

**20<sup>th</sup> Annual Report**  
**2013-2014**



**NANDAN DENIM LIMITED**  
**[Formerly Known as Nandan Exim Limited]**

## Company Information

### BOARD OF DIRECTORS

Mr. Vedprakash D. Chiripal *Chairman*  
 Mr. Brijmohan D. Chiripal *Managing Director*  
 Mr. T.S. Bhattacharya *Director*  
 Mr. Ambalal C. Patel *Director*

### CHIEF EXECUTIVE OFFICER

Mr. Deepak J. Chiripal

### COMPANY SECRETARY

Ms. Purvee D. Roy

### BANKERS

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

### REGISTERED OFFICE & PLANT

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

### CORPORATE OFFICE

“Chiripal House”,  
 Shivranjani Cross Roads,  
 Satellite, Ahmedabad - 380015.  
 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

### IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronics holding with the Depository through their concerned Depository Participants.

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**NOTICE**

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of the Company will be held on Monday, September 15, 2014 at 10.00 a.m. at Lions Hall, Mithakhali Six Road, Nr. Nalanda Hotel, Ellisbridge, Ahmedabad-380006 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, 2014 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 2013-14.
3. To appoint a Director in place of Mr. Brijmohan Chiripal, who retires by rotation and being eligible offers himself for reappointment.
4. Appointment of Auditors:

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

**"RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. J.T. Shah & Co., Chartered Accountants (Firm Registration Number: 109616W), be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty fifth AGM of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**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, Mr. Tara Sankar Bhattacharya (DIN: 00157305), 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 15, 2014 up to September 14, 2019."

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. Ambalal Patel (DIN: 00037870), 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 15, 2014 up to September 14, 2019."

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

**"RESOLVED THAT** in supersession of the resolution passed by the Company at the Annual General Meeting held on September 17, 2010 with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded pursuant to section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification or re-enactment thereof, to the Board of Directors, borrowing moneys (apart from temporary loans from time to time obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time deem necessary, provided that the sum or sums so borrowed and remaining outstanding at any one time shall not exceed in the aggregate Rs. 2500.00 crore (Rupees Two Thousand Five Hundred Crore).

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

**"RESOLVED THAT** in supersession of the resolution passed by the Company at the Annual General Meeting held on September 17, 2010 with respect to mortgaging and/or charging by the Board of Directors, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification or re-enactment thereof, to the Board of Directors to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to any one or more of the Company's Units and any other undertaking of the Company wheresoever situated and the whole or substantially the whole of any one or more of the said undertakings of the Company, with the right to take over the management and concern of the undertaking(s) whose properties are agreed to be mortgaged and/or charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial Assistance lent, granted and advances or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding Rs. 2500.00 Crore in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound

interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said term loans, debentures or other financial instruments or assistance.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company including a Committee thereof, be and is hereby authorized to finalize with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees, the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto.”

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

**“RESOLVED THAT** pursuant to Sections 61 and 13 and other applicable provisions, if any, of the Companies Act, 2013, the Authorized Share Capital of the Company be and is hereby increased from Rs. 50,00,00,000/- (Rupees Fifty Crore only) divided into 5,00,00,000 Equity Shares of Rs. 10/- each to Rs.1,00,00,00,000/- (Rupees One Hundred Crore only) divided into 10,00,00,000 Equity Shares of Rs. 10/- each, which shall rank pari- passu with the existing equity shares in all respects with the power to issue the new shares upon such terms and conditions and with such rights and privileges attached thereto as the Board shall determine from time to time”.

**“RESOLVED FURTHER THAT** the existing Clause V of the Memorandum of Association be and is hereby altered to read as follows:

V. The Authorized Share Capital of the Company is Rs.1,00,00,00,000/- (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore only) Equity Shares of Rs. 10/- (Rupees Ten only) each”.

**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 the provisions of section 62 and other applicable provisions, if any, of the Companies Act, 2013 along with rules enacted thereunder (“Companies Act”) (including any amendment(s), statutory modification(s) or re-enactment thereof), enabling provisions of the Memorandum and Articles of Association of the Company, listing agreements entered into by the Company with the stock exchanges where equity shares of the Company of face value of Rs. 10/- each are listed and in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (“SEBI (ICDR) Regulations”), Foreign Exchange Management Act, 1999 as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, Issue of Foreign Currency Convertible Bonds (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and clarifications issued thereon from time to time and subject to other required rules, regulations, guidelines, notifications and circulars issued by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Government of India (“GOI”), the stock exchanges, Department of Industrial Policy & Promotion and / or any other competent authorities from time to time to the extent applicable, subject to such approvals, permissions, consents and sanctions as may be necessary from SEBI, stock exchanges, RBI, Foreign Investment Promotion Board, GOI and/or any other concerned statutory or other relevant authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and/or sanctions which may be agreed to by the Board of Directors of the Company (“Board” which term shall include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the Company be and is hereby accorded to the Board in its absolute discretion to create, offer, issue and allot equity shares (“Equity Shares”) and /or Global Depository Receipts (“GDRs”) and /or American Depository Receipts (“ADRs”) (“Securities”) in the course of domestic and / or international offerings representing either equity shares or a combination of the foregoing for an amount not exceeding Rs. 500 crore (Rupees Five Hundred Crore only), for cash and at such premium / discount, as applicable, as the Board deems fit to all eligible investors including but not limited to existing equity shareholders as on record date, residents and / or non-residents, whether institutions, incorporated bodies, Foreign Institutional Investors, Qualified Institutional Buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and / or otherwise and / or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company, in the course of domestic and / or international offerings through public issue and / or private placement and /or rights issue and / or preferential allotment and / or Qualified Institutional Placement (“QIP”) and / or any other permitted modes through prospectus and/or an offer document and / or private placement offer letter and/or such other documents / writings/ circulars / memoranda in such manner, by way of cash at such time or times in such tranche or tranches and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors in consultation with the merchant banker(s) to be appointed by the Company, so as to enable the Company to list on any Stock Exchange in India and / or Luxembourg and /or London and /or New York and /or Singapore and /or Hong Kong and / or any of the Overseas Stock Exchanges as may be permissible.”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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 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	Receipts (Rs. in Crore)	Payment (Rs. in Crore)
1.	Sale of goods	Mr. Vedprakash Chiripal, Chairman of the Company and family members being common Director(s)/ Shareholder(s) of the Company.	1. Chiripal Industries Limited 2. Nova Textiles Private Limited	335.45	
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 2. Chiripal Industries Limited 3. Vishal Fabrics Limited		173.45
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		3.05
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		40.10
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		0.25
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		0.35
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		26.50

**“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.”

**By order of the Board of Directors**

**August 8, 2014**  
**Registered Office**

Survey No. 198/1, 203/2, Saijpur-Gopalpur,  
Pirana Road, Piplej, Ahmedabad-382405.  
**CIN: L51909GJ1994PLC022719**

**Vedprakash Chiripal**  
**Chairman**

**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 Thursday, September 11, 2014 to Monday, September 15, 2014 (both days inclusive).
8. The dividend on equity shares for the year March 31, 2014, if declared at the meeting, will be paid / dispatched on due date to those members whose names appear on the Company's Register of Members on September 10, 2014 or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on September 10, 2014.
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, 2014 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 2013-14 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 2013-14 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.

## NANDAN DENIM LIMITED

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 is mentioned below.

### 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.

The instructions for e-voting are as under:

#### SECTION A – E-VOTING PROCESS –

Step 1 : Open your web browser during the voting period and log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com).

Step 2 : Click on “shareholders” to cast your vote(s).

Step 3 : Select the Electronic Voting Sequence Number (EVSN) i.e. “**140811031**” along with “COMPANY NAME” i.e. “**NANDAN DENIM LIMITED**” from the drop down menu and click on “SUBMIT”.

Step 4 : Please enter User ID –

- a. For account holders in CDSL:- Your 16 digits beneficiary ID
- b. For account holders in NSDL:- Your 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.

Step 5 : Enter the Image Verification as displayed and click on Login.

Step 6 : 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.

Step 7 : If you are a first time user, follow the steps given below:

7.1 Enter your 10 digit alpha-numeric PAN issued by Income Tax Department.

For members who have not updated their PAN with the Depository Participants are requested to use the first two letters of their name and the last 8 digits of the demat account / folio number in the PAN field. In case the folio 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 Kirit Patel with folio number 100, then enter KI00000100 in the PAN field.

7.2 Enter the Date of Birth (DOB) recorded in the demat account or registered with the Company for the demat account in dd/mm/yyyy format #

7.3 Enter your Dividend Bank details (Account Number) recorded in the demat account or registered with the Company for the demat account #

# Any one of the details i.e. DOB or Dividend Bank details should be entered for logging into the account. If Dividend Bank details and Date of Birth are not recorded with the Depository or Company, please enter the number of shares held by you as on the Concerned Date in the Dividend Bank details field.

Step 8 : After entering these details appropriately, click on “SUBMIT” tab.

Step 9 : First time user holding shares in demat form will now reach Password Generation menu wherein they are required to create their login password in the password field. Kindly note that this password can also be used by the demat holders for voting for resolution 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 to take utmost care to keep your password confidential.

If demat account holder has forgotten the changed password, then enter the user ID and the image verification code and click on ‘Forgot Password’ and enter the details as prompted by the system.

Members holding shares in physical form will then directly reach the Company selection screen.

Step 10 : Click on the EVSN of the Company i.e. **140811031** to vote.

Step 11 : On the voting page, you will see resolution description and against the same the option “YES/NO” and click on “SUBMIT”.

Step 12 : Click on the resolution file link if you wish to view the Notice.

Step 13 : 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.

Step 14 : Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote. You can also take out print of the voting done by you by clicking on “Click here to print” option on the voting page.



**SECTION B – COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS**

- i. The e-voting period commences on September 6, 2014 (9.00 a.m.) and ends on September 8, 2014 (6.00 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 August 8, 2014 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: 32, World Business House, Nr. Parimal Garden, Ellisbridge, Ahmedabad, 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> 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> 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 Corporate Office : 'Chiripal House', Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015.
CIN	: L51909GJ1994PLC022719
Email ID	: <a href="mailto:purvee@chiripalgroup.com">purvee@chiripalgroup.com</a> , <a href="mailto:cs.ndl@chiripalgroup.com">cs.ndl@chiripalgroup.com</a>
Registrar and Transfer Agent	: Datamatics Financial Services Limited Plot No. B-5, Part B, Cross Lane, MIDC, Andheri (east), Mumbai – 400 093
Phone	: 022-66712151-2156
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>

**By order of the Board of Directors**

**August 8, 2014**  
**Registered Office**  
Survey No. 198/1, 203/2, Saijpur-Gopalpur,  
Pirana Road, Piplej, Ahmedabad-382405.  
**CIN: L51909GJ1994PLC022719**

**Vedprakash Chiripal**  
**Chairman**

## NANDAN DENIM LIMITED

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the following information is furnished about the Directors proposed to be appointed / re-appointed vide Item No. 3 of the Notice dated August 8, 2014 convening the 20<sup>th</sup> 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 *Public
Mr. Brijmohan D. Chiripal	15 <sup>th</sup> July, 1961	B.E. (Chemical)	He is a Chemical Engineer and has almost 20 years of business experience in Textile Processing as well as export and domestic trading. He along with Vedprakash Chiripal has promoted Nandan Denim Ltd.	<ul style="list-style-type: none"> <li>➤ M/s. Chiripal Lifestyle Limited</li> <li>➤ M/s. Prizm Club Limited</li> <li>➤ M/s. Chiripal Industrial Park Limited</li> </ul>	NIL

### 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 11 of the accompanying Notice:

#### Item No. 5 & 6:

Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel are Independent Directors of the Company. Mr. Ambalal Patel has held the position as such for more than 5 (five) years.

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 Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel 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 25<sup>th</sup> Annual General Meeting of the Company in the calendar year 2019.

Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel 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 Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel 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, Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel are independent of the management.

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

**Mr. Tara Sankar Bhattacharya** is a Master of Science in Nuclear Physics and also holds an MBA degree. He is a retired Managing Director of State Bank of India. In a career spanning 35 years, he has held numerous senior positions in the Banking industry. He is also the Director in other major companies such as Jindal Stainless Limited, IDFC Securities Limited, IDFC AMC Trustee Company Limited, etc.

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

Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel are interested in the resolutions set out respectively at Item No. 5 & 6 of the Notice with regard to their respective appointments.

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, 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 of the Notice for the approval of the members.

**Item No. 7:**

The Company, at its Annual General Meeting September 17, 2010 (AGM), authorized the Board of Directors of the Company by way of Ordinary Resolution under section 293(1)(d) of the Companies Act, 1956 to borrow for the purpose of the Company moneys in excess of the paid-up capital of the Company and its free reserves provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed Rs. 2000.00 crore.

However, pursuant to the provisions of section 180(1)(c) of the Companies Act, 2013 (the 'Act'), since notified, the Board can exercise such borrowing powers only with the approval of members of the Company by way of Special Resolution. Keeping in view the Company's business requirements and growth plans, it is considered to increase the said borrowing limit from Rs. 2000.00 crore to Rs. 2500.00 crore. The resolution is accordingly recommended for approval as Special Resolution under the Act.

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, 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. 7 of the Notice for the approval of the members.

**Item No. 8:**

The Company, at its Annual General Meeting held on September 17, 2010 (AGM), authorized the Board of Directors of the Company by way of Ordinary Resolution under section 293(1)(a) of the Companies Act, 1956, to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure the financial assistance not exceeding Rs. 2000.00 crore as mentioned in the above resolution.

However, pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 (the 'Act'), since notified, the Board can exercise such power to create mortgage and/or charge on the immovable and movable properties of the Company, only with the approval of members of the Company by way of Special Resolution. Keeping in view the company's business requirements and growth plans, it is considered to increase the said borrowing limit from Rs. 2000.00 crore to Rs. 2500.00 crore. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

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, 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. 8 of the Notice for the approval of the members.

**Item No. 9:**

The present Authorised Share Capital of the Company is Rs. 50,00,00,000/- divided into 5,00,00,000 Equity Shares of Rs. 10/- each. In order to meet the eventualities such as augmenting resources, issue of shares etc., it is hereby proposed to increase the Authorised Share Capital to Rs. 1,00,00,00,000/- divided into 10,00,00,000 Equity Shares of Rs. 10/- each.

A resolution authorising increase in Authorised Share Capital from Rs. 50 crore to Rs. 150 crore was passed by the members in the Annual General Meeting held on August 29, 2013. However, as estimated by the management, the need to increase the Authorised Share Capital to such an extent was not felt necessary and hence the management had not effected the then approved amendment. Since now the management is considering further issue of share capital on rights basis or otherwise, it is proposed to increase the Authorised Share Capital from Rs. 50 crore to Rs. 100 crore commensurate with the business requirements.

This requires amendment of Capital Clause V of Memorandum of Association with the approval of shareholders. Hence, the proposals are placed for your approval.

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, 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. 9 of the Notice for the approval of the members.

**Item No. 10:**

As the members are aware, your Company is in the process of expanding its business by pursuing growth opportunities in business, for which long term funds are required to be generated. In order to meet your Company's growth objectives and also to strengthen its financial position and finance its expansion plans, the Board of Directors at their meeting held on August 8, 2014 have proposed to generate long term resources by issuing further securities through various fund raising options.

## NANDAN DENIM LIMITED

The Company has been exploring various avenues for raising funds by way of issue of equity shares ("Equity Shares") and / or Global Depository Receipts ("GDRs") and / or American Depository Receipts ("ADRs") ("Securities") to all eligible investors including but not limited to existing of equity shareholders as on record date, residents and / or non-residents, whether institutions, incorporated bodies, Foreign Institutional Investors, Qualified Institutional Buyers, banks, mutual funds, insurance companies, pension funds, trusts, stabilizing agents and / or otherwise and / or a combination thereof, whether or not such investors are members, promoters, directors or their relatives / associates of the Company in the course of domestic and / or international offerings through public issue and / or private placement and / or rights issue and / or preferential allotment and / or Qualified Institutional Placement ("QIP") and / or any other permitted modes through prospectus and / or an offer document and / or private placement offer letter and/or such other documents / writings / circulars / memoranda in such manner, at such time or times in such tranche or tranches for an amount not exceeding Rs. 500 crore (Rupees Five Hundred Crore only), for cash and at such premium / discount, as applicable, as the Board deems fit and on such terms and conditions as may be determined and deemed appropriate by the Board in its absolute discretion at the time of such issue and allotment considering the prevailing market conditions and other relevant factors. The Equity Shares shall rank *pari passu* with the existing equity shares of the Company.

### In case of Rights Issue:

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

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

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

In case of QIP, it will be ensured that:

- a) The relevant date for the purpose of pricing of the Equity Shares would, pursuant to Chapter VIII of the SEBI (ICDR) Regulations, be the date of the meeting in which the Board or duly authorised committee thereof decides to open the proposed issue of Equity Shares;
- b) The pricing for this purpose shall be in accordance with regulation 85 of Chapter VIII of the SEBI (ICDR) Regulations. The Company may offer a discount of not more than 5% (Five percent) on the price calculated for the QIP or such other discount as may be permitted under SEBI (ICDR) Regulations, as amended from time to time;
- c) The issue and allotment of Equity Shares shall be made only to Qualified Institutional Buyers (QIBs) within the meaning of SEBI (ICDR) Regulations and such Equity Shares shall be fully paid up on its allotment;
- d) The total amount raised in such manner and all previous QIPs made by the Company in a financial year would not exceed 5 times of the Company's net worth as per the audited balance sheet for the previous financial year;
- e) The Equity Shares shall not be eligible to be sold for a period of 1 year from the date of allotment, except on a recognized stock exchange or except as may be permitted from time to time by the SEBI (ICDR) Regulations.

For making any further issue of shares to any person(s) other than existing equity shareholders of the Company approval of members is required to be obtained by way of passing a Special Resolution, in pursuance to section 62 (1) (c) of the Companies Act.

Therefore the Board recommends the resolution contained in Item No. 10 to be passed by the members so as to enable it to issue further Securities.

The proposed issue is in the interest of the Company and your Directors commend the resolution for your approval.

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:**

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 in case of the Company having a paid up share capital of Rupees Ten Crore or more, prior approval of the shareholders by way of a Special Resolution must be obtained:

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;
5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company and;
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

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, but as a good corporate governance practice, the Company desires to pass a Special Resolution for the same.

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. 11 shall be entitled to vote on this resolution.

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. 11 of the Notice for the approval of the members.

**By order of the Board of Directors**

**August 8, 2014**  
**Registered Office**

Survey No. 198/1, 203/2, Saijpur-Gopalpur,  
Pirana Road, Piplej, Ahmedabad-382405.

**CIN: L51909GJ1994PLC022719**

**Vedprakash Chiripal**  
**Chairman**

**DIRECTORS REPORT**

Dear Members,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Accounts for the financial year ended March 31, 2014.

**FINANCIAL HIGHLIGHTS:**

The financial performance of the company is summarized below:

(Rs. in crore)

<b>FINANCIAL RESULTS</b>	<b>2013-14</b>	<b>2012-13</b>
Turnover	<b>893.75</b>	703.12
Profit Before Depreciation	<b>104.64</b>	76.68
Less: Depreciation	<b>49.73</b>	40.92
Profit After Depreciation	<b>54.91</b>	35.76
Less: Provision for Taxation	<b>11.55</b>	7.46
Less: Provision for Deferred Tax	<b>4.05</b>	(2.75)
Profit After Taxation	<b>39.31</b>	31.05
Less: Prior Period Items	—	—
Less: Short / (Excess) provision of Income Tax	—	—
Profit for the year	<b>39.31</b>	31.05
Appropriations / Adjustments	—	—
Balance of profit / (loss) brought forward	—	—
Interim Dividend	<b>2.73</b>	NIL
Proposed Final Dividend (12% i.e.Rs. 1.20/- per share)*	<b>2.73</b>	5.47
Corporate Dividend Tax (including cess and surcharge)	<b>0.93</b>	0.93
General Reserves	<b>5.33</b>	4.33
Profit carried to Balance Sheet	<b>39.31</b>	31.05

\* Refer Note on Dividend mentioned below.

**PERFORMANCE:**

For the financial year ended March 31, 2014, the Company has recorded a good revenue and margin performance. During the year under review 2013-14, your Company has achieved a turnover of Rs. 893.75 crore as against Rs. 703.12 crore for the previous financial year registering a rise of 27%. The Profit Before Tax (after interest and depreciation charges) during the year under review was Rs. 54.91 crore as compared to previous years figure of Rs. 35.76 crore. The Net Profit during the year 2013-14 was Rs. 39.31 crore as compared to previous year figure of Rs. 31.05 crore which shows the increase of 27%. Your Directors would like to inform that the Company is implementing the expansion projects by increasing its production capacity continuously in order to grab the increase in demand for the denim fabrics in the domestic and international market and thereby increasing its volume and activities in its field. Further the Company has targeted to achieve high volume in the terms of quantity and value and also adding the capacity to improve its performance and thereby its share in the market. Your Company expects to achieve very excellent performance during the current year.

**CREDIT RATING:**

CRISIL has assigned a Long Term Rating of CRISIL BBB+/Stable and Short Term Rating of CRISIL A2 to Nandan Denim Limited during the year. Good credit ratings by leading agencies reflect the Company's financial discipline and prudence.

**DIVIDEND:**

Based on the Company's performance, the Directors are pleased to recommend for approval of the members, a Final Dividend of Rs. 1.20/- per share for the financial year 2013-14 which is inclusive of the Interim Dividend of Re. 0.60/- per share declared by the Board of Directors of the Company at their meeting held on February 4, 2014. The Final Dividend on equity shares, if approved by the members, would involve a cash outflow of Rs. 3,19,74,072/- including dividend tax.

The dividend will be paid to the members whose name appears in the Register of Members as on Record Date in respect of the shares held in dematerialized form. It will be paid to the members whose names are furnished by National Securities Depositories Limited and Central Depository Services (India) Limited as beneficial owners as on that date. The dividend payout for the year under review has been formulated in accordance with shareholders' aspirations and the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company.

**CHANGE IN NAME:**

During the year, the Company's name has been changed from Nandan Exim Limited to 'Nandan Denim Limited' and necessary approvals were taken from the authorities concerned.

**DEPOSITORY SYSTEM:**

As the members are aware, the Company's shares are compulsorily tradable in electronic form. As on March 31, 2014, 99.97 % of the Company's total Paid-Up Capital representing 4,55,33,454 shares are in dematerialized form. In view of the numerous advantages offered by the Depository System, members holding shares in physical mode are advised to avail of the facility of dematerialization on either of the Depositories.

**PUBLIC DEPOSIT:**

Your Company has not accepted any public deposit and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the Balance Sheet.

**SAFETY OF ASSETS:**

Your Directors state that the business has lots of unforeseen risks attached to its real assets as plant & machinery, stocks and other assets of the Company and in case any unforeseen event happens, entire business might get stuck and therefore your Directors have taken effective steps to cover these risks adequately by having insurance cover as per the norms to safeguard the business and the interest of the stakeholders of the Company. Besides these, the Company has installed adequate safety equipments and taken appropriate measures related to maintenance of all plant & machineries, buildings, etc.

**CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS REPORT AND CORPORATE SOCIAL RESPONSIBILITY:**

As per clause 49 of the Listing Agreements entered into with the Stock Exchanges, Corporate Governance Report with Auditors' Certificate thereon and Management Discussion & Analysis are attached and form part of this report.

SEBI, vide its circular has mandated Companies listed on the BSE & NSE to include Corporate Social Responsibility as part of the Annual Report describing the initiatives taken by the Companies from environmental, social and governance perspective. Besides this, the Company has an innate desire and zeal to contribute towards the welfare and social upliftment of the community. Accordingly, the Corporate Responsibility Report is attached and forms part of the Annual Report.

**BOARD OF DIRECTORS:**

In accordance with the Articles of Association of the Company and the provisions of the Companies Act, Mr. Brijmohan Chiripal, Director who retires by rotation from the Board of Directors of the Company at the ensuing Annual General Meeting during the year under review, and offers himself for reappointment. Mr. Brijmohan Chiripal, Managing Director is liable to retire by rotation. Your Directors recommend his reappointment. Pursuant to provisions of sections 149, 150, 152 & other applicable provisions of the Companies Act, 2013 and rules made thereunder, your Directors are seeking appointment of Mr. Tara Sankar Bhattacharya and Mr. Ambalal Patel as Independent Directors of the Company for five consecutive years for a term upto September 14, 2019. Details of the proposal are mentioned in the explanatory statement u/s 102 of the Companies Act, 2013 of the Notice of the ensuing Annual General Meeting.

Mr. Gautam Gandhi resigned as a Director of the Company with effect from August 8, 2014. The Directors place on record their appreciation of the valuable advice and guidance given by him while he was a Director of the Company.

**DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to section 217(2AA) of the Companies Act, 1956 and based on the information received from the Management and after due enquiry, your Directors state that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) They have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts of the Company have been prepared on a going concern basis.

**AUDITORS AND AUDITORS' REPORT:**

M/s. J.T. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules framed thereunder, it is proposed to appoint M/s. J.T. Shah & Co., Chartered Accountants as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the twenty fifth AGM to be held in the year 2019, subject to ratification of their appointment at every AGM.

**INFORMATION REGARDING CONSERVATION OF ENERGY, ETC. AND EMPLOYEES:**

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this report. However, as per the provisions of Section 219(1)(b)(iv), the report and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, technology absorption and foreign exchange earning and outgo and statement of particular of employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy.

**ACKNOWLEDGEMENT:**

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committee services by the executives, staff and workers of the Company.

**For and on behalf of the Board**

**Place : Ahmedabad  
Date : August 8, 2014**

**VEDPRAKASH D. CHIRIPAL  
Chairman**

**MANAGEMENT DISCUSSION AND ANALYSIS****OVERVIEW OF THE ECONOMY**

The last financial year witnessed the impact of the corrective measures initiated at international economies to bring back the respective economies to their normal situation. The signals, as we read, are indicating a gradual recovery but for the political instability that has been caused in certain parts of the Middle-East Asia having cascading effect across the economies. The US economy has sent some very strong signals to re-establish US Dollar as undisputed leader of international monetary transactions. The most happening economy of China has shown some fatigue whereas other Asian economies are breathing at ease to their recovery route.

Under the challenging economic scenario, the Indian economy went for the process of electing leader of democratic set-up. The possible change over in the electoral process coupled with hesitant in-take by the international economies led to a lower than expected growth of GDP at sub-5%. With commodity prices staying at high levels and food inflation recording new higher levels, to deter the consumer sentiments for potential buoyancy, the manufacturing corporate entities have remained under pressure. The ease expected from the monetary policy has been staggered and no immediate boosting measures worth its impact were launched that could provide impetus to the growth of the national economy.

**INDIAN TEXTILE INDUSTRY**

Indian textiles industry with its contribution of 14% to industrial production, 16% to total product exports and being the largest generator of direct and indirect employment remains a sector with huge potential upside. In fact, the country is the second biggest textiles manufacturer in the world.

During 2013-14, Indian textiles and clothing exports increased by 14% over the previous year. Textile Upgradation Funds Scheme (TUFS) launched by the Government of India was competitively complemented by select State Governments to encourage value addition and growth. The effect of such State policies would be visible in near future where one can expect larger textile cluster formation across the states.

The Indian textile industry derives its strength in the international arena with specialization in cotton based products. Internationally, textile industry is significantly centred for the man-made fibre products that has its own weaknesses. Cotton has been placed as a mark of comfort, hygiene and an elite class product. With the second largest production of cotton, continuous support through MSP mechanism to further enhance production of cotton in India, the Indian textile industry would continue to cement its position in international textile trade.

The growing young middle-class population is a source of great potential and provides immense opportunities to spur growth in the industry going forward. Cotton, emerging as a trendy wear and multiple applications in daily life, provides the requisite impetus to the domestic industry.

**INDIAN DENIM INDUSTRY**

Acceptance of denim as a fabric has registered perhaps the highest growth over the years in Indian textile scenario. While metro cities have led the growth in the past, with the larger potential penetration in tier-II and tier-III towns, the growth is expected to explode. The market is estimated to grow at CAGR above 15% over the base figure of USD 1.20 billion in 2011 till 2015.

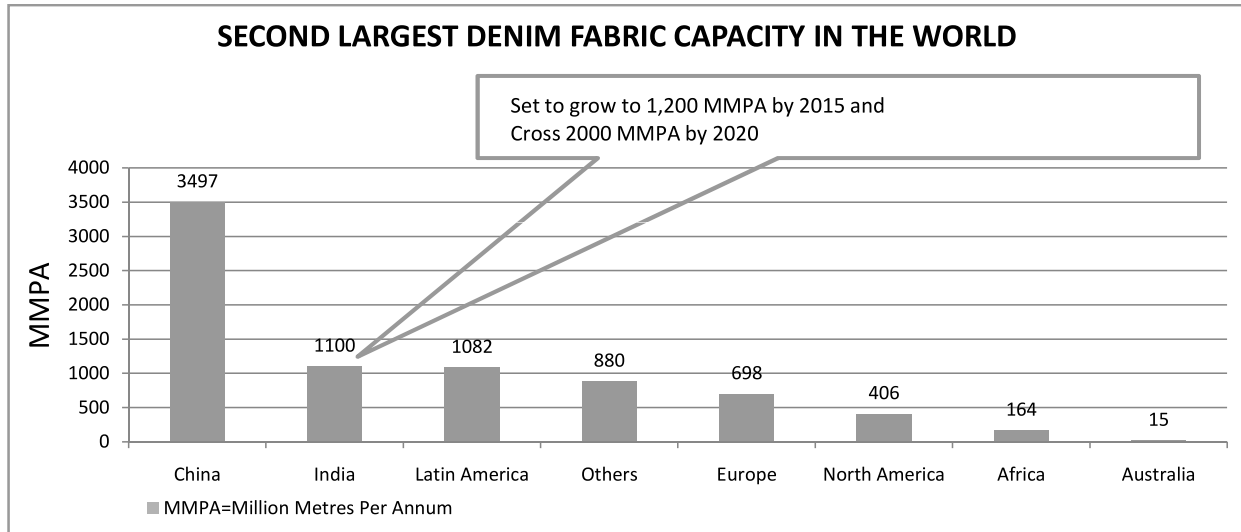
While denim story started elsewhere in the world as workwear, it started as a fashion statement of youth in India. It reflected the fashion statement, style quotient and comfort wear anywhere for the youth. With more than 70% of Indian population aging around 26 years and the median age remaining under 30 years even after 10 years, huge potential exist for denim, a fabric with the target Indian age bracket of 14-40 years.

Current share of male segment within denim wear is almost 75-80% with the female gender catching up faster than the growth registered in the male segment. 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 of the tier-II and tier-III towns, the denim availability would register requisite improvement leading to higher penetration. Multiple price-point strategy of branded jeans is further fueling the growth. With affordable availability of better fabrics to erstwhile deprive 90% of the Indian population, the segment is bound to register phenomenal growth.



According to International Cotton Advisory Committee (ICAC) statistics, India is the second largest in terms of denim fabric capacity in the world as depicted in the table.



The Indian denim apparel market has grown from Rs.72 bn in FY2011 to Rs.108 bn in FY2013 and is expected to expand to Rs.132 bn in FY2017. The Indian denim apparel market has been growing at a CAGR of 14%-15% which has fast outpaced the global denim apparel market growing at a CAGR of 3%-5%. The domestic denim apparel market has witnessed faster growth vis-à-vis export in terms of volume over a period of five years FY2009-FY2013.

In addition, India is the fourth largest exporter of denim fabrics in the world after China, Pakistan and Turkey. World trade in denim fabric averaged 670,000 tonnes over the past one decade, while in value terms, it fluctuated between \$3 bn and \$3.5 bn. India accounts for 5% of this trade. Of the total denim fabric produced in India, about 25%-30% (~200 MMPA) is exported. In recent times, fabrics exported from China have become costlier than those from India owing to multiple reasons including the Cotton Policy and Yuan disparity apart from the ever rising cost of power and manpower.

Owing to these factors, denim fabric manufactured in China costs \$2.6-\$2.65/metre compared with ~\$2.5/metre in India, making India a more lucrative destination for international buyers. 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 its denim fabric from India, as a favoured destination for RMG manufacturing has boosted India's exports. Owing to these factors, India's share in the world trade of denim fabric is expected to improve, benefitting domestic players.

## COTTON

Cotton is the key raw material used for manufacturing denim fabric. It is a seasonal commodity and production is heavily dependent on monsoon. India, under a normal monsoon condition remains a major source of cotton to the national consumers as well as International market. With production of cotton having stabilized around 37-38 million bales and domestic consumption to the tune of 30 million bales, the country is prepared to take advantage of any volatility in the commodity market. Any volatility in cotton market impacts the yarn manufacturers the most whereas the value added manufacturers are reasonably hedged due to the market conditions, i.e. non-commoditised product.

## MANAGEMENT PERCEPTION OF RISK AND CONCERN:

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 volatility. However, with value addition matrix, the impact is minimized in case of NDL. Having established one of the largest denim manufacturing facilities in India with a wider range of products in offering, the Company, over the period of time has developed competence to pass the costs and benefits arising out of climatic / cyclical volatility.

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

## NANDAN DENIM LIMITED

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.

Major threat perceived by the fabric processors include concern for water 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.

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. However, an excessive supply situation, if persisted for long period, can pose consolidation opportunities within the industry and the Company is geared for opportunist inorganic growth.

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 organization. The Company is not ruling out future expansions at geographically different locations to mitigate such risks.

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. Over the period of time, once export business expands, it could become a challenge that has relatively lesser implications as of now.

### FINANCIAL PERFORMANCE

Particulars	FY 2013-14 (Rs. in Crore)	Percentage	FY 2012-13 (Rs. in Crore)	Percentage
Sales and Revenue from Operations	893.75	—	703.12	—
Other Income	3.99	—	1.53	—
Total Revenue	897.74	—	704.65	—
Operating Profit before Interest, Depreciation, Tax and Amortization (OPBIDTA)	136.67	15.29	108.44	15.42
Finance Costs	32.03	3.58	31.76	4.52
Depreciation and Amortisation expense	49.73	5.56	40.92	5.82
Profit Before Tax	54.91	6.14	35.76	5.09
Profit After Tax	39.31	4.40	31.05	4.42

#### Revenue, Sales and Operating Income:

During FY2013-14, against the backdrop of a challenging business environment, the sales and revenue from operations and the total revenue of your Company increased by 27% over the previous year largely on account of improved scale of operations backed by continual capacity expansion on year on year basis. The revenue from operations grew at a CAGR of 24% over the past five years FY10-FY14. During the year under review, the denim fabric sale in the domestic market constitutes 91% whereas export sale constitute 9%.

**Operating Profit (OPBIDTA):**

During the year under review, the Operating profit before interest, depreciation, tax and amortization (OPBIDTA) increased by 27% over the previous year. The OPBIDTA grew at a CAGR of 24% over the past five years FY10–FY14.

**Finance Cost:**

The finance cost for the current financial year is Rs. 32.03 crore as against Rs. 31.76 crore for the previous financial year thus remaining at almost same level in absolute terms. The finance cost as a percentage to sales decreased by 93 bps at 3.58%. During the year, despite capacity expansion, your company succeeded in maintaining the finance cost as a result of prudent working capital management and improved Financial and Liquidity Position.

**Depreciation:**

Depreciation as a percentage to sales has registered a minor reduction of 16 bps during the current year.

**Profit Before Tax (PBT):**

Profit Before Tax for the year was Rs.54.91 crore as compared to Rs.35.76 crore in the previous year, reflecting 54% growth during the year consequent to higher operating profit.

**Net Profit After Tax (PAT):**

Net Profit After Tax stood at Rs.39.31 crore in the current financial year as compared to Rs.31.05 crore in the previous year registering a growth of 27% year-on-year and a CAGR growth of 36% over the past five years FY10–FY14. During the period under review, the cash profit of your company grew by 24% to Rs. 89.04 crore from Rs. 71.97 crore during the previous year.

**Earnings per Share (EPS):**

The basic and diluted EPS for the year is Rs. 8.63 per equity share with face value of Rs. 10 each as compared to Rs. 6.82 per equity share in FY13 registering a growth of 27%.

**Return on Capital Employed (ROCE) and Return on Equity (ROE):**

The ROCE and ROE of your Company as on March 31, 2014 stood at 14% and 20% respectively as compared to 13% and 18% during the same period as on March 31, 2013. The return ratios improved largely on account of better accretion of profits to reserves.

**Debt:**

The total debt (including due within one year and short term borrowing) of your Company as on March 31, 2014 stood at Rs. 445.29 crore as against Rs. 401.55 crore as on March 31, 2013. The increase in Total Debt is as a result of additional borrowing during the year for financing the Capital Expenditure. The Company has raised the debt under TUFS which entitles Interest Rate Subsidy to the extent of 5%. Your Company reports comfortable solvency position with Debt to Equity ratio and Overall Gearing ratio at 1.56 times and 2.06 times respectively as compared to 1.64 times and 2.19 times as on March 31, 2013. The improvement was largely on account of better accretion of profits to reserves.

**RESOURCES AND LIQUIDITY**

The Company continues to exert the best practices for working capital management with stress on positive cash flow. During the year, the Company generated positive cash flow from operations to the tune of Rs. 87.67 Crore (PY Rs. 56.44 Crore). Solid business model coupled with the requisite check and controls ensures a regular stream of positive cash flows to fuel future growth plans of the Company.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Internal Control System encompasses the policies, processes, tasks, behaviours and other aspects that facilitate effective and efficient operation, quality of internal and external reporting, compliance with applicable laws and regulations. NDL's objectives, its internal organization and the environment in which it operates are continuously evolving. In order to make its internal control effective and sound, the Company thoroughly and regularly evaluates the nature and extent of the risks to

## NANDAN DENIM LIMITED

which the Company is exposed. The operation and monitoring of the system of internal control has been taken by individuals who collectively possess the necessary skills, technical knowledge, objectivity, understanding of the Company, industries and markets in which it operates. The qualified, experienced and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them. The Company has a strong Management Information System which is an integral part of the control mechanism.

### HUMAN RESOURCE DEVELOPMENT

NDL aims to develop the potential of every individual associated with the Company as a part of its business goal. The current workforce breakdown structure has a good mix of youth and experience at all levels. Respecting the experienced and mentoring the young talent has been the bedrock for NDL's successful growth.

### RISK MANAGEMENT

The long term financial security and success of your Company is built on a robust risk management system. Through proactive and improved risk management practices, the Company's risk management function continuously works towards achieving financial stability and enhancing shareholder value. We have an Internal Risk Monitoring Committee that strives to put in place specific policies, frameworks and systems for effectively managing various risks. These policies and procedures are reviewed and updated at regular intervals. The day-to-day functioning is managed by the Risk Management Committee convened by the C.F.O., the primary driver for implementing the best industry practices. The risk management function works in close co-ordination with various business segments to periodically review the individual borrower relationships, identify early warning signs and assess the overall health of borrowers. The Company has implemented a comprehensive risk policy and put in place a framework to identify, assess and monitor risks, strengthen controls, improve customer service and minimize operating losses.

### FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which may be identified by their use of words like "plans", "expects", "anticipate", "believes", "estimates", "intends", "will", "projects" and "expected" and other similar expressions of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements and are based on certain assumptions and expectations of future events. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in these forward-looking statements. Readers are cautioned not to place undue reliance on these statements and the Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

**REPORT ON CORPORATE GOVERNANCE**

**I. Company's Philosophy on Corporate Governance:**

Effective corporate governance practices constitute the strong foundations on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and society at large.

Strong leadership and effective corporate governance practices have been the Company's hallmark and it has inherited these from the Chiripal culture and ethos. The Company continues to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader in denim market while upholding the core values of excellence, integrity, responsibility, unity and understanding, which are fundamental to the Chiripal Group of Companies. The Company believes in adopting the 'best practices' that are followed in the area of corporate governance.

The Company has a legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and other Directors on the Board. The Code is available on the Company's website. The Company is in compliance with the requirements stipulated under clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to the corporate governance.

**II. Board of Directors –**

- (i) As on March 31, 2014, the Company had five Directors with a Non-Executive Chairman. Out of five Directors, four (i.e. 80%) were Non-Executive Directors and three (i.e. 60%) were Independent Directors. The composition of the Board is in conformity with clause 49 of the Listing Agreements entered into with the Stock Exchanges.
- (ii) None of the Directors on the Board, is Member of more than ten Committees or Chairman of more than five Committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2014 have been made by the Directors.
- (iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2014 are given hereinbelow. Other directorships do not include alternate directorships, directorships of private limited companies, section 25 companies and of companies incorporated outside India. Chairmanships / Memberships of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

Name of Director	Category	Number of Board Meetings during the year 2013-14		Whether attended last AGM held on August 29, 2013	Number of Directorships in other public companies Including NDL		Number of committee positions held in other public companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. Vedprakash Chiripal(Chairman) DIN:00290454	NI – NE *	4	4	Yes	1	4	-	4
Mr. Brijmohan Chiripal (Managing Director) DIN:00290426	NI – E *	4	4	No	-	4	-	-
Mr. Tara Sankar Bhattacharya DIN:00157305	I – NE *	4	4	No	-	9	-	3
Mr. Ambalal Patel DIN:00037870	I – NE *	4	3	No	-	10	5	9
Mr. Gautam Gandhi# DIN:00049735	I – NE *	4	4	No	-	1	1	2

\* NI – Non Independent, NE – Non Executive, E – Executive, I – Independent

# Mr. Gautam Gandhi has resigned as Director w.e.f. August 8, 2014.

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(iv) Four Board 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, 2013; July 31, 2013; November 13, 2013 and February 4, 2014

Necessary quorum was present for all the meetings.

(v) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

(vi) During the year 2013-14, information as mentioned in Annexure 1A to clause 49 of the Listing Agreement has been placed before the Board for its consideration.

### III. Committees of the Board

#### A. Audit Committee

- i. The Audit Committee of the Company is constituted in line with the provisions of clause 49 of the Listing Agreements entered into with the Stock Exchanges read with section 292A of the Companies Act, 1956.
- ii. The terms of reference of the Audit Committee are broadly as under:
  - Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
  - Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of discussion.
  - Reviewing the financial statements and draft audit report, including the quarterly/half-yearly financial information.
  - Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
    - any changes in accounting policies and practices;
    - major accounting entries based on exercise of judgment by management;
    - qualifications in draft audit report;
    - significant adjustments arising out of audit;
    - the going concern assumption;
    - compliance with accounting standards;
    - compliance with stock exchanges and legal requirements concerning financial statements;
    - any related party transaction as per Accounting Standard 18.
  - Reviewing the Company's financial and risk management policies.
  - Disclosure of contingent liabilities.
  - Reviewing with the management, external and internal auditors, the adequacy of internal control system.
  - Reviewing the adequacy of internal audit function, including the audit charter, the structure of the internal audit department, approval of the audit plan and its execution; staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow-up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Looking into the reasons for substantial defaults in payments to the depositors, shareholders (in case of non-payment of declared dividends) and creditors.
  - Reviewing compliances as regards the Company's Whistle Blower Policy.
- iii. The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee.
- iv. The previous Annual General Meeting (AGM) of the Company was held on August 29, 2013 and was attended by Mr. Vedprakash Chiripal who was delegated powers by Mr. Ambalal Patel to act as Chairman of the Audit Committee in his absence.

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

Name	Category	Number of meetings during the year 2013-14	
		Held	Attended
Mr. Vedprakash Chiripal	Non-Independent, Non-Executive	4	4
Mr. Ambalal Patel	Independent, Non-Executive	4	3
Mr. Gautam Gandhi #	Independent, Non-Executive	4	4

# Mr. Gautam Gandhi has resigned as Director w.e.f. August 8, 2014 and in his place Mr. Tara Sankar Bhattacharya has been appointed as a member of Audit Committee.

- vi. Four Audit Committee meetings were held during the year. The dates on which the said meetings were held are as follows:

May 30, 2013; July 31, 2013; November 13, 2013 and February 4, 2014

Necessary quorum was present for all the meetings.

**B. Remuneration Committee:**

- i. The Company has a Remuneration Committee of Directors.
- ii. The broad terms of reference of the Remuneration Committee are as under:
- To approve the annual remuneration plan of the Company;
  - To approve the remuneration and commission / incentive payable to the Managing Director for each financial year;
  - To approve the remuneration and annual performance bonus payable to the Senior Executives of the Company for each financial year;
  - Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend / approve.
- iii. The composition of the Remuneration Committee and the details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2013-14	
		Held	Attended
Mr. Vedprakash Chiripal	Non-Independent, Non-Executive	1	1
Mr. Ambalal Patel	Independent, Non-Executive	1	1

- iv. The Company does not have any Employee Stock Option Scheme.

- v. Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Managing Director. Annual increments are decided by the Remuneration Committee within the salary scale approved by the members and are effective from April 1, each year. The Remuneration Committee decides the salary payable to the Managing Director out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company.

During the year 2013-14, the Company paid sitting fees of Rs. 5,000 and Rs. 20,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of committees of the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

iv. Details of the remuneration for the year ended March 31, 2014:

a. Non-Executive Directors:

Name	Sitting Fees
Mr. Vedprakash Chiripal	NIL
Mr. Tara Sankar Bhattacharya	80,000
Mr. Ambalal Patel	45,000
Mr. Gautam Gandhi #	60,000

# Mr. Gautam Gandhi has resigned as Director w.e.f. August 8, 2014.

b. Managing Director:

Name of Director and period of appointment	Salary (Rs. in lakh)	Benefits, perquisites and allowances (Rs. in lakhs)	Commission (Rs. in lakhs)
Mr. Brijmohan Chiripal Managing Director	60,00,000	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.

vi. Details of equity shares of the Company held by Directors as on March 31, 2014 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
Mr. Gautam Gandhi #	NIL

# Mr. Gautam Gandhi has resigned as Director w.e.f. August 8, 2014.

The Company has not issued any convertible debentures.

**C. Shareholders / Investors Grievance Committee:**

- The Company has a Shareholders / Investors Grievance Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc.
- Four meetings of the Shareholders / Investors Grievance Committee were held during the year on the below mentioned dates:  
May 30, 2013; July 31, 2013; November 13, 2013 and February 4, 2014
- The composition of the Shareholders / Investors Grievance Committee and the details of the meetings attended by its members are given below:

Name	Category	Number of meetings during the year 2013-14	
		Held	Attended
Mr. Vedprakash Chiripal	Non-Independent, Non-Executive	4	4
Mr. Ambalal Patel	Independent, Non-Executive	4	3
Mr. Gautam Gandhi #	Independent, Non-Executive	4	4

# Mr. Gautam Gandhi has resigned as Director w.e.f. August 8, 2014 and therefore Mr. Ambalal Patel has been appointed as Chairman of the Committee.



- iv. The Company has always valued its customer relationships. This philosophy has been extended to investor relationship and the Committee focuses on servicing the needs of various stakeholders viz., investors, analysts, brokers and the general public.
- v. Name, designation and address of Compliance Officer:  
Ms. Purvee Roy  
Company Secretary  
Nandan Denim Limited  
Corporate Office : Chiripal House, Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015.  
Tel.: 079-26734660/2/3, Fax: 079-26768656

- vi. Details of investor complaints received and redressed during the year 2013-14 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
NIL	NIL	NIL	NIL

**D. Other Committees:**

- i. Nominations Committee:

The Company has a Nominations Committee of Directors comprising of Mr. Vedprakash Chiripal and Mr. Brijmohan Chiripal.

The Nominations Committee is responsible for making recommendations regarding the composition of the Board and in this regard shall identify Independent Directors to be inducted to the Board and take steps to refresh the composition of the Board from time to time.

- ii. Technology Upgradation Committee:

The Company has a Technology Upgradation Committee of Directors comprising of Mr. Vedprakash Chiripal (Non-Independent, Non-Executive) and Mr. Tara Sankar Bhattacharya (Independent, Non-Executive).

The Technology Upgradation Committee is responsible for making recommendations regarding the improvements in technology and identify the technological constraints faced by the Company which in turn will contribute to increasing the productivity and income levels.

**IV. General Body Meetings:**

- i. General Meeting

- a. Annual General Meeting (AGM):

Financial Year	Date	Location	Time
2010-11	September 23, 2011	Survey No. 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405.	3.30 p.m.
2011-12	September 26, 2012	- As Above -	3.00 p.m.
2012-13	August 29, 2013	- As Above -	3.00 p.m.

- b. Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the year 2013-14.

- c. Court Convened Meeting of the equity shareholders:

No Court Convened Meeting of the members was held during the year 2013-14.

- ii. Postal Ballot:

No postal ballot was conducted during the year 2013-14.

- iii. Special Resolutions:

In the AGM held on September 23, 2011, 2 Special Resolutions were passed relating to consolidation of share capital and re-appointment of Managing Director.

In the AGM held on August 29, 2013, 1 Special Resolution was passed relating to change of name of the Company.

**V. Disclosures:**

- i. There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large.
- ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years 2011-12, 2012-13 and 2013-14 respectively: NIL

## NANDAN DENIM LIMITED

- iii. The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID to clause 49 of the Listing Agreements entered into with the Stock Exchanges:
  - a. The Company has set up a Remuneration Committee, details of which have been given earlier in this Report;
  - b. The statutory financial statements of the Company are unqualified;
  - c. The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.
- iv. Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of dematerialized shares held with NSDL and CDSL and physical shares.

### VI. Subsidiary Companies

The Company does not have any Subsidiary Company.

### VII. Means of communication

The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India which include Business Standard, Mint, Economic Times and Jansatta. The results are also displayed on the Company's website "www.nandan denim.com". A Management Discussion and Analysis Report is a part of the Company's Annual Report.

### VIII. General shareholder information

- i. Annual General Meeting:

Date	: September 15, 2014
Time	: 10.00 a.m.
Venue	: Lions Hall, Mithakhali Six Road, Nr. Nalanda Hotel, Ellisbridge, Ahmedabad-380006.

As required under clause 49(IV)(G)(i) of the Listing Agreements entered into with the Stock Exchanges, particulars of Directors seeking appointment / re-appointment at the forthcoming AGM are given in the Annexure to the Notice of the AGM to be held on September 15, 2014.

- ii. Financial Calendar:

Year ending	: March 31
AGM in	: September
Dividend Payment	: The final dividend, if declared, shall be paid / credited on September 22, 2014

- iii. Date of Book Closure / Record Date : As mentioned in the Notice of the AGM to be held on September 15, 2014.

- iv. Listing on Stock Exchanges : National Stock Exchange of India Limited (NSE)  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (east), Mumbai – 400 051  
: BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

- v. Stock Codes / Symbol : NSE – NDNL, BSE – 532641  
Listing Fees as applicable have been paid.

- vi. Corporate Identification Number : L51909GJ1994PLC022719

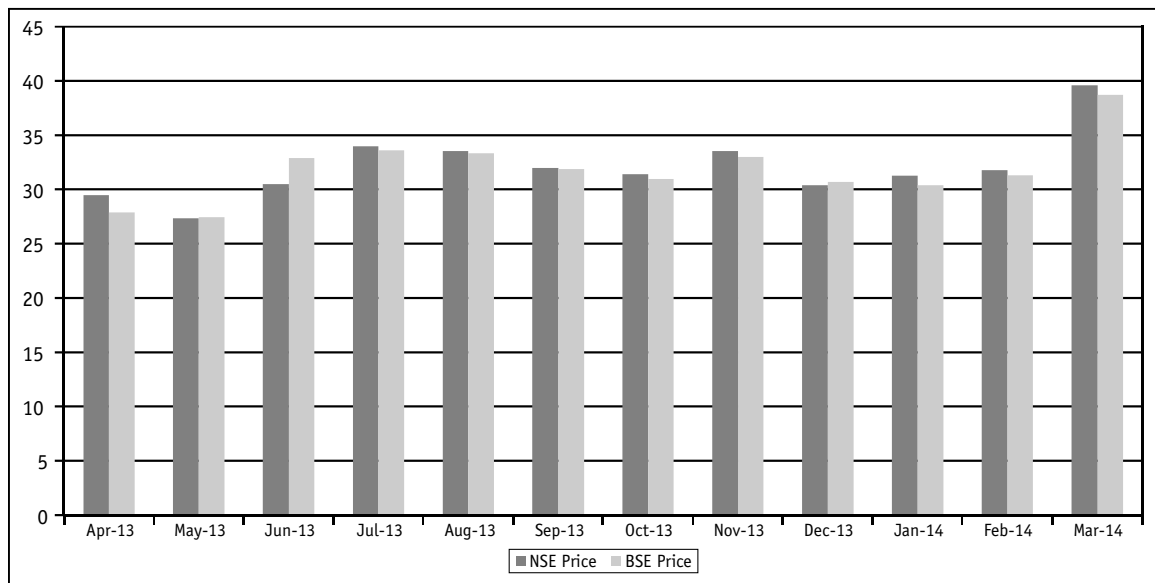
- vii. Dividend Policy : Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividend(s) to shareholders.

viii. Market Price Data:

High, Low (based on daily closing prices) during each month in the year 2013-14 on NSE and BSE:

Month	NSE		BSE	
	High	Low	High	Low
April 2013	29.50	21.65	27.90	24.40
May 2013	27.35	24.50	27.45	24.50
June 2013	30.50	27.30	32.90	27.30
July 2013	34.00	29.25	33.60	25.20
August 2013	33.55	27.70	33.35	28.10
September 2013	32.00	27.75	31.90	29.15
October 2013	31.40	26.75	30.95	26.75
November 2013	33.55	26.40	33.00	26.25
December 2013	30.40	27.10	30.70	26.50
January 2014	31.25	22.65	30.40	28.00
February 2014	31.80	26.70	31.30	28.00
March 2014	39.60	27.80	38.70	27.20

ix. Performance of the share price of the Company :



x. Registrars and Transfer Agents:

Name and Address : DATAMATICS FINANCIAL SERVICES LIMITED  
Plot No. B-5 Part B Cross Lane, MIDC Andheri (East), Mumbai-400093  
Phone : 022-6671 2151-2156  
Fax : 022-6671 2161  
Email : investorqry@dfssl.com

xi. Places for acceptance of documents:

Documents will be accepted at : DATAMATICS FINANCIAL SERVICES LIMITED  
Plot No. B-5 Part B Cross Lane, MIDC Andheri (East), Mumbai-400093  
Phone : 022-6671 2151-2156  
Fax : 022-6671 2161

xii. Share Transfer System:

99.97% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with DFSL at the before mentioned address.

## NANDAN DENIM LIMITED



Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary), under the authority of the Board, severally approve transfers, which are noted at subsequent Board Meetings.

### xiii. Shareholding as on March 31, 2014:

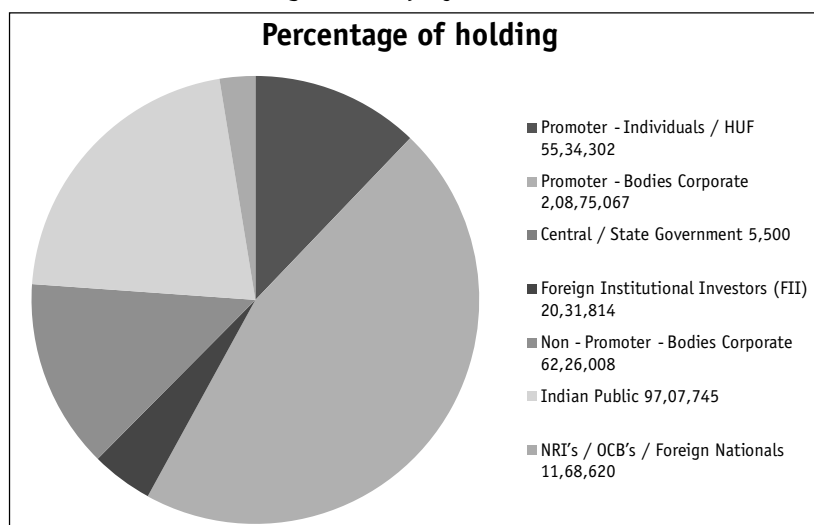
#### a. Distribution of equity shareholding as on March 31, 2014:

Shares Range	Holding	Percentage to capital	Number of Holders	Percentage to number of total Holders
1-500	3917989	8.60	33203	91.30
501-1000	1419897	3.12	1818	5.00
1001-2000	1067433	2.34	727	2.00
2001-3000	583545	1.28	232	0.64
3001-4000	285685	0.63	80	0.22
4001-5000	380183	0.84	81	0.22
5001-10000	855950	1.88	116	0.32
10001-50000	1463988	3.21	78	0.22
50001-99999999999	35574386	78.10	32	0.09
GRAND TOTAL	45549056	100.00	36367	100.00

#### b. Categories of equity shareholders as on March 31, 2014:

Category	Number of equity shares held	Percentage of holding
A. Promoters Holding		
Individuals / HUF	55,34,302	12.15
Bodies Corporate	2,08,75,067	45.83
B. Non Promoter Holding		
Central / State Government	5,500	0.01
Foreign Institutional Investors (FII)	20,31,814	4.46
Bodies Corporate	62,26,008	13.67
Indian Public	97,07,745	21.31
NRI's / OCB's / Foreign Nationals	11,68,620	2.57
<b>TOTAL</b>	<b>4,55,49,056</b>	<b>100.00</b>

Categories of equity shareholders



**xiv. Dematerialisation of shares and liquidity:**

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. NSDL and CDSL. Equity shares of the Company representing 99.97% of the Company's equity share capital are dematerialized as on March 31, 2014.

The Company's equity shares are regularly traded on NSE and BSE, in dematerialized form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE875G01030.

**xv.** The Company has not issued GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on March 31, 2014 the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**xvi.** Plant location:

In view of the Company's business viz. manufacture of denim, the Company operates from various offices in India and abroad. The Company has a manufacturing facility at Survey No. 198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405.

**xvii.** Address for correspondence:

Nandan Denim Limited  
Corporate Office : Chiripal House, Near Shivranjani Cross Roads, Satellite, Ahmedabad – 380 015.  
Telephone:079-26734660/2/3  
Designated email address for Investor Services: cs.ndl@chiripalgroup.com  
Website: www.nandandenim.com

**Whistle Blower Policy:**

As a conscious and vigilant organisation, NDL believes in the conduct of affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employees a secure and fearless working environment, NDL has established the 'Whistle Blower Policy'. The purpose of the Policy is to establish a mechanism which provides a framework and avenue for all directors, employees, business associates and all other stakeholders for reporting instances of unethical/improper conduct in good faith of the company and commitment in adhering to the standards of ethical, moral and fair business practices. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism.

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**C.E.O.'s DECLARATION ON CODE OF CONDUCT**

To,  
The Members  
Nandan Denim Limited  
Ahmedabad

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Other Directors. This Code is available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2014, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive Vice President cadre and the Company Secretary as on March 31, 2014.

May 30, 2014

**Deepak Chiripal**  
Chief Executive Officer

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. CSR is about capacity building for sustainable livelihoods. With the same objectives, the Chiripal Group gave birth to the Chiripal Charitable Trust. The CSR activities of the group are guided by the vision and philosophy of the Chairman, Mr. Vedprakash D. Chiripal, who got the inspiration from his parents. He enunciated the value of trusteeship in business and laid strong foundation for its ethical and value based functioning.

As a responsible “Corporate Citizen”, the group is engaged in various social welfare activities. Through its social commitment, it intends to promote initiatives, for the educational and health awareness amongst the weaker sections of the society. Every year on Managing Director’s birthday, the annual blood donation is organized with the support of Prathma blood center, at the corporate office and all over the group units, where thousands of units of blood is collected, through voluntary donation and active participation of our staff members and workers. With addition to this, as a regular practice, the trust and the companies run employee welfare schemes to help the employees and their families.

Every year, as the pilgrims of Dakor temple pass through Dakor, the trust organizes a rest camp for them. Hot water bath, massages and meals are served to over 10-12 lakh pilgrims.

Shanti Educational Initiatives Ltd (SEIL), the education wing of Chiripal Group, has been established with an objective of bringing about a change in academic content, curriculum and methodology through extensive research by the country’s best academicians as well as to bridge deficiency gaps. With the conception of SEIL, the group has made the necessary developments in the educational field, starting from pre-school education, going right up to post graduation. In 2009, it launched Shanti Asiatic School followed by Shanti Juniors, a chain of pre-schools. It went on to establish Shanti Business School in the field of management studies and further established Shanti Communication School, in the field of communication, media and business studies. SEIL also established Hopskotch, a premium pre-school in order to bring elite education to India. In 2013, SEIL introduced a multifaceted Undergraduate Program with 70+ specializations and aims at imparting an integrated knowledge of BBA+BCA+BCom domains altogether, which is the first of its kind in India.

Prayaas is a students’ initiative of Shanti Asiatic School where the students are given a chance to relish the joy through sharing with the under privileged, the elderly abandoned at old age homes and with those affected by natural disasters. This student of grade I and II felt blessed as grandparents from Old Age Home, Ambli visited SAS and shared their experience with them. The students of grade VII and VIII were fortunate to get the opportunity of serving the underprivileged children of the society. SAS backed the State Government’s strong stance towards Gutkha by banning it across the state. More than 150 students of grade VII and VIII carried out street plays. Students performed these plays at Himalaya Mall and Big Bazaar in Ahmedabad.

At Shanti Juniors, the kids were taken to the old age home and were taught the importance of elders in their lives. The kids also had a visit to orphanage and Blind People Association. Protest/Rallies were also done by SJ on various occasions where they were taught to stand and express their objection by words or action for any immoral, incorrect, unethical incident, situation, policies or events in life.

Co-operating and aligning its belief of Corporate Citizenship, Shanti Business School continuously engages in doing their bit for the society. The students of BBA program of Shanti Business School initiated an educational camp where they taught the basics of education to the slum kids of neighbourhood. The slum kids were also provided books, materials and dresses which can assist them in studies and keeps them motivated. The students of Shanti Communication School celebrated their Christmas with the kids who are cancer patients of Civil Hospital at Gujarat Cancer Society. Further, the group engages itself in sponsoring schemes for under-privileged children. Also, it donates and helps them for their medical and other educational requirements. With the same intention, the group has also provided employment to a lot of villagers of Shela, who live around its educational institutions. Continuously striving and making its humble contributions to the society and its betterment, the Chiripal Group stands as a proud corporate citizen.

**AUDITORS' CERTIFICATE OF CORPORATE GOVERNANCE**

To,  
The Members  
Nandan Denim Limited,

We have examined the compliance of conditions of Corporate Governance by Nandan Denim Limited, for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreements.

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

**FOR J. T. SHAH & COMPANY**  
*Chartered Accountants*  
(FRN No. 109616W)

**(J. T. SHAH)**  
*Partner*  
[M. No. 3983]

Place : Ahmedabad  
Date : May 30, 2014

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members of  
**NANDAN DENIM LIMITED**  
**(FORMERLY KNOWN AS NANDAN EXIM LIMITED)**  
Ahmedabad

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of **NANDAN DENIM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year on that date annexed thereto (herein after referred to as financial statements), and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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. Auditors' Responsibility-**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2014;
- 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- ii. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**FOR J. T. SHAH & COMPANY**

*Chartered Accountants*  
[FRN No. 109616W]

**(J. T. SHAH)**

*Partner*

[M. No. 3983]

Place : Ahmedabad

Date : 30/05/2014

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 5 (i) of our Report of even date to the Members of **NANDAN DENIM LIMITED** for the year ended 31<sup>st</sup> March, 2014.

**1. In respect of Fixed Assets:**

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- 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 has physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the records.
- c. As per information and explanation given to us, the disposal of assets during the year would not affect the going concern status of the Company.

**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 recorded were not material.

**3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.**

- a. During the year under audit, the company has not taken any loan, secured or unsecured from Companies, Firm or Other Parties covered in the register maintained under section 301 of the Companies Act, 1956 hence clause 4 (iii) (a), (iii) (b), (iii) (c) and (iii) (d) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- b. There are Two parties covered in the register maintained under section 301 of the Companies Act, 1956 from whom the company has taken loans. The maximum amount involved during the year was Rs. 8,58,50,000/- and the year-end balance of loans taken from such parties was Rs. 8,58,50,000/-.
- c. In our opinion and according to the information and explanations given to us, in case of loans taken during the year, the rates of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the company.
- d. In respect of loans taken by the company, the company has taken interest free loans and hence question of payment of interest does not arise. Since, during the year the Company was not required to make repayment of any loan, the question of regularity in repayment of principle doesn't arise.

**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 weakness has been noticed in the internal controls.**

**5. In respect of contracts or arrangements covered under Section 301 of the Companies Act, 1956:**

- a. Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act, that need to be entered into the register maintained under section 301 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 of the Act, in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

**6. The company has not accepted any deposits from public during the year under review.**

**7. In our Opinion, the Company has internal audit system commensurate with size and nature of its business.**

**8. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Accounting Records) Rule, 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 and are of**



the opinion that prime facie the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9. In respect of Statutory Dues:
  - a. According to the records of the company, by and large the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor education and protection fund, Employee's state Insurance, excise duty, custom duty, Tax deducted at Source, Tax Collected at Source, Professional tax, service tax, cess, Income tax and other Statutory dues applicable to it.
  - b. According to the information and explanation given to us, no undisputed amount payable in respect of Income tax, sales tax, custom duty, Service tax, excise duty and other material statutory due in arrears as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
  - c. On the basis of our examination of the records and explanation provided to us, there are no disputed statutory dues which have not been deposited with the appropriate authorities;
10. 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.
11. Based on our audit procedure and according to the information & explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to banks.
12. Based on our examination of documents and records and information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/Societies are not applicable to the Company. Therefore, clause (xiii) of para 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company.
14. The Company is not dealing or trading in shares, securities, debentures or other investments and hence, the requirements of clause (xiv) of para 4 are not applicable to the Company.
15. 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 there of in our opinion are not prima facie prejudicial to the interest of the company.
16. In our opinion, and according to the information and explanations given to us, on overall basis, the term loans have been applied for the purpose for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, in our opinion and according to the information and explanations given to us, no funds raised on a short term basis have been used for long-term purposes.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
19. During the year, the company has not issued any debentures.
20. During the year, the company has not raised any money by way of public issue.
21. To the best of our knowledge and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**FOR J. T. SHAH & COMPANY**  
*Chartered Accountants*  
[FRN No. 109616W]

Place : Ahmedabad  
Date : 30/05/2014

**(J. T. SHAH)**  
*Partner*  
[M. No. 3983]

**BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Note No.	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>[1] Shareholders' Funds :</b>			
[a] Share Capital	2	455,490,560	455,490,560
[b] Reserves & Surplus	3	1,709,571,257	1,380,421,017
		<b>2,165,061,817</b>	<b>1,835,911,577</b>
<b>[2] Non-Current Liabilities :</b>			
[a] Long Term Borrowings	4	2,807,045,490	2,650,861,776
[b] Deferred Tax Liabilities (Net)	5	215,707,357	175,167,198
[c] Long-term Provisions	6	Nil	241,938
		<b>3,022,752,847</b>	<b>2,826,270,912</b>
<b>[3] Current Liabilities</b>			
[a] Short-term borrowings	7	1,078,315,290	1,003,890,250
[b] Trade Payables	8	576,354,495	458,042,739
[c] Other Current liabilities	9	1,009,023,283	585,897,973
[d] Short term Provisions	6	65,522,270	64,367,922
		<b>2,729,215,338</b>	<b>2,112,198,884</b>
<b>Total .....</b>		<b>7,917,030,002</b>	<b>6,774,381,372</b>

**ASSETS :**

**[1] Non-Current Assets**

[a] Fixed Assets :			
[i] Tangible Assets	10	4,521,468,776	3,408,171,739
[ii] Intangible Assets	10	2,015,089	3,772,124
[iii] Capital Work in Progress		Nil	540,615,277
		<b>4,523,483,865</b>	<b>3,952,559,140</b>
[b] Non-Current Investments	11	41,636,034	3,675,506
[c] Long-term loans and Advances	12	5,830,018	144,122,967
[d] Other non-current assets	13	117,453,393	30,150,000
		<b>4,688,403,310</b>	<b>4,130,507,613</b>

**[2] Current Assets**

[a] Inventories	14	1,385,041,532	1,197,608,926
[b] Trade receivables	15	1,214,164,381	911,749,629
[c] Cash & Bank Balances	16	260,727,294	199,281,503
[d] Short term Loans and advances	12	368,693,485	335,233,702
		<b>3,228,626,692</b>	<b>2,643,873,760</b>
<b>Total .....</b>		<b>7,917,030,002</b>	<b>6,774,381,372</b>

Significant Accounting Policies

1

Notes forming part of Financial Statements

2 to 44

As per our report of even date attached herewith

For and on behalf of the Board

For, **J. T. SHAH & COMPANY**

CHARTERED ACCOUNTANTS

(Registration No.109616W)

**Vedprakash D. Chiripal**  
Chairman

**Brijmohan D. Chiripal**  
Managing Director

**J.T. SHAH**

Partner

[M.No.3983]

Place : Ahmedabad

Date : 30/05/2014

**Purvee D. Roy**  
Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED AS ON 31ST MARCH, 2014**

Particulars	Note No.	Year ended 31/03/2014 (Rs.)	Year ended 31/03/2013 (Rs.)
<b>INCOME</b>			
Revenue from Operations	17	<b>8,937,519,936</b>	7,031,208,492
Other Income	18	<b>39,892,856</b>	15,265,195
<b>Total Revenue</b>		<b>8,977,412,792</b>	<b>7,046,473,687</b>
<b>EXPENDITURE</b>			
Cost of materials consumed	19	<b>4,776,441,996</b>	4,634,349,139
Purchase of Stock in Trade	20	<b>1,593,851,824</b>	620,370,287
Change in Inventories of Finished Goods, Work in Process and Stock in Trade	21	<b>(121,746,241)</b>	(375,856,230)
Employee Benefits Expense	22	<b>310,399,591</b>	254,424,941
Finance Costs	23	<b>320,305,161</b>	317,626,811
Depreciation and Amortisation expense	10	<b>497,271,030</b>	409,174,035
Other Expenses	24	<b>1,051,793,089</b>	828,788,565
<b>Total Expenses</b>		<b>8,428,316,450</b>	<b>6,688,877,548</b>
<b>Profit before exceptional and extraordinary item and Tax</b>		<b>549,096,343</b>	357,596,138
Exceptional Items		<b>Nil</b>	Nil
<b>Profit before Tax</b>		<b>549,096,343</b>	357,596,138
<b>Less : Tax expense:</b>			
- Current Tax		<b>115,457,800</b>	74,610,000
- Deferred Tax		<b>40,540,159</b>	(27,546,012)
<b>Profit for the year</b>		<b>393,098,384</b>	<b>310,532,150</b>
Basic & diluted earnings per share of face value of Rs.10 each	<b>37</b>	<b>8.63</b>	6.82
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  
(Registration No.109616W)

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

Place : Ahmedabad  
Date : 30/05/2014

For and on behalf of the Board

**Vedprakash D. Chiripal**  
Chairman

**Brijmohan D. Chiripal**  
Managing Director

**Purvee D. Roy**  
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2014

(Amount in Rs.)

	31-03-2014	31-03-2013
<b>A Cash from Operating Activity</b>		
<b>Net Profit Before Tax from Continuing Operation</b>	<b>549,096,343</b>	<b>357,596,139</b>
	<b>549,096,343</b>	<b>357,596,139</b>
Non Cash Adjustment to reconcile profit before tax to net cash flows		
Depreciation	497,271,030	409,174,035
Bad Debts Written Off	2,129,558	-
(Profit)/Loss on sale of fixed assets (net)	(11,933,276)	109,465
(Profit)/Loss From Sale Of Investments	(2,321,631)	(401,884)
Interest Received	(24,981,662)	(12,983,071)
Reversal of Dimunation in Value of Investments	-	-
Loss due to Fire	-	-
Provision for doubtful Advances	-	5,468,701
Provision for doubtful Deposits	-	2,254,428
Provision for Doubtful debts	(2,129,558)	6,352,461
	<b>458,034,461</b>	<b>409,974,135</b>
Dividend Income	(28,800)	(60,000)
Interest and Finance Charges	320,305,161	317,626,811
	<b>320,276,361</b>	<b>317,566,811</b>
Adjustment for Movements in Working Capital:		
Increase/(decrease) in trade Payable	118,311,758	113,307,943
Increase/(decrease) in long-term Provision	(241,938)	241,938
Increase/(decrease) in short-term Provision	2,084,026	(56,054)
Increase/(decrease) in other current liability	39,293,145	55,270,943
Increase/(decrease) in other long-term liability	-	-
Decrease/(increase) in trade receivable	(302,414,755)	(223,362,059)
Decrease/(increase) in inventories	(187,432,606)	(213,453,705)
Decrease/(increase) in long term loans and advances	(1,007,167)	-
Decrease/(increase) in short term loans and advances	(33,309,652)	(158,053,875)
Decrease/(increase) in other current assets	-	-
Decrease/(increase) in other non-current assets	-	320,273
	<b>(364,717,189)</b>	<b>(425,784,596)</b>
<b>CASH GENERATED FROM OPERATIONS</b>	<b>962,689,976</b>	<b>659,352,489</b>
Direct Taxes paid	(85,941,213)	(94,945,100)
	<b>(85,941,213)</b>	<b>(94,945,100)</b>
<b>NET CASH FLOW FROM OPERATIONS</b>	<b>876,748,764</b>	<b>564,407,389</b>
<b>B Cash flow from investing activities</b>		
Purchase of Fixed Assets (Incl. WIP)	(856,860,533)	(1,359,536,875)
Sale of Fixed Assets	35,277,262	30,834,604
Purchase of non-current Investments	(38,138,500)	(999,900)
Margin Money Deposit made	(287,350,876)	(164,694,482)
Margin Money Deposit withdrawal	180,509,670	28,713,702
Sale of of non-current Investments	2,499,603	504,518
Interest Received	26,359,336	8,462,571
Dividend Income	28,800	60,000
	<b>(937,675,238)</b>	<b>(1,456,655,862)</b>
<b>NET CASH USED IN INVESTING ACTIVITY</b>	<b>(937,675,238)</b>	<b>(1,456,655,862)</b>
<b>C Cash flow from financing activities</b>		
Long Term Borrowing Taken during the year	767,376,813	1,144,793,601
Long Term Borrowing Paid during the year	(340,262,585)	(313,917,246)
Short Term Borrowing Taken During the year	74,425,039	331,203,457
Short Term Borrowing Paid During the year	-	-
Share Capital	-	-
Interest paid	(303,991,717)	(325,113,845)
Share Application money refunded	-	(70,261)
Dividend paid on Equity Shares (Incl. Dividend Tax)	(94,713,099)	(52,176,761)
	<b>102,834,452</b>	<b>784,718,943</b>
<b>NET CASH USED IN FINANCING ACTIVITY</b>	<b>102,834,452</b>	<b>784,718,943</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>41,907,978</b>	<b>(107,529,529)</b>
Cash and cash equivalent Opening Balance	18,771,833	126,301,364
Cash and cash equivalent Closing Balance	60,679,811	18,771,833
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>41,907,978</b>	<b>(107,529,530)</b>

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.
- => The Current Account balance includes Rs.1,988,807/- (P.Y. Rs.779,692/-) towards Unclaimed dividend and Rs.125,704/- (P.Y. Rs.125,704/-) towards Unclaimed Rights Issue Refund which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such account.

As per our report of even date attached herewith

For and on behalf of the Board

For, **J. T. SHAH & COMPANY**

CHARTERED ACCOUNTANTS  
(Registration No.109616W)

**Vedprakash D. Chiripal**  
Chairman

**Brijmohan D. Chiripal**  
Managing Director

**J.T. SHAH**

Partner  
[M.No.3983]

Place : Ahmedabad  
Date : 30/05/2014

**Purvee D. Roy**  
Company Secretary

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rule, 2006 issued by the Central Government in exercise of the power conferred under sub-section ( I ) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act'). The accounts are prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used 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 and EPCG claims on capital goods are accounted for by reducing the cost of capital goods.

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 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.

The gain or loss arising on the disposal or retirement 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 at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, 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.

**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.

**2 Share Capital**

	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
[a] Authorised :		
50000000 (Previous Year 50000000) Equity Shares of Rs. 10/- (P.Y. Rs. 10/-) each	500,000,000	500,000,000
[b] Issued, Subscribed & Paid-up Capital :		
45549056 (Previous Year 45549056) Equity Shares of Rs. 10/- (P.Y. Rs. 10/-) each fully paid up	455,490,560	455,490,560
<b>Total .....</b>	<b>455,490,560</b>	<b>455,490,560</b>

Refer Note Number 37 for details of basic and diluted shares

The company has only one class of shares referred to as equity shares having face value of Rs.10/-. Each holder of one share is entitled to one vote per share.

During the year ended on 31st March, 2014, the Company has recommended Dividend of Rs. 0.60/- (P.Y. Rs. 1.20/-) per share as distributions to Equity Share holders. An interim dividend of Rs. 0.60/- per share was declared at the meeting of the Board of Directors held on 4th February, 2014 and the same has been paid (P.Y. Rs. Nil).

The Company declares and pays dividends in Indian Rupees. The Final dividend proposed by the Board of Director is subject to the approval of shareholders in 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 31/03/2014 and 31/03/2013 is set out below.

Name of Shareholder	As at 31/03/2014		As at 31/03/2013	
	No. of Shares	% held	No. of Shares	% held
Chiripal Industries Ltd.	11844270	26.00%	11844270	26.00%
Chiripal Exim LLP	7008979	15.39%	7008979	15.39%
Brijmohan D. Chiripal	2780000	6.10%	2780000	6.10%

The Reconciliation of the number of shares outstanding and the amount of share capital as at 31/03/2014 & 31/03/2013 is set out below

Particulars	As at 31/03/2014		As at 31/03/2013	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares at the beginning of Face Value of Rs. 10 (P.Y.. Rs.10)	45549056	455,490,560	45549056	455,490,560
Addition in Number Equity Shares of Rs.10	Nil	Nil	Nil	Nil
Deduction in Number of Equity Shares of Rs.10	Nil	Nil	Nil	Nil
Shares at the end of Face Value of Rs. 10	45549056	455,490,560	45549056	455,490,560

Aggregate No.of 151830188 Shares of Face Value of Rs.1 were (Now reduced to 15183019 Shares of Rs.10) issued in the year 2006-07 as Bonus.

3 Reserves & Surplus

	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
<b>Security Premium Reserve</b>		
Balance as per last financial Statement	362,833,156	362,833,156
Closing Balance	<b>362,833,156</b>	<b>362,833,156</b>
<b>General Reserve*</b>		
Balance as per last financial Statement	43,312,971	35,512,971
Add. : Transfer from Statement of Profit and Loss	10,000,000	7,800,000
Closing Balance	<b>53,312,971</b>	<b>43,312,971</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial Statement	974,274,890	735,490,882
Add : Profit for the year	393,098,384	310,532,150
<b>Less: Appropriations</b>		
Transferred to General Reserve	10,000,000	7,800,000
Interim Dividend	27,329,434	Nil
Tax on interim Dividend	4,644,638	Nil
Proposed Final Dividend	27,329,434	54,658,868
Tax on Proposed Final Dividend	4,644,638	9,289,275
	73,948,144	<b>71,748,143</b>
Closing Balance	<b>1,293,425,130</b>	<b>974,274,890</b>
<b>Total .....</b>	<b>1,709,571,257</b>	<b>1,380,421,017</b>

\* General reserve is created out of profit in accordance with Companies (Transfer of Profit to Reserve) Rule, 1975 and is distributable in accordance with Companies(Distribution of dividend out of Reserve) Rules 1975.

4 Long Term Borrowings

	Non-Current		Current	
	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
Term Loan - From Banks *	1,681,993,106	1,659,206,990	381,312,500	359,123,924
[Indian rupee loan from Banks)				
Buyers Credit Arrangements **	1,036,944,218	738,150,417	Nil	Nil
Corporate Loan From Bank ***	Nil	249,856,544	249,082,008	Nil
Borrowing From Related Party ****	85,850,000	Nil	Nil	Nil
Vehicle Loans *****	2,258,167	3,647,825	1,242,922	1,582,992
	<b>2,807,045,490</b>	<b>2,650,861,776</b>	<b>631,637,430</b>	<b>360,706,916</b>
<b>The above amount Includes</b>				
Secured Borrowings	2,721,195,490	2,650,861,776	631,637,430	360,706,916
Unsecured Borrowings	85,850,000	Nil	Nil	Nil
Amount disclosed under the head 'Other Current Liabilities' (Note No. 9)	Nil	Nil	(631,637,430)	(360,706,916)
<b>Total .....</b>	<b>2,807,045,490</b>	<b>2,650,861,776</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 180 days carry an interest rate ranging between in case of 6ML Libor+48 basis points to 6ML Libor+200 basis points.

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

\*\*\*\* Borrowing from related party do not carry any Interest.

\*\*\*\*\* 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 Rs.)

Particulars	Upto 1 year	2 to 4 Years	5 to 7 years	More than 8 years
Term Loan Repayments	381,312,500	1,320,994,000	917,374,000	480,569,324

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

- \*\*\* Corporate Loans is repayable in Monthly installments as follows:-

(Amount in Rs.)

Particulars	Upto 1 year	2 to 4 Years	5 to 7 years
Corporate Loan Repayment	249,082,008	Nil	Nil

- \*\*\*\* Borrowing from related parties to be repaid of F.Y. 2015-16.

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

(Amount in Rs.)

Particulars	Upto 1 year	2 to 4 Years	5 to 7 years
Vehicle Loans Repayments	1,242,922	2,258,167	Nil

**5 Deferred Tax**

	Current	
	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
<b>Deferred Tax Assets arising out of timing difference relating to :</b>		
Allowance under Income Tax Act, 1961 in succeeding years (Amount Allowable under Provisions of the Income Tax Act, 1961 in subsequent years)	71,602,581	8,089,034
<b>Total Deferred Tax Assets</b>	<b>71,602,581</b>	<b>8,089,034</b>
<b>Deferred Tax Liability arising out of timing difference relating to :</b>		
Difference of Depreciation as per Tax Provision and Company Law	287,309,938	183,256,232
<b>Total Deferred Tax Liability</b>	<b>287,309,938</b>	<b>183,256,232</b>
<b>Net Deferred Tax</b>	<b>215,707,357</b>	<b>175,167,198</b>

**6 Provisions**

	Non-Current		Current	
	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
Provisions for employee benefits				
For Gratuity	Nil	7,248,115	11,355,971	1,495,351
Less : Plan Assets	Nil	(7,006,177)	(9,330,608)	(155,4014)
	Nil	241,938	2,025,363	(58,663)
Less: Transfer to other Non Current Asset (Note No.13)	Nil	Nil	Nil	Nil
	Nil	241938	2,025,363	(58663)
Proposed Dividend	Nil	Nil	27,329,434	54,658,868
Provision for Tax on Proposed Dividend	Nil	Nil	4,644,638	9,289,275
Provision for Taxation	Nil	Nil	115,457,800	58,200,000
Less : Advance Tax and TDS	Nil	Nil	(83,934,965)	(57,721,558)
	Nil	Nil	31,522,835	478,442
<b>Total .....</b>	<b>Nil</b>	<b>241938</b>	<b>65522270</b>	<b>64,367,922</b>

**7 Short-term borrowings**

	Current	
	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
Working Capital Loan from Banks@	1,078,315,290	1,003,890,250
	<b>1,078,315,290</b>	<b>1,003,890,250</b>
<b>The above amount Includes</b>		
Secured Borrowings	1,078,315,290	1,003,890,250
Unsecured Borrowings	Nil	Nil
<b>Total .....</b>	<b>1,078,315,290</b>	<b>1,003,890,250</b>

**Security :**

@ 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 guaranteed by some of the Directors.

**8 Trade payables**

	Current	
	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
Micro, Small and Medium Enterprises @	Nil	Nil
Others	576,354,495	458,042,739
@ 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>576,354,495</b>	<b>458,042,739</b>

**9 Other Current Liabilities**

	As at 31/03/2014 Rs.	Current As at 31/03/2013 Rs.
Current Liabilities of long term borrowings (Note No. 4)	631,637,430	360,706,916
Creditors for Capital Goods	167,810,630	72,431,539
Creditors for Expenses	83,490,129	52,884,066
Advance received from customers	55,847,658	52,789,858
Interest accrued and due on borrowings	28,845,251	12,531,806
Salary & Wages Payable	30,150,519	21,529,527
Unclaimed dividend @	1,988,808	779,692
Unclaimed Share Application Money @	125,704	125,704
Other payables	551,674	2,393,787
Other Statutory dues	8,575,480	9,725,078
<b>Total .....</b>	<b>1,009,023,283</b>	<b>585,897,973</b>

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

**10 FIXED ASSETS**

**(Amount in Rs.)**

Cost Of Valuation	TANGIBLE ASSETS							INTANGIBLE ASSETS		
	Land-Lease Hold/ Free Hold	Buildings	Plant & Machinery	Furniture & Fixtures	Computers	Vehicles	Office Equipment	Total Tangible Assets	Licence & Software	Total Intangible Assets
<b>01.04.2012</b>	23,284,992	888,553,453	3,371,347,685	13,249,404	9,774,350	15,120,521	6779153.25	4,328,109,558	17,816,763	17,816,763
Addition		111,454,282	717,590,637	1,988,749	1,056,931	1,754,851	4450214	838,295,663		
Disposal		(4,668,170)	(3,622,500)			(301,280)		(8,591,950)		
Other Adjustment*			(23,620,482)					(23,620,482)		
<b>At 31.03.2013</b>	23,284,992	995,339,566	4,061,695,340	15,238,153	10,831,281	16,574,092	11,229,367	5,134,192,790	17,816,763	17,816,763
Addition		257,880,512	1,363,368,262	3,840,917	3,587,133	635,430	2377241	1,631,689,495	465522	465,522
Disposal		-	(79,828,414)					(79,828,414)		
Other Adjustment*								-		
<b>At 31.03.2014</b>	23,284,992	1,253,220,078	5,345,235,187	19,079,070	14,418,413	17,209,522	13,606,608	6,686,053,870	18,282,285	18,282,285
<b>Depreciation</b>										
<b>01.04.2012</b>		106,889,431	1,196,154,984	4,993,365	7,302,684	3,773,300	1790369.864	1,320,904,135	11,255,882	11,255,882
Change for the year		30,573,620	372,002,302	821,448	1,122,415	1,472,542	392952	406,385,278	2,788,757	2,788,757
Disposal		(780,439)	(61,572)			(131,815)		(973,826)		
Other Adjustment					(294,537)			(294,537)		
<b>At 31.03.2013</b>	-	136,682,612	1,568,095,714	5,814,813	8,130,563	5,114,027	2,183,322	1,726,021,051	14,044,639	14,044,639
Change for the year		37,710,194	453,145,179	974,537	1,021,413	1,603,905	593,243	495,048,471	2,222,558	2,222,558
Disposal			(56,484,428)					(56,484,428)		
Other Adjustment								-		
<b>At 31.03.2014</b>	-	174,392,806	1,964,756,466	6,789,350	9,151,976	6,717,931	2,776,565	2,164,585,094	16,267,196	16,267,196
<b>NET BLOCK</b>										
<b>AS AT 31.3.2013</b>	23,284,992	858,656,954	2,493,599,625	9,423,340	2,700,718	11,460,065	9,046,045	3,408,171,739	3,772,124	3,772,124
<b>AS AT 31.3.2014</b>	23,284,992	1,078,827,272	3,380,478,721	12,289,720	5,266,437	10,491,591	10,830,043	4,521,468,776	2,015,089	2,015,089

\*Note: Other Adjustment includes a sum of Rs. Nil (P.Y. Rs. 23,620,482/-) towards various subsidies received, which are hereto decapitalised by the Company.

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## 11 Non current investments



	As at 31/03/2014 Rs.	Current As at 31/03/2013 Rs.
<b>Investment in Equity Shares (Quoted) [Non-Trade]</b>		
(1) 64000 (Previous year 128000) Equity Shares of CIL Nova Petrochemicals Ltd. of Rs. 10/- (Previous year Rs. 5/-) each received on consolidation of Face Value from Rs.5/- to Rs.10/-	1,920,000	1,920,000
(2) 7000 (Previous year 13000) Equity Shares of UCO Bank Ltd.of Rs. 10/- each	102,634	190,606
	<b>2,022,634</b>	<b>2,110,606</b>
<b>Investment in Equity Shares (Unquoted) [Non-Trade]</b>		
(1) Nil (Previous year 20250) Equity Shares of Chiripal Industries Ltd.of Rs. 10/- each.	Nil	90,000
(2) 2500 (Previous year 2500) Equity Shares of The Saraswat Co. Op. Bank Ltd. of Rs. 10/- each.	25,000	25,000
(3) 2813850 (Previous Year NIL) Equity shares of Vraj Integrated Textile Park of Rs.10/-each	28,138,500	Nil
	<b>28,163,500</b>	<b>115,000</b>
<b>Investment in Mutual Funds [Non-Trade]</b>		
49990 (Previous year 49990) Units of Union KBC Capital Protection Oriented Fund Series - 1-Growth	499,900	499,900
50000 (Previous year 50000) Units of Union KBC Capital Protection Oriented Fund Series - 2 -Regular Growth	500,000	500,000
	<b>999,900</b>	<b>999,900</b>
<b>Investment in Bonds [At Cost]</b>		
10 Bonds of (Previous year Nil) LVB Unsecure Non-Con.Redem. Basel Iii Bond Face Value of Rs.10Lac	10,000,000	Nil
	<b>10,000,000</b>	<b>Nil</b>
<b>Investment in Limited Liability Partnership (LLP)</b>		
Fixed Capital In Nandan Chiripal Energy Corporation LLP	450,000	450,000
	450,000	450,000
<b>Total .....</b>	<b>41,636,034</b>	<b>3,675,506</b>
Aggregate amount of quoted investments	2,022,634	2,110,606
Market Value of quoted investments	2,078,650	2,913,550
Aggregate amount of Unquoted investments	28,163,500	115,000
Aggregate amount of Mutual Funds	999,900	999,900
NAV of Mutual Funds	1,124,185	1,006,400

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

Sr No	Name of the Partner	Share in Profit/Loss		Closing Balance of Fixed Capital in Rs.	
		2013-14	2012-13	As at 31/03/2014	As at 31/03/2013
1	Nandan Denim Limited	45%	45%	450,000	450,000
2	Chiripal Industries Limited	55%	55%	550,000	550,000
	<b>Total.....</b>			<b>1,000,000</b>	<b>1,000,000</b>

**12 Loans and Advances (Unsecured, Considered good unless stated otherwise)**

	Non-Current		Current	
	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
Capital Advances	3,693,698	142,993,814	Nil	Nil
Security Deposits	4,390,748	3,383,581	Nil	Nil
Less : Provision for Doubtful Deposits	(2,254,428)	(2,254,428)	Nil	Nil
	2,136,320	1,129,153	Nil	Nil
Advance recoverable in cash or kind	Nil	Nil	46,420,163	92,728,287
Less : Provision for Doubtful Advance	Nil	Nil	(5,468,701)	(5,468,701)
	Nil	Nil	40,951,461	87,259,586
Balance With Govt Authorities	Nil	Nil	294,263,952	210,484,620
Interest Receivable	Nil	Nil	4,795,893	6,173,567
Prepaid Expenses	Nil	Nil	16,203,321	18,595,216
Advance Tax and TDS	Nil	Nil	272,175,585	212,392,502
Less : Provision for Taxation	Nil	Nil	(259726728)	(201471450)
	Nil	Nil	12,448,857	10,921,052
Loans to Employees	Nil	Nil	143,761	1,913,421
Less : Provision for Doubtful Loan	Nil	Nil	(113,761)	(113,761)
	Nil	Nil	30,000	1,799,660
<b>Total .....</b>	<b>5,830,018</b>	<b>144,122,967</b>	<b>368,693,485</b>	<b>335,233,702</b>

**13 Other non-current assets**

	Non-Current	
	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
Margin Money deposit (Transfer from other Bank Balances Note No. 16)	117,453,393	30,150,000
Net Plan Assets against Gratuity Fund (Transfer from Provisions Note No.6)	Nil	Nil
<b>Total .....</b>	<b>117,453,393</b>	<b>30,150,000</b>

**14 Inventories**

	Non-Current	
	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
Raw materials	513,659,306	464,701,676
Work-in-Process	303,875,780	263,350,118
Finished Goods	432,577,274	387,418,054
Stock in Trade	46,419,483	10,358,124
Stores & Spare parts	58,279,939	33,088,755
Fuel	24,443,118	34,953,644
Packing Material	5,786,632	3,738,555
<b>Total .....</b>	<b>1,385,041,532</b>	<b>1,197,608,926</b>

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## 15 Trade Receivables (Unsecured, Considerd good unless stated otherwise)

	Current	
	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
Outstanding for a period exeeding Six Months from the date they are due for Payment		
Considered Good	7,495,710	7,460,027
Considered Doubtful	13,447,762	15,577,320
	<b>20,943,472</b>	<b>23,037,347</b>
Less:Provision for doubtful receivables	13,447,762	15,577,320
	<b>7,495,710</b>	<b>7,460,027</b>
Other Receivables		
Others - Considered Good	1,206,668,672	904,289,602
Others - Considered Doubtful	Nil	Nil
	<b>1,206,668,672</b>	<b>904,289,602</b>
Less : Provision for doubtful receivables	Nil	Nil
	<b>1,206,668,672</b>	<b>904,289,602</b>
<b>Total .....</b>	<b>1,214,164,381</b>	<b>911,749,629</b>

## 16 Cash and Bank Balances

	Non-Current		Current	
	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.	As at 31/03/2014 Rs.	As at 31/03/2013 Rs.
<b>A Cash and cash equivalents</b>				
Cash on hand	Nil	Nil	1,738,793	817,232
Balance With Banks	Nil	Nil	58,941,018	17,954,602
	<b>Nil</b>	<b>Nil</b>	<b>60,679,811</b>	<b>18,771,833</b>
<b>B Other Bank Balance</b>				
Margin Money deposit	117,453,393	30,150,000	200,047,482	180,509,670
	<b>117,453,393</b>	<b>30,150,000</b>	<b>200,047,482</b>	<b>180,509,670</b>
Less Amount disclosed Under Non Current Assets (Note No. 13)	(117453393)	(30150000)	Nil	Nil
<b>Total .....</b>	<b>Nil</b>	<b>Nil</b>	<b>260,727,294</b>	<b>199,281,503</b>

The Current Account balance includes Rs. 1,988,807/- (P.Y. Rs.779,692/-) towards unclaimed dividend and Rs.125,704/- (P.Y. Rs.125,704/-) towards unclaimed Rights Issue Refund which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such account.

**17 Revenue from operations**

	Year ended 31/03/2014 Rs.	Year ended 31/03/2013 Rs.
<b>Sale of Products</b>	8,703,141,809	6,819,332,341
<b>Other Operating Revenue</b>		
Sale of Waste	100,785,253	109,709,545
Export Incentives	63,104,650	59,139,771
Job Work Income	70,488,224	43,026,835
<b>Total .....</b>	<b>8,937,519,936</b>	<b>7,031,208,492</b>
<b>Details of Products Sold</b>		
<b>Finished goods sold</b>		
Denim	6,023,157,008	5,737,863,142
Bottom Weight	744,641,167	159,812,809
Others	239,212,341	302,624,949
	<b>7,007,010,516</b>	<b>6,200,300,900</b>
<b>Traded goods sold</b>		
Fabrics	261,787,640	419,936,018
Printed Fabrics	1,234,009,404	189,827,476
Others	200,334,249	9,267,947
	<b>1,696,131,293</b>	<b>619,031,441</b>
	<b>8,703,141,808</b>	<b>6,819,332,341</b>

**18 Other Income**

	Year ended 31/03/2014 Rs.	Year ended 31/03/2013 Rs.
Interest Income On		
Bank Deposits	23,478,424	12,855,613
Others	1,503,238	127,459
Profit on sale of fixed assets	11,933,276	Nil
Profit on Sale of Non Current Investment	2,321,631	401,884
Dividend Income of Non Current Investments	28,800	60,000
Insurance Claim Received	Nil	1,029,401
Miscellaneous Income	627,487	790,839
<b>Total .....</b>	<b>39,892,856</b>	<b>15,265,195</b>

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## 19 Cost of materials consumed



	Year ended 31/03/2014 Rs.	Year ended 31/03/2013 Rs.
Opening Stock of Raw Material	464,701,676	581,457,452
Purchase	4,825,399,625	4,517,593,363
Closing Stock of Raw Material	513,659,306	464,701,676
	<b>4,776,441,996</b>	<b>4,634,349,139</b>

### Details of Raw Material Consumption

Yarn	2,636,624,578	2,162,920,929
Cotton	2,049,511,912	1,917,106,864
Other raw materials	90,305,506	554,321,345
	<b>4,776,441,996</b>	<b>4,634,349,139</b>

### Details of Inventory

Yarn	207,407,322	94,670,893
Cotton	224,316,006	309,050,249
Other raw materials	81,935,977	60,980,534
	<b>513,659,306</b>	<b>464,701,676</b>

### Details of Value of Imported & Indigenous Raw Material consumed

Particulars	Raw Materials			
	%		Value (Rs.)	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
<b>i. Imported</b>	8.74	3.06	417,323,324	141,655,016
<b>ii. Indigenous</b>	91.26	96.94	4,359,118,672	4,492,694,123
	<b>100.00</b>	<b>100.00</b>	<b>4,776,441,996</b>	<b>4,634,349,139</b>

## 20 Purchase of Stock in Trade

	Year ended 31/03/2014 Rs.	Year ended 31/03/2013 Rs.
Trading Purchase	1,593,851,824	620,370,287
	<b>1,593,851,824</b>	<b>620,370,287</b>

### Details of Purchase of traded goods

Fabrics	252,353,198	419,934,012
Printed Fabrics	1,163,701,504	191,270,743
Others	177,797,122	9,165,532
	<b>1,593,851,824</b>	<b>620,370,287</b>



**21 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade**

	Year ended 31/03/2014 Rs.	Year ended 31/03/2013 Rs.
<b>Commencing Stock</b>		
Work-in-process	263,350,118	160,495,240
Finished Goods	387,418,054	110,990,210
Stock in Trade	10,358,124	13,784,617
	<b>661,126,296</b>	<b>285,270,067</b>
<b>Closing Stock</b>		
Work-in-process	303,875,780	263,350,118
Finished Goods	432,577,274	387,418,054
Stock in Trade	46,419,483	10,358,124
	<b>782,872,537</b>	<b>661,126,296</b>
<b>Decretion / (Accretion) to Stock</b>	<b>(121,746,241)</b>	<b>(375,856,230)</b>
<b>Details of Finished Goods</b>		
Denim	369,423,286	364,232,883
Bottom Weight	30,103,778	22,230,091
Others	33,050,210	955,080
	<b>432,577,274</b>	<b>387,418,054</b>
<b>Details of Stock in Trade</b>		
Printed Fabrics	37,936,807	10,358,124
Others	8,482,676	Nil
	<b>46,419,483</b>	<b>10,358,124</b>

**22 EMPLOYEE BENEFIT EXPENSE**

	Year ended 31/03/2014 Rs.	Year ended 31/03/2013 Rs.
Salary, Wages & Bonus	292,599,427	244,144,531
Contribution to Provident Fund & Other Funds	10,600,572	9,015,778
Staff Welfare Expense	7,199,592	1,264,632
<b>Total .....</b>	<b>310,399,591</b>	<b>254,424,941</b>

**Retirement Benefits**

As per revised Accounting Standard 15 "Employees Benefits", the Company has recognized in the financial statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2014.

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

Particulars	2013-14 Rs.	2012-13 Rs.
Present Value of Funded Obligations	11,355,971	8,743,466
Fair value of plan assets	9,330,608	8,560,191
Present value of unfunded obligations	-	-
Unrecognized past service cost	-	-
Net liability/(Asset)	2,025,363	183,275
Amounts in the balance sheet:		
Liabilities	11,355,971	8,743,466
Assets	9,330,608	8,560,191
Net liability/(Asset)	2,025,363	183,275

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

Particulars	2013-14 Rs.	2012-13 Rs.
Current service cost	3,009,959	2,929,114
Interest on obligation	699,476	602,440
Expected return on plan assets	(770,417)	667,538
Net actuarial losses / (gains) recognized in year 2013-2014	(1,096,910)	(2,357,860)
Past service cost	-	-
Losses / (Gains) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	1,842,108	506,157

**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:**

Particulars	2013-14 Rs.	2012-13 Rs.
Opening Defined Benefit Obligation on 1-4-2013	8,743,446	7,530,504
Service cost	3,009,959	2,929,114
Interest cost	699,476	602,440
Actuarial losses (gains)	(1,096,910)	(2,318,592)
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 31-3-2014	11,355,971	8,743,466

**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:**

Particulars	2013-14 Rs.	2012-13 Rs.
Opening fair value of plan assets as on 01-April -13	8,560,191	7,853,386
Expected return	770,417	667,538
Actuarial gains and (losses)	-	39,267
Assets distributed on settlements	-	-
Contributions by employer	-	-
Assets acquired in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefits paid	-	-
Closing fair value of plan assets as on 31-March-2014	9,330,608	8,560,191

**5. Details of the major categories of plan assets as a percentage of total plan assets in respect of Gratuity are as follows:**

Particulars	2013-14 Rs.	2012-13 Rs.
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):**

Particulars	2013-14 Rs.	2012-13 Rs.
Discount rate as on 31-03-2014	9.10%	8.00%
Expected return on plan assets at 31-03-2014	9.00%	8.50%
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	31/03/2014	31/03/2013	31/03/2012	31/03/2011	31/03/2010
Defined Benefit Obligation	11,355,971	8,743,466	7,530,504	8,230,840	6,886,642
Plan assets	9,330,608	8,560,191	7,853,386	7,238,144	-
Surplus / (deficit)	(2,025,363)	(183,275)	322,882	(992,696)	(6,886,642)
Experience adjustments on plan liabilities	567,915	(2,318,592)	(3,786,758)	(1,882,156)	(429,493)
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, 2014. The Company is expected to contribute Rs.2000000/- to gratuity funds for the year ended 31st March, 2014.

**23 FINANCE COST**

	Year ended 31/03/2014 Rs.	Year ended 31/03/2013 Rs.
Interest to Banks	269,386,331	267,360,297
Other Interest	14,013,253	10,183,032
Other Borrowing Costs	36,905,578	40,083,482
<b>Total .....</b>	<b>320,305,161</b>	<b>317,626,811</b>

**24 OTHER EXPENSES**

	Year ended 31/03/2014 Rs.	Year ended 31/03/2013 Rs.
Stores & Spares consumed	156,179,183	133,843,305
Packing materials consumed	56,622,100	38,540,996
Electricity & Fuel charges	553,986,405	446,972,088
Labour/ Jobwork and Process Charges	87,472,556	84,880,122
Carriage Inward	27,801,557	25,007,027
Net Foreign Exchange Loss / (Gain)	13,336,125	(44,737,145)
Inspection Charges	8,370,430	6,241,546
<b>REPAIRS TO:</b>		
Building		142,410
Machinery	746,104	171,223
Others	2,374,221	131,279
<b>Sub Total.....</b>	<b>3,120,325</b>	<b>444,912</b>

# NANDAN DENIM LIMITED

## 24 OTHER EXPENSES [Contd...]



	Year ended 31/03/2014 Rs.	Year ended 31/03/2013 Rs.
Insurance	7,608,041	9,444,634
Rent	7,396,777	12,070,457
Rates & Taxes	3,203,603	3,374,563
Communication	7,199,403	3,387,585
Traveling, Conveyance and Vehicle Expense	26,378,877	21,837,426
Professional Fees	13,665,653	8,061,864
<b>REMUNERATION:</b>		
Audit Fees	505,620	505,620
For Tax Audit	56,180	56,180
<b>Sub Total.....</b>	<b>561,800</b>	<b>561,800</b>
Freight, Clearing and Forwarding Expenses	28,022,940	32,360,031
Other Selling Expense	5,754,646	2,464,745
Commission Expense	15,443,613	18,021,862
Donation	10,150,000	2,038,000
Loss on Sales of Fixed Assets	Nil	109,465
Loss due to Fire	Nil	2,169,167
Bad debts written off	2,129,558	Nil
Provision/(Reversal of Provision) for doubtful debts	(2,129,558)	6,352,461
Provision for doubtful Advances	Nil	5,468,701
Provision for doubtful Deposits	Nil	2,254,428
Miscellaneous Expense	19,519,056	7,618,525
(It includes Canteen Expense, Director Sitting Fees, General Expense, House Keeping Expense & Stationary and Printing Expense etc)		
<b>Total .....</b>	<b>1,051,793,089</b>	<b>828,788,565</b>

### Details of Value of Imported & Indigenous Stores, Components & Spare parts consumed

Particulars	Stores, Components & Spare parts			
	%		Value (Rs.)	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
<b>i. Imported</b>	10.98	0.99	17,154,069	1,325,678
<b>ii. Indigenous</b>	89.02	99.01	139,025,114	132,517,627
	<b>100.00</b>	<b>100.00</b>	<b>156,179,183</b>	<b>133,843,305</b>

**25. CONTINGENT LIABILITIES NOT PROVIDED FOR :**

Sr.No.	Particulars	2013-14 Rs.	2012-13 Rs.
a)	Income Tax demands disputed in appeal by the Company/ Income Tax Authorities [Against which the Company has paid amount of Rs.5,182,280/- (Previous Year 2,392,260/-)]	10,403,441	10,116,480
b)	Show Cause Notice received from Various Authorities in respect of Excise & Customs	2,466,446	514,545
c)	Professional Tax	192,912	192,912
d)	Estimated Amount of Contracts remain to be Executed on Capital Account. Advance paid against such Contract is Rs.3,693,698/- (Previous year Rs.142,993,814/-) which is shown under the head advances.	616,750,427	691,998,064
e)	Corporate guarantee in Favour of IDBI Bank Ltd. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Parks Ltd.	197,000,000	197,000,000
f)	Corporate guarantee in Favour of State Bank of Bikaner and Jaipur. to secure Term Loan Sanctioned to M/s Vraj Integrated Textile Parks Ltd.	163,000,000	163,000,000
i)	Bank Guarantee	24,080,200	14,080,200
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. The Company has imported certain capital equipments at concessional rate of custom duty under "Export Promotion of Capital Goods Scheme". The company has pending export obligation to the extent of Rs.Nil (Previous year Rs. Nil/-) to be fulfilled during the specified period. The liability towards custom duty payable thereon in respect of unfulfilled export obligation as on 31<sup>st</sup> March, 2014 is Rs.Nil (Previous Year Rs. Nil).

27. 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 Rs. 38,242,594/- (P.Y.Rs.Nil) arising during the current year are adjusted to the cost of the fixed assets and depreciated over the balance life of the fixed assets.

28. Net Foreign Exchange loss of Rs. 18,45,440/- (Previous Year gain of Rs. 8,750,619/-) in respect of Exports included in Other Expenses.Net Foreign exchange loss amounting to Rs.11,490,685/- (Previous Year Loss of Rs. 11,597,210/-) in respect of various other items is included in Other Expenses. Net Foreign exchange gain amounting to Rs Nil (Previous Year Gain of Rs. 65084974/-) in respect of Fixed Asset is included in Other Expenses.

29. Fuel Cost is net of Fuel Income of Rs.30,676,236/- (P.Y. Rs. .30,538,586/-).

30. Employee Cost is net of Labour reimbursement of Rs. 71,700,000/- (P.Y. Rs. 38,289,346/-).

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 Rs.7,396,777/- (P.Y. Rs.12,070,457/-) 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 Rs. 52,540,872/- (Previous Year Rs. Nil) is capitalized by the company net of TUFs interest subsidy Rs. 14,593,616/- (Previous Year Rs. Nil).

35. During the year, the company has impaired the assets to the tune of Rs. Nil (Previous year Rs. Nil).

36. Interest and Finance Charges are net of interest subsidy received/receivable under TUFs scheme amounting to Rs.83,528,858/- (Previous year Rs. 98,279,275/-) and Interest Subvention of Rs.1,658,995/- (PY. Rs. Nil)

37. Profit for the year has been arrived at after adjusting following prior period items:-

EXPENSE HEAD	2013-14	2012-13
Employment Cost	Nil	(1,455,521)
Other Expense	203,150	(5,130,973)
Finance Cost	105,756	(217,357)
Cost of Materials Consumed	Nil	(7,277,351)
Depreciation and Amortisation Expense	Nil	Nil
<b>Total Amount (Rs.)</b>	<b>308,906</b>	<b>(14,081,202)</b>

## NANDAN DENIM LIMITED

### 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	Nature of Relationship
1	Savtridevi Chiripal	Relative of Chairman
2	Pritidevi Chiripal	Relative of Managing Director
3	Vinita Agrawal	Relative of Chairman
4	Urmiladevi Agrawal	Relative of CEO
5	Jayprakash Agrawal	Relative of Chairman
6	Jyotiprasad Agrawal	Relative of CEO
7	Vedprakash D Chiripal-HUF	Relative of Chairman

#### 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	Nova Textiles Pvt. Ltd.
2	Chiripal Industries Ltd.		(Formerly Nandan Industries Pvt. Ltd.)
3	Shanti Education Initiatives Ltd.	9	Chiripal Poly Films Ltd.
4	Nandan Chiripal Energy Corporation LLP	10	Chiripal Charitable Trust
5	Chiripal Infrastructure Ltd.	11	Chiripal Lifestyle Ltd.
6	CIL Nova Petrochemicals Ltd.	12	Vishal Fabrics Ltd.
7	Chiripal Exim LLP	13	Devkinandan Corporation LLP

#### D) Details of Transactions with Related Parties are as follows:

(Amount in Rs.)

Sr. No.	Nature of Transaction	Key Management Personnel		Relatives of Key Management Personnel		Related Parties		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	<b>Unsecured Loans – Taken</b>								
	Taken during the period	Nil	Nil	Nil	Nil	85,850,000	Nil	85,850,000	Nil
	Repaid during the period	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Balance as at Balance Sheet Date	Nil	Nil	Nil	Nil	85,850,000	Nil	85,850,000	Nil
2	<b>Advances Recoverable in Cash or Kind</b>								
	Given during the period	Nil	Nil	Nil	Nil	531,922,490	555,446,455	531,922,490	555,446,455
	Settled during the period	Nil	Nil	Nil	Nil	1,192,307,903	542,156,455	1,192,307,903	542,156,455
3	<b>Expenditure</b>								
	Purchase of Goods	Nil	Nil	Nil	Nil	346,874,168	528,085,981	346,874,168	528,085,981
	Rent	Nil	Nil	Nil	Nil	6,401,664	8,784,384	6,401,664	8,784,384
	Donation	Nil	Nil	Nil	Nil	10,000,000	Nil	10,000,000	Nil
	Job Work Charges	Nil	Nil	Nil	Nil	87,407,163	99,066,081	87,407,163	99,066,081
	Maintenance Expense	Nil	Nil	Nil	Nil	490,826	174,330	490,826	174,330
	Electricity Expense	Nil	Nil	Nil	Nil	627,876	633,152	627,876	633,152
	Capital Asset Purchased	Nil	Nil	Nil	Nil	52,819,718	Nil	52,819,718	Nil
4	<b>Income Received</b>								
	Sales	Nil	Nil	Nil	Nil	711,690,493	141,667,443	711,690,493	141,667,443
	Job Work Income	Nil	Nil	Nil	Nil	26,331	Nil	26,331	Nil
5	Amount Paid on their Behalf	Nil	Nil	Nil	Nil	819,164	819,164	819,164	819,164
6	Remuneration paid	12,096,000	12,096,000	604,800	604,800	Nil	Nil	12,700,800	12,700,800
7	Dividend Paid	5238,000	3,730,000	3,859,743	2,144,302	33,935,848	19,100,249	43,033,591	24,974,551

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:

Particulars	(Amount in Rs.)	
	2013-14	2012-13
<b>1. Advance Recoverable in cash or Kind:</b>		
<b>Advance Given:</b>		
- Chiripal Industries Ltd.	345,289,736	434,701,383
- Chiripal Poly Films Ltd.	59,642,178	Nil
- Nova Textiles Pvt. Ltd. (Formerly Nandan Industries Pvt. Ltd.)	126,990,575	Nil
<b>Advance Settled:</b>		
- Chiripal Industries Ltd.	619,986,215	434,611,383
- Nova Textiles Pvt. Ltd. (Formerly Nandan Industries Pvt. Ltd.)	50,929,110	Nil
<b>2. Expenditure:</b>		
<b>Purchase of Goods:</b>		
- Chiripal Poly Films Ltd.	42,455,720	275,972,160
- Chiripal Industries Ltd.	195,356,175	144,809,422
- Vishal Fabrics Ltd.	109,045,161	107,304,344
<b>Rent:</b>		
- Chiripal Industries Ltd.	6,132,000	6750000
<b>Job Work Charges:</b>		
- Chiripal Industries Ltd.	80,193,750	94,220,306
<b>Maintenance Expense:</b>		
- Shanti Exports Pvt. Ltd.	490,826	174,330
<b>Electricity Expense:</b>		
- Shanti Exports Pvt. Ltd.	627,876	633,152
<b>Capital Asset Purchase:</b>		
- Chiripal Infrastructure Ltd.	52,819,718	Nil
<b>3. Income Received:</b>		
<b>Sales:</b>		
- Chiripal Industries Ltd.	106,097,284	140,653,652
- Nova Textiles Pvt. Ltd. (Formerly Nandan Industries Pvt. Ltd.)	554,374,916	Nil
<b>Remuneration Paid:</b>		
- Shri Brijmohan Chiripal	6,720,000	6,720,000
- Shri Deepak Chiripal	5,376,000	5,376,000
<b>4. Dividend Paid:</b>		
- Chiripal Industries Ltd.	21,319,686	11844270
- Chiripal Exim LLP	12,616,162	7008979
- Brijmohan Chiripal	5,004,000	Nil

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 31st March, 2014**

Sr.No.	Particulars	(Amount in Rs.)					
		India		Rest of World		Total	
		31.03.2014	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
1	Segment Revenues	8,160,626,133	6,241,224,277	776,893,803	789,984,215	8,937,519,936	7,031,208,492
2	Segment Assets	7,817,557,893	6,700,306,492	99,472,109	74,074,880	7,917,030,002	6,774,381,372
3	Capital Expenditure during the period	1,632,155,017	838,295,663	-	-	1,632,155,017	838,295,663

## NANDAN DENIM LIMITED

### 40. Earning per Share

Particular	Unit	31/3/2014	31/03/2013
Numerator used for calculating Basic and Diluted Earning per Share (Profit after Tax)	Rs.	393,098,384	310,532,150
Weighted average No. of shares used as denominator for calculating Basic and Diluted	No. of Shares	45549056	45549056
Nominal Value of Share	Rs.	10	10
<b>Basic and Diluted Earning per Share</b>	<b>Rs.</b>	<b>8.63</b>	<b>6.82</b>

41. The figures of the previous year have been regrouped and rearranged wherever considered necessary.

### 42. C.I.F. Value of Imports:

Particulars	2013-14	2012-13
Raw Materials	417,323,325	144,455,475
Trading Goods	164,373,474	Nil
Stores & Spares	17,361,116	1,325,678
Capital Goods	342,082,941	604,749,220

### 43. Expenditure In Foreign Currency

Particulars	2013-14	2012-13
i. Traveling Expenses	7,344,896	5,949,568
ii. Foreign Bank Charges	2,270,747	959,789
iii. Commission paid	13,482,429	16,687,552
iv. Exhibition Expense	Nil	441840
v. Selling Expense	Nil	256,339
vi. Interest on Buyer's Credit & CC Account	12,190,226	14,284,725

### 44. Earning In Foreign Currencies

Particulars	2013-14	2012-13
FOB Value of Export Goods	720,868,758	773,109,183

### Signature to Notes "1" to "44"

As per our report of even date attached herewith  
For, **J. T. SHAH & COMPANY**  
CHARTERED ACCOUNTANTS  
(Registration No.109616W)

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

Place : Ahmedabad  
Date : 30/05/2014

For and on behalf of the Board

**Vedprakash D. Chiripal**  
Chairman

**Brijmohan D. Chiripal**  
Managing Director

**Purvee D. Roy**  
Company Secretary



**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)**

**20<sup>th</sup> ANNUAL GENERAL MEETING ON SEPTEMBER 15, 2014 at 10:00 a.m.**  
**at Lions Hall, Mithakhali Six Road, Nr. Nalanda Hotel, Ellisbridge, Ahmedabad-380006**

Folio No. \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Name of the Member \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxyholder \_\_\_\_\_ Signature \_\_\_\_\_

1. Only Member/Proxy holder can attend the Meeting
2. 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**

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: \_\_\_\_\_

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 15, 2014 at 10:00 a.m. at Lions Hall, Mithakhali Six Road, Nr. Nalanda Hotel, Ellisbridge, Ahmedabad-380006 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2014.
2. Confirmation of Payment of Interim Dividends and Declaration of Final Dividend on Equity Shares for the financial year 2013-14
3. Re-appointment of Mr. Brijmohan Chiripal.
4. Appointment of Auditors.
5. Appointment of Mr. Ambalal Patel as an Independent Director of the Company.
6. Appointment of Mr. Tara Sankar Bhattacharya as an Independent Director of the Company.
7. Special Resolution for borrowing of monies in excess of paid up capital and free reserves of the Company.
8. Special Resolution for creation of mortgage and/or charge to secure the financial assistance.
9. To increase the Authorised Share Capital.
10. Authorising raising of finance through issue of equity shares.
11. Approval for entering into Related Party Transactions.

 Affix  
 Revenue  
 Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of shareholder \_\_\_\_\_ Signature of Proxy holder(s) \_\_\_\_\_

**NOTES:**

1. 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. Shivranjani Cross Road, Satellite, Ahmedabad-380015, not less than 48 hours before the commencement of the Meeting.
2. Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy.



To,

*If undelivered, please return to :*



**NANDAN DENIM LIMITED**

**[Formerly Known as Nandan Exim Limited]**

CIN : L51909GJ1994PLC022719

**CORPORATE OFFICE :** "Chiripal House",

Shivranjani Cross Roads, Satellite Road, Ahmedabad - 380015.

Tel : 91-079-26734660-2-3 Fax : 91-079-26768656

Ganapati, (079) 26568111