group                                         | 27758720                     | 60.94                 |
| Financial Institutions / Banks                                    | 16253                        | 0.04                  |
| Central / State Government                                        | 5500                         | 0.01                  |
| Foreign Institutional Investors                                   | 1409062                      | 3.09                  |
| Bodies Corporate - Non Institutional                              | 3366317                      | 7.39                  |
| Individuals - holding nominal share capital up to ₹ 1 Lakh        | 7120319                      | 15.64                 |
| Individuals - holding nominal share capital in excess of ₹ 1 Lakh | 3407005                      | 7.48                  |
| NRI (Rep. + Non-Rep.)                                             | 2465880                      | 5.41                  |
| Total                                                             | 45549056                     | 100.00                |

# CORPORATE GOVERNANCE REPORT



## DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015

| Shares Range |            | Shares   | % to Capital | No. of Shareholders | % to No. of Shareholders |
|--------------|------------|----------|--------------|---------------------|--------------------------|
| From         | To         |          |              |                     |                          |
| 1            | 500        | 3336419  | 7.33         | 28858               | 90.99                    |
| 501          | 1000       | 1246934  | 2.74         | 1586                | 5.00                     |
| 1001         | 2000       | 964052   | 2.12         | 647                 | 2.04                     |
| 2001         | 3000       | 567828   | 1.25         | 222                 | 0.70                     |
| 3001         | 4000       | 289545   | 0.64         | 80                  | 0.25                     |
| 4001         | 5000       | 332293   | 0.73         | 72                  | 0.23                     |
| 5001         | 10000      | 896073   | 1.97         | 117                 | 0.37                     |
| 10001        | 50000      | 1931001  | 4.24         | 99                  | 0.31                     |
| 50001        | 9999999999 | 35984911 | 79.00        | 35                  | 0.11                     |

## DEMATERIALIZATION OF SHARES AND LIQUIDITY

99.97% of the total equity share capital of the Company is held in dematerialized form with National Securities Depositories Limited and Central Depository Services (India) Limited as on March 31, 2015. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialized form. The stock is highly liquid. The face value of share is ₹ 10/- per share. The face value of the equity shares was consolidated from ₹ 1/- per share to ₹ 10/- per share on March 2012.

## OUTSTANDING GDRS / ADRS / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

As on March 31, 2015, the Company did not have any outstanding ADRs / GDRs / Warrants or any Convertible Instruments.

## PLANT LOCATION

Nandan Denim Limited  
Registered Office and Plant:  
Survey No. 198/1, 203/2,  
Saijpur-Gopalpur, Pirana Road,  
Piplej, Ahmedabad - 382405  
Gujarat  
Tel : +919879200199.

## ADDRESS FOR CORRESPONDENCE

Shareholders may correspond with –

- i. Registrar and Transfer Agents for all matters relating to transfer / dematerialization of shares, payment of dividend, demat credits, etc. at –  
Datamatics Financial Services Limited  
Plot No. B5, Part B Cross Lane,  
MIDC, Andheri (E),  
Mumbai – 400 093,  
Maharashtra  
Tel. No.: +91 22 66712151-56  
Fax No.: +91 22 66712011  
Email: investorqry@dfssl.com
- ii. Respective Depository Participants (DPs) for shares held in demat mode. Shareholders are requested to take note that all queries in connection with change in their residential address, bank account details, etc. are to be sent to their respective DPs.
- iii. For all investor related matters:  
Ms. Purvee Roy  
Company Secretary  
Nandan Denim Limited  
Corporate Office  
Chiripal House,  
Near Shivranjani Cross Roads,  
Satellite, Ahmedabad – 380 015.  
Gujarat  
Ph.: +91 79 26734660/2/3  
Fax: +91 79 26768656  
Email Address: cs.ndl@chiripalgroup.com

## DIVIDEND PAYMENT

Dividend will be credited to the shareholders' bank account through NECS where complete banking details are available with the Company. In the event where the banking details have not been provided or updated by the shareholder, as the case may be, the Company will print details available on its records on the dividend warrants / cheques to be issued to the shareholders.

For shares in physical form:

Investors who would like to avail NECS facility and are holding shares in physical form may send their NECS Mandate Form duly filled in to the Company's Registrar and Share Transfer Agent under the signature of the shareholder(s) as per their specimen signature.

For shares in electronic / dematerialized form:

Investors holding shares in dematerialized or electronic form may check the details on record with the concerned Depository Participant (DP). Pursuant to the Depository Regulations, the Company is obliged to pay dividend on dematerialized shares as per the details furnished by the concerned DP. The Company or the Registrar and Transfer Agent cannot make any change in such records received from the Depository.

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of the Companies Act, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.

## DESPATCH OF ANNUAL REPORTS

The Annual Report will be sent through email to all those shareholders who have registered their email id with the Company and the Depository Participants. Those members who have not registered their email id, the Annual Report will be sent in physical form and these members are requested to register their email ids with the Company's Registrar and Transfer Agent i.e. Datamatics Financial Services Limited.

# INDEPENDENT AUDITORS' REPORT

To the Members of Nandan Denim Limited

## 1 REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of NANDAN DENIM LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## 2. MANAGEMENT'S RESPONSIBILITY 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 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 the 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 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.

## 3. AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## 4. OPINION

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii. In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## 5. REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- i. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. 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.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books .
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 financial statements – Refer Note 25 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Ahmedabad  
Date : 29/05/2015

For, **J. T. Shah & Co.**  
Chartered Accountants,  
[FRN: 109616W]

**[J. T. Shah]**  
Partner  
[M. No. 3983]

# ANNEXURE TO THE AUDITORS REPORT

Referred to in paragraph 5 (i) of our Report of even date to the Members of Nandan Denim Limited for the year ended 31st March, 2015.

## 1. IN RESPECT OF FIXED ASSETS :

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
- (b) As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.

## 2. IN RESPECT OF ITS INVENTORIES :

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.

## 3. IN RESPECT OF LOANS AND ADVANCES GRANTED DURING THE YEAR.

As regards the loans, the company has not granted any loans, secured or unsecured during the year under audit, to the companies, firms and other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, the clauses (iii) (a) and (b) of the Companies (Auditor's Report) Order, 2015 are not applicable.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major continuing failures to correct major weaknesses has been observed.
5. During the year, the company has not accepted any deposits and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the company.
6. As per the information and explanation provided to us the company is not required to maintain the cost records as per the provisions of Companies (Cost Records and Audit) Rules, 2014, hence Clause (vi) of the Companies (Auditor's Report) Order, 2015.

## 7. IN RESPECT OF STATUTORY DUES :

- (a) According to the records of the Company, the Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect statutory dues were outstanding as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
- (c) According to the records of the company, the dues of income tax, sales tax, wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

| Name of the Statute  | Nature of the Dues                 | Year    | Amount (₹) | Forum where dispute is pending       |
|----------------------|------------------------------------|---------|------------|--------------------------------------|
| Income Tax Act, 1961 | Income Tax Demand                  | 2009-10 | 5,996,110  | Commissioner of Income Tax (Appeals) |
|                      | Income Tax Demand                  | 2012-13 | 847,220    | Commissioner of Income Tax (Appeals) |
| Value Added Tax      | Value Added Tax Demand             | 2010-11 | 3,740,628  | Joint Commissioner (Appeals)         |
|                      | Value Added Tax Interest & Penalty | 2010-11 | 4,002,472  | Joint Commissioner (Appeals)         |

- (d) During the year no amounts are required to be transferred to the investor education and protection fund and hence clause (c) of clause (vii) of the Companies (Auditor's Report) Order, 2015 is not applicable to the company.

8. The company has no accumulated losses and has not incurred any cash losses during the financial year under review or in the immediately preceding financial year.
9. Based on our audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any Financial Institutions, Banks or debenture holders.
10. According to the information and explanation given to us, the company has given the guarantee for loans taken by others from a bank, the terms & condition thereof in our opinion are not prima facie prejudicial to the interest of the company.
11. According to the information and explanations given to us, during year under review the company has applied the term loan for the purpose for which the loans were obtained.
12. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

Place : Ahmedabad  
Date : 29/05/2015

For, **J. T. Shah & Co.**  
Chartered Accountants,  
[FRN: 109616W]

**[J. T. Shah]**  
Partner  
[M. No. 3983]

# BALANCE SHEET

as at MARCH 31, 2015

| (Amount in ₹)                              |          |                   |                  |
|--------------------------------------------|----------|-------------------|------------------|
| Particulars                                | Note No. | As at 31/03/2015  | As at 31/03/2014 |
| <b>EQUITY AND LIABILITIES</b>              |          |                   |                  |
| <b>[1] Shareholders' Funds :</b>           |          |                   |                  |
| [a] Share Capital                          | 2        | 455490560         | 455490560        |
| [b] Reserves & Surplus                     | 3        | 2133340149        | 1709571257       |
|                                            |          | <b>2588830709</b> | 2 16 50 61 817   |
| <b>[2] Non-Current Liabilities :</b>       |          |                   |                  |
| [a] Long Term Borrowings                   | 4        | 2777203330        | 2807045490       |
| [b] Deferred Tax Liabilities (Net)         | 5        | 248727871         | 215707357        |
| [c] Long-term Provisions                   | 6        | Nil               | Nil              |
|                                            |          | <b>3025931201</b> | 3022752847       |
| <b>[3] Current Liabilities</b>             |          |                   |                  |
| [a] Short-term borrowings                  | 7        | 1451486057        | 1078315290       |
| [b] Trade Payables                         | 8        | 683042250         | 576354495        |
| [c] Other Current liabilities              | 9        | 720242903         | 1009023283       |
| [d] Short term Provisions                  | 6        | 129236847         | 65522270         |
|                                            |          | <b>2984008056</b> | 2729215338       |
| <b>Total</b>                               |          | <b>8598769966</b> | 7917030002       |
| <b>ASSETS :</b>                            |          |                   |                  |
| <b>[1] Non-Current Assets</b>              |          |                   |                  |
| [a] Fixed Assets :                         |          |                   |                  |
| [i] Tangible Assets                        | 10       | 4363684670        | 4521468776       |
| [ii] Intangible Assets                     | 10       | 2746985           | 2015089          |
| [iii] Capital Work in Progress             |          | 107865941         | Nil              |
|                                            |          | <b>4474297596</b> | 4523483865       |
| [b] Non-Current Investments                | 11       | 73496854          | 41636034         |
| [c] Long-term loans and Advances           | 12       | 120544032         | 5830018          |
| [d] Other non-current assets               | 13       | 54726641          | 117453393        |
|                                            |          | <b>4723065123</b> | 4688403310       |
| <b>[2] Current Assets</b>                  |          |                   |                  |
| [a] Inventories                            | 14       | 1409344 317       | 1385041532       |
| [b] Trade Receivables                      | 15       | 1472274705        | 1214164381       |
| [c] Cash & Bank Balances                   | 16       | 601028348         | 260727294        |
| [d] Short Term Loans and Advances          | 12       | 393057472         | 368693485        |
|                                            |          | <b>3875704842</b> | 3228626692       |
| <b>Total</b>                               |          | <b>8598769966</b> | 7917030002       |
| Significant Accounting Policies            | 1        |                   |                  |
| Notes forming part of Financial Statements | 2 to 44  |                   |                  |

As per our report of even date attached herewith

For, **J.T. Shah & Company**  
Chartered Accountants  
[FRN: 109616W]

For and on Behalf of the Board

**Vedprakash D. Chiripal**  
[Chairman]  
[DIN:00290454]

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

**J.T. Shah**  
Partner  
[M.No. 3983]

**Sanjay J. Agrawal**  
[Chief Financial Officer]

**Purvee D. Roy**  
[Company Secretary]

Place : Ahmedabad  
Date: 29/05/2015

# STATEMENT OF PROFIT & LOSS

for the year ended March 31, 2015

|                                                                             |          |                          | (Amount in ₹)            |
|-----------------------------------------------------------------------------|----------|--------------------------|--------------------------|
| Particulars                                                                 | Note No. | Year ended<br>31/03/2015 | Year ended<br>31/03/2014 |
| <b>INCOME</b>                                                               |          |                          |                          |
| Revenue from Operations                                                     | 17       | <b>10965333603</b>       | 8937519936               |
| Other Income                                                                | 18       | <b>30422749</b>          | 39892856                 |
| <b>Total Revenue</b>                                                        |          | <b>10995756352</b>       | 8977412792               |
| <b>EXPENDITURE</b>                                                          |          |                          |                          |
| Cost of materials consumed                                                  | 19       | <b>7220124695</b>        | 4776441996               |
| Purchase of Stock in Trade                                                  | 20       | <b>137602078</b>         | 1593851824               |
| Change in Inventories of Finished Goods, Work in Process and Stock in Trade | 21       | <b>219917067</b>         | (121746241)              |
| Employee Benefits Expense                                                   | 22       | <b>438126128</b>         | 310399591                |
| Finance Costs                                                               | 23       | <b>377085654</b>         | 320305161                |
| Depreciation and Amortisation expense                                       | 10       | <b>595503285</b>         | 497271030                |
| Other Expenses                                                              | 24       | <b>1295133666</b>        | 1051793089               |
| <b>Total Expenses</b>                                                       |          | <b>10283492572</b>       | 8428316449               |
| <b>Profit before exceptional and extraordinary item and Tax</b>             |          | <b>712263780</b>         | 549096343                |
| Exceptional Items                                                           |          | <b>Nil</b>               | Nil                      |
| <b>Profit before Tax</b>                                                    |          | <b>712263780</b>         | 549096343                |
| <b>Less : Tax expense:</b>                                                  |          |                          |                          |
| - Current Tax                                                               |          | <b>162963000</b>         | 115457800                |
| - Deferred Tax                                                              |          | <b>34963223</b>          | 4 0540159                |
| Short/(Excess) Provision Of Income Tax of earlier year                      |          | <b>Nil</b>               | Nil                      |
| <b>Profit for the year</b>                                                  |          | <b>514337557</b>         | 393098384                |
| Basic & diluted earnings per share of ₹10 each                              |          | <b>11.29</b>             | 8.63                     |
| Significant Accounting Policies                                             | 1        |                          |                          |
| Notes on Financial Statements                                               | 2 to 44  |                          |                          |

As per our report of even date attached herewith

For, **J.T. Shah & Company**  
Chartered Accountants  
[FRN: 109616W]

**J.T. Shah**  
Partner  
[M.No. 3983]

Place : Ahmedabad  
Date: 29/05/2015

**For and on Behalf of the Board**

**Vedprakash D. Chiripal**  
[Chairman]  
[DIN:00290454]

**Sanjay J. Agrawal**  
[Chief Financial Officer]

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

**Purvee D. Roy**  
[Company Secretary]

# CASH FLOW STATEMENT

For the year ended 31-03-2015

|                                                                      | 31-03-2015  | 31-03-2014   |
|----------------------------------------------------------------------|-------------|--------------|
| <b>A CASH FROM OPERATING ACTIVITY</b>                                |             |              |
| Net Profit Before Tax from Continuing Operation                      | 712263781   | 549096343    |
|                                                                      | 712263781   | 549096343    |
| Non Cash Adjustment to reconcile profit before tax to net cash flows |             |              |
| Depreciation                                                         | 595503285   | 497271030    |
| Bad Debts Written Off                                                | -           | 2129558      |
| (Profit)/Loss on sale of fixed assets (net)                          | -           | (11933276)   |
| (Profit)/Loss From Sale Of Investments                               | -           | (2321631)    |
| Interest Received                                                    | (24303844)  | (24981662)   |
| Excess amount of Depreciation W/Back                                 | (2219692)   | -            |
| Provision for doubtful Advances                                      | -           | -            |
| Reversal of Provision on Deposits                                    | (1112836)   | -            |
| Provision/(Reversal) for Doubtful debts                              | 1275339     | (2129558)    |
|                                                                      | 569142252   | 458034461    |
| Dividend Income                                                      | (9500)      | (28800)      |
| Interest and Finance Charges                                         | 377085653   | 320305161    |
|                                                                      | 377076153   | 320276361    |
| Adjustment for Movements in Working Capital:                         |             |              |
| Increase/(decrease) in trade Payable                                 | 106687755   | 118311758    |
| Increase/(decrease) in long-term Provision                           | -           | (241938)     |
| Increase/(decrease) in short-term Provision                          | (1840361)   | 20 84 026    |
| Increase/(decrease) in other current liability                       | 7135569     | 40502260     |
| Increase/(decrease) in other long-term liability                     | -           | -            |
| Decrease/(increase) in trade receivable                              | (259385662) | (302414751)  |
| Decrease/(increase) in inventories                                   | (24302785)  | (187432606)  |
| Decrease/(increase) in long term loans and advances                  | 1253428     | (1007167)    |
| Decrease/(increase) in short term loans and advances                 | (38182193)  | (33309652)   |
| Decrease/(increase) in other current assets                          | -           | -            |
| Decrease/(increase) in other non-current assets                      | -           | -            |
|                                                                      | (208634255) | (363508069)  |
| CASH GENERATED FROM OPERATIONS                                       | 1449847931  | 963899095    |
| Direct Taxes paid                                                    | (119160731) | (85941213)   |
|                                                                      | (119160731) | (85941213)   |
| NET CASH FLOW FROM OPERATIONS                                        | 13306 87200 | 877957882    |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                         |             |              |
| Purchase of Fixed Assets (Incl. WIP)                                 | (787284291) | (856860533)  |
| Sale of Fixed Assets                                                 | -           | 35277262     |
| Purchase of non-current Investments                                  | (31860820)  | (38138500)   |
| Margin Money Deposit made                                            | (343941047) | (287350876)  |
| Margin Money Deposit withdrawal                                      | 200908724   | 180509670    |
| Sale of non-current Investments                                      | -           | 2499603      |
| Interest Received                                                    | 25673192    | 26359336     |
| Dividend Income                                                      | 9 500       | 28 800       |
| NET CASH USED IN INVESTING ACTIVITY                                  | (936494742) | (937675238)  |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                         |             |              |
| Long Term Borrowing Taken during the year                            | 450048997   | 76 73 76 813 |
| Long Term Borrowing Paid during the year                             | (631637430) | (340262585)  |
| Increase in Short Term Borrowing (Net)                               | 373170767   | 74425039     |
| Share Capital                                                        | -           | -            |
| Interest paid                                                        | (387284670) | (303991717)  |
| Share Application money refunded                                     | -           | -            |
| Dividend paid (Incl. Dividend Distribution Tax)                      | (65412910)  | (97131331)   |
| NET CASH USED IN FINANCING ACTIVITY                                  | (261115245) | 100416220    |
| Net Increase/(Decrease) in cash and cash equivalents                 | 133077213   | 40698864     |
| Cash and cash equivalent Opening Balance                             | 58565 300   | 17866437     |
| Cash and cash equivalent Closing Balance                             | 191642513   | 58565300     |
| Net Increase/(Decrease) in cash and cash equivalents                 | 133077213   | 40698864     |

Notes: The above Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

As per our report of even date attached herewith

For, **J.T. Shah & Company**  
Chartered Accountants  
[FRN: 109616W]

**J.T. Shah**  
Partner  
[M.No. 3983]

Place : Ahmedabad  
Date: 29/05/2015

For and on Behalf of the Board

**Vedprakash D. Chiripal**  
[Chairman]  
[DIN:00290454]

**Sanjay J. Agrawal**  
[Chief Financial Officer]

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

**Purvee D. Roy**  
[Company Secretary]

# NOTES

## forming part of the financial statements

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### i) **Basis of Preparation of financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared as a going concern on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### ii) **Use of estimates**

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

#### iii) **Fixed Assets**

Fixed Assets are stated at cost of acquisition less accumulated depreciation. All costs including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. CENVAT credit, Grants, Foreign Exchange Fluctuation claims SHISH Licenses and EPCG claims on capital goods are accounted for by reducing the cost of capital goods.

When assets are retired from active use, the same are valued at lower of Net Book Value and Net realisable Value.

When assets are disposed, their cost is removed from the financial statements. The gain or loss arising on the disposal of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss for the relevant financial year.

#### iv) **Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. All costs, including financing costs in respect of qualifying assets till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

Intangible assets are amortised on a straight – line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management.

When assets are retired from active use, the same are valued at lower of Net Book Value and Net realisable Value.

The gain or loss arising on the disposal of an intangible asset is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised as income or expenses in the Statement of Profit and Loss in the year or disposal.

#### v) **Depreciation**

Depreciation on fixed assets (excluding intangible assets) of the company is provided on straight-line method on the basis of useful life of assets as specified under Schedule II of the Companies Act, 2013 except depreciation on incremental cost arising on account of translation of foreign currency liabilities incurred for the purpose of acquiring fixed assets, which is amortized over the residual life of the respective asset. Intangible assets are amortised on a straight – line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss for the relevant financial year.

#### vi) **Impairment of Assets**

The Management Periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognizes an impairment loss as the excess of the carrying amount of the asset over the recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amounts.

# NOTES

## forming part of the financial statements

### **vii) Investments**

Non-Current Investments are stated at cost. Provision is only made to recognize a decline other than temporary, in the value of investments.

### **viii) Inventories**

(a) Inventories are valued at the Lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make sale. Cost in respect of raw materials and Stock in Trade are determined on FIFO basis. Costs in respect of all other Inventories are computed on weighted average basis method. Finished goods and process stock include cost of conversion and other costs incurred in acquiring the inventory and bringing them to their present location and condition.

(b) Waste is valued at estimated net realizable value.

### **ix) Excise duty**

In view of the excise duty exemption route adopted by the Company from 13.07.2004 vide notification no. 30/2004 - dated 09.07.2004 of Central Excise Act, 1944 "Exemption to specified goods of public interest", the Company does not have obligation for payment of excise duty from that date.

### **x) Revenue Recognition**

(a) Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of the products are transferred to the customers net of rate difference and discount given.

(b) Dividend on Investment is recognized when the right to receive the payment is established.

(c) Exports entitlement under the Duty Entitlement Pass Book (DEPB)/FMS scheme are recognized in the Statement of Profit and Loss Account when the right to receive credit as per the terms of scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(d) Subsidy under Textiles Upgradation Fund Scheme (TUFS) is recognized when there is reasonable certainty regarding the realization of the same.

### **xi) Government Grants & Other Claims**

Revenue grant including subsidy / rebates, claims etc., are deducted from the related expenses. Grants relating to fixed assets are adjusted in the cost of such assets as and when the ultimate realizability of such grant etc., are established / realized.

### **xii) Borrowing costs**

Borrowing costs, which are attributable to acquisition or construction of qualifying assets, are capitalized as part of cost of such assets till such assets are ready for its intended use. A qualifying asset is one, which necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue. Capitalization of borrowing cost is suspended when active development is interrupted or completed.

### **xiii) Leases**

#### **Where the Company is the lessee**

Leases, wherein the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

### **xiv) Employee benefits**

(a) The employee and Company make monthly fixed Contribution to Government of India Employee's Provident fund equal to a specified percentage of the covered employee's salary, Provision for the same is made in the year in which service are rendered by the employees.

(b) The Liability for Gratuity to employee, which is a defined benefit plan, is determined on the basis of actuarial Valuation based on Projected Unit Credit method. Actuarial gain/Loss in respect of the same is charged to the profit and loss account.

(c) Short Term benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.

### **xv) Foreign Currency Transactions / Exchange Fluctuation**

(a) Monetary Transactions related to foreign currency are accounted for at the equivalent rupee converted at the rates prevailing at the time of respective transactions and outstanding in respect thereof are translated at period end

rates. Exchange difference is charged to the revenue account except arising on account of conversion related to the purchase of fixed asset is adjusted therewith if initial period of buyers credit arrangements is in excess of 360 days.

(b) Non-monetary foreign currency items are carried at cost.

**xvi) Provision for Current Tax & Deferred Tax**

Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or subsequently enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the assets will be realized in future.

**xvii) Provisions and Contingencies**

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

**xviii) Earning per Share**

Basic earning per share is calculated by dividing net profit after tax for the year attributable to Equity Shareholders of the company by the weighted average number of Equity Shares issued during the year. Diluted earning per share is calculated by dividing net profit attributable to equity Shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

| (Amount in ₹)                                                                             |                   |                  |
|-------------------------------------------------------------------------------------------|-------------------|------------------|
|                                                                                           | As at 31/03/2015  | As at 31/03/2014 |
| <b>2 SHARE CAPITAL</b>                                                                    |                   |                  |
| <b>[a] Authorised :</b>                                                                   |                   |                  |
| 100000000 ( Previous Year 50000000 ) Equity Shares of ₹ 10/- (P.Y. ₹ 10/-) each           | <b>1000000000</b> | 500000000        |
| <b>[b] Issued, Subscribed &amp; Paid-up Capital :</b>                                     |                   |                  |
| 45549056 (Pr. Year 45549056 ) Equity Shares of ₹ 10/- (P.Y. ₹ 10/-) each<br>fully paid up | <b>455490560</b>  | 455490560        |
| <b>Total</b>                                                                              | <b>455490560</b>  | 455490560        |
| Refer Note Number 40 for details of basic and diluted shares                              |                   |                  |

The company has only One class of shares referred to as Equity shares having face value of ₹10/-. Each Holder of One share is entitled to One vote per share.

During the year ended on 31<sup>st</sup> March 2015, the company has recommended Dividend of ₹ 1/- (PY. ₹ 0.60/-) per share as distributable to its Equity Share holders. An interim dividend of ₹ 0.60/- (PY. ₹ 0.60/-) per share was declared at the meeting of the Board of Directors held on 03<sup>rd</sup> February, 2015 and the same has been paid.

The Company declares and pays dividends in Indian Rupees. The Dividend recommended by the Board of Directors is subject to the approval of shareholders at the ensuing Annual General Meeting.

No Shares has been reserved for issue under options or contracts/commitments for the shares/disinvestment.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

The details of shareholders holding more than 5% shares as at 31/03/2015 and 31/03/2014 is set out below.

| Name of Shareholder         | As at 31/03/2015 |               | As at 31/03/2014 |        |
|-----------------------------|------------------|---------------|------------------|--------|
|                             | No. of Shares    | % held        | No. of Shares    | % held |
| Chiripal Industries Ltd.    | <b>11844270</b>  | <b>26.00%</b> | 11844270         | 26.00% |
| Chiripal Exim LLP           | <b>7165556</b>   | <b>15.73%</b> | 7165556          | 15.73% |
| Brijmohan D. Chiripal       | <b>2780000</b>   | <b>6.10%</b>  | 2780000          | 6.10%  |
| Devkinandan Corporation LLP | <b>2967592</b>   | <b>6.52%</b>  | 1774818          | 3.90%  |

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The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2015 & 31/03/2014 is set out below:-

| Particulars                                             | As at 31/03/2015 |           | As at 31/03/2014 |           |
|---------------------------------------------------------|------------------|-----------|------------------|-----------|
|                                                         | No. of Shares    | % held    | No. of Shares    | % held    |
| Shares at the beginning of Face Value of ₹ 10(P.Y. ₹10) | 45549056         | 455490560 | 45549056         | 455490560 |
| Addition in Number Equity Shares of ₹ 10/-              | Nil              | Nil       | Nil              | Nil       |
| Deduction in Number of Equity Shares of ₹10/-           | Nil              | Nil       | Nil              | Nil       |
| Shares at the end of Face Value of ₹10/-                | 45549056         | 455490560 | 45549056         | 455490560 |

(Amount in ₹)

|  | As at<br>31/03/2015 | As at<br>31/03/2014 |
|--|---------------------|---------------------|
|--|---------------------|---------------------|

### 3 RESERVES & SURPLUS

#### Security Premium Reserve

|                                         |           |           |
|-----------------------------------------|-----------|-----------|
| Balance as per last financial Statement | 362833156 | 362833156 |
| Closing Balance                         | 362833156 | 362833156 |

#### General Reserve

|                                                                                                                                                                  |           |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------|
| Balance as per last financial Statement                                                                                                                          | 53312971  | 43312971 |
| Less : Amount of depreciation in respect of fixed assets whose useful life has expired on adoption to Schedule II of the Companies Act'2013                      | (5715532) | 0        |
| Add : Amount of reversal of Deferred Tax Liability in respect of fixed assets whose useful life has expired on adoption of Schedule II of the Companies Act'2013 | 1942709   | 0        |
| Add. : Transfer from Statement of Profit and Loss                                                                                                                | 13000000  | 10000000 |
| Closing Balance                                                                                                                                                  | 62540148  | 53312971 |

#### Surplus in the Statement of Profit and Loss

|                                         |                   |                   |
|-----------------------------------------|-------------------|-------------------|
| Balance as per last financial Statement | 1293425130        | 974274890         |
| Add : Profit for the year               | 514337557         | 393098384         |
| <b>Less: Appropriations</b>             |                   |                   |
| Transferred to General Reserve          | 13000000          | 10000000          |
| Interim Dividend                        | 27329434          | 27329434          |
| Tax on interim Dividend                 | 4644637           | 4644638           |
| Proposed Final Dividend                 | 45549056          | 27329434          |
| Tax on Proposed Final Dividend          | 9272716           | 4644638           |
|                                         | 99795843          | 99795843          |
| Closing Balance                         | 1707966844        | 1293425130        |
| <b>Total</b>                            | <b>2133340148</b> | <b>1709571257</b> |

(Amount in ₹)

|  | Non-Current         |                     | Current             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/03/2015 | As at<br>31/03/2014 | As at<br>31/03/2015 | As at<br>31/03/2014 |

### 4 LONG TERM BORROWINGS

|                                  |            |            |           |           |
|----------------------------------|------------|------------|-----------|-----------|
| Term Loan - From Banks *         | 2183062886 | 1681993106 | 477991300 | 381312500 |
| [Indian rupee loan from Banks]   |            |            |           |           |
| Buyers Credit Arrangements **    | 587613711  | 1036944218 | Nil       | Nil       |
| Corporate Loan From Bank ***     | Nil        | Nil        | Nil       | 249082008 |
| Borrowing From Related Party**** | Nil        | 85850000   | Nil       | Nil       |
| Vehicle Loans *****              | 6526734    | 2258167    | 1899857   | 1242922   |
|                                  | 2777203330 | 2807045490 | 479891156 | 631637430 |

|                                                                          | (Amount in ₹)       |                     |                     |                     |
|--------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                          | Non-Current         |                     | Current             |                     |
|                                                                          | As at<br>31/03/2015 | As at<br>31/03/2014 | As at<br>31/03/2015 | As at<br>31/03/2014 |
| The above amount Includes                                                |                     |                     |                     |                     |
| Secured Borrowings                                                       | 2777203330          | 2721195490          | 479891157           | 631637430           |
| Unsecured Borrowings                                                     | Nil                 | 85850000            | Nil                 | Nil                 |
| Amount disclosed under the head 'Other Current Liabilities' (Note No. 9) | Nil                 | Nil                 | (479891157)         | (631637430)         |
| <b>Total .....</b>                                                       | <b>2777203330</b>   | <b>2807045490</b>   | <b>Nil</b>          | <b>Nil</b>          |

#### Security :

\* \*\* Term Loans & Buyers Credit arrangements under Consortium finance are secured by first charge on the entire Fixed Assets of the company both present and future, second charge on Book Debts, Stock and other Current Assets of the Company and also further guaranteed by personal guarantee of promoter directors.

\*\*\* Corporate Loan is secured by subservient charge on fixed and current assets of the company and also by way of pledge of equity shares of the company belonging to directors and personal guarantee of promoter directors.

\*\*\*\* Vehicle Loans are secured by Hypothication of Vehicles.

#### Interest:

\* Term Loans carry an interest rate which shall be State Bank of India rate or the base rate of the respective rupee lender plus the spread, which ever is higher, payable on monthly basis.

\*\* Buyers Credit arrangements for a period upto 90 days carry an interest rate upto 3ML +250 basis points and interest rate up to upto 180 days carry an interest rate ranging between in case of 6ML Libor+34 basis points to 6ML Libor+200 basis points .

\*\*\* Corporate Loan carry an interest rate 13.50 % p. a. payable on monthly basis.

\*\*\*\* Vehicle Loans carry an interest rate ranging between 10.38% to 12.96% p.a.

#### Repayment:

\* Term Loans (including Buyer's Credit arrangements) are repayable in Quarterly installments as follows:-

|             | (Amount in ₹) |              |              |                   |
|-------------|---------------|--------------|--------------|-------------------|
| Particulars | Upto 1 year   | 2 to 4 Years | 5 to 7 years | More than 8 years |
| Repayments  | 477991300     | 1275166200   | 1052819800   | 442690597         |

\*\* Buyers Credit arrangements are available for 180 days/360 Days with a roll over option upto 3 years from date of sanction and on the completion of the same, it will be converted into Term Loans.

\*\*\*\* Vehicle Loans are repayable in following schedule in monthly installments as follows:-

|                          | (Amount in ₹) |              |              |
|--------------------------|---------------|--------------|--------------|
| Particulars              | Upto 1 year   | 2 to 5 Years | 6 to 8 years |
| Vehicle Loans Repayments | 1899857       | 6526734      | Nil          |

|  | (Amount in ₹)    |                  |
|--|------------------|------------------|
|  | As at 31/03/2015 | As at 31/03/2014 |

#### 5 DEFERRED TAX

##### Deferred Tax Assets arising out of timing difference relating to:

|                                                                                     |           |           |
|-------------------------------------------------------------------------------------|-----------|-----------|
| Allowance under Income Tax Act, 1961 in succeeding years                            | 6887408   | 71602581  |
| (Amount Allowable under Provisions of the Income Tax Act, 1961 in subsequent years) |           |           |
| Total Deferred Tax Assets                                                           | 6887408   | 71602581  |
| Deferred Tax Liability arising out of timing difference relating to :               |           |           |
| Difference of Depreciation as per Tax Provision and Company Law                     | 255615279 | 287309938 |
| Total Deferred Tax Liability                                                        | 255615279 | 287309938 |
| Net Deferred Tax Liability                                                          | 248727871 | 215707357 |

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(Amount in ₹)

|                                        | Non-Current         |                     | Current             |                     |
|----------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                        | As at<br>31/03/2015 | As at<br>31/03/2014 | As at<br>31/03/2015 | As at<br>31/03/2014 |
| <b>6 PROVISIONS</b>                    |                     |                     |                     |                     |
| Provisions for employee benefits       |                     |                     |                     |                     |
| For Gratuity                           | Nil                 | Nil                 | 10355365            | 11355971            |
| Less : Plan Assets                     | Nil                 | Nil                 | (10170363)          | (9330608)           |
|                                        | Nil                 | Nil                 | 185002              | 2025363             |
| Proposed Dividend                      | Nil                 | Nil                 | 45549056            | 27329434            |
| Provision for Tax on Proposed Dividend | Nil                 | Nil                 | 9272716             | 4644638             |
| Provision for Taxation                 | Nil                 | Nil                 | 162963000           | 115457800           |
| Less : Advance Tax and TDS             | Nil                 | Nil                 | (88732928)          | (83934965)          |
|                                        | Nil                 | Nil                 | 74230073            | 31522835            |
| <b>Total</b>                           | <b>Nil</b>          | <b>Nil</b>          | <b>129236847</b>    | <b>65522270</b>     |

(Amount in ₹)

|                                                                                                                                                                                                                                                                   | Current          |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                                                                                                                                                                   | As at 31/03/2015 | As at 31/03/2014 |
| <b>7 SHORT-TERM BORROWINGS</b>                                                                                                                                                                                                                                    |                  |                  |
| Working Capital Loan from Banks@<br>(including Foreign Currency Loan of ₹ 100,739,892/-, Previous Year ₹ Nil)                                                                                                                                                     | 1451486057       | 1078315290       |
| The above amount Includes                                                                                                                                                                                                                                         |                  |                  |
| Secured Borrowings                                                                                                                                                                                                                                                | 1451486057       | 1078315290       |
| Unsecured Borrowings                                                                                                                                                                                                                                              | 1451486057       | 1078315290       |
| <b>Total</b>                                                                                                                                                                                                                                                      | <b>Nil</b>       | <b>Nil</b>       |
| Security :                                                                                                                                                                                                                                                        | 1451486057       | 1078315290       |
| @ Working Capital loans under consortium finance are secured by first charge on Book Debts, Stocks and other Current Assets and second charge on all the Fixed Assets both present and future of the Company and also further guaranted by some of the Directors. |                  |                  |

(Amount in ₹)

|                                                                                                                                                                                                                                                                                                                                    | Current          |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                                                                                                                                                                                                                                    | As at 31/03/2015 | As at 31/03/2014 |
| <b>8 TRADE PAYABLES</b>                                                                                                                                                                                                                                                                                                            |                  |                  |
| Micro, Small and Medium Enterprises @                                                                                                                                                                                                                                                                                              | Nil              | Nil              |
| Others                                                                                                                                                                                                                                                                                                                             | 683042250        | 576354495        |
| @The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made. |                  |                  |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                       | <b>683042250</b> | <b>576354495</b> |

(Amount in ₹)

|                                                           | Current          |                  |
|-----------------------------------------------------------|------------------|------------------|
|                                                           | As at 31/03/2015 | As at 31/03/2014 |
| <b>9 OTHER CURRENT LIABILITIES</b>                        |                  |                  |
| Current Liabilities of long term borrowings ( Note No. 4) | 479891157        | 631637430        |
| Creditors for Capital Goods                               | 33839976         | 167810630        |
| Creditors for Expenses                                    | 89634715         | 83490129         |
| Advance received from customers                           | 43158685         | 55847658         |
| Interest accrued but not due on borrowings                | 18646234         | 28845251         |

|                                     |                         |                         |
|-------------------------------------|-------------------------|-------------------------|
| Salary & Wages Payable              | 36963609                | 30150519                |
|                                     |                         | (Amount in ₹)           |
|                                     | <b>Current</b>          |                         |
|                                     | <b>As at 31/03/2015</b> | <b>As at 31/03/2014</b> |
| Unclaimed dividend @                | 3453573                 | 1988808                 |
| Unclaimed Share Application Money @ | 125704                  | 125704                  |
| Other payables                      | 881338                  | 551674                  |
| Other Statutory dues                | 13647911                | 8575480                 |
| <b>Total</b>                        | <b>720242903</b>        | <b>1009023283</b>       |

@ There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

## 10 FIXED ASSETS

|                         |                        |                  |                              |                                 |                  |                 |                         |                              |                               |                                |
|-------------------------|------------------------|------------------|------------------------------|---------------------------------|------------------|-----------------|-------------------------|------------------------------|-------------------------------|--------------------------------|
|                         | (Amount in ₹)          |                  |                              |                                 |                  |                 |                         |                              |                               |                                |
|                         | <b>TANGIBLE ASSETS</b> |                  |                              |                                 |                  |                 |                         | <b>INTANGIBLE ASSETS</b>     |                               |                                |
| <b>Cost of assets</b>   | <b>Free hold land</b>  | <b>Buildings</b> | <b>Plant &amp; machinery</b> | <b>Furniture &amp; fixtures</b> | <b>Computers</b> | <b>Vehicles</b> | <b>Office equipment</b> | <b>Total tangible assets</b> | <b>Licence &amp; software</b> | <b>Total intangible assets</b> |
| <b>01.04.2013</b>       | 23284992               | 995339566        | 4061695339                   | 15238153                        | 10831281         | 16574092        | 11229367                | 5134192789                   | 17816763                      | 17816763                       |
| Addition                |                        | 257880512        | 1363368262                   | 3840917                         | 3587133          | 635430          | 2377241                 | 1631689495                   | 465522                        | 465522                         |
| Disposal                |                        | -                | (79828414)                   |                                 |                  | -               |                         | (79828414)                   |                               | -                              |
| Other Adjustment*       |                        |                  | -                            |                                 |                  |                 |                         | -                            |                               | -                              |
| <b>At 31.03.2014</b>    | 23284992               | 1253220078       | 5345235187                   | 19079070                        | 14418413         | 17209522        | 13606608                | 6686053870                   | 18282285                      | 18282285                       |
|                         |                        |                  |                              |                                 |                  |                 |                         | -                            |                               | -                              |
| Addition                | 2100000                | 157221258        | 350539805                    | 2603057                         | 3484069          | 7989370         | 4577661                 | 528515221                    | 3172250                       | 3172250                        |
| Disposal                |                        | -                | -                            |                                 |                  |                 |                         | -                            |                               | -                              |
| Other Adjustment*       |                        |                  | (89740555)                   |                                 |                  |                 |                         | (89740555)                   |                               | -                              |
| <b>At 31.03.2015</b>    | 25384992               | 1410441336       | 5606034438                   | 21682127                        | 17902482         | 25198892        | 18184269                | 7124828536                   | 21454535                      | 21454535                       |
| <b>Depreciation</b>     |                        |                  |                              |                                 |                  |                 |                         |                              |                               |                                |
| <b>01.04.2013</b>       |                        | 136682611        | 1568095714                   | 5814813                         | 8130563          | 5114027         | 2183323                 | 1726021050                   | 14044639                      | 14044639                       |
| Change for the year     |                        | 37710194         | 453145179                    | 974537                          | 1021413          | 1603905         | 593243                  | 495048471                    | 2222558                       | 2222558                        |
| Disposal                |                        | -                | (56484428)                   |                                 | -                | -               |                         | (56484428)                   |                               | -                              |
| Other Adjustment        |                        |                  |                              |                                 | -                |                 |                         | -                            |                               | -                              |
| <b>At 31.03.2014</b>    | -                      | 174392805        | 1964756465                   | 6789350                         | 9151976          | 6717931         | 2776566                 | 2164585094                   | 16267196                      | 16267196                       |
| Change for the year     |                        | 41697204         | 541478616                    | 3049290                         | 2390415          | 2431010         | 2792738                 | 593839274                    | 1664012                       | 1664012                        |
| Disposal                |                        | -                | -                            | -                               | -                | -               | -                       | -                            | -                             | -                              |
| Other Adjustment        |                        | 786726           | (1378915)                    | (82625)                         | 651995           | 270800          | 2471517                 | 2719498                      | 776341                        | 776341                         |
| <b>At 31.03.2015</b>    | -                      | 216876735        | 2504856166                   | 9756016                         | 12194387         | 9419742         | 8040821                 | 2761143866                   | 18707550                      | 18707550                       |
| <b>NET BLOCK</b>        |                        |                  |                              |                                 |                  |                 |                         |                              |                               |                                |
| <b>AS AT 31.3.2014</b>  | 23284992               | 1078827273       | 3380478722                   | 12289720                        | 5266437          | 10491591        | 10830042                | 4521468776                   | 2015089                       | 2015089                        |
| <b>AS AT 31.03.2015</b> | 25384992               | 1193564601       | 3101178272                   | 11926111                        | 5708096          | 15779150        | 10143449                | 4363684670                   | 2746985                       | 2746985                        |

\*Note:

- Other Adjustment to Cost of Assets represent a sum of ₹ 89,740,555/- (P.Y. ₹ Nil/-) towards various subsidies received, which are hereto decapitalised by the Company.
- In accordance with the provisions of Schedule II of the Companies Act, 2013 in case of fixed assets which have completed their useful life as at 1<sup>st</sup> April' 2014, the carrying value (net of residual value) amounting to ₹ 5,715,532/- (net of deferred tax of ₹ 3,772,823/-) as a transitional provision has been recognised in the Retained Earnings and such has been included in other Adjustments column in Depreciation.
- As required by the schedule II to the Companies's Act 2013, due to change in estimation for useful life of the assets, depreciation charged to statement of profit and loss is higher by ₹ 24,472,083/- Crores (P.Y. ₹ Nil).
- Amount of ₹ 22,19,692/- has been excessively provided as depreciation expense in the prior years, which has been disclosed as Prior Period Income in the books of accounts and its corresponding adjustment has been included in the Other Adjustment Column of the Depreciation.

|                                                                                                           |                         |                         |
|-----------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                           | (Amount in ₹)           |                         |
|                                                                                                           | <b>As at 31/03/2015</b> | <b>As at 31/03/2014</b> |
| <b>11 NON CURRENT INVESTMENTS</b>                                                                         |                         |                         |
| <b>Investment in Equity Shares (Quoted) [Non-Trade]</b>                                                   |                         |                         |
| (1) 64000 (Previous year 64000) Equity Shares of CIL Nova Petrochemicals Ltd. of ₹ 10/- (P.Y. ₹10/-) each | 1920000                 | 1920000                 |
| (2) 7000 (Previous year 7000) Equity Shares of UCO Bank Ltd. of ₹ 10/- each                               | 102634                  | 102634                  |
|                                                                                                           | <b>2022634</b>          | <b>2022634</b>          |

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## Investment in Equity Shares (Unquoted) [Non-Trade]

|                                                                                                            | (Amount in ₹)    |                  |
|------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                            | As at 31/03/2015 | As at 31/03/2014 |
| (1) 2500 (Previous year 2500) Equity Shares of The Saraswat Co. Op. Bank Ltd. of ₹ 10/- each.              | 25000            | 25000            |
| (2) 5798187 (Previous Year 2813850) Equity shares of Vraj Integrated Textile Park of ₹10/-each             | 57999420         | 28138500         |
|                                                                                                            | <b>58024420</b>  | <b>28163500</b>  |
| <b>Investment in Mutual Funds [Non-Trade]</b>                                                              |                  |                  |
| 49990 (Previous year 49990) Units of Union KBC Capital Protection Oriented Fund Series - 1-Growth          | 499900           | 499900           |
| 50000 (Previous year 50000) Units of Union KBC Capital Protection Oriented Fund Series - 2 -Regular Growth | 500000           | 500000           |
| 199990 (Previous year Nil) Units of Union KBC Small and Mid Cap Fund - Regular Plan - Growth               | 1999900          | Nil              |
|                                                                                                            | <b>2999800</b>   | <b>999900</b>    |
| <b>Investment in Bonds [At Cost]</b>                                                                       |                  |                  |
| 10 Bonds of (Previous year 10 Bonds) LVB Unsecure Non-Con. Redeem. Basel III Bond Face Value of ₹ 10Lac    | 10000000         | 10000000         |
|                                                                                                            | <b>10000000</b>  | <b>10000000</b>  |
| <b>Investment in Limited Liability Partnership (LLP)</b>                                                   |                  |                  |
| Fixed Capital In Nandan Chiripal Energy Corporation LLP                                                    | 450000           | 450000           |
|                                                                                                            | <b>450000</b>    | <b>450000</b>    |
|                                                                                                            | <b>73496854</b>  | <b>41636034</b>  |
| <b>Total</b>                                                                                               | <b>2022634</b>   | <b>2022634</b>   |
| Aggregate amount of quoted investments                                                                     | 1691750          | 2078650          |
| Market Value of quoted investments                                                                         | 58024420         | 28163500         |
| Aggregate amount of Unquoted investments                                                                   | 2999800          | 999900           |
| Aggregate amount of Mutual Funds                                                                           | 3765937          | 1124185          |
| NAV of Mutual Funds                                                                                        |                  |                  |

Particulars of Limited Liability Partnership Firm namely Nandan Chiripal Energy Corporation LLP in which Company is a Partner.

|                             | (Amount in ₹)        |         |                                  |                  |
|-----------------------------|----------------------|---------|----------------------------------|------------------|
|                             | Share in Profit/Loss |         | Closing Balance of Fixed Capital |                  |
| Name of the Partner         | 2014-15              | 2013-14 | As at 31/03/2015                 | As at 31/03/2014 |
| Nandan Denim Limited        | 45%                  | 45%     | 4 50 000                         | 4 50 000         |
| Chiripal Industries Limited | 55%                  | 55%     | 5 50 000                         | 5 50 000         |
| <b>Total</b>                |                      |         | <b>10 00 000</b>                 | <b>10 00 000</b> |

|                                                      | (Amount in ₹)    |                  |                  |                  |
|------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                      | Non-Current      |                  | Current          |                  |
|                                                      | As at 31/03/2015 | As at 31/03/2014 | As at 31/03/2015 | As at 31/03/2014 |
| <b>12 LOANS AND ADVANCES</b>                         |                  |                  |                  |                  |
| (unsecured, considered good unless stated otherwise) |                  |                  |                  |                  |
| Capital Advances                                     | 107194477        | 3693698          | Nil              | Nil              |
| Security Deposits                                    | 3137320          | 4390748          | Nil              | Nil              |
| Less : Provision for Doubtful Deposits               | (1141592)        | (2254428)        | Nil              | Nil              |
|                                                      | <b>1995728</b>   | <b>2136320</b>   | <b>Nil</b>       | <b>Nil</b>       |
| Advance recoverable in cash or kind                  | Nil              | Nil              | 48404443         | 46420163         |
| Less : Provision for Doubtful Advance                | Nil              | Nil              | (5468701)        | (5468701)        |
|                                                      | <b>Nil</b>       | <b>Nil</b>       | <b>42935741</b>  | <b>40951461</b>  |
| Balance With Govt Authorities                        | Nil              | Nil              | 320931466        | 294263952        |
| Interest Receivable                                  | Nil              | Nil              | 3426545          | 4795893          |
| Prepaid Expenses                                     | Nil              | Nil              | 25064426         | 16203321         |
| Advance Tax and TDS                                  | 265767808        | Nil              | Nil              | 272175585        |
| Less : Provision for Taxation                        | (254413982)      | Nil              | Nil              | (259726728)      |
|                                                      | <b>11353826</b>  | <b>Nil</b>       | <b>Nil</b>       | <b>12448857</b>  |

| (Amount in ₹)                      |                     |                     |                     |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | Non-Current         |                     | Current             |                     |
|                                    | As at<br>31/03/2015 | As at<br>31/03/2014 | As at<br>31/03/2015 | As at<br>31/03/2014 |
| Loans to Employees                 | Nil                 | Nil                 | 813055              | 143761              |
| Less : Provision for Doubtful Loan | Nil                 | Nil                 | (113761)            | (113761)            |
|                                    | Nil                 | Nil                 | 699294              | 30000               |
| <b>Total</b>                       | <b>120544032</b>    | 5830018             | <b>393057472</b>    | 368693485           |

| (Amount in ₹)                                   |                    |                  |
|-------------------------------------------------|--------------------|------------------|
|                                                 | Non-Current        |                  |
|                                                 | As at 31/03/2015   | As at 31/03/2014 |
| <b>13 OTHER NON-CURRENT ASSETS</b>              |                    |                  |
| Margin Money deposit                            | 5 47 26 641        | 11 74 53 393     |
| (Transfer from other Bank Balances Note No. 16) |                    |                  |
| <b>Total</b>                                    | <b>5 47 26 641</b> | 11 74 53 393     |

| (Amount in ₹)         |                   |                  |
|-----------------------|-------------------|------------------|
|                       | Non-Current       |                  |
|                       | As at 31/03/2015  | As at 31/03/2014 |
| <b>14 INVENTORIES</b> |                   |                  |
| Raw materials         | 544340158         | 513659306        |
| Work-in-Process       | 235086248         | 303875780        |
| Finished Goods        | 467348467         | 432577274        |
| Stock in Trade        | 43322634          | 46419483         |
| Stores & Spare parts  | 67605922          | 58279939         |
| Fuel                  | 46226310          | 24443118         |
| Packing Material      | 5414578           | 5786632          |
| <b>Total</b>          | <b>1409344317</b> | 1385041532       |

| (Amount in ₹)                                                                        |                   |                  |
|--------------------------------------------------------------------------------------|-------------------|------------------|
|                                                                                      | Non-Current       |                  |
|                                                                                      | As at 31/03/2015  | As at 31/03/2014 |
| <b>15 TRADE RECEIVABLES</b>                                                          |                   |                  |
| (Unsecured, Considered good unless stated otherwise)                                 |                   |                  |
| Outstanding for a period exceeding Six Months from the date they are due for Payment |                   |                  |
| Considered Good                                                                      | 18085284          | 7495710          |
| Considered Doubtful                                                                  | 14723100          | 13447762         |
|                                                                                      | 32808384          | 20943472         |
| Less: Provision for doubtful receivables                                             | 14723100          | 13447762         |
|                                                                                      | 18085284          | 7495710          |
| Other Receivables                                                                    |                   |                  |
| Others - Considered Good                                                             | 1454189421        | 1206668672       |
| Others - Considered Doubtful                                                         | Nil               | Nil              |
|                                                                                      | 1454189421        | 1206668672       |
| Less : Provision for doubtful receivables                                            | Nil               | Nil              |
|                                                                                      | 1454189421        | 1206668672       |
| <b>Total</b>                                                                         | <b>1472274705</b> | 1214164381       |

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(Amount in ₹)

|                                                                 | Non-Current         |                     | Current             |                     |
|-----------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                                 | As at<br>31/03/2015 | As at<br>31/03/2014 | As at<br>31/03/2015 | As at<br>31/03/2014 |
| <b>16 CASH AND BANK BALANCES</b>                                |                     |                     |                     |                     |
| <b>A Cash and cash equivalents</b>                              |                     |                     |                     |                     |
| Cash on hand                                                    | Nil                 | Nil                 | 1971092             | 1738793             |
| Balance With Banks                                              | Nil                 | Nil                 | 189671421           | 56826507            |
|                                                                 | Nil                 | Nil                 | 191642513           | 58565300            |
| <b>B Other Bank Balance</b>                                     |                     |                     |                     |                     |
| Margin Money deposit                                            | 54726641            | 117453393           | 405806557           | 200047482           |
| Unclaimed dividend Account                                      | Nil                 | Nil                 | 3453574             | 1988807             |
| Unclaimed Rights Issue Refund                                   | Nil                 | Nil                 | 125704              | 125704              |
|                                                                 | 54726641            | 117453393           | 409385835           | 202161993           |
| Less Amount disclosed Under Non Current Assets<br>(Note No. 13) | (54726641)          | (117453393)         | Nil                 | Nil                 |
| <b>Total</b>                                                    | <b>Nil</b>          | <b>Nil</b>          | <b>601028348</b>    | <b>260727294</b>    |

The Other Bank balance includes ₹ 3453574/- (P.Y. ₹1988807/-) towards unclaimed dividend and ₹ 125704/- (P.Y. ₹ 125704/-) towards unclaimed Rights Issue which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such account.

(Amount in ₹)

|                                   | Year ended<br>31/03/2015 | Year ended<br>31/03/2014 |
|-----------------------------------|--------------------------|--------------------------|
| <b>17 REVENUE FROM OPERATIONS</b> |                          |                          |
| <b>Sale of Products</b>           | <b>10599753156</b>       | <b>8703141809</b>        |
| Other Operating Revenue           |                          |                          |
| Sale of Waste                     | 114785691                | 100785253                |
| Export Incentives                 | 117162602                | 63104650                 |
| Job Work Income                   | 133632154                | 70488224                 |
| <b>Total</b>                      | <b>10965333603</b>       | <b>8937519936</b>        |
| <b>Details of Products Sold</b>   |                          |                          |
| <b>Finished goods sold</b>        |                          |                          |
| Denim                             | 8527601276               | 6023157008               |
| Shirting Fabric                   | 1169564877               | 154091535                |
| Bottom Weight                     | 322581097                | 744641167                |
| Others                            | 436721176                | 85120806                 |
|                                   | 10456468426              | 7007010516               |
| <b>Traded goods sold</b>          |                          |                          |
| Fabrics                           | 143284731                | 261787640                |
| Printed Fabrics                   | Nil                      | 1234009404               |
| Others                            | Nil                      | 200334249                |
|                                   | 143284731                | 1696131293               |
|                                   | <b>10599753156</b>       | <b>8703141808</b>        |

(Amount in ₹)

|                                            | Year ended<br>31/03/2015 | Year ended<br>31/03/2014 |
|--------------------------------------------|--------------------------|--------------------------|
| <b>18 OTHER INCOME</b>                     |                          |                          |
| <b>Interest Income On</b>                  |                          |                          |
| Bank Deposits                              | 22635264                 | 23478424                 |
| Others                                     | 16 68 581                | 1503238                  |
| Profit on sale of fixed assets             | Nil                      | 11933276                 |
| Profit on Sale of Non Current Investment   | Nil                      | 2321631                  |
| Dividend Income of Non Current Investments | 9500                     | 28800                    |
| Miscellaneous Income                       | 6109405                  | 627487                   |
| <b>Total</b>                               | <b>30422749</b>          | <b>39892856</b>          |

|                                            | (Amount in ₹)            |                          |
|--------------------------------------------|--------------------------|--------------------------|
|                                            | Year ended<br>31/03/2015 | Year ended<br>31/03/2014 |
| <b>19 COST OF MATERIALS CONSUMED</b>       |                          |                          |
| Opening Stock of Raw Material              | 513659306                | 464701676                |
| Purchase                                   | 7250805547               | 4825399625               |
| Closing Stock of Raw Material              | 544340158                | 513659306                |
|                                            | 7220124695               | 4776441996               |
| <b>Details of Raw Material Consumption</b> |                          |                          |
| Yarn                                       | 4712171628               | 2636624578               |
| Cotton                                     | 1809683828               | 2049511912               |
| Other raw materials                        | 698269239                | 90305506                 |
|                                            | 7220124695               | 4776441996               |
| <b>Details of Inventory</b>                |                          |                          |
| Yarn                                       | 273354780                | 207407322                |
| Cotton                                     | 141536381                | 224316006                |
| Other raw materials                        | 129448997                | 81935977                 |
|                                            | 544340158                | 513659306                |

Details of Value of Imported & Indigenous Raw Material consumed

| Particulars    | Raw Materials |            |                |                |
|----------------|---------------|------------|----------------|----------------|
|                | %             |            | Value (₹)      |                |
|                | 31/03/2015    | 31/03/2014 | 31/03/2015     | 31/03/2014     |
| i. Imported    | 10.40         | 8.74       | 75 06 71 463   | 41 73 23 324   |
| ii. Indigenous | 89.60         | 91.26      | 6 46 94 53 232 | 4 35 91 18 672 |
|                | 100.00        | 100.00     | 7 22 01 24 695 | 4 77 64 41 996 |

|                                            | (Amount in ₹)            |                          |
|--------------------------------------------|--------------------------|--------------------------|
|                                            | Year ended<br>31/03/2015 | Year ended<br>31/03/2014 |
| <b>20 PURCHASE OF STOCK IN TRADE</b>       |                          |                          |
| Trading Purchase                           | 13 76 02 078             | 1 59 38 51 824           |
|                                            | 13 76 02 078             | 1 59 38 51 824           |
| <b>Details of Purchase of traded goods</b> |                          |                          |
| Fabrics                                    | 13 76 02 078             | 25 23 53 198             |
| Printed Fabrics                            | Nil                      | 1 16 37 01 504           |
| Others                                     | Nil                      | 17 77 97 122             |
|                                            | 13 76 02 078             | 1 59 38 51 824           |

|                                                                                        | (Amount in ₹)            |                          |
|----------------------------------------------------------------------------------------|--------------------------|--------------------------|
|                                                                                        | Year ended<br>31/03/2015 | Year ended<br>31/03/2014 |
| <b>21 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b> |                          |                          |
| <b>Commencing Stock</b>                                                                |                          |                          |
| Work-in-process                                                                        | 303875780                | 263350118                |
| Finished Goods                                                                         | 432577274                | 387418054                |
| Stock in Trade                                                                         | 46419483                 | 10358124                 |
|                                                                                        | 782872537                | 661126296                |
| <b>Closing Stock</b>                                                                   |                          |                          |
| Work-in-process                                                                        | 152074548                | 303875780                |
| Finished Goods                                                                         | 367558288                | 432577274                |
| Stock in Trade                                                                         | 43322634                 | 46419483                 |
|                                                                                        | 562955471                | 782872537                |

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|                                         | (Amount in ₹)            |                          |
|-----------------------------------------|--------------------------|--------------------------|
|                                         | Year ended<br>31/03/2015 | Year ended<br>31/03/2014 |
| <b>Decretion / (Accretion) to Stock</b> | <b>219917067</b>         | <b>(121746241)</b>       |
| <b>Details of Finished Goods</b>        |                          |                          |
| Denim                                   | 319351043                | 369423286                |
| Bottom Weight                           | 32460342                 | 30103778                 |
| Others                                  | 15746903                 | 33050210                 |
|                                         | <b>367558288</b>         | <b>432577274</b>         |
| <b>Details of Stock in Trade</b>        |                          |                          |
| Printed Fabrics                         | 37936807                 | 37936807                 |
| Others                                  | 5385827                  | 8482676                  |
|                                         | <b>43322634</b>          | <b>46419483</b>          |

|                                              | (Amount in ₹)            |                          |
|----------------------------------------------|--------------------------|--------------------------|
|                                              | Year ended<br>31/03/2015 | Year ended<br>31/03/2014 |
| <b>22 EMPLOYEE BENEFIT EXPENSE</b>           |                          |                          |
| Salary, Wages & Bonus                        | 419582129                | 292599427                |
| Contribution to Provident Fund & Other Funds | 11966137                 | 10600572                 |
| Staff Welfare Expense                        | 6577862                  | 7199592                  |
| <b>Total</b>                                 | <b>438126128</b>         | <b>310399591</b>         |

## Retirement Benefits

As per revised Accounting Standard 15 "Employees Benefits", the Company has recognized in the financial statements in respect of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2015.

1. Amount of Defined Benefit Obligation in respect of Gratuity liability is recognized in the Balance Sheet as follows:

|                                       | (Amount in ₹) |          |
|---------------------------------------|---------------|----------|
| Particulars                           | 2014-15       | 2013-14  |
| Present Value of Funded Obligations   | 10355364      | 11355971 |
| Fair value of plan assets             | 10170363      | 9330608  |
| Present value of unfunded obligations |               | 0        |
| Unrecognized past service cost        |               | 0        |
| Net liability/(Asset)                 | 185001        | 2025363  |
| Amounts in the balance sheet:         |               | 0        |
| Liabilities                           | 10355364      | 11355971 |
| Assets                                | 10170363      | 9330608  |
| Net liability/(Asset)                 | 185001        | 2025363  |

2. Amount of defined benefit obligation in respect of Gratuity liability is recognized in the profit and Loss account as follows:

|                                                             | (Amount in ₹) |           |
|-------------------------------------------------------------|---------------|-----------|
| Particulars                                                 | 2014-15       | 2013-14   |
| Current service cost                                        | 2956084       | 3009959   |
| Interest on obligation                                      | 699476        | 699476    |
| Expected return on plan assets                              | (839755)      | (770417)  |
| Net actuarial losses / (gains) recognized in year 2013-2014 | (3490374)     | (1096910) |
| Past service cost                                           | 0             | 0         |
| Losses / (Gains) on curtailments and settlement             | 0             | 0         |
| Total included in 'Employee Benefit Expense'                | (432806)      | 1842108   |

3. Details of changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof in respect of Gratuity are as follows:

| (Amount in ₹)                                                    |           |           |
|------------------------------------------------------------------|-----------|-----------|
| Particulars                                                      | 2014-15   | 2013-14   |
| Opening Defined Benefit Obligation on 1-4-2014                   | 11355971  | 8743446   |
| Service cost                                                     | 2956084   | 3009959   |
| Interest cost                                                    | 941239    | 699476    |
| Actuarial losses (gains)                                         | (3490374) | (1096910) |
| Losses (gains) on curtailments                                   | -         | -         |
| Liabilities extinguished on settlements                          | -         | -         |
| Liabilities assumed in an amalgamation in the nature of Purchase | -         | -         |
| Exchange differences on foreign plans                            | -         | -         |
| Benefits paid                                                    | -         | -         |
| Closing defined benefit obligation 31-3-2015                     | 10355364  | 11355971  |

4. Details of changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof in respect of gratuity are as follows:

| (Amount in ₹)                                                |          |         |
|--------------------------------------------------------------|----------|---------|
| Particulars                                                  | 2014-15  | 2013-14 |
| Opening fair value of plan assets as on 01-April -14         | 9330608  | 8560191 |
| Expected return                                              | 839755   | 770417  |
| Actuarial gains and (losses)                                 | 0        | 0       |
| Assets distributed on settlements                            | 0        | 0       |
| Contributions by employer                                    | 0        | 0       |
| Assets acquired in an amalgamation in the nature of purchase | 0        | 0       |
| Exchange differences on foreign plans                        | 0        | 0       |
| Benefits paid                                                | 0        | 0       |
| Closing fair value of plan assets as on 31-March-2015        | 10170363 | 9330608 |

5. Details of the major categories of plan assets as a percentage of total plan assets in respect of Gratuity are as follows:

| (Amount in ₹)                     |         |         |
|-----------------------------------|---------|---------|
| Particulars                       | 2014-15 | 2013-14 |
| Government of India Securities    | -       | -       |
| High quality corporate bonds      | -       | -       |
| Equity shares of listed companies | -       | -       |
| Property                          | -       | -       |
| Policy of insurance               | 100%    | 100%    |
| Bank Balance                      | -       | -       |

6. Details of Principal actuarial assumptions at the balance sheet date in respect of Gratuity (expressed as weighted averages):

| (Amount in ₹)                                       |         |         |
|-----------------------------------------------------|---------|---------|
| Particulars                                         | 2014-15 | 2013-14 |
| Discount rate as on 31-03-2015                      | 9.10%   | 9.10%   |
| Expected return on plan assets at 31-03-2015        | 9.00%   | 9.00%   |
| Proportion of employees opting for early retirement | -       | -       |
| Annual increase in Salary costs                     | 5.00%   | 5.00%   |

7. Details of Defined benefit pension plans for the current and previous periods are as follows:

| Particulars                                | 3/31/2015   | 31/03/2014  | 31/03/2013 | 31/03/2012 | 31/03/2011 |
|--------------------------------------------|-------------|-------------|------------|------------|------------|
| Defined Benefit Obligation                 | 1 03 55 364 | 1 13 55 971 | 87 43 466  | 75 30 504  | 82 30 840  |
| Plan assets                                | 1 01 70 363 | 93 30 608   | 85 60 191  | 78 53 386  | 72 38 144  |
| Surplus /(deficit)                         | (185001)    | (2025363)   | (183275)   | 3 22 882   | (992696)   |
| Experience adjustments on plan liabilities | (4510304)   | 5 67 915    | (2318592)  | (3786758)  | (1882156)  |
| Experience adjustments on plan assets      |             |             |            |            | 7 800      |

The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as at 31st March, 2015. The Company is expected to contribute ₹ 200000/- to gratuity funds for the year ended 31st March, 2015.

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|                        | (Amount in ₹)            |                          |
|------------------------|--------------------------|--------------------------|
|                        | Year ended<br>31/03/2015 | Year ended<br>31/03/2014 |
| <b>23 FINANCE COST</b> |                          |                          |
| Interest to Banks      | 327366130                | 269386331                |
| Other Interest         | 4161976                  | 14013253                 |
| Other Borrowing Costs  | 45557548                 | 36905578                 |
| <b>Total</b>           | <b>377085654</b>         | <b>320305161</b>         |

|                                                                                                                                    | (Amount in ₹)            |                          |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
|                                                                                                                                    | Year ended<br>31/03/2015 | Year ended<br>31/03/2014 |
| <b>24 OTHER EXPENSES</b>                                                                                                           |                          |                          |
| Stores & Spares consumed                                                                                                           | 151599037                | 156179183                |
| Packing materials consumed                                                                                                         | 85529139                 | 56622100                 |
| Electricity & Fuel charges                                                                                                         | 784997004                | 553986405                |
| Labour Charges                                                                                                                     | 82318927                 | 61653873                 |
| Carriage Inward                                                                                                                    | 28632287                 | 27801557                 |
| Net Foreign Exchange Loss / (Gain)                                                                                                 | (87124303)               | 13336125                 |
| Inspection Charges                                                                                                                 | 7769465                  | 8370430                  |
| <b>REPAIRS TO:</b>                                                                                                                 |                          |                          |
| Building                                                                                                                           | 3831850                  | 1467374                  |
| Machinery                                                                                                                          | 28244305                 | 24880434                 |
| Others                                                                                                                             | 1412622                  | 2591200                  |
| <b>Sub Total</b>                                                                                                                   | <b>33488777</b>          | <b>28939008</b>          |
| Insurance                                                                                                                          | 11880307                 | 7608041                  |
| Rent                                                                                                                               | 7903985                  | 7396777                  |
| Rates & Taxes                                                                                                                      | 4035063                  | 3203603                  |
| Communication Expense                                                                                                              | 8130310                  | 7199403                  |
| Traveling, Conveyance and Vehicle Expense                                                                                          | 32316846                 | 26378877                 |
| Professional Fees                                                                                                                  | 18142986                 | 13665653                 |
| <b>AUDITOR'S REMUNERATION:</b>                                                                                                     |                          |                          |
| Audit Fees                                                                                                                         | 617980                   | 505620                   |
| For Tax Audit                                                                                                                      | 56180                    | 56180                    |
| For Income Tax                                                                                                                     | 191012                   | 0                        |
| <b>Sub Total</b>                                                                                                                   | <b>865172</b>            | <b>561800</b>            |
| Freight, Clearing and Forwarding Expenses                                                                                          | 66569029                 | 28022940                 |
| Other Selling Expense                                                                                                              | 4361839                  | 5754646                  |
| Commission Expense                                                                                                                 | 25630067                 | 15443613                 |
| Donation Expense                                                                                                                   | 9100000                  | 10150000                 |
| Bad debts written off                                                                                                              | 0                        | 2129558                  |
| Provision/(Reversal of Provision) for doubtful debts                                                                               | 1275339                  | (2129558)                |
| Miscellaneous Expense                                                                                                              | 17712389                 | 19519056                 |
| (It includes Canteen Expense, Director Sitting Fees, General Expense, House Keeping Expense & Stationary and Printing Expense etc) |                          |                          |
| <b>Total</b>                                                                                                                       | <b>1295133666</b>        | <b>1051793089</b>        |

Details of Value of Imported & Indigenous Stores, Components & Spare parts consumed

| Particulars    | Stores, Components & Spare parts |            |              |              |
|----------------|----------------------------------|------------|--------------|--------------|
|                | %                                |            | Value (₹)    |              |
|                | 31/03/2015                       | 31/03/2014 | 31/03/2015   | 31/03/2014   |
| i. Imported    | 1.76                             | 10.98      | 26 68 183    | 1 71 54 069  |
| ii. Indigenous | 98.24                            | 89.02      | 14 89 30 854 | 13 90 25 114 |
|                | 100.00                           | 100.00     | 15 15 99 037 | 15 61 79 183 |

## 25. CONTINGENT LIABILITIES NOT PROVIDED FOR :

(Amount in ₹)

| Sr. No. | Particulars                                                                                                                                                                                       | 2014-15                 | 2013-14                 |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| a)      | Income Tax demands disputed in appeal by the Company/ Income Tax Authorities [Against which the Company has paid amount of ₹ 5,182,280/- (Previous Year ₹ 51,82,280/-)]                           | 17,566,774              | 10,403,441              |
| b)      | Value Added demands disputed in appeal by the Company/Vat Authorities [Against which the Company has paid amount of ₹ Nil (Previous Year ₹ Nil)]                                                  | 7,743,100               | Nil                     |
| c)      | Show Cause Notice received from Various Authorities in respect of Excise & Customs                                                                                                                | 6,218,605               | 2,466,446               |
| d)      | Professional Tax                                                                                                                                                                                  | 192,912                 | 192,912                 |
| e)      | Estimated Amount of Contracts remain to be Executed on Capital Account. Advance paid against such Contract is ₹107,194,478/- (Previous year ₹36,93,698/-) which is shown under the head advances. | 1,575,751,732           | 616,750,427             |
| f)      | Corporate guarantee in Favour of IDBI Bank Ltd. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Park Ltd.                                                                           | 197,000,000             | 197,000,000             |
| g)      | Corporate guarantee in Favour of State Bank of Bikaner and Jaipur. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Park Ltd.                                                        | 163,000,000             | 163,000,000             |
| h)      | Letter of Credit                                                                                                                                                                                  | 94,335,301              | Nil                     |
| i)      | Bank Guarantee                                                                                                                                                                                    | 19,080,200              | 24,080,200              |
| j)      | A letter has been received by the company from Service Tax Department seeking Clarification on selling Commission.                                                                                | Amount not Quantifiable | Amount not Quantifiable |

26. In accordance with Companies (Accounting Standards) Amendment Rules, 2009 the company has exercised the option of adjusting exchange difference arising on reporting of long term foreign currency monetary item related to acquisition of depreciable capital assets in the cost of the assets to be depreciated over the balance life of the assets.

Exchange difference Loss relating to long-term monetary item, in so far related to acquisition of depreciable capital asset, adjusted to the Fixed Assets and amount of ₹ 20,57,706/- (P.Y. ₹ 38,242,594/-) arising during the current year are adjusted to the cost of the fixed assets and depreciated over the balance life of the fixed assets.

27. Net Foreign Exchange Gain of ₹ 16,318,059/- (Previous Year loss of ₹18,45,440/-) in respect of Exports included in Other Expenses. Net Foreign exchange gain amounting to ₹70,806,244/- (Previous Year Loss of ₹11,490,685/-) in respect of various other items is included in Other Expenses. Net Foreign exchange gain amounting to ₹Nil (Previous Year Gain of ₹Nil) in respect of Fixed Asset is included in Other Expenses.
28. Donation Expense includes CSR Expense of ₹ 9,000,000/- (Previous Year ₹ Nil).
29. Fuel Cost is net of Fuel Income of ₹36,999,504/- (P.Y. ₹.30,676,236/-).
30. Employee Cost is net of Labour reimbursement of ₹ 32,700,000/- (P.Y. ₹ 71,700,000/-).
31. In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value on realization at least equal to the amount at which they are stated in Balance sheet. Adequate provisions have been made for all known liabilities except stated otherwise.
32. Balances of some of the Debtors, Creditors, Loans and Advances etc. are subject to confirmation and reconciliation.
33. The Company has entered into certain operating lease agreements and an amount of ₹ 7,903,985/- (P.Y. ₹ 7,396,777/-) paid under such agreements has been charged to the statement of Profit & Loss. These lease are generally not non cancellable and are renewable by mutual consent on mutually agreed terms. There are no restrictions imposed by such agreements.
34. Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to ₹ 38,572,591/- (Previous Year ₹ 52,540,872/-) is capitalized by the company net of TUFs interest subsidy ₹ Nil (Previous Year ₹ 14,593,616/-).
35. During the year, the company has impaired the assets to the tune of ₹ Nil (Previous year ₹ Nil).
36. Interest and Finance Charges are net of interest subsidy received/receivable under TUFs scheme amounting to ₹ 113,258,046/- (Previous year ₹ 83,528,858/-) and Interest Subvention of ₹ Nil (P.Y. ₹ 16,58,995/-)

# NOTES

forming part of the financial statements

37. Profit for the year has been arrived at after adjusting following prior period items:-

| EXPENSE HEAD                          | 2014-15   | 2013-14   |
|---------------------------------------|-----------|-----------|
| Other Expense                         | Nil       | 203,150   |
| Finance Cost                          | Nil       | 105,756   |
| Rent Expense                          | 269,664   | Nil       |
| Total Expense Amount (₹)              | 269,664   | 308,906   |
| INCOME HEAD                           |           |           |
| Interest Income                       | 286,903   | Nil       |
| Depreciation and Amortisation Expense | 2,219,692 | Nil       |
| Total Expense Amount (₹)              | 2,506,595 | Nil       |
| Total Net Income/(Expense) Amount (₹) | 22,36,931 | (308,906) |

## 38. RELATED PARTY DISCLOSURES:

### A) Key Management Personnel:

| Sr. No. | Name                     | Designation       |
|---------|--------------------------|-------------------|
| 1       | Shri Vedprakash Chiripal | Chairman          |
| 2       | Shri Brijmohan Chiripal  | Managing Director |
| 3       | Shri Deepak Chiripal     | CEO               |

### B) List of Relatives of Key Management Personnel with whom transactions have taken place during the year:

| Sr. No. | Name                      |
|---------|---------------------------|
| 1       | Nishi Agarwal             |
| 2       | Vinita Agrawal            |
| 3       | Urmiladevi Agrawal        |
| 4       | Jaiprakash Agrawal        |
| 5       | Jyotiprasad Agrawal       |
| 6       | Vedprakash D Chiripal-HUF |

### C) List of other Related Parties with whom transactions have taken place during the year:

| Sr. No. | Name                                   | Sr. No. | Name                            |
|---------|----------------------------------------|---------|---------------------------------|
| 1       | Shanti Exports Pvt. Ltd.               | 8       | Chiripal Poly Films Ltd.        |
| 2       | Chiripal Industries Ltd.               | 9       | Chiripal Charitable Trust       |
| 3       | Shanti Educational Initiatives Ltd     | 10      | Chiripal Life Style Ltd.        |
| 4       | Nandan Chiripal Energy Corporation LLP | 11      | Vishal Fabrics Ltd.             |
| 5       | Chiripal Infrastructure Ltd            | 12      | Devkinandan Corporation LLP     |
| 6       | Chiripal Exim LLP                      | 13      | CIL Nova Petrochemicals Ltd     |
| 7       | Nova Textiles Pvt Ltd                  | 14      | Chiripal Textile Mills Pvt Ltd. |

### D) Details of Transactions with Related Parties are as follows:

(Amount in ₹)

| Sr. No. | Nature of Transaction                       | Key Management Personnel | Relatives of Key Management Personnel | Other Related Parties | Total           |
|---------|---------------------------------------------|--------------------------|---------------------------------------|-----------------------|-----------------|
| 1       | <b>Unsecured Loans – Taken</b>              |                          |                                       |                       |                 |
|         | <b>Taken during the period</b>              | Nil                      | Nil                                   | Nil                   | Nil             |
|         |                                             | (Nil)                    | (Nil)                                 | (85,850,000)          | (85,850,000)    |
|         | Repaid during the period                    | Nil                      | Nil                                   | 85,850,000            | 85,850,000      |
|         |                                             | (Nil)                    | (Nil)                                 | (Nil)                 | (Nil)           |
|         | Balance as at Balance Sheet Date            | Nil                      | Nil                                   | Nil                   | Nil             |
|         |                                             | (Nil)                    | (Nil)                                 | (85,850,000)          | (85,850,000)    |
| 2       | <b>Advances Recoverable in Cash or Kind</b> |                          |                                       |                       |                 |
|         | <b>Advance Received during the period</b>   | Nil                      | Nil                                   | 583,021,266           | 583,021,266     |
|         |                                             | (Nil)                    | (Nil)                                 | (531,922,490)         | (531,922,490)   |
|         | Settled during the period                   | Nil                      | Nil                                   | 574,923,445           | 574,923,445     |
|         |                                             | (Nil)                    | (Nil)                                 | (1,192,307,903)       | (1,192,307,903) |
| 3       | <b>Expenditure</b>                          |                          |                                       |                       |                 |
|         | Purchase of Raw Material                    | Nil                      | Nil                                   | 359,317,246           | 359,317,246     |
|         |                                             | (Nil)                    | (Nil)                                 | (181,928,134)         | (181,928,134)   |
|         | Purchase of Stock in Trade                  | Nil                      | Nil                                   | 137,602,078           | 137,602,078     |

(Amount in ₹)

| Sr. No.  | Nature of Transaction         | Key Management Personnel | Relatives of Key Management Personnel | Other Related Parties | Total         |
|----------|-------------------------------|--------------------------|---------------------------------------|-----------------------|---------------|
|          |                               | (Nil)                    | (Nil)                                 | (252,353,197)         | (252,353,197) |
|          | Rent                          | Nil                      | Nil                                   | 7,004,062             | 7,004,062     |
|          |                               | (Nil)                    | (Nil)                                 | (6,401,664)           | (6,401,664)   |
|          | Donation                      | Nil                      | Nil                                   | 9,000,000             | 90,00,000     |
|          |                               | (Nil)                    | (Nil)                                 | (10,000,000)          | (10,000,000)  |
|          | Repairs & Maintenance Expense | Nil                      | Nil                                   | 21,235                | 21,235        |
|          |                               | (Nil)                    | (Nil)                                 | (490,826)             | (490,826)     |
|          | Electricity & Fuel Expense    | Nil                      | Nil                                   | 865,783               | 865,783       |
|          |                               | (Nil)                    | (Nil)                                 | (627,876)             | (627,876)     |
|          | Capital Asset Purchased       | Nil                      | Nil                                   | 65,173,265            | 65,173,265    |
|          |                               | (Nil)                    | (Nil)                                 | (52,819,718)          | (52,819,718)  |
| <b>4</b> | <b>Income Received</b>        |                          |                                       |                       |               |
|          | Sales                         | Nil                      | Nil                                   | 1716,597,712          | 1716,597,712  |
|          |                               | (Nil)                    | (Nil)                                 | (711,690,493)         | (711,690,493) |
|          | Job Work Income               | Nil                      | Nil                                   | 14,541,287            | 14,541,287    |
|          |                               | (Nil)                    | (Nil)                                 | (26,331)              | (26,331)      |
| <b>5</b> | <b>Remuneration paid</b>      | 12,096,000               | 604,800                               | Nil                   | 12,700,800    |
|          |                               | (12,096,000)             | (604,800)                             | (Nil)                 | (12,700,800)  |
| <b>6</b> | <b>Dividend Paid</b>          | 3,795,000                | 2,846,162                             | 25,859,691            | 32,500,853    |
|          |                               | (5,238,000)              | (3,859,743)                           | (33,935,848)          | (43,033,591)  |

Note: List of transaction, out of the transactions reported in the above table, where the transactions entered in to with single party exceed the 10% of the total related Party transactions of similar nature are as under:

|           |                                             |               |
|-----------|---------------------------------------------|---------------|
| <b>1</b>  | <b>Advance Recoverable in cash or Kind:</b> |               |
|           | <b>Advance Received:</b>                    |               |
|           | - Chiripal Industries Ltd.                  | 583,021,266   |
|           |                                             | (345,289,736) |
|           | - Chiripal Poly Films Ltd.                  | Nil           |
|           |                                             | (59,642,178)  |
|           | - Nova Textiles Pvt Ltd                     | Nil           |
|           |                                             | (126,990,575) |
|           | <b>Advance Settled:</b>                     |               |
|           | - Chiripal Industries Ltd.                  | 574,923,445   |
|           |                                             | (619,986,215) |
|           | - Nova Textiles Pvt Ltd                     | Nil           |
|           |                                             | (50,929,110)  |
| <b>2.</b> | <b>Expenditure:</b>                         |               |
|           | Purchase of Raw Material:                   |               |
|           | - Chiripal Poly Film Ltd.                   | Nil           |
|           |                                             | (42,455,720)  |
|           | - Chiripal Industries Ltd                   | 143,717,313   |
|           |                                             | (52,048,139)  |
|           | Purchase of Stock In Trade:                 |               |
|           | - Chiripal Industries Ltd                   | 63,998,633    |
|           |                                             | (143,308,036) |
|           | - Vishal Fabrics Ltd.                       | 73,602,710    |
|           |                                             | (109,045,161) |
|           | <b>Rent:</b>                                |               |
|           | - Chiripal Industries Ltd                   | 6,132,000     |
|           |                                             | (6,132,000)   |
|           | <b>Donation:</b>                            |               |
|           | - Chiripal Charitable Trust                 | 9,000,000     |
|           |                                             | (10,000,000)  |
|           | <b>Repairs &amp; Maintenance Expense:</b>   |               |
|           | -Shanti Exports Pvt Ltd                     | 21,235        |
|           |                                             | (490,826)     |
|           | <b>Electricity &amp; Fuel Expense:</b>      |               |
|           | -Shanti Exports Pvt Ltd                     | 865,783       |
|           |                                             | (627,876)     |
|           | <b>Capital Asset Purchase:</b>              |               |
|           | -Chiripal Infrastructure Ltd                | 65,173,265    |
|           |                                             | (52,819,718)  |

# NOTES

forming part of the financial statements

|                                 |               |
|---------------------------------|---------------|
| <b>3. Income Received:</b>      |               |
| <b>Sales:</b>                   |               |
| - Chiripal Industries Ltd       | 160,301,990   |
|                                 | (106,097,284) |
| - Nova Textiles Pvt Ltd         | 1542,095,726  |
|                                 | (554,374,916) |
| Job Work Sale:                  |               |
| - Nova Textiles Pvt Ltd         | 14,541,287    |
|                                 | (Nil)         |
| <b>4. Remuneration Paid:</b>    |               |
| - Shri Brijmohan Chiripal       | 6,720,000     |
|                                 | (6,720,000)   |
| - Shri Deepak Chiripal          | 5,376,000     |
|                                 | (5,376,000)   |
| <b>5. Dividend Paid:</b>        |               |
| -Chiripal Textile Mills Pvt Ltd | Nil           |
|                                 | (11,844,270)  |
| -Chiripal Exim LLP              | 85,04,721     |
|                                 | (12,616,162)  |
| -Chiripal Industries Limited    | 14,213,124    |
|                                 | (21,319,686)  |
| - Shri Brijmohan Chiripal       | 3,336,000     |
|                                 | (5,004,000)   |

- 39.** The Company is considered to be engaged in Textile Industry with all activity revolving around this business and accordingly has only one reportable business segment. The company has identified geographical segment as its secondary business segment, the details are as follows:

Secondary Segment Information for the period ended 31<sup>st</sup> March, 2015

| Sr. No. | Particulars                           | India           | Rest of World | Total           |
|---------|---------------------------------------|-----------------|---------------|-----------------|
| 1       | Segment Revenues                      | 9,610,487,426   | 1354,846,177  | 10,965,333,603  |
|         |                                       | (8,160,626,133) | (776,893,803) | (8,937,519,936) |
| 2       | Segment Assets                        | 8,426,712,381   | 172,057,585   | 8,598,769,966   |
|         |                                       | (7,817,557,893) | (99,472,109)  | (7,917,030,002) |
| 3       | Capital Expenditure during the period | 531,687,470     | -             | 531,687,470     |
|         |                                       | (1,632,155,017) | -             | (1,632,155,017) |

## 40. EARNING PER SHARE

| Particular                                                                            | Unit          | 31/3/2015  | 31/3/2014   |
|---------------------------------------------------------------------------------------|---------------|------------|-------------|
| Numerator used for calculating Basic and Diluted Earning per Share (Profit after Tax) | ₹             | 14,337,557 | 393,098,384 |
| Weighted average No. of shares used as denominator for calculating Basic and Diluted  | No. of Shares | 45549056   | 45549056    |
| Nominal Value of Share                                                                | ₹             | 10         | 10          |
| Basic and Diluted Earning per Share                                                   | ₹             | 11.29      | 8.63        |

## 41. C.I.F. VALUE OF IMPORTS:

| Particulars     | Amount ₹      |
|-----------------|---------------|
| Raw Materials   | 750,671,463   |
|                 | (417,323,325) |
| Trading Goods   | Nil           |
|                 | (164,373,474) |
| Stores & Spares | 2,668,183     |
|                 | (17,361,116)  |
| Capital Goods   | 179,963,141   |
|                 | (342,082,941) |

**42. EXPENDITURE IN FOREIGN CURRENCY**

| Particulars                                 | Amount ₹     |
|---------------------------------------------|--------------|
| i. Traveling Expenses                       | 4,722,545    |
|                                             | (7,344,896)  |
| ii. Foreign Bank Charges                    | 2,635,571    |
|                                             | (2,270,747)  |
|                                             | 24,414,402   |
| iii. Commission paid                        | (13,482,429) |
|                                             | 619,300      |
| iv. Exhibition Expense                      | (Nil)        |
|                                             | 376,932      |
| v. Testing Expense                          | (Nil)        |
|                                             | 6,642,072    |
| vi. Interest on Buyer's Credit & CC Account | (12,190,226) |

**43. EARNING IN FOREIGN CURRENCIES**

| Particulars               | Amount ₹      |
|---------------------------|---------------|
| FOB Value of Export Goods | 1,333,092,133 |
|                           | (720,868,758) |

**44.** The figures of the previous year have been regrouped and rearranged wherever considered necessary.

**Note:** Previous year's figures have been shown in brackets.

Signature to Notes "1" to "44"

As per our report of even date attached herewith

For, **J.T. Shah & Company**  
Chartered Accountants  
[FRN: 109616W]

**For and on Behalf of the Board**

**Vedprakash D. Chiripal**  
[Chairman]  
[DIN:00290454]

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

**J.T. Shah**  
Partner  
[M.No. 3983]

**Sanjay J. Agrawal**  
[Chief Financial Officer]

**Purvee D. Roy**  
[Company Secretary]

Place : Ahmedabad  
Date: 29/05/2015



**NANDAN DENIM LIMITED**

Corporate Identification No. (CIN) – L51909GJ1994PLC022719

Registered Office: Survey No 198/1 203/2 Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad-382405 Phone: +91 9879200199

E-mail : cs.ndl@chiripalgroup.com website : www.nandandenim.com

**ATTENDANCE SLIP**

(To be presented at the entrance)

21<sup>st</sup> Annual General Meeting on September 29, 2015 at 09:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

- Only Member/Proxy holder can attend the Meeting
- Member/Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

**NOTE: NO GIFTS/ GIFT COUPONS/REFRESHMENT COUPONS WILL BE DISTRIBUTED AT THE MEETING****NANDAN DENIM LIMITED**

Corporate Identification No. (CIN) – L51909GJ1994PLC022719

Registered Office: Survey No 198/1 203/2 Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad-382405

Phone: +91 9879200199 E-mail : cs.ndl@chiripalgroup.com website : www.nandandenim.com

**PROXY FORM****Form No. MGT-11**

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s) :

Registered Address :

E-mail Id :

Folio No. / Client ID No. : \_\_\_\_\_ DP ID No \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ Shares of Nandan Denim Limited, hereby appoint

1. Name : \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address : \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

2. Name : \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address : \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

3. Name : \_\_\_\_\_ E-mail Id: \_\_\_\_\_

Address : \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him

As my/our proxy to attend and vote (on a poll) for me/us and my/our behalf at the twentieth Annual General Meeting of the Company to be held on September 29, 2015 at 09:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, AMA Complex, ATIRA, Dr. Vikram Sarabhai Marg, Ahmedabad-380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

- Adoption of audited financial statements for the financial year ended 31st March, 2015 (ordinary resolution).
- Confirmation of Payment of Interim Dividend and Declaration of Final Dividend on Equity Shares for the financial year 2014-2015 (ordinary resolution).
- Re-appointment of Mr. Vedprakash D. Chiripal as a Director of the Company who retires by rotation (ordinary resolution).
- Appointment of M/s. J.T. Shah & Co., Chartered Accountants, as Statutory Auditors of the Company and fixing their remuneration (ordinary resolution).
- Appointment of Ms. Pratima Ram (DIN: 03518633 ) as an Independent Director of the Company (ordinary resolution).
- Appointment of Mr. Giraj Mohan Sharma (DIN: 01215950 ) as an Independent Director of the Company (ordinary resolution).
- Appointment of Dr. Yasho Verdhani Verma (DIN: 06389278 ) as an Independent Director of the Company (ordinary resolution).
- Approval/ Ratification of material related party transactions entered into by the Company during the financial year ended 31st March, 2016 (special resolution).
- Appointment of Cost Auditors for the year 2015-2016 and fixing their remuneration (ordinary resolution).
- Adoption of new set of Articles as per Companies Act, 2013 (special resolution).
- Approval for keeping and inspecting the registers, returns etc. at a place other than the registered office of the Company (special resolution).
- Re-appointment of Mr. Brijmohan D. Chiripal (DIN: 00290426) as the Managing Director of the Company (special resolution)
- To create, issue and offer 25,00,000 convertible warrants on preferential basis (special resolution).

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

**NOTES:**

- This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at , Survey No 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad-382405 or Corporate Office of the Company at Chiripal House, Nr. Shivrangani Cross Road, Satellite, Ahmedabad-380015, not less than 48 hours before the commencement of the Meeting.
- Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy.







Registered Office:  
Survey No 198/1 203/2 Saijpur Gopalpur,  
Pirana Road, Piplej, Ahmedabad-382405 Gujarat.  
Phone: +91 9879200199  
E-mail : [cs.ndl@chiripalgroup.com](mailto:cs.ndl@chiripalgroup.com)  
website : [www.nandandenim.com](http://www.nandandenim.com)