

## Company Information

### BOARD OF DIRECTORS

Shri Vedprakash D. Chiripal *Chairman*  
Shri Brijmohan D. Chiripal *Managing Director*  
Shri Gautam C. Gandhi *Director*  
Shri Ambalal C. Patel *Director*

**Shri Deepak J. Chiripal** *Chief Executive Officer*

### 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

### REGISTERED OFFICE & PLANT

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

### CORPORATE OFFICE

"Chiripal House",  
Shivranjani Cross Roads,  
Satellite Road, Ahmedabad - 380015.  
Tel : 91-079-26734660-2-3  
Fax : 91-079-26768656

### COMMITTEES OF BOARD :-

#### AUDIT COMMITTEE

Shri Ambalal C. Patel *Chairman*  
Shri Vedprakash D. Chiripal *Member*  
Shri Gautam C. Gandhi *Member*

#### REMUNERATION COMMITTEE

Shri Ambalal C. Patel *Chairman*  
Shri Vedprakash D. Chiripal *Member*

#### SHAREHOLDERS GRIEVANCE COMMITTEE

Shri Gautam C. Gandhi *Chairman*  
Shri Vedprakash D. Chiripal *Member*

#### RIGHTS ISSUE COMMITTEE

Shri Vedprakash D. Chiripal *Chairman*  
Shri Brijmohan D. Chiripal *Member*  
Shri Ambalal C. Patel *Member*

#### 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.: 022-66712150-51, 66712237  
Fax No.: 022-66712230  
Email : investorqry@dfssl.com

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### NOTICE

Notice is hereby given that the **15th Annual General Meeting** of the Members of the Company will be held on **Friday, 25th September 2009** at 3.30 P.M at Survey No. 198/1 & 203/2, Saijpur- Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405, to transact the following business:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri Ambalal C Patel who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors M/s. J T Shah & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting up to the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

By Order of the Board of Directors

Date :- 31/07/2009  
Place:- Ahmedabad

Vedprakash D. Chiripal  
Chairman

#### NOTES:

1. **A MEMBER IS ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIS/ HER SELF AND PROXY NEED NOT BE A MEMBER.**

**IN ORDER THAT THE PROXIES TO BE EFFECTIVE, THE PROXY FORMS SHOULD BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE ON OR BEFORE 48 HOURS FROM THE DATE OF HOLDING OF THE MEETING.**

2. Members are requested to notify changes in address, if any, immediately to the Company at its registered office quoting their Folio Numbers.
3. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays between 11.00 a.m and 1.00 p.m upto the date of the ensuing Annual General Meeting.
4. Members / Proxies should fill the Attendance Slip for attending the Meeting; Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Number for easy identification for attendance at the Meeting.
5. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in order of the names will be entitled to vote.
6. The Register of Members and Share Transfer Register shall remain closed for registering share transfer from Saturday, 29th August, 2009 to Monday, 31st August, 2009 (both days inclusive).

By Order of the Board of Directors

Date :- 31/07/2009  
Place:- Ahmedabad

Vedprakash D. Chiripal  
Chairman

#### **Brief resume and other information in respect of Shri Ambalal C Patel, Director seeking re-appointment at the Annual General Meeting:**

Shri. Ambalal C Patel, aged 63 years, is an Independent Director of Nandan Exim Ltd. He is an engineering graduate and has obtained his Bachelor of Engineering (Metallurgy) degree from the Indian Institute of Science, Bangalore. He has vast experience in project evaluation and project finance. During the tenure from 1973 to 2004, Mr. Ambalal Patel worked with Gujarat Industrial and Investment Corporation (GIIC). He joined GIIC as a Technical Advisor and later served as a Deputy General Manager. He has vast experience in advising regarding financial matters and project appraisal.

**DIRECTORS' REPORT**

To,  
The Members  
**NANDAN EXIM LIMITED.**

Your Directors have pleasure in presenting their 15th Annual Report together with the Audited Financial Statements for the year ended 31st March, 2009 to the extended family of the shareholders and other stakeholders of the Company.

**FINANCIAL HIGHLIGHTS:**

(Rs. in Lacs)

<b>FINANCIAL RESULTS</b>	<b>Current Year 2008-09</b>	<b>Previous Year 2007-08</b>
Sales	<b>32144.04</b>	28911.42
Profit: Before Depreciation	<b>2103.99</b>	2841.14
Less: Depreciation	<b>2207.86</b>	1628.31
<b>Profit: After Depreciation</b>	<b>(103.87)</b>	1212.83
Less: Prior Period Items	<b>37.61</b>	(7.58)
<b>Profit: Before Taxation</b>	<b>(141.48)</b>	1220.40
Less: Provision For Taxation	<b>20.50</b>	149.50
Less: Provision For Deferred Tax	<b>(21.76)</b>	421.75
<b>PROFIT FOR THE YEAR</b>	<b>(140.22)</b>	649.15
<b>Appropriations / Adjustments</b>		
Balance of profit / (loss) brought forward	<b>3300.05</b>	2650.89
Interim Dividend	—	—
Proposed Final Dividend	—	—
Corporate Dividend Tax (including cess and surcharge)	—	—
General Reserves	—	—
<b>Profit carried to Balance Sheet</b>	<b>3159.82</b>	3300.05

**PERFORMANCE:**

The turn-over of the Company during the year under review has reached to 321.44 crores, which shows the growth of 11% over the previous year turnover of Rs.289.12 crores. The profit before depreciation and taxes stood at Rs.21.04 crores for the year 2008-09 as compared to Rs.28.41 crores over the previous year. The Company has incurred a loss of Rs.1.40 crores during the year under review over the previous year, profit of Rs.6.49 crores. Your Directors state that the year 2008-09 was in the grip of recession in all over the world and all the segment of Industries were badly affected, resulting into downward performance. Further, during the year under review, one of the major unforeseen event of fire occurred at the factory premises resulting into a heavy loss of cotton stock and the company has during the year under review provided a loss of Rs.11.16 crores, which has also effected over-all performance of the Company. However, your Directors expect to improve the over-all demand in both Domestic and International market during the current financial year and the textile industry, most particularly, in Denim Industries has turned back towards the upward trend after the recessionary condition prevailed during the year under review. Your Directors expect better performance of the Company during the current financial year 2009-10.

**DIVIDEND:**

During the year, the Company has incurred the loss of Rs.1.40 crores. Therefore, your Directors have not recommended the dividend for the financial year ended 31.3.2009.

**EXPANSION PROJECT:-**

The implementation of expansion project as per Letter of Offer filed with SEBI is under progress and the Company is installing the 4th Denim Line of 10 Lakh mtr pa alongwith 15 mw power project. Out of proceeds of the Rights Issue of Rs.4554.90 Lacs, the Company utilized Rs.4281.12 Lacs for the project and balance of Rs.273.78 Lacs remain unutilized as of 31st March, 2009.

**PUBLIC DEPOSIT:-**

During the year under review, your Company has not accepted any deposits u/s 58A of the Companies Act, 1956.

**COVERAGE OF ASSETS:-**

The Company has reviewed the Adequate Insurance Cover for the existing Plant & Machinery, Building, Stock, etc. considering the various risk factors attached to the assets and insured the assets to take care of the unforeseen circumstances to safeguard the interest of the company.

**CORPORATE GOVERNANCE:-**

A Certificate from Auditors of the Company, M/s. J T Shah & Co, Chartered Accountants confirming compliance with conditions of corporate governance as stipulated under the aforesaid clause 49 is annexed to this report. Further, a certificate of CEO and declaration on code of conduct also forms part of this Annual Report.

The Company has adopted Corporate Governance Policy and Code of Conduct which has set out the system process and policy confirming to standards. The Report on Corporate Governance as stipulated under clause 49 of the Listing Agreement forms part of the Annual Report.

The management discussion and analysis report and compliance report on corporate governance as required by clause 49 of the listing agreement also forms part of this Annual Report

**DIRECTORS:-**

Shri Ambala C. Patel, Director who retires by rotation during the year under review, offers himself for reappointment. Your Directors recommend his reappointment.

**PARTICULARS OF EMPLOYEES:-**

Pursuant to the provisions of Section 217 (2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975 the names and other particulars of employees are set out in the Annexure to the Directors Report. However, having regard to the provisions of section 219(1)(b)(iv) of the Act , the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

**DIRECTORS RESPONSIBILITY:-**

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 judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for the year ended on that date;
- c) Proper and sufficient care has 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:-**

M/s. J.T. Shah & Co, Chartered Accountants, the Auditors of the Company, hold office up to the conclusion of the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The shareholders will be required to elect auditors for the current year and fix their remuneration. Your Company has received a written confirmation from M/s. J.T. Shah & Co, Chartered Accountants, to the effect that their appointment, if made would be in conformity with the limits prescribed in Section 224 of the Companies Act, 1956. The Board recommends the re-appointment of M/s. J.T. Shah & Co, Chartered Accountants, as the Auditors of the Company for the current financial year 2009-10.

**GROUP:**

Pursuant to intimation received from the Promoters, and names of the Promoters and entities comprising group as defined under the monopolies and restrictive trade practices (MRTP) Act 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and takeovers), Regulations, 1997.

**CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The particulars as required under section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure to this report.

**ACKNOWLEDGMENT:-**

Your Directors record that sincere gratitude for their valuable support and co-operation received from the Banks, Shareholders, business associates, customers, vendors and various statutory authorities. Your Directors place on record their sincere appreciation for the contribution made by the employees of the Company at all levels through their hard work, dedication and support.

**FOR AND ON BEHALF OF THE BOARD**

Place :- Ahmedabad  
Date :- 31/07/2009

**VEDPRAKASH D. CHIRIPAL**  
**CHAIRMAN**

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE-1

Particulars pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Report of the Directors.

#### A. CONSERVATION OF ENERGY:

##### Energy conversion measures taken :

1. Got air audit conducted from Ingersol Rand for optimization of air generation n distribution, since compressed air is very expensive. This has resulted in identification of some of the in efficiency in dryer, resulting in more presser drop, which was corrected apart from other corrective measures suggested in the report resulting in saving of about 2000 unit per day in the last qtr of the year.
2. We started use of small low pressure separate compressor for cleaning of m/cs and provided separate line in all the production department so the use of costlier compressed air was avoided apart from frequent pressure drop.
3. Installed variable frequency drive on ID fan , FD Fan ,waste collection system and on compressor of spinning for reducing the power consumption.
4. We had installed 250 KVAR capacitor for improvement of power factor, now the power factor is 0.98 as against 0.96 earlier.
5. Started use of high lumen type fitting in place of convectional type fitting for getting more light and less power consumption.
6. Installed enrgy efficient pump in place of old conventional pump on cooling tower, Pump house and borewell.

##### Water conservation Measures taken:

Started use of finishing recycled water of about 50K liter per day in dyeing sizing which has reduced corresponding use of fresh water. We had also started using effluent water for water scrubber in boiler which not only reduce PH but also improve life of water scrubber aprt from reducing consumption of fresh water

##### Additional investments and proposals, if any, being implemented for reduction of consumption of energy

Procurng one more 6500 CFM centrifugal high capacity air compressor for standby in place of exciting stand by less capacity compressors

##### Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the costly of production of goods:

Power saving to the tune of Rs 3 lacs PM Saving of fuel of about 2 MT per day

##### [b] Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-

To install variable frequency drive in ID fan & FD fan to reduce power consumption.

##### [c] Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the costly of production of goods:-

1. The Power consumption reduced to the tune of 4000-4500 KWh/Day.
2. Lignite consumption reduced to 2 - 2.2 MT/Day

[d] Total Energy Consumption and energy consumption per Unit of Production.

**I. POWER & FUEL CONSUMPTION:**

<u>Power and Fuel Consumption:</u>	<u>31.03.2009</u>	<u>31.03.2008</u>
<b>1. Electricity</b>		
a) Purchased		
Unit (kwh)	<b>39692520</b>	32320860
Total Amount	<b>178591482</b>	119655719
Rate / Unit (Rs.)	<b>4.50</b>	3.70
<b>b) Own Generation:</b>		
i. <b>Through Diesel Generator</b>		
Unit (kwh)	<b>NIL</b>	NIL
Unit per Ltr of Diesel Oil	<b>NIL</b>	NIL
Cost / Unit (Rs.)	<b>NIL</b>	NIL
ii. <b>Through Steam Turbine /Generator</b>		
Unit (kwh)	<b>NIL</b>	NIL
Units per Ltr of Fuel Oil / Gas	<b>NIL</b>	NIL
Cost / Unit (Rs.)	<b>NIL</b>	NIL
<b>2. LIGNITE</b>		
Quantity (Tones) / Day	<b>36.27</b>	25.08
Total Cost (Rs.)	<b>28467000</b>	15614651
Average Rate (Rs.)	<b>2150.32</b>	2050.62
<b>3. COAL</b>		
Quantity (Tones) / Day	<b>21.30</b>	3.30
Total Cost (Rs.)	<b>31541716</b>	3231756
Average Rate (Rs.)	<b>4056.70</b>	2683.96
<b>4. Furnace Oil (Used in the Generation of Steam)</b>		
Quantity (K. Liters)	<b>NIL</b>	NIL
Total Amount (Rs.Lakhs)	<b>NIL</b>	NIL
Average Rate (Rs.)	<b>NIL</b>	NIL
<b>5. Others LSHS (Low Sulpher High Stock)</b> (Used in the Generation of Steam)		
Quantity (Tones)	<b>NIL</b>	NIL
Total Cost (Rs.Lakhs)	<b>NIL</b>	NIL
Rate / Unit (Rs.)	<b>NIL</b>	NIL

**II CONSUMPTION PER METER OF PRODUCTION:**

	<u>31.03.2009</u>	<u>31.03.2008</u>
Electricity (KWH) Per Meter	<b>0.78</b>	0.98
Furnace Oil	<b>NIL</b>	NIL
Coal (Specified Quality)	<b>0.24</b>	0.05
LIGNITE (KG) Per Meter	<b>0.41</b>	0.29

**B. TECHNOLOGY**

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

**Specific area in which R & D is carried out by the company.**

- A) The company has focused on developing various kind of new product to cater different market segments and specific customer needs viz dyed cotton/polyester yarn, milang yarn, golden/silver lurex yarn in weft by using Tax Cad Design software. The research and optimization of process parameters like shade control, weaving defect control and shrinkage control were carried out apart from reduction in waste.
- B) Started using sulphur black liquid in tankers instead of carbo packing and caustic lye instead of caustic flacks.
- C) The company has implemented SAP System which has enabled the company to have accurate and faster online availability of all data and optimum use of information by faster analysis and online availability
- D) The company has further added in the capacity of its spinning plant by 15 MT per day making total capacity to 40 MT per day enabling the company to reduce the dependence on out side supplier in faster availability of required yarn.

**Benefits derived as a result of the above R & D**

1. The Company can create many designs and concepts with out any major investments, with out affecting the regular production and with out wastages.
2. The Company can deliver the new samples very fast to their customers.
3. Able to match the customer samples immediate and deliver to them for their approval.
4. We have developed 931 products in last year and out of which 840 were commercialized. This has resulted in getting valued customers not only in domestic market but also in International Market too.
5. Optimization of Process parameters in areas like dyeing and sizing, weaving and finishing yielded good results. By doing this process control the consistency of shade, weaving defects and shrinkage particularly in stretch fabric has been improved. By waste control exercise we were able to reduce about 1% waste leading to yearly saving of Rs. 18-20 lac.

**Future plan of Action**

1. Also the Company is planning for various coating m/c manufacture to get the coating machine. By using this coating technique we can develop many coated fabric like PU, Pigment coating, Matrices finish etc.
2. Addition of one more slasher dyeing machine to increase the denim capacity from 30 million mtrs to 40 million mtrs
3. To increase the spinning capacity by adding 10000 spindles additionally. Also company is discussing with various slub attachment manufacture to get slub attachment to produce Multi count/Multi twist, Inject slub, Reverse slub, Short slubs and High frequency slubs. By producing various slub yarn we can make variety of new fabrics

**II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**

**Efforts made towards Technology, Absorption, Adaptation and Innovation:-**

The company in consultation with suppliers has taken various trial for increasing the RPM of Looms by some minor change and modification in the setting of looms parameters and finally able to increase the running RPM of looms to its designed RPM which will result increase in productivity of looms by 7-8% .

The company has purchased latest testing equipment like Afis for cotton and in process testing of spinning for getting consistency in the quality of cotton and in process parameters of spinning.

**Benefits derived:**

Able to keep consistency in the feed of cotton and in process parameters of spinning so as to ensure consistency in the yarn quality in looms performances

With increase in running RPM and with inbuilt invertors in the looms company can run the looms at its optimum speed with changes in speed as per product requirement without waste of time.

**Future Plan of Action.**

The Company is planning to introduce Pigment bottoming colour denim in the market

Study of all process parameters , work habits, maintenance practices etc with an aim to achieve breakdown in down time, on job training of employees for updating and up gradation of their skill, multi skill development for improving the knowledge, quality and efficiency of employees.

**IV. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

- a. The Company has taken various steps to increase exports of products during the year.
- b. Foreign exchange earning and outgo during the year: (Rs. in Crs.)

<b>Particular</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
(a) Foreign Exchange Earnings:	<b>59.78</b>	49.24
(b) Foreign Exchange Outgo:	<b>4.20</b>	2.91

**Total Foreign Exchange Used and earned: - As per notes on account.**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Industrial Outlook

The Textile and Apparel Industry contribution significantly to the Indian economy. It accounts for 14 per cent of total industry output and nearly 5 percent of gross domestic product (GDP). It provides direct employment to 38 million people and is the largest foreign exchange earner, contributing nearly 20 per cent to India's total exports.

In the last three years, the sector has attracted a total investment of US\$ 5,770 million. The cumulative Foreign Direct Investment (FDI) made in this sector between 1991 and 2007 has been US\$ 575 million, representing 1.22 per cent of the total FDI attracted by the country.

The global textile and apparel Industry is worth over US\$ 4,395 billion, with clothing accounting for 60 per cent of the market and apparel, the balance 40 per cent. Global trade in this industry is now at US\$ 350 billion and is expected to be in the range of US\$ 600 billion by 2011 and US\$ 800 billion by 2014. The bulk of the increase is expected to be from clothing, which is projected to grow by nearly US\$ 400 billion by 2010.

USA and European Union (EU) together are the major consumers of textiles. They accounted for nearly 64 per cent of clothing and 39 per cent of textile consumption in 2004. Among other countries, Japan, Australia and New Zealand are significant consumers of Indian textiles.

### The industry has been growing across segments

Production of textile yarn witnessed a compounded annual growth rate (CAGR) of 3.6 per cent between 1996 and 2006. Finished cloth has witnessed a higher CAGR of 4.1 per cent during the same period. This growth outperforms the global production, which experienced a CAGR of 2.25 per cent (both yarn and cloth). Most of this growth is contributed by non-cotton yarn, which grew at 6 per cent CAGR in 2006.

Textile exports have witnessed a CAGR of 11.8 per cent in 1996-2006. Man-made textiles have shown maximum growth and witnessed the highest CAGR at 14.5 per cent followed by Ready-Made Garments (RMG) at 12.4 per cent. USA and EU are the major markets contributing nearly 80 per cent to textile exports.

Export of textile is projected to grow at 2.2 per cent between 2007 and 2012 and expected to reach US\$ 55 billion by 2012.

### Operational Review:

Denim Industry over-all remained in down stream, which evidence challenges during the year under review. There was a steep competition among Denim players to achieve the growth at every cost despite of increased in raw material cost, huge inflow of supply, decrease in demand, both – domestic and international market and low margin. The increase in the cost effected over-all price, which was not compensated by average realization price in such recessionary condition. The Company however made a strategy to cop up with such challenges by taking measures. The Company targeted new area of Denim users and developed new market where the presence of Denim was negligible. Further, the Company into value added product of garmenting by entering into ready-made markets of garmenting through its retail outlets of associate company. The Company made a strategy plan for optimum utilization of its capacity by achieving highest utilization of fabric manufacturing by increasing the volume to get better realization. The Company also developed new area of exports market with volume as the Company and its entire group is in textile business for more than three decades having wide valued customer in domestic and international market.

### Financial Review:

To cop up with market, the Company envisaged expansion project, which includes increase in capacity, captive power project and value added segment of garmenting. The Company has made strategy to over-come the situation of recession by diversifying its activities into other new areas and retail branding to fight against such situation.

### Internal Control System and their adequacy:

Your company has an adequate system of internal controls, which ensures that its assets are protected from loss and unauthorized use as well as business affairs are carried out in accordance with established internal controls. The internal control systems provide for clearly spelt out policy guidelines and approval procedures. These internal controls systems are supplemented by internal audit carried out by competent professional retained by your company. The internal audit programme is approved by the audit committee, and findings of the internal auditor are placed before the audit committee, and the management implements the suggestions on weaknesses, if any, observed during the course of the internal audit.

During the year, your company has successfully implemented SAP Accounting System, which will further help exercise timely controls over variety of business activities. During the current year, your company plans to automate field force systems that will ensure precise reporting by the field personnel that in turn would enable timely decisions and corrective actions.

**Human Resources:**

The relationship with all employees and workers continued to be cordial at all levels. As on March 2009, your company had 715 employee strength contributing towards the success of the company. The Company has a small but highly experienced team of professionals as on March 31, 2009. The Company believes that it will manage to achieve substantial growth with a lean organization structure.

**Financial Performance:**

During the year, the Company has achieved the turn over of Rs.321.44 crores for the year ended on 31st March, 2009 in comparison to the previous year turn over of Rs.289.11 crores, which shows a rise of 11.% over the previous year. The gross block of assets of the Company as at 2009 was Rs.254 crores and the Net Worth was Rs.201 crores. The net loss of the Company during the year was Rs.1.40 crore . The Company has during the year under review had made the provisions for the loss of Rs.11.16 crores due to fire in the stock.

**Risk Management:**

Your Company foresees high level of risk from competitors, fluctuation in foreign exchange rate, interest rate and other commercial and business related risk, which may affect the over-all profit of the Company. The structure of the Company is designed in such a way to over come such risks.

**Cautionary Statement:**

Statements in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward – looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price condition in the domestic markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

## CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The company's philosophy on code of governance is aimed at assisting the management and the board of directors in efficient conduct of the business and in meeting its obligations to all stakeholders, and is guided by the principles of transparency, fairness, accountability and integrity. These practices endeavor to attain balance among enhancement of stakeholder value, achievement of financial objective and corporate social responsibility.

### BOARD OF DIRECTORS:

#### COMPOSITION:

Your Company's Board consists of 4 (Four) directors of which 2 are Executive and Promoter Directors and 2 are Non-Executive and Independent Directors. The Chairman of the Board is Executive Promoter Director. The composition of the Board of Directors was in compliance of Clause 49 of the listing agreement. The composition of the board is as under:-

Name of Directors	Status - Executive, Non-Executive and Independent	Numbers of Board Meetings.		Number of Membership in other Boards or other Committees as a Member or Chairman		
		Held during the year	Attended During the Year	Other Directorship including NEL	Committee	Whether attended last AGM
Shri Vedprakash D. Chiripal	Promoter, Executive (Chairman)	5	5	6	4	Yes
Shri Brijomhan D. Chiripal	Promoter - Executive Managing Director	5	5	3	—	Yes
Shri Gautam Gandhi	Non-Executive & Independent	5	5	Nil	2	Yes
Shri Ambalal C. Patel	Non-Executive & Independent	5	5	11	4	Yes

None of the Directors of Board is a member of more than 10 Committees and no Director is the Chairman of more than 5 committees across all the companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

### BOARD MEETINGS:

The Board normally meets once or twice in a quarter. Additional meetings are held as and when required during the year under review. The Board of Directors of Nandan Exim Ltd met 5 times on 29/04/2008, 31/07/2008, 29/08/2008, 22/10/2008 and 31/01/2009. The gap between any two meetings did not exceed 4 months.

### BOARD MEETING, COMMITTEE MEETING AND PROCEDURES:

- A.** In order to setup the systems and procedures for the matter requiring discussions/ decisions by the Board, the Board of Directors has framed guidelines for the meeting of Board of Directors and Committee thereof. The said Guidelines seek to systematize the decision making process at the meetings of Board/Committees, in most efficient manner.
- B. Scheduling and selection of Agenda Items for Board Meeting:**
  - i) The Company holds minimum of four Board Meetings in each year, which are pre-scheduled after the end of each financial quarter. Apart from the four pre-scheduled Board Meetings, additional Board Meetings will be convened by giving appropriate notice at any time to address the specific needs of the Company. The Board may also approve permitted urgent matters by passing resolutions by circulation.
  - ii) The meetings are usually held at the Company's Registered Office / Corporate office at Ahmedabad.
  - iii) All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions/approval/decision in the Board/Committee Meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board Meetings.
  - iv) The Board is given presentation covering Finance, Sales and Marketing, and the major business segments and operation of the Company, before taking on record the results of the Company for the preceding financial quarter at each of the pre-scheduled Board Meeting. The Board's annual agenda includes recommending dividend keeping in view the dividend policy, determining directors who shall retire by rotation and recommending appointment of Directors/Auditors, authentication of annual accounts and approving Directors Report, long term strategic plan for the Company and the principal issues that the Company expects to face in the future, Board Meetings also note and review functions of its Committees.

- v) The Chairman of the Board and the Company Secretary in consultation with other concerned persons in the senior management, finalise the agenda papers for the Board Meetings.

**BOARD MATERIAL DISTRIBUTION WELL IN ADVANCE:**

- 1) Agenda papers are circulated to the Directors, well in advance, as per Agenda format. All material information is incorporated in Agenda papers for meaningful and effective discussions at the meeting. In case, any papers /document to the agenda is not possible to attach the same are placed on the table at the meeting with the specific reference in the agenda.
- 2) In case of urgency, additional item(s) in agenda are permitted with the permission of chair and in that case the subject matter discussion may be discussed at the meeting without return material being circulated in advance.
- 3) The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in the agenda for discussion.

**MINUTES OF PROCEEDINGS OF BOARD MEETING:**

The Company Secretary records the minutes of the proceedings of each Board and Committee Meetings. Draft minutes are circulated all the members of the Board for their comments.

**COMMITTEES OF BOARD:**

**1. AUDIT COMMITTEE:**

The Audit Committee comprises of 3 members represented by 2 Non Executive Independent Director and 1 Executive Promoter Director. Shri Ambalal C. Patel, acts as Chairman of the Committee and Shri Vedprakash D. Chiripal and Shri Gautam C Gandhi are the members of the Committee.

**Broad Terms of Reference:**

The Broad terms of reference as laid down by the board include the following requirement contained in the Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements before submission to the board for approval, with particulars reference to:
- Matters required to be included in the Directors Responsibility Statement to be included in the Boards report in terms of Clause (2AA) of section 218 of the Companies Act, 1956.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgement by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal, audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant finding and follow up there on.
- 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 then reporting such matters to the Board;
- Discussing with statutory auditors before the audit commences, about the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;
- To look into the reason for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- The Audit Committee met five times during the year under review on 29/04/2008, 31/07/2008, 29/08/2008, 22/10/2008 and 31/01/2009.

- The composition of Audit Committee and particulars are as under:

Name of Director	Category / Status	No. of Meetings	Meetings attended
Shri Ambalal C. Patel – Chairman	Non Executive Independent Director	5	Yes
Shri Vedprakash D. Chiripal Member	Executive Promoter Director	5	Yes
Shri Gautam C. Gandhi	Non Executive Independent Director	5	Yes

## 2. REMUNERATION COMMITTEE

The remuneration committee has been constituted to recommend/review the remuneration package of the Managing/ Whole time Directors based on performance and defined criteria.

The remuneration policy is framed towards rewarding performance based on review of achievements from time to time. The remuneration policy is also in consistency with the industrial scenario.

The remuneration committee met once only on 22/10/2008 during the year under review to consider revised remuneration package to Shri Brijmohan D. Chiripal, Managing Director of the Company.

- Composition of Remuneration Committee.**

Sr. No	Name of the Director	No. of meeting		Nature of Directorship
		held	attended	
1.	Mr. Vedprakash D. Chiripal	1	1	Executive, Promoter group
2.	Shri Ambalal C. Patel –Chairman	1	1	Non-Executive, Independent

The remuneration committee met One time during the year under review viz., on 22/10/2008

Details of remuneration paid to directors for the year ended on March 31, 2009 are as follows:

Name of Director	Sitting Fees	Salaries & Perquisites	Commission (Rs)	Total (Rs)
Shri Brijmohan D. Chiripal	Nil	4368000	Nil	4368000
Shri Vedprakash D. Chiripal	Nil	Nil	Nil	Nil
Shri Gautam C Gandhi	60000	Nil	Nil	60000
Shri Ambalal C. Patel	50000	Nil	Nil	50000

Details of Shareholding of Directors as at 31st March, 2009

Name of Directors	No. of shares held as on 31/03/2009	% holding
Shri Brijmohan D. Chiripal	48250000	10.59
Shri Vedprakash D. Chiripal	48250000	10.59
Shri Gautam Gandhi	Nil	Nil
Shri Ambalal C. Patel	Nil	Nil

## 3. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE.

- The Company has constituted an investors relations committee comprising of 2 directors with chairman being a non-executive, non-promoter director.
- The Committee looks into redressal of shareholders' complaints like transfer of shares, non-receipt of balance sheet, non-receipt of dividend etc. The committee reviews the performance and recommends measures for overall improvement in quality of investor services.

**Composition of Shareholders/ Investors Relations Committee**

### COMPOSITION OF SHAREHOLDERS/ INVESTORS RELATIONS COMMITTEE:

Sr. No	Name of the Director	Designation in committee	Nature of Directorship
1.	Shri Gautam C. Gandhi,	Chairman	Non-Executive, Independent Director
2.	Shri Vedprakash Chiripal	Member	Executive, Promoter Director

During the year, the Company under review 4 Meeting were held on 29/04/2008, 31/07/2008, 22/10/2008 and 31.01.2009.

During the year, the Company has received 42 complaints which were resolved in time and no complaints are pending. The status of complaints is periodically reported to the Committee.

The equity shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal. The Board has delegated powers for approving transfer and transmission of shares and issue of duplicate shares to Shares Transfer Committee. The Share Transfer Committee met 4 Time during the year. There was no pending transfer of equity shares as at 31st March, 2009.

#### SHARE TRANSFER SYSTEM:

The Company's Registrar and Share Transfer Agents is M/s Datamatics Financial Services Limited., Mumbai. The shares lodged for physical transfer/transmission/transposition / rematerialisation are registered within the prescribed time period if the documents are complete in all respects. The shares in dematerialised form are admitted for trading with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited.

#### 5. RIGHTS ISSUE COMMITTEE.

The Rights Issue Committee was constituted by Board of Directors in its meeting on January 30, 2007 consisting of Three directors, One of them are Non-executive Independent Directors and Two Executive Promoter Director. The Committee would look into the matters relevant to the Rights Issue.

#### Composition of Rights Issue Committee

Sr. No	Name of the Director	Designation in committee	Nature of Directorship
1.	Shri. Vedprakash D. Chiripal	Chairman	Executive, Promoter Director
2.	Shri. Brijmohan D. Chiripal	Member	Executive, Promoter Director
3.	Shri Ambalal C. Patel	Member	Non-Executive, Independent Director

#### SUBSIDIARY COMPANY:

The Company has no Subsidiary Company.

#### DISCLOSURES

##### a. Basis of Related Party Transaction

For significant related party transactions refer to Point no 17 of the Notes on Account contained in financial statements in this Annual Report.

##### b. Disclosure of accounting treatment in preparation of Financial Statement

The company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountant of India (ICAI) in preparation of its financial statements.

##### c. Details of non-compliance by the Company

The Company has complied with all the requirement of regulatory authorities. No penalty / structures were imposed on the Company by Stock Exchange or SEBI or any statutory on any matter related to capital market during the last three years.

##### d. Remuneration of Directors

The disclosure on remuneration of Directors, pecuniary relationship or transactions with non-executive Directors, details of notice period, severance fees, no. of shares held by Directors etc. have been provided earlier under the head " Remuneration Committee" in this Corporate Governance Report.

##### e. Shareholders

The information of Directors who are proposed to be appointed / re-appointed have been provided in Annexure to the Notice of Annual General Meeting to be held on 25th September, 2009.

##### f. Management Discussion and Analysis

The Management Discussion and Analysis Report have been separately given in this Annual Report as required under Clause 49 of the Listing Agreement.

#### Information about last 3 Annual General Meetings:-

AGM / EGM	Date	Venue	Time	No. of special resolutions passed
14th AGM	December 19, 2008	Survey No. 198/1 , 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405	3.30 P. M.	1
13th AGM	September 28, 2007	Survey No. 198/1 , 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405	3.30 P. M.	Nil
12th AGM	September 28, 2006	Survey No. 198/1 , 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405	3.30 P. M.	3

During year ended 31st March, 2009 there have been no resolutions passed by the company's through postal ballot.

**COMPLIANCE:**

There has been no non-compliance of the provisions, requirements of Stock Exchanges, SEBI. No penalties/Strictures have been imposed on the Company by the Stock Exchanges or SEBI or an other statutory authority on any matter relating to capital market.

**POSTAL BALLOT**

The Company has not passed any resolution through postal ballot during the years under reference, None of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

**CEO / CFO CERTIFICATION**

As per provision of Clause 49 of the Listing Agreement, the Managing Director have certified to the Board in compliance with the Clause 49(V) regarding CEO / CFO certification.

**CODE OF CONDUCT**

The Board of Directors of the Company has laid down Code of Conduct for Directors and Senior Management. The Code of Conduct are posted on the Company's Website [www.chiripalgroup.com](http://www.chiripalgroup.com). All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year under review.

**MEANS OF COMMUNICATION**

Half Yearly report sent to each of shareholders	No
Quarterly Results	
Which newspapers normally published in	The Economics Times, Financial Express, Hindu Business Line, Business Standard, Indian Express.
Any website where displayed.	<a href="http://www.chiripalgroup.com/www.sebiedifar.nic.in">www.chiripalgroup.com/www.sebiedifar.nic.in</a>
Presentation made to Institutional Investors or to Analyst	No.
Whether Management Discussion and Analysis Report Is a part of annual report or not	Yes

**GENERAL INFORMATION FOR SHAREHOLDERS:**

- **ANNUAL GENERAL MEETING:**

DATE & TIME	<b>25.09.2009 at 3.30p.m</b>
VENUE	Survey No. 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Ahmedabad – 382 405
- **Financial Calendar** **(tentative & subject to change)**

(a) First Quarter Results	Last week of July'08
(b) Second Quarter Results	Last week of Oct.,08
(c) Third Quarter Results	Last week of Jan.'09
(d) Results for the year ending March 2008:	Last week of July '09
- **Date of Book Closure:** Saturday 29th August, 2009 To Monday 31st August , 2009 (Both days Incl.)
- **Dividend Payment Date** N.A.
- **Listing on Stock Exchange** The Bombay Stock Exchange Limited,(BSE) Mumbai  
The National Stock Exchange of India Limited (NSE), Mumbai
- **Stock Code**

1. Bombay Stock Exchange Limited	532641
2. The National Stock Exchange of India	NANDAN
- ISIN No. for NSDL and CDSL** INE 875G01022

• **MARKET PRICE DATA.**

Monthly Highs and Lows for the period April 2008 to March 2009.

	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April, 2008	3.85	2.92	3.90	2.90
May, 2008	3.45	2.75	3.45	2.80
June, 2008	2.94	2.10	2.90	2.10
July, 2008	3.12	1.86	3.10	1.85
August, 2008	2.75	2.31	2.75	2.30
September, 2008	3.03	1.75	3.05	1.95
October, 2008	2.25	1.01	2.05	1.00
November, 2008	1.20	0.85	1.20	0.85
December, 2008	1.35	0.85	1.35	0.85
January, 2009	1.54	1.03	1.55	1.00
February, 2009	1.10	0.94	1.10	0.95
March, 2009	0.99	0.80	0.95	0.8

The Equity Shares of the Company has been listed at Bombay Stock Exchange Limited w.e.f. 13.6.2005 and National Stock Exchange Limited w.e.f. 29.12.2005.

• **Distribution of Shareholding as of 31st March, 2009:**

Sr. No.	Shares Range		Shares	% To Capital	No Of Holders	% To Total Holders
	From	To				
1	1	500	6634227	1.46	22406	34.22
2	501	1000	14435285	3.17	15650	23.90
3	1001	2000	18590122	4.08	10907	16.66
4	2001	3000	12268400	2.69	4531	6.92
5	3001	4000	9026506	1.98	2427	3.71
6	4001	5000	13297178	2.92	2739	4.18
7	5001	10000	29601393	6.50	3827	5.84
8	10001	50000	52892502	11.61	2548	3.89
9	50001	9999999999	298744951	65.59	443	0.68
	<b>TOTAL</b>		<b>455490564</b>	<b>100.00</b>	<b>65478</b>	<b>100.00</b>

• **Shareholding Pattern ( As of 31st March, 2009)**

Sr No.	Category	No. of Shares	% to Share Capital
<b>A</b>	<b>Promoters Holding</b>		
	Individuals/HUF	198,352,500	43.5470
	Bodies Corporate	25,400,731	5.5766
<b>B</b>	<b>Non Promoter holding</b>		
	Financial Institution/Banks	Nil	Nil
	Bodies Corporates	40,692,473	8.9338
	Indian Public	188708913	41.4298
	Any Other ( Non Resident)	2335947	0.5128
	<b>Total ....</b>	<b>455490564</b>	<b>100%</b>



- **DEMATERIALIZATION OF SHARES**

As on 31st March, 2009, 99.95% Shares were held in dematerialized form and balance 0.014 % shares were held in physical form. The trading in the Company's Equity shares in compulsory in dematerialized mode. In order to afford full liquidity and efficient transfer mechanism to the investor community, the Company has tied up with National Securities Depository Limited ( NSDL) and the central Depository Services( India) Limited ( CDSL). Thus the investors can exercise dematerialization and transfer actions through a recognised Depository Participant ( DP) who is connected to NSDL or CDSL. Requests for Dematerialization of Physical shares are processed and completed within an average period of 15 days from the date of receipt of documents provided that the same are in order.

Not issued

- Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion dates and likely impact on equity.
- Plant Locations
- Registrar and Share Transfer Agent
- Address for correspondence should be addressed to

Survey No. 198/1, 203/2, Saijpur Gopalpur, Pirana Road, Piplej, Ahmedabad – 382 405.

**Datamatics Financial Services Limited**

A/ 16 & 17, Part B, Cross Lane, Marol, Andheri (East), Mumbai – 400 009.

The Company Secretary

**NANDAN EXIM LIMITED**

Chiripal House, Shivranjani Cross Road, Satellite, Ahmedabad 380 015

Phone : 079- 26734660 Fax : 079-26768656

Email : info@chiripalgroup.com

**Datamatics Financial Services Limited**

Unit : Nandan Exim Limited

A/16 & 17, Part B, Cross Lane, Marol, Andheri (East), Mumbai – 400 093.

Phone : 022- 28213383-92 Fax : 022-28320382

Email : corpequity@dfssl.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

**POLICY FOR PREVENTION OF INSIDER TRADING**

In compliance with SEBI regulation on Insider Trading the Company has framed comprehensive Code of Conduct for prevention of Insider Trading for its designated employees. The Policy laid down guidelines, which advise them on procedures to be followed and disclosure to be made while dealing with Shares of the Company and cautioning them on consequences of violations.

**MANAGING DIRECTOR / CEO'S DECLARATION ON CODE OF CONDUCT**

As required under Clause 49 of the Listing Agreement CEO's Declaration for Code of Conduct is given below:

To,

The Members

**Nandan Exim Limited**

Ahmedabad

I, Brijmohan D. Chiripal, Managing Director of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For Nandan Exim Limited

Place : Ahmedabad

Date : 31/07/2009

**Brijmohan D. Chiripal**

*Managing Director*

**AUDITORS' CERTIFICATE ON REPORT OF CORPORATE GOVERNANCE**

To  
The Members,  
**Nandan Exim Limited,**

We have examined the compliance of conditions of Corporate Governance by Nandan Exim Limited for the year ended March 31, 2009, as stipulated in Clause 49 of the listing agreement entered into the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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 explanation given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As per the records of the Company and certificate issued by registrar, no investor grievances are pending for a period exceeding one month against the Company.

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

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

**(J. T. SHAH)**  
*Partner*  
Memb. No. 3983

Place : Ahmedabad  
Date : 31/07/2009

**AUDITORS' REPORT**

To,  
The Members of  
**NANDAN EXIM LIMITED**  
Ahmedabad

1. We have audited the attached Balance Sheet of **NANDAN EXIM LIMITED** as at 31st March, 2009 the Profit and Loss account and also the Cash Flow Statement for the year ended on that date annexed thereto (herein after referred to as financial statements). These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Company Law Board in terms of section 227 (4 A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which are to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (ii) 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;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
  - (v) In our opinion and based on information and explanation given to us, none of the directors are disqualified as on 31st March, 2009 from being appointed as director of the company in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 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 31st March, 2009;
    - (ii) In the case of the Profit and Loss Account, of the **Loss** of the Company for the year ended on that date; and
    - (iii) In the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

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

**(J. T. SHAH)**  
*Partner*

Memb. No. 3983

Place : Ahmedabad  
Date : 31/07/2009

**ANNEXURE TO THE AUDITORS REPORT**

**Referred to in paragraph 3 of our Report of even date to the Members of NANDAN EXIM LIMITED for the year ended 31st March, 2009**

**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 available records.
- c. In our opinion, the Company has not disposed off any major/substantial part of the fixed assets during the year and the going concern status of the company is not affected.

**2. In respect of its Inventories :**

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

**3. In respect of loans, 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, there was one party covered in the register maintained under section 301 of the Companies Act, 1956 from whom the company has taken loan. The year end balance is amounting to Rs. Nil and the maximum amount involved during the year was Rs.169.50 Lacs.
- b. 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.
- c. The company has taken interest free loans hence the question of repayment of interest does not arise and in case of principal, the terms of repayment have not been stipulated.
- d. As the terms of repayment of loans have not been stipulated, the question of overdue installments in respect of the same does not arise.
- e. During the year under audit, the company has not granted any loans, secured or unsecured, to the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956 hence clause 4 (iii) (e), (iii) (f) and (iii) (g) of the Companies (Auditor's Report) Order, 2003 are not applicable.

**4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major 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.****7. In our Opinion, the Company has an internal audit system commensurate with size and nature of its business.**

8. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. In respect of Statutory Dues:
- According to the records of the company, by and large the company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and other statutory dues applicable to it except delay in some cases.
  - According to the information and explanation given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax custom duty, Service tax and excise duty were outstanding as at 31st March, 2009 for a year more than six months from the date they became due.
  - On the basis of our examination of the records, following disputed statutory dues have not been deposited with the appropriate authorities;

Name of the Statute	Nature of the Dues	Amount (Rs. In Lacs)	Year	Forum where dispute Is pending
The Income Tax Act, 1961	Income Tax& Interest	12.37	2005-06	Commissioner of Income Tax, Appeals
The Central Excise and Custom Act	Education Cess	0.24	2007-08	Commissioner of Central Excise, Appeals

10. The company has no accumulated losses and has not incurred any cash losses during the financial year under review or in the immediately preceeding financial year.
11. *In our Opinion and according to the information and explanations given to us, there was a delay ranging up to 3 month in repayment of rescheduled principal of Rs.1681.59 Lacs and delay ranging up to 35 days in respect of interest of Rs. 552.42 Lacs.*
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. As per the information provided to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
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. We have verified the end use of money raised by right issue as disclosed in note no.19 of Notes forming part of financial statement.
21. Based upon the audit procedures performed and 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

**(J. T. SHAH)**  
 Partner

Place : Ahmedabad  
 Date : 31/07/2009

Memb. No. 3983

## BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
a. Share Capital	1	455490564	455490564
b. Reserve and Surplus	2	709628780	719137651
		<b>1165119344</b>	1174628215
<b>Loan Funds</b>			
a. Secured Loans	3	2369614076	2223434397
b. Unsecured Loans	4	311189932	481959370
		<b>2680804008</b>	2705393767
<b>Deferred Tax Liability (Net)</b>		<b>154421486</b>	156597984
		<b>4000344837</b>	4036619966
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
a. Gross Block	5	2549996602	2421251721
b. Less:- Depreciation		536626599	316870325
c. Net Block		2013370003	2104381396
d. Capital Work in Progress		458001255	82447343
		<b>2471371258</b>	2186828739
<b>Investments</b>	6	<b>33613640</b>	33613640
<b>Current Assets, Loans and Advances</b>			
a. Inventories	7	467114729	630195345
b. Sundry Debtors	8	1043038949	744702580
c. Cash and Bank Balance	9	25935468	210660338
d. Loans and Advances	10	416963005	559610519
		<b>1953052151</b>	2145168782
<b>Less : Current Liabilities and Provisions</b>			
a. Current Liabilities	11	397005549	269906319
b. Provisions	12	60686663	59084876
		<b>457692212</b>	328991195
<b>Net Current Assets</b>		<b>1495359939</b>	1816177587
Miscellaneous Expenditure (To the extent not written off or adjusted)	13	<b>NIL</b>	<b>NIL</b>
		<b>4000344837</b>	4036619966

Notes forming part of Financial Statements

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As per our report of even date

For and on behalf of the Board

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

CHARTERED ACCOUNTANTS

**Vedprakash D. Chiripal** *Chairman***J.T. SHAH***Partner***Brijmohan D. Chiripal** *Managing Director*

Place : Ahmedabad

Date : 31/07/2009

Place : Ahmedabad

Date : 31/07/2009

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31ST MARCH, 2009**

	Schedule	2008-09 (Rs.)	2007-08 (Rs.)
<b>INCOME</b>			
Sales and Operating Income	14	3214404275	2891141835
Other Income	15	5643391	9648532
		<b>3220047666</b>	2900790367
<b>EXPENDITURE</b>			
Materials	16	2064694086	2058895726
Employment Cost	17	118348603	88895909
Manufacturing and Operating Expenses	18	324773342	205078741
Administrative and Selling Expenses	19	133419177	87024476
Interest and Finance Charges	20	256797675	148092140
Provision for Diminution in Value of Investment		NIL	28689600
Loss due to Fire (Refer Note No. 13 of Schedule 21)		111615876	NIL
		<b>3009648759</b>	2616676592
<b>Profit before Depreciation and Tax</b>		<b>210398907</b>	284113775
Less : Depreciation	5	220785860	162831201
<b>Profit/(Loss) before Taxation &amp; Prior Period Items</b>		<b>(10386953)</b>	121282574
Less : Prior Period Items		3761387	(757511)
<b>Profit/(Loss) before Taxation</b>		<b>(14148340)</b>	122040085
Provision for Income Tax			
- Current Tax (Including Wealth Tax and FBT)		2050000	14950000
- Deferred Tax Liability/(Asset)		(2176498)	42174791
<b>Profit/(Loss) After Tax</b>		<b>(14021842)</b>	64915294
Add : Balance brought forward from previous year		330004495	265089201
<b>Balance Carried to Balance Sheet</b>		<b>315982653</b>	330004495
<b>Basic and Diluted Earning per Share</b>		<b>(0.03)</b>	0.17
Notes forming part of Financial Statements	21		

As per our report of even date

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

**J.T. SHAH**  
 Partner

 Place : Ahmedabad  
 Date : 31/07/2009

For and on behalf of the Board

**Vedprakash D. Chiripal** Chairman

**Brijmohan D. Chiripal** Managing Director

 Place : Ahmedabad  
 Date : 31/07/2009

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 ST MARCH' 09.**

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>SCHEDULE - 1 : SHARE CAPITAL</b>		
Authorised		
500000000 (Previous year 500000000) Equity Shares of Rs.1/- each (Previous Year Rs.1/- each)	500000000	500000000
Issued, Subscribed and Paid-up		
455490564 (Previous Year 455490564) Equity Shares of Rs.1/- each (Including 202830188 Shares issued as bonus by way of capitalisation of Reserves)	455490564	455490564
	<b>455490564</b>	<b>455490564</b>
<b>SCHEDULE - 2 : RESERVE AND SURPLUS</b>		
General Reserve		
As per last Balance Sheet	26300000	26300000
Add: Effect of Exchange Rate Fluctuation in respect of earlier years (Refer Note No. 4 of Schedule 21)	4512971	NIL
	<b>30812971</b>	<b>26300000</b>
Share Premium Account		
As per last Balance Sheet	362833156	67233199
Add: Received during the year	NIL	303660376
Less: Share issue expenses	NIL	(8060419)
	<b>362833156</b>	<b>362833156</b>
Profit and Loss Account	315982653	330004495
	<b>709628780</b>	<b>719137651</b>
<b>SCHEDULE - 3 : SECURED LOANS</b>		
Term Loans from Banks	1702964877	1496670059
Working Capital Loans from Banks	666649199	726764338
	<b>2369614076</b>	<b>2223434397</b>

**Note :**

- 1) Term Loans 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 some of the Directors
- 2) Working Capital loans 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 personal guarantee of some of the Directors
- 3) Amount repayable within one year as per reschedulement Rs. 317.78 Lacs (Previous Year Rs.2869.54 Lacs)



	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>SCHEDULE - 4 : UNSECURED LOANS</b>		
From Banks	<b>149998224</b>	50000000
Buyers Credit Arrangement	<b>161191708</b>	415009370
From Corporate Bodies	<b>NIL</b>	16950000
	<b>311189932</b>	481959370

1) Amount repayable within one year Rs.750.00 Lacs (Previous Year Rs. 500.00 Lacs)

**SCHEDULE - 5 : FIXED ASSETS**

(Amount in Rs.)

Sr. No.	FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.08	Addition during the year	Deduction during the year	As at 31.03.09	As at 01.04.08	Addition during the year	Deduction during the year	As at 31.03.09	As at 31.03.09	As at 31.03.08
1	Land and Land Development	12328403	3226960	—	<b>1555363</b>	—	—	—	—	<b>1555363</b>	12328403
2	Building	565780696	8159264	12465369	<b>561474591</b>	21781667	18664873	458548	<b>39987992</b>	<b>521486599</b>	543999029
3	Plant and Machinery	1802966564	129883529	5297888	<b>1927552205</b>	288106968	197601334	516855	<b>485191447</b>	<b>1442360758</b>	1514859596
4	Furniture and Fixtures	10387164	491448	—	<b>10878612</b>	2383332	614344	—	<b>2997676</b>	<b>7880936</b>	8003832
5	Computers	20341408	1737043	—	<b>22078451</b>	3251579	3323175	—	<b>6574754</b>	<b>15503697</b>	17089829
6	Office Equipments	4253382	145961	—	<b>4399343</b>	747985	219965	—	<b>967950</b>	<b>3431393</b>	3505398
7	Vehicle	5194103	3138933	275000	<b>8058036</b>	598794	362169	54183	<b>906780</b>	<b>7151256</b>	4595309
	Total (a)	2421251721	146783138	18038257	<b>2549996602</b>	316870325	220785860	1029586	<b>536626599</b>	<b>2013370003</b>	2104381396
	Previous Year	1699261210	721990510	Nil	<b>2421251721</b>	154039124	162831201	Nil	<b>316870325</b>	<b>2104381396</b>	1545222086
Capital Work in Progress (b)										<b>458001255</b>	82447343
Total (a) + (b)										<b>2471371258</b>	2186828739

As at  
**31.03.2009**  
(Rs.)

As at  
31.03.2008  
(Rs.)

**SCHEDULE - 6 : INVESTMENTS (AT COST)**
**LONG TERM - NON TRADE**
**Investment in Shares (Quoted)**
**In companies under the same Management**

**61920000**      61920000

2064000 (Previous year 2064000) Equity Shares of Nova Petrochemicals Ltd. of Rs. 10/- each. (Includes 1032000 Shares Pledged with State Bank of India in respect of loan taken by Nova Petrochemical Ltd)

**In other companies**

**293240**      293240

20000 (Previous year 20000) Equity Shares of UCO Bank Ltd. of Rs. 10/- each

**62213240**      62213240

Less : Provision for Diminution in Value of Investment

**28689600**      28689600

**33523640**      33523640

**Investment in Shares (Unquoted)**
**In companies under the same Management**

**90000**      90000

20250 (Previous year 20250) Equity Shares of Chiripal Industries Ltd. of Rs. 10/- each.

Total

**33613640**      33613640

Aggregate value of Quoted Investments

**33523640**      33523640

Market value of Quoted Investments

**27312000**      33969400

	As at 31.03.2009 (Rs.)	As at 31.03.2008 (Rs.)
<b>SCHEDULE - 7 : INVENTORIES</b>		
Finished Goods	119590884	167657317
Stock in Process	142374808	175724662
Raw Materials	188253509	268302984
Stores, Spares and Packing Materials	16895528	18510382
	<b>467114729</b>	<b>630195345</b>
<b>SCHEDULE - 8 : SUNDRY DEBTORS</b>		
(Unsecured, Considered good unless otherwise stated)		
Considered Good		
- Outstanding for period exceeding 6 months	54420088	31169286
- Others	988618861	713533294
	<b>1043038949</b>	<b>744702580</b>
Considered Doubtful		
- Outstanding for period exceeding 6 months	1231007	NIL
- Others	NIL	NIL
	<b>1231007</b>	<b>NIL</b>
	<b>1044269956</b>	<b>744702580</b>
Less : Provision for Doubtful Debtors	1231007	NIL
	<b>1043038949</b>	<b>744702580</b>
<b>SCHEDULE - 9 : CASH AND BANK BALANCES</b>		
Cash on Hand	2768186	7965883
Balance with Scheduled Banks		
In current accounts	4668182	59796670
In Fixed Deposit/Margin Money	18499100	142894135
	<b>23167282</b>	<b>202690805</b>
Balance with Non Scheduled Banks	NIL	3650
	<b>25935468</b>	<b>210660338</b>
<b>SCHEDULE - 10 : LOANS AND ADVANCES</b>		
(Unsecured, Considered good unless otherwise stated)		
Deposits	6221826	18593342
Advance Recoverable in cash or in kind	349798528	493679852
Advance Income Tax and T.D.S.	60942651	47337325
	<b>416963005</b>	<b>559610519</b>
<b>SCHEDULE - 11 : CURRENT LIABILITIES</b>		
Sundry Creditors		
- MSME Units	9755526	9088722
- Others	357256517	238493937
Other Liabilities	29993506	22323660
	<b>397005549</b>	<b>269906319</b>
<b>SCHEDULE - 12 : PROVISIONS</b>		
Provision for Taxation	60686663	59084876
	<b>60686663</b>	<b>59084876</b>
<b>SCHEDULE - 13 : MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses	NIL	112350
Less : Written off during the year	NIL	112350
	<b>NIL</b>	<b>NIL</b>

	2008-2009 (Rs.)	2007-2008 (Rs.)
<b>SCHEDULE - 14 : SALES AND OPERATING INCOME</b>		
Turnover	3150157375	2830197165
Job Work	6606454	4124478
Export Incentive	57640446	56820192
	<b>3214404275</b>	<b>2891141835</b>
<b>SCHEDULE - 15 : OTHER INCOME</b>		
Dividend	20000	NIL
Interest Received (TDS Rs. 816175/- Previous Year Rs. 1919938/-)	5500307	7170220
Miscellaneous Income	123084	2478312
	<b>5643391</b>	<b>9648532</b>
<b>SCHEDULE - 16 : MATERIALS</b>		
Raw Material Consumed	1404238122	1462615465
Finished Goods Purchase	579039677	731271037
Variation in finished goods and stock in progress		
Opening Stock		
Stock in Progress	175724662	25614649
Finished Goods	167657317	182776554
	<b>343381979</b>	<b>208391203</b>
Closing Stock		
Stock in Progress	142374808	175724662
Finished Goods	119590884	167657317
	<b>261965692</b>	<b>343381979</b>
	<b>81416287</b>	<b>(134990776)</b>
	<b>2064694086</b>	<b>2058895726</b>
<b>SCHEDULE - 17 : EMPLOYMENT COST</b>		
Salary, Wages and Bonus	116759408	86759469
Gratuity	1589195	2136440
	<b>118348603</b>	<b>88895909</b>
<b>SCHEDULE - 18 : MANUFACTURING AND OPERATING EXPENSES</b>		
Labour /Jobwork and Process Charges	15525031	28693773
Carriage Inward	5681923	15483779
Stores and Spares	22123450	21166284
Power and Fuel	239191045	121064826
Packing Material	10995907	11817510
Inspection Charges	3365009	2434214
Net Foreign Exchange Rate Difference	27890977	4418355
	<b>324773342</b>	<b>205078741</b>

	2008-2009 (Rs.)	2007-2008 (Rs.)
<b>SCHEDULE - 19 : ADMINISTRATIVE AND SELLING EXPENSES</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Rent, Rates and Taxes	1376210	431193
Insurance Charges	4995180	3371165
Repairs and Maintenance		
- Plant and Machinery	801646	821835
- Others	908172	522457
	<b>1709818</b>	1344292
Travelling, Conveyance and Vehicle Expenses	9696331	8094756
Professional Fees and Legal Charges	7745172	4996152
Remuneration to Auditors		
- for Audit fee	330900	337080
- for Tax Audit fee	55150	56180
- for Others	NIL	71152
Communication Expenses	4467114	4540199
Miscellaneous Expenses	11766995	8886858
Preliminary Expenses written off	NIL	112350
	<b>42142870</b>	32241377
<b>SELLING EXPENSES</b>		
Commission & Discount	53958074	22502672
Other Selling Expenses	5456347	6522795
Freight, Clearing and Forwarding	31861886	25757632
	<b>91276307</b>	54783099
	<b>133419177</b>	87024476
<b>SCHEDULE - 20 : INTEREST AND FINANCE CHARGES</b>		
Interest and Other Charges paid to Bank	246922582	145431897
Interest paid to Others	9875093	2660243
	<b>256797675</b>	148092140

**SCHEDULE 21 : NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st March, 2009****1. SIGNIFICANT ACCOUNTING POLICIES****i) Basis of Preparation of financial Statements**

The financial statements are prepared on accrual basis in accordance with the generally accepted accounting principles as adopted consistently by the company and according to the provisions of the Companies Act, 1956.

**ii) 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. Net charges arising from exchange rate variation relating to liability incurred for the purpose of acquiring fixed assets are capitalized as part of cost of Fixed assets which were hereto charged to revenue. Cenvat credit and EPCG claims on capital goods are accounted for by reducing the cost of capital goods.

**iii) 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 assets.

**iv) Investments**

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

**v) 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 Trading Goods is computed on FIFO basis in case of Fabric Division. In respect of Spinning Division the Cotton bales are valued on specific costing. Cost in respect of process and finished goods are computed on weighted average basis method. Finished goods and process stock includes 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.

**vi) Revenue Recognition**

(a) Revenue from sale of goods is recognised 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 recognised when the right to receive the payment is established.

(c) Exports entitlement under the Duty Entitlement Pass Book (DEPB) scheme are recognised in the 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.

**vii) 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.

**viii) Employee benefits**

(i) 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.

(ii) 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.

**ix) 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.

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

**x) Amortization of Expenses**

Preliminary expenses are amortized over a period of five years. The balance of share issue expenses account at the period end has been adjusted against the share premium account.

**xi) 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.

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

	<b>2008-2009 Rs. (in Lacs)</b>	<b>2007-2008 Rs. (in Lacs)</b>
a) Income Tax demands disputed in appeal by the Company/ Income Tax Authorities [Against which the Company has paid amount of Rs. Nil (Previous Year 3.00 Lacs)]	<b>12.37</b>	8.34
b) Excise Demand disputed in appeal by the company /Excise Department	<b>0.24</b>	Nil
c) Estimated Amount of Contracts remain to be Executed on Capital Account for which company has opened letter of Credit of Rs. Nil (Previous Year Rs. 781.67 Lacs). Advance paid against such Contract is Rs.815.18 Lacs (Previous year Rs.2003.25 Lacs)	<b>1947.25</b>	3104.42
d) Show cause notice for Excise Duty received against which reply has been made/ Department has filed an appeal and matter is pending for further hearing.	<b>252.97</b>	195.08
e) 1032000 Shares (Previous Year 1032000 Shares) of Nova Petrochemical Pledge with State Bank of India in respect of Loan taken by Nova Petrochemical Ltd. (At market value)	<b>134.16</b>	165.12
f) A letter has been received by the company from service tax Department seeking Clarification on selling Commission.	<b>Amount not Quantified</b>	Amount not Quantified
3. 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.9769.88 Lacs (Previous year Rs. 15092.47 Lacs) to be fulfilled during the specified period. The liability towards custom duty payable thereon in respect of unfulfilled export obligation as on 31st March, 2009 is Rs 1,221.24. Lacs. (Previous Year Rs. 1751.48 Lacs)		
4. 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 relating to long-term monetary item, in so far related to acquisition of depreciable capital asset, arising during the financial year 2007-08 amounting to Rs.45.13 Lacs is adjusted to the General reserve and adjusted to the Fix Assets and amount of Rs.1239.67 lacs arising during the current year are adjusted to the cost of the fixed assets and depreciated over the balance life of the fixed assets.		
5. Net Foreign Exchange Loss of Rs.25,146,926/- (Previous Year Gain of Rs. 1,273,861/-) in respect of Exports included in Manufacturing and Operating Expense. Net Foreign exchange loss amounting to Rs.2,744,051/- (Previous Year loss of Rs. 1,179,245/-) in respect of various other items is included in Manufacturing and Operating Expense. Foreign exchange fluctuation gain of Rs. Nil in respect of fixed assets, pertaining to the year up to the date on which the assets are ready for its intended use have been debited to Profit and loss account ((Previous Year loss of Rs. 4,512,971/-).		
6. 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.		
7. Balances of Debtors, Creditors, Loans and Advances etc. are subject to confirmation and reconciliation.		
8. Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to Rs. Nil (Previous Year Rs. 35,317,395/-) is capitalized by the company net of TUFs interest subsidy Rs. Nil (Previous Year 17,376,598 /-).		
9. Maximum amount of debit balance at any time during the period in current account with Naroda Nagrik Sahakari bank Ltd, a non scheduled bank is Rs. 3650/-. (Previous Year Rs. 3,762/-).		
10. Interest and Finance Charges are net of interest subsidy received/receivable under TUFs scheme amounting to Rs. 77,369,161/- (Previous year Rs. 42,268,951/-) and Subvention received/receivable on Export Packing Credit amounting to Rs.658,385/- (Previous Year Rs.Nil).		
11. Share Issue Expense (Right Issue) amounting to Rs. Nil are Adjusted against the balance of share Premium account [Previous Year Rs. 8,060,419/-]		

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

<b>EXPENSE HEAD</b>	<b>2008-2009</b>	<b>2007-2008</b>
Raw Material Consumed	<b>948,577</b>	(885,380)
Employment Cost	<b>3,421,926</b>	18,512
Manufacturing & Operating Expense	<b>1,221,966</b>	Nil
Administrative & Selling Expense	<b>(5,976,398)</b>	109,357
Interest & Financial Charges	<b>4,145,316</b>	Nil
<b>Total Amount (Rs.)</b>	<b>3,761,387</b>	(757,511)

13. Fire broke in cotton Godown on 5th May,2008 in which cotton worth Rs.2468.18 Lacs was destroyed and Plant & Machinery and Building having cost of Rs.177.63 Lacs (WDV of Rs. 167.88 Lacs) were damaged. The Insurance Company has passed the Claim of Rs.1418.27 Lacs in respect of Cotton and Rs.75.38 Lacs in respect of Plant & Machinery and Building. The resultant loss due to fire amounting to Rs.1049.90 Lacs in respect of Cotton and Rs.66.25 Lacs (Net of Salvage Value) in respect of Building and Plant & Machinery is debited to Profit & Loss Account.

14. (a) To the extent of available information, at the period-end the list of MSME Units to whom the amount outstanding due for more than 30 days is as follows:

Nahar Spinning Mills Ltd., Sanghi Industries Limited, Century Yarn, Rana Denim Pvt. Ltd., Vaibhav Yarn Mills Pvt. Ltd., Tayal Sons Limited, Welspun Syntex Ltd, Indorama Synthetics I. Ltd, Shree Kapil Yarn Ltd., Rajapalayam Mills Ltd, Thermax Limited, G.M.D.C. Ltd., STI India Limited, Alok Industries Ltd,, SKF India Ltd, Spentex Industries Ltd, RSWM Limited, Siemens Ltd, Moenus Textilmaschinen GMBH, Tsudakoma Corporation, Runtu International Limited, Karl Mayer, Shanghai Cando M/C & Equipment Co., Voltas Limited, Godrej & Boyce Mfg Co Ltd, ION Exchange (India) Ltd., Kusters Calico Machinery Ltd., Kpm Engineers, Shree Digvijay Cement Co Ltd., Ultratech Cement Ltd., ABB Ltd., Rieter Textile System, Staubli Faverges SCA, Todo Seisakusho Ltd, Sap India Private Ltd., Atlas Copco (India) Ltd., Bharat Bobins Limited.

(b) No interest was paid/payable to micro or small enterprise during the year.

(c) The above information has been determined to extend such parties could be identified on the basis of the information available with the Company regarding the status of supplier under the MSME.

Capital work in Progress includes expenditure during construction period as under:

15. Capital work in Progress includes expenditure during construction period as under: (Rs. in Lacs)

<b>Particulars</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
Pre Operative Expenses	<b>27.75</b>	40.75
Finance Charge	<b>Nil</b>	47.42
Professional Fees	<b>16.88</b>	8.77

16. The company has paid remuneration to its directors during the period as follows:

<b>Sr.</b>	<b>Name</b>	<b>Nature of Payment</b>	<b>31.03.2009</b>	<b>31.03.2008</b>
1	Shri Brijmohan Chiripal	Salary	<b>3,900,000</b>	3,000,000
		Contribution to Provident Fund	<b>468,000</b>	360,000
	<b>Total</b>		<b>4,368,000</b>	3,360,000

17. **Related Party Disclosures:**

**A) Key Management Personnel:**

<b>Sr.</b>	<b>Name</b>	<b>Designation</b>
1	Shri Vedprakash Chiripal	Chairman
2	Shri Brijmohan Chiripal	Managing Director
3	Shri Deepak Chiripal	CEO

**B) List of Relatives with whom transactions have taken place during the period:**

Sr. Name	No. Name
1 Jyotiprasad D Chiripal	9 Nishi J Agarwal
2 Urmiladevi J Agarwal	10 Jayprakash D Agarwal
3 Brijmohan D HUF	11 Ved Prakash Devkinandan HUF
4 Manjuladevi J Agarwal	12 Vansh J. Agarwal
5 Nidhi J. Agarwal	13 Jyotiprasad D HUF
6 Jaiprakash D HUF	14 Vedprakash Jayprakash (HUF)
7 Vedprakash Brijmohan (HUF)	15 Vinita Agrawal
8 Vedprakash Jyotiprasad(HUF)	

**C) List of Other Related Parties with whom transactions have taken place during the period:**

Sr. Name	No. Name
1 Nova Petrochemicals Limited	8 Quality Exim Pvt. Ltd.
2 Bhushan Processors Pvt. Ltd.	9 Deepak Enterprise
3 Sparrow Exports Pvt. Ltd.	10 Chiripal Charitable Trust
4 Shanti Exports Pvt. Ltd.	11 Vraj Integrated Textile Park Ltd.
5 Deepak Impex Pvt. Ltd.	12 Hexa International Ltd
6 Chiripal Industries Ltd.	13 Vishal Fabrics Pvt Ltd.
7 Chiripal Enterprise Pvt. Ltd	14 Chiripal Life Style Ltd.

**D) Details of Transactions with Key Management Personnel and Related Parties of the Key Management Personnel are as follows:** (Rs. in Lacs)

Sr. No.	Nature of Transaction	Key Management Personnel		Relatives		Other Related Parties		Total	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
1	<b>Unsecured Loans – Taken</b>								
	Taken during the period	Nil	1150.00	Nil	1100.00	Nil	200.00	Nil	2450.00
	Repaid during the period	Nil	1150.00	Nil	1100.00	169.50	200.00	169.50	2450.00
	Balance as at Balance Sheet Date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	169.50
2	<b>Unsecured Loans – Given</b>								
	Given during the period	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Repaid during the period	Nil	Nil	Nil	Nil	Nil	20.00	Nil	20.00
	Balance as at Balance Sheet Date	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	<b>Advances Recoverable in Cash or Kind</b>								
	Given during the period	Nil	Nil	Nil	Nil	1308.57	2626.72	1308.57	2626.72
	Settled during the period	Nil	Nil	Nil	Nil	2086.71	2626.72	2086.71	2626.72
4	<b>Expenditure</b>								
	Purchase of Goods	Nil	Nil	Nil	Nil	3855.38	3600.96	3855.38	3600.96
	Rent	Nil	Nil	Nil	Nil	5.05	4.80	5.05	4.80
	Electricity Charges paid for Common Premise	Nil	Nil	Nil	Nil	Nil	4.80	Nil	4.80
	Donation	Nil	Nil	Nil	Nil	73.00	6.00	73.00	6.00
	Job Work Charges	Nil	Nil	Nil	Nil	611.39	467.97	611.39	467.97
5	<b>Income Received</b>								
	Sales	Nil	Nil	Nil	Nil	292.28	1295.68	292.28	1295.68
	Sale of DEPB	Nil	Nil	Nil	Nil	13.49	Nil	13.49	Nil
	Job work	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Amount Expended on behalf of others	Nil	Nil	Nil	Nil	Nil	1.05	Nil	1.05
7	Amount Paid on Our Behalf	Nil	Nil	Nil	Nil	5.09	0.30	5.09	0.30
8	Amount paid on Behalf of Others	Nil	Nil	Nil	Nil	Nil	72.42	Nil	72.42
9	Issue of Share Capital	Nil	1100.00	Nil	900.00	Nil	200.00	Nil	2200.00
10	Remuneration paid	68.88	50.40	5.26	4.00	Nil	Nil	74.14	50.40



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:

	(Rs. in Lacs)	
	2008-09	2007-08
<b>1. Unsecured Loan:</b>		
<b>Taken:</b>		
- Brijmohan Chiripal	—	500.00
- Vedprakash Chiripal	—	550.00
<b>Repaid:</b>		
- Brijmohan Chiripal	—	500.00
- Vedprakash Chiripal	—	550.00
<b>2. Advance Recoverable in cash or Kind:</b>		
<b>Advance Given:</b>		
- Chiripal Industries Ltd.	939.08	—
- Quality Exim Pvt. Ltd.	369.49	1991.68
- Hexa International Ltd	—	635.04
<b>Advance Settled:</b>		
- Chiripal Industries Ltd.	1678.03	—
- Quality Exim Pvt. Ltd.	369.49	1991.68
- Hexa International Ltd	—	635.04
<b>3. Expenditure:</b>		
<b>Purchase of Goods:</b>		
- Chiripal Industries Ltd	1413.13	1558.77
- Vishal Fabrics Pvt. Ltd.	2197.85	1947.73
<b>Rent:</b>		
- Shanti Export Pvt. Ltd.	2.65	2.40
- Chiripal Enterprise Pvt. Ltd	2.40	2.40
<b>Electricity Charges Paid for Common Premises:</b>		
- Shanti Export Pvt Ltd	—	4.80
<b>Donation;</b>		
- Chiripal Charitable Trust	73.00	6.00
<b>Job Work Charges:</b>		
- Chiripal Industries Ltd	611.39	314.19
- Vishal Fabrics Pvt Ltd	—	68.01
<b>4. Income Received:</b>		
<b>Sales:</b>		
- Chiripal Industries Ltd	198.82	195.91
- Vishal Fabrics Pvt Ltd	33.98	973.66
- Shanti Export Pvt. Ltd	37.89	—
<b>DEPB Sale:</b>		
- Chiripal Industries Ltd	13.49	—
<b>5. Issue of Share Capital</b>		
- Ved Prakash Chiripal	—	500.00
- Brijmohan Chiripal	—	500.00

18. 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, 2009 (Rs. in Lacs)**

	India		Rest of World		Total	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
1 Segment Revenues	25698.05	23815.30	6445.99	5096.11	32144.04	28911.42
2 Segment Assets	43534.89	42432.53	1045.48	1223.58	44580.37	43656.11
3 Capital Expenditure during the period	1467.83	7512.58	-	-	1467.83	7512.58

19. Application of funds raised through Right issue (Rs. in Lacs)

Particulars	31.03.2009	31.03.2008
Opening Balance	273.78	—
Funds raised during the year	—	4554.90
<b>Funds utilized</b>		
For on going capital expenditure (Including the repayment of temporary loans taken for the said purpose)	—	3653.40
Public Issue Expenses (Including expenses incurred during previous year)	—	80.60
For General Corporate Purpose	—	547.12
Closing Balance	273.78	273.78

20. Information required in respect of Employee Benefits as required by Revised AS – 15 “Accounting for Employee Benefit” as issued by the Institute of Chartered Accountants of India.

**a) Amount of Defined Benefit Obligation in respect of Gratuity liability is recognized in the Balance Sheet as follows:**

Particulars	31.03.2009	31.03.2008
Present value of funded obligations	—	—
Fair value of plan assets	—	—
Present value of unfunded obligations	5,068,460	3,506,755
Unrecognized past service cost	Nil	Nil
Net liability	5,068,460	3,506,755
Amounts in the balance sheet:		
Liabilities	5,068,460	3,506,755
Assets	—	—
Net liability	5,068,460	3,506,755

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

Particulars	31.03.2009	31.03.2008
Current service cost	1,446,288	1,854,022
Interest on obligation	280,540	116,477
Expected return on plan assets	-	-
Net actuarial losses / (gains) recognized in quarter	(137,633)	165,941
Past service cost	Nil	Nil
Losses / (Gains) on curtailments and settlement	Nil	Nil
Total included in ‘Employee Benefit Expense’	1,589,195	2,136,440

c) **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	31.03.2009	31.03.2008
Opening Defined Benefit Obligation on 1-4-2008	3,506,755	1,370,315
Service cost for the quarter	1,446,288	1,854,022
Interest cost for the quarter 3,506,755 * 0.08	280,540	116,477
Actuarial losses (gains)	(137,633)	165,941
Losses (gains) on curtailments		
Liabilities extinguished on settlements	Nil	Nil
Liabilities assumed in an amalgamation in the nature of Purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	(27,490)	Nil
Closing defined benefit obligation 31-3-2009	5,068,460	3,506,755

d) **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	31.03.2009	31.03.2008
Opening fair value of plan assets	—	—
Expected return	—	—
Actuarial gains and (losses)	—	—
Assets distributed on settlements	Nil	Nil
Contributions by employer	—	—
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid by LIC	—	—
Closing balance of fund with LIC	—	—

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

Particulars	31.03.2009	31.03.2008
Government of India Securities	—	—
High quality corporate bonds	—	—
Equity shares of listed companies	—	—
Property	—	—
Policy of insurance	—	—
Bank Balance	—	—

f) **Details of Principal actuarial assumptions at the balance sheet date in respect of Gratuity (expressed as weighted averages):**

Particulars	31.03.2009	31.03.2008
Discount rate as on 31-03-2009	8.00%	8.50%
Expected return on plan assets at 31-03-2009	—	—
Proportion of employees opting for early retirement	—	—
Annual increase in Salary costs	6.00%	6.50%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## g) Details of Defined benefit pension plans for the current and previous periods are as follows:

Particulars	31.03.2009	31.03.2008
Defined Benefit Obligation	5,068,460	3,506,755
Plan assets	—	—
Surplus / (deficit)	(5,068,460)	(3,506,755)
Experience adjustments on plan liabilities	Nil	Nil
Experience adjustments on plan assets	Nil	Nil

## 21. Earning per Share

Particular	Unit	31.03.2009	31.03.2008
Numerator used for calculating Basic and Diluted Earning per Share (Profit after Tax)	Rs.	(14021842)	64915293
Weighted average No. of shares used as denominator for calculating Basic and Diluted	No. of Shares	455490564	377574709
Nominal Value of Share	Rs.	1	1
<b>Basic and Diluted Earning per Share</b>	Rs.	<b>(0.03)</b>	0.17

## 22. Information relating to Deferred Tax

Particulars	31.03.2009	31.03.2008
(Rs. in Lacs)		
<b>Deferred Tax Assets arising out of timing difference relating to:</b>		
- Disallowance under Income Tax Act, 1961	41.70	14.19
- Amount allowable under provisions of the Income Tax Act, 1961 in subsequent years	Nil	Nil
<b>Total Deferred Tax Assets</b>	<b>41.70</b>	<b>14.19</b>
<b>Deferred Tax Liability arising out of timing difference relating to:</b>		
- Difference of Depreciation as per Tax provisions and Company Law	1585.91	1580.17
<b>Total Deferred Tax Liability</b>	<b>1585.91</b>	<b>1580.17</b>
<b>Net Deferred Tax Liability</b>	<b>1544.21</b>	<b>1565.98</b>

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

24. Additional information pursuant to the provisions of paragraph 3 and 4 of part-II and part-IV of Schedule VI of the Companies Act, 1956 for the period ended on 31st March, 2009.

## (a) Licensed &amp; Installed capacity

Particulars	Unit of Measurement	Licensed capacity	Installed capacity In mtr. (Annualized)	
			31.03.2009	31.03.2008
Denim and Grey Fabrics	Mtrs.	N.A.	42000000	42000000
Spinning	Kgs.	N.A.	14400000	14400000
Garment	Nos.	N.A.	540000	540000

**(b) Opening Stock & Closing Stock of Finished Goods:**

Particulars	Unit	Opening Stock				Closing Stock			
		Quantity		Value Rs.		Quantity		Value Rs.	
		31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
Grey & Dyed Fabrics	Mtrs.	328423	721818	13891996	33583705	170018	328423	7800715	13891996
Denim	Mtrs.	996958	1448507	65060212	87951055	703738	996958	45957056	65060212
Fabrics	Mtrs.	3166635	2644213	83017170	61213524	1517702	3166635	48862061	83017170
Garment	Nos.	15557	260	1899905	28270	43631	15557	5841810	1899905
Knitted Fabrics	Kgs.	659	Nil	115885	Nil	Nil	659	Nil	115885
Printed Fabrics	Mtrs.	125033	Nil	3253188	Nil	326854	125033	8981689	3253188
Others		—	—	418961	Nil	—	—	2147553	418961
Total...		—	—	167657317	182776554	—	—	119590884	167657317

**(c) Production meant for Sale:**

Particulars	Units	Actual production	
		31.03.2009	31.03.2008
Grey & Dyed Fabrics	Mtrs.	4703704	2687590
Denim	Mtrs.	27487381@	22934046@
Garment	Nos.	224699	151954

@ Production includes 232452 Mtrs. (Previous Year 249817 Mtrs.) of goods issued in producing the Garments.

Note: Production of Yarn in spinning units is done only for captive consumption.

**(d) Purchase of Finished Goods:**

Particulars	Unit	Quantity		Amount Rs.	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008
Fabrics	Mtrs.	6937368	10911325	219585810	327025859
Knitted Fabrics	Kgs.	92470	1004652	9574190	85323706
Printed Fabrics	Mtrs.	12235559	12875086	328856460	318921472
Others		—	—	21023217	Nil
Total . . .		—	—	579039677	731271037

**(e) Turnover**

Particulars	Unit	Quantity		Amount Rs.	
		31.03.09	31.03.08	31.03.09	31.03.08
Grey & Dyed Fabrics	Mtrs.	4862109	3080985	263485053	130619633
Denim	Mtrs.	27548149	23135778	2160752755	1763455222
Fabrics	Mtrs.	8586301	10728463	254050461	368001807
Knitted Fabrics	Kgs.	93129	664433	9694176	95119698
Garment	Nos.	196625	136657	37739822	9603196
Printed Fabrics	Mtrs.	12033738	12750053	348636569	328835665
Others		—	—	75798539	114561944
Total . . .		—	—	3150157375	2830197165

**(f) Raw material consumed**

Particulars	Unit	Quantity		Value (Rs.)	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008
Yarn	Kgs.	5014410	8534479	419198518	759939071
Cotton	Kgs.	14604279	10371018	828464824	543434971
Other raw materials		—	—	156574780	159241423
Total . . .		—	—	1404238122	1462615465

**(g) Value of Imported & Indigenous Raw Materials, Stores, Components & Spares parts consumed**

	Raw Materials				Components & Spare Parts			
	%		Value (Rs.)		%		Value (Rs.)	
	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
i. Imported	3.90	1.98	54825318	29019050	Nil	Nil	Nil	Nil
ii. Indigenous	96.10	98.02	1349412804	1433596415	100	100	22123450	21166284
Total . . .	100	100	1404238122	1462615465	100	100	22123450	21166284

**(h) C.I.F. Value of Imports:**

Particulars	Amount Rs.	
	31.03.2009	31.03.2008
Raw Materials	54825318	29019050
Trading Goods	Nil	Nil
Capital Goods	135679285	249213421

**(i) Expenditure In Foreign Currency**

Particulars	Amount Rs.	
	31.03.2009	31.03.2008
i. Traveling Expenses	2125858	356756
ii. Foreign Bank Charges	2613036	5599088
iii. Commission paid	15601907	5788432
iv. Interest on Buyer's Credit	21642268	17322078

**(j) Earning In Foreign Currencies**

Particulars	Amount Rs.	
	31.03.2009	31.03.2008
FOB Value of Export Goods	597767545	492415740

Note: Previous year's figures have been shown in brackets.

Signature to Schedules "1" to "21"

As per our report of even date

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

**J.T. SHAH**  
Partner

Place : Ahmedabad  
Date : 31/07/2009

For and on behalf of the Board

**Vedprakash D. Chiripal** Chairman

**Brijmohan D. Chiripal** Managing Director

Place : Ahmedabad  
Date : 31/07/2009

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**I. Registration Details**

State Code	04	Registration No.	22719
Balance Sheet Date	31st March, 2009	CIN	L51909GJ1994PLC022719

**II. Capital raised during the year (Amount in Rs.)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement (Including Premium)	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs.)**

Total Liabilities	Rs.4,00,03,44,837/-	Total Assets	Rs.4,00,03,44,837/-
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**SOURCES OF FUNDS**

Paid up Capital	Rs.45,54,90,564/-	Reserves & Surplus	Rs.70,96,28,780/-
Secured Loans	Rs.2,36,96,14,076/-	Unsecured Loans	Rs.31,11,89,932/-
Deferred Tax Liability	Rs.15,44,21,486/-		

**APPLICATION OF FUNDS**

Net Fixed Assets	Rs.2,47,13,71,258/-	Investments	Rs. 3,36,13,640/-
Net Current Assets	Rs.1,49,53,59,939/-	Miscellaneous Expenditures	Rs.Nil
Accumulated Losses	Rs. NIL		

**IV. Performance of the Company (Amount in Rs.)**

Turnover	Rs.3,21,44,04,275/-	Total Expenditure	Rs.3,00,96,48,759/-
Profit(+) / Loss(-) before Tax	Rs. (1,03,86,953)/-	Profit(+)/Loss(-) after Tax	Rs. (1,40,21,842)/-
Earning per Share (in Rs.)	Rs. (0.03)		

**V. Generic Names of Three Principal Products / Services of the Company (as per Monetary Terms)**

Item Code No.	521142.00
Product Description	Denim
Item Code No.	520942.00
Product Description	Cotton Grey Fabric / Blended Fabrics
Item Code No.	2351
Product Description	Cotton Yarn
Item Code No.	2352
Product Description	Denim Fabrics
Item Code No.	2650
	Ready Made Garments

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For and on behalf of the Board

**Vedprakash D. Chiripal** *Chairman*

**Brijmohan D. Chiripal** *Managing Director*

Place : Ahmedabad

Date : 31/07/2009

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

Particulars	2008-2009 (Rs.)	2007-2008 (Rs.)
<b>A. Cash flow from Operating Activities</b>		
Net Profit After Tax	(14,021,842)	64,915,294
Adjustment for :		
Depreciation	220,785,860	162,831,201
Interest and Finance Charges	256,797,675	148,092,140
Loss on Sale of Asset	70,817	Nil
Preliminary Expenses written off	Nil	112,350
Provision for taxation	(126,498)	57,124,791
Provision for Doubtful Debt	1,231,007	Nil
Diminution in value of Investment	Nil	28,689,600
Loss due to Fire	6,625,485	Nil
Dividend Received	(20,000)	Nil
	<b>485,364,346</b>	<b>396,850,082</b>
Operating Profit Before Working Capital Changes	<b>471,342,504</b>	<b>461,765,376</b>
Adjustment for :		
Sundry Debtors	(299,567,376)	(36,343,789)
Inventories	163,080,614	(299,577,433)
Loans and Advances	44,314,593	(270,033,808)
Current Liabilities	134,183,309	80,035,188
	<b>42,011,140</b>	<b>(525,919,841)</b>
<b>Cash Generation from Operations</b>	<b>513,353,644</b>	<b>(64,154,465)</b>
Income Tax Paid	(14,053,539)	(17,250,870)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>499,300,105</b>	<b>(81,405,335)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets (Incl. WIP)	(409,904,023)	(848,963,122)
Purchase of Investments	Nil	Nil
Sale of Investments / Fixed Assets	10,312,369	Nil
Dividend received	20,000	Nil
<b>NET CASH USED IN INVESTMENT ACTIVITIES</b>	<b>(399,571,654)</b>	<b>(848,963,122)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Issue of Shares	Nil	455,490,564
Increase in Secured Loan Borrowing	376,754,368	1,098,424,743
Repayment of Secured Loan Borrowing	(230,574,689)	(67,493,000)
Increase in Unsecured Loan Borrowing	231,214,707	616,207,496
Repayment of Unsecured Loan Borrowing	(401,984,145)	(947,125,051)
Share Issue / Preliminary Expenses Incurred	Nil	(8,060,419)
Interest paid	(259,836,127)	(146,258,682)
Dividend and tax on dividend paid	(27,435)	(146,822)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(284,453,321)</b>	<b>1,001,038,829</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	(184,724,870)	70,670,372
Opening Balance of Cash and Bank	210,660,338	139,989,966
Closing Balance of Cash and Bank	25,935,468	210,660,338

**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.
- => Cash and Cash equivalents at the end includes Rs. 18499100/- (Previous Year Rs.142894135/-) in respect of Fixed Deposit pledged with the Banks which are not available for use by the company.

As per our report of even date

For and on behalf of the Board

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

**Vedprakash D. Chiripal** Chairman

**J.T. SHAH**  
Partner

**Brijmohan D. Chiripal** Managing Director

Place : Ahmedabad  
Date : 31/07/2009

Place : Ahmedabad  
Date : 31/07/2009



**NANDAN EXIM LIMITED**

Regd Office:Survey No.198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad - 382 405

**ATTENDANCE SLIP**

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id\* : \_\_\_\_\_ Master Folio No. : \_\_\_\_\_

ClientId\* : \_\_\_\_\_

Name and Address of the Shareholder : \_\_\_\_\_  
\_\_\_\_\_

No. of Shares (s) held : \_\_\_\_\_

I/We hereby record my/our presence at the **15th ANNUAL GENERAL MEETING** of the Company to be held on Friday, 25th September, 2009 at 3.30 P.M. at Survey No. 198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad - 382 405

\_\_\_\_\_  
Signature of the shareholder or proxy  
Applicable for investors holding shares in electronic form.

**NANDAN EXIM LIMITED**

Regd Office:Survey No.198/1, 203/2, Saijpur-Gopalpur, Pirana Road, Piplej, Ahmedabad - 382 405

**PROXY FORM**

I/We, \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being a member/members of Nandan Exim Limited hereby appoint  
\_\_\_\_\_ of \_\_\_\_\_ or  
falling him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to  
vote for me/us and on my/our behalf at the **15th ANNUAL GENERAL MEETING** of the Company to be held on Friday, 25th  
September, 2009 at 3.30 P.M. or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

- Applicable for investors holding shares in electronic form.



**NOTE :**

- (1) The proxy in or to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- (2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.

**BOOK-POST**

To,

*If undelivered, please return to :*



**NANDAN EXIM LIMITED**

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

Shivranjani Cross Roads, Satellite Road, Ahmedabad - 380015.

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

Ganapati, (079) 26568111, 30024853